

CARDIFF SCHOOL DISTRICT
1888 Montgomery Avenue, Cardiff-by-the-Sea, California

REGULAR/ORGANIZATIONAL MEETING OF THE GOVERNING BOARD

AGENDA

**THURSDAY, DECEMBER 13, 2018 • 5:00 PM • PUBLIC MEETING
CARDIFF SCHOOL AUDITORIUM
1888 MONTGOMERY AVENUE • CARDIFF-BY-THE-SEA, CA 92007**

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the board meeting are available for inspection at the Cardiff School District, 1888 Montgomery Avenue, Cardiff.

In compliance with the American with Disabilities Act, if you need special assistance, disability-related modifications, including auxiliary aids or services, in order to participate in the public meeting of the district's governing board, please contact the office of the District Superintendent by sending a written request to the District Office at 1888 Montgomery Avenue, Cardiff-by-the-Sea, California, or by faxing the request to (760) 942-5831. Notification by letter or fax 72 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the district shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.

I. ORGANIZATIONAL ITEMS

Exhibit

- A. Call to order
- B. Pledge of allegiance
- C. Roll call
 - Ms. Siena Randall
 - Mr. David Ross
 - Ms. Nancy Orr
 - Mr. Dave Clark
 - Mr. Mark Whitehouse
 - Ms. Jill Vinson, Superintendent

D. Conduct Annual Organizational Meeting of the Board

- 1. Administer Oath of Allegiance to elected Trustees
- 2. Election of President of the Board
 - NEW PRESIDENT PRESIDES**
- 3. Election of Clerk of the Board
- 4. Appointment of Superintendent as Secretary to the Board
- 5. Appointment of representative to the Trustee Review Committee of the North Coastal Consortium for Special Education
- 6. Appointment of representative to the City of Encinitas School District Liaison Committee
- 7. Establish dates, time and place of Regular Meetings of the Governing Board

- E. Approval of agenda for December 13, 2018
 - All items are action unless labeled information***

- E. Approve minutes from the regular meeting of November 8, 2018 **A**

II. HEARING SESSION

- A. Public Comments *(The purpose of the Board meeting is to conduct the School Board's business in public. The Board welcomes and encourages public comments however Board members may not respond to comments during the public comment portion of the agenda. Any member of the public who wishes to address the Board on an item on the agenda or on another topic which lies within the governing board's jurisdiction may do so, but must present a written request. Please hand your form to the secretary before the meeting. Presentations are limited to 3 minutes per person per topic. The total amount of time to be allowed on any item is twenty minutes, unless the time limit is waived by a majority vote of the Board. The Board may 1) acknowledge receipt of the information; 2) refer to staff for further study; or 3) refer the matter to a future agenda).*
- B. Cardiff Elementary Teachers Association
- C. ELAC/DELAC
- D. School Site Council
- E. Cardiff SEA
- F. School Reports
- G. Reports on Workshops/Conferences
- H. Superintendent's Report

III. CONSENT CALENDAR

Unless members of the Board request specific items to be discussed or pulled from the Consent Calendar, the items are approved at one time by the Governing Board.

- A. Approval of Current Business Items:
1. Purchase Orders
 2. Commercial Warrants #14-471664 to #14-480542 \$99,700 **B**
 3. Payroll Warrants, November, 2018, \$647,142
- B. Approve Agreement for deposit of monies between Mission Federal Credit Union and Cardiff School District **C**
- C. Enrollment report as of 12/05/18 **D**
- D. Approve personnel report for 12/13/18 **E**
- E. Removal of items from Consent Calendar
- F. Approval of Consent Calendar

IV. GENERAL FUNCTIONS

- A. G.O. Bond Presentation **(information)**
- B. Approve Resolution Authorizing the Issuance and Sale of General Obligation Bonds, Election of 2106, Series B, in the Principal Amount of Not to Exceed \$8,000,000 **F**

V. FACILITIES

- A. Bond Implementation Update (***Information***)

VI. BUSINESS AND FINANCE

- A. Review and Accept Annual Audit Report Ending June 30, 2018 ***G***
- B. Approve budget changes through 10/31/18 ***H***
- C. Authorize District Certification of First Interim Budget State Report for period ending October 31, 2018 ***I***
- D. Review and approve 2019-20 budget assumptions ***J***

VII. FUTURE AGENDA ITEMS

VIII. ANNOUNCEMENT: ADJOURNING TO CLOSED SESSION

- A. Conference with the District's labor negotiator, Jill Vinson, regarding negotiations with the Cardiff Elementary Teachers Association– Government Code Section 54957.6
- B. Public Employment Evaluation
Position: Superintendent

IX. REPORT FROM CLOSED SESSION (If applicable)

X. ADJOURNMENT OF MEETING

CARDIFF SCHOOL DISTRICT
1888 Montgomery Avenue
Cardiff-by-the-Sea, California 92007

MINUTES
REGULAR MINUTES OF NOVEMBER 8, 2018

The regular meeting of the Governing Board of the Cardiff School District was held on Thursday, November 8, 2018 at the Cardiff School, 1888 Montgomery Avenue, Cardiff-by-the-Sea, California. President Randall called the meeting to order at 5:01 p.m. Trustees and visitors were led in the pledge of allegiance. Trustee Whitehouse arrived ten minutes late.

Members present: Clark, Orr, Randall, Ross, Whitehouse

Members absent: None

Administrators
present: Parker, Scheftner, Vinson

Visitors: Trish d'Entremont, CETA
Adam Sweet, SEA

The agenda for November 8, 2018 was approved as presented.

MOTION: Orr
SECOND: Ross
AYES: Clark, Orr, Randall, Ross
NOES: 0
ABSENT: 0

The minutes from the regular meeting of October 11, 2018 were approved as written.

MOTION: Clark
SECOND: Orr
AYES: Clark, Randall, Ross
NOES: 0
ABSENT: 0

Hearing Session:

- Trish d'Entremont reported the negotiations team is doing a really good job reaching out and communicating information from the meetings. She also thanked SEA for providing snacks during parent conference week.
- Janelle Scheftner reported the LPAC and CAASPP scores were reviewed at the ELAC/DELAC meeting on October 18th.

Hearing Session continued:

- Julie Parker reported School Site Council's meeting was an orientation meeting for the new members.
- Adam Sweet reported the first annual Monster Dash was a big success. About \$20,000 was raised. The Thanksgiving food drive is underway. The shopify account featuring Cardiff gear is accessible. Volunteers will be providing snacks at both schools during the parent conference week.
- Principal Parker said she appreciates the teachers' hard work in preparation for parent conferences.
- Principal Scheftner said students are excited to showcase their work for the parents. The band is getting ready for their participation in the Holiday Parade coming up in December as well as the Winter Concert thereafter.
- Superintendent Vinson reported Cardiff hosted the Schools for Sound Finance (SF2) Fall Regional meeting on October 23rd. She informed Trustees that District leadership is looking at construction phasing logistics regarding staffing to make sure staff are informed as early as possible. Ms. Vinson told the Board she was invited and attended the Skyline School ribbon cutting ceremony. It was nice to tour the new school and get some ideas.

The consent calendar was approved as presented.

MOTION: Orr
SECOND: Clark
AYES: Clark, Randall, Ross, Whitehouse
NOES: 0
ABSENT: 0

Julie Parker presented an overview of the four Local Indicators for the California School Dashboard.

The October Manual Maintenance Policy revisions were reviewed and approved.

MOTION: Ross
SECOND: Orr
AYES: Clark, Randall, Ross, Whitehouse
NOES: 0
ABSENT: 0

Randy Peterson, Bond Program Manager, reported on the updated cost estimate summary and construction phasing schedule. Recent cost estimates confirmed that our region has experienced high cost escalation in 2018 directly due to the tariffs on steel and aluminum and indirectly due to tariffs on other products and materials. Costs have also escalated in large part due to increased labor expenses and premium pricing by sub-contractors because the construction industry is exceptionally busy at this time, especially in the school market.

It is important to note that the District has already locked McCarthy into a contract with a fee that was negotiated last year and it does not allow any increase to their fee. During the Design Development phase we discovered the need for additional site utility work and increased drainage requirements from the City that increased site development costs substantially. As a way to respond to the cost increases and be responsible to maintaining the budget, the Bond Implementation Team has recommended the Master Plan be implemented in 3 phases rather than two. Phase three will be implemented as needs arise and funds become available. Mr. Peterson also provided an update on the Draft Environmental Impact Report process that was released for a forty-five day review on October 5, 2018. The report is available online through the District's website as well as hard copies being located at the District Office and Cardiff Library. The window for comments closes on November 19th at 4:00 p.m. At the conclusion of this review period for comments, including identifying the individuals and/or agencies making the comments, are documented and published in the final EIR. Any environmental issues identified are addressed, as appropriate, and based on their impact to the environment. That information will be included in the final EIR that will be provided to the District, as the lead agency, to adopt. Mr. Peterson reported the District continues to work closely with the Office of Grants and Local Services on the conversion process in order to regain compliance with the Land and Water Conservation grant funds agreement.

The Chief Business Officer reviewed the Measure GG Expense report through September 30, 2018.

There being no other regular business to come before the Board, the meeting was adjourned to closed session at 5:45 p.m. The meeting was reconvened at 6:40 p.m. President Randall reported that no action was taken during the closed session. There being no other business to come before the Board, the meeting was adjourned at 6:40 p.m.

Respectfully submitted,

David Ross, Clerk

Jill Vinson, Superintendent

NOVEMBER 2018 PO LISTING

[illegible]

NON-INSTRUCTIONAL SUPPLIES

[illegible]

4000 (SUPPLIES) TOTALS: BALANCE: 244,714 ACCUMULATED BALANCE: 166,042 REMAING BALANCE: 78,672

UTILITIES

2168	11/6/18	EDCO WASTE & RECYCLING SERVICE	0100	0000000	0000	8200	5500002	111	Services for October	\$	482.13
2168	11/6/18	EDCO WASTE & RECYCLING SERVICE	0100	0000000	0000	8200	5500002	222	Services for October	\$	482.13
2170	11/7/18	SAN DIEGUITO WATER DISTRICT	0100	0000000	0000	8200	5500003	111	Services for October	\$	1,807.62
	11/14/18	AT&T	0100	0000000	0000	7200	5900001	000	Services for October	\$	1,223.72
2162	11/16/18	SAN DIEGO GAS & ELECTRIC	0100	0000000	0000	8200	5500001	222	Services for October	\$	3,281.38
2162	11/16/18	SAN DIEGO GAS & ELECTRIC	0100	0000000	0000	8200	5500001	111	Services for October	\$	5,534.77
2162	11/16/18	SAN DIEGO GAS & ELECTRIC	0100	0000000	0000	8200	5500001	222	Services for October	\$	148.35
2162	11/16/18	SAN DIEGO GAS & ELECTRIC	0100	0000000	0000	8200	5500001	222	Services for October	\$	272.84
2162	11/16/18	SAN DIEGO GAS & ELECTRIC	0100	0000000	0000	8200	5500001	222	Services for October	\$	43.86
	11/16/18	AT&T	0100	0000000	0000	7200	5900001	000	Services for October	\$	392.62
	11/16/18	AT&T	0100	0000000	0000	7200	5900001	000	Services for October	\$	36.93
	11/21/18	AT&T	0100	0000000	0000	7200	5900001	000	Services for October	\$	19.08

\$ 13,725.43

5000	(SERVICES)	TOTALS:	BALANCE: 880,986	ACCUMULATED BALANCE: 617,195	REMAING BALANCE: 263,791
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\$ 41,423.95

Cardiff School District
Cardiff by the Sea, California 92007

December 13, 2018

ITEM: **APPROVE AGREEMENT FOR DEPOSIT OF MONIES BETWEEN
MISSION FEDERAL CREDIT UNION AND CARDIFF SCHOOL
DISTRICT**

BACKGROUND

Mission Federal Credit Union requires that school districts have a contract for deposit of monies on file for compliance and protection. It requires that Mission Fed collateralize any deposits not insured by the NCUA.

FINANCIAL IMPLICATIONS

There are no financial implications.

CURRENT CONSIDERATIONS

It is recommended that the Board approve the contract for deposit of monies between Mission Federal Credit Union and Cardiff School District.

CARDIFF SCHOOL DISTRICT

Enrollment Form
December 5, 2018

CARDIFF BOYS GIRLS

K Bjorstad	<u>10</u>	<u>10</u>	20
K Glass	<u>10</u>	<u>10</u>	20
K McNamara	<u>11</u>	<u>9</u>	20
K Paccione	<u>12</u>	<u>8</u>	20
K Stone	<u>10</u>	<u>10</u>	20
			TOT K <u>100</u>

1 Easson	<u>11</u>	<u>10</u>	21
1 Kavan	<u>11</u>	<u>11</u>	22
1 Miller	<u>10</u>	<u>12</u>	22
1 Rector	<u>11</u>	<u>11</u>	22
1 Sallans	<u>10</u>	<u>12</u>	22
			TOT 1 <u>109</u>

2 Boyesen	<u>11</u>	<u>12</u>	23
2 Payte	<u>12</u>	<u>11</u>	23
2 Redding	<u>13</u>	<u>9</u>	22
2 Pacetti/Paz	<u>13</u>	<u>10</u>	23
			TOT 2 <u>91</u>

3 Hamilton	<u>12</u>	<u>9</u>	21
3 Doui/Stuart	<u>11</u>	<u>9</u>	20
			TOT 3 <u>43</u>

Wilson	<u>0</u>	<u>0</u>	TOT <u>0</u>
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Subtotal	<u>178</u>	<u>163</u>	
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SCHOOL TOTAL	<u>341</u>		
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DISTRICT TOTAL	<u>696</u>		
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ADA HARRIS BOYS GIRLS

3 Herrman	<u>9</u>	<u>11</u>	20
3 Murray	<u>11</u>	<u>10</u>	21
3 Switzler	<u>10</u>	<u>9</u>	19
			TOT 3 <u>60</u>

4 Green	<u>12</u>	<u>9</u>	21
4 Mihaly	<u>10</u>	<u>11</u>	21
4 Price	<u>11</u>	<u>10</u>	21
4 Trees	<u>12</u>	<u>8</u>	20
			TOT 4 <u>83</u>

5 Cataldo	<u>8</u>	<u>12</u>	20
5 d'Entremont	<u>9</u>	<u>11</u>	20
5 Ensberg	<u>10</u>	<u>13</u>	23
5 Yant	<u>9</u>	<u>13</u>	22
			TOT 5 <u>85</u>

6 Brice	<u>10</u>	<u>11</u>	21
6 Jewell	<u>14</u>	<u>11</u>	25
6 Nguyen	<u>13</u>	<u>12</u>	25
6 Therriault	<u>13</u>	<u>11</u>	24
6 Tiersma	<u>13</u>	<u>12</u>	25
			TOT 6 <u>120</u>

Carruthers	<u>1</u>	<u>6</u>	TOT <u>7</u>
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Subtotal	<u>175</u>	<u>180</u>	
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SCHOOL TOTAL	<u>355</u>		
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CARDIFF SCHOOL DISTRICT
1888 Montgomery Avenue
Cardiff-by-the-Sea, CA 92007

December 13, 2018

<u>NAME</u>	<u>POSITION</u>	<u>EFFECTIVE DATE</u>
Emma Washburn	Extended Day Aide	11/07/18 (PT, Range 8, Step 2)
Suzanne Hagen	Library Aide, CS	11/08/18 (PT, Range 20, Step 6)

Exhibit E

CARDIFF SCHOOL DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES B, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000

WHEREAS, the Cardiff School District (the "District") is a school district located within the County of San Diego (the "County"), State of California (the "State"), and is organized and operating pursuant to the Constitution and laws of the State; and

WHEREAS, an election was duly and regularly held in the District on November 8, 2016, in accordance with Section 1(b)(3) of Article XIII A of the California Constitution, for the purpose of submitting Measure GG (the "Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$22,000,000 (the "Bonds"), and more than 55% of the votes cast were in favor of the issuance of the Bonds; and

WHEREAS, the abbreviated form of the Bond Measure is:

"To improve the quality of education with local funding that cannot be taken by the State; modernize/construct classrooms, restrooms and school facilities; repair/replace roofs; renovate deteriorating plumbing and sewer systems; upgrade inadequate electrical systems; make health, safety, and energy efficiency improvements; and replace portables with permanent classrooms; shall Cardiff Elementary School District issue \$22 million of bonds at legal interest rates, have an independent citizens' oversight committee, and have NO money used for administrative or teacher salaries?"

WHEREAS, the Board of Trustees of the District is authorized to provide for the issuance and sale of any series of Bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, on March 9, 2017, the District issued its \$14,000,000 aggregate principal amount of General Obligation Bonds Election of 2016, Series A, pursuant to the authorization of the Bond Measure and the Bond Law; and

WHEREAS, the Board of Trustees wishes to initiate proceedings for the issuance of a second series of Bonds under the Bond Law, designated the Cardiff School District (San Diego County, California) General Obligation Bonds, Election of 2016, Series B, in the aggregate principal amount of not to exceed \$8,000,000 (the "Series B Bonds") as provided in this Resolution; and

WHEREAS, in accordance with Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix B hereto; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Cardiff School District as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

“Board” means the Board of Trustees of the District.

“Bond Counsel” means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Law” means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, as in effect on the date of adoption hereof and as amended hereafter.

“Bond Measure” means the measure submitted to, and approved by more than 55% of, the voters of the District at an election held on November 8, 2016, authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$22,000,000, designated Measure GG.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the District and the Underwriter, under which the Underwriter agrees to purchase the Series B Bonds and pay the purchase price, which is approved by the Board relating to the negotiated sale of the Series B Bonds.

“Building Fund” means the fund established and held by the County with respect to the Series B Bonds under Section 3.03 hereof.

“Closing Date” means the date upon which there is a delivery of the Series B Bonds in exchange for the amount representing the purchase price of the Series B Bonds by the Original Purchaser.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate with respect to the Series B Bonds which is executed and delivered by a District Representative on the Closing Date.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Series B Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees and any other cost, charge or fee in connection with the original issuance and sale of the Series B Bonds.

“County” means the County of San Diego, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Controller" means the Controller of the County, or any authorized deputy thereof.

"County Treasurer" means the Treasurer-Tax Collector of the County, or any authorized deputy thereof.

"Debt Service Fund" means the fund established and held by the County under Section 4.02.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the Cardiff School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the Superintendent or Chief Business Officer of the District, or any other person authorized by resolution of the Board of Trustees of the District to act on behalf of the District with respect to this Resolution and the Series B Bonds.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Education Code" means the Education Code of the State of California as in effect on the date of adoption hereof and as amended hereafter.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

"Interest Payment Dates" means February 1 and August 1 in each year during the term of such Series B Bond.

"Official Notice of Sale" means the Official Notice of Sale which is approved by the Board relating to the competitive public sale of the Series B Bonds.

"Outstanding," when used as of any particular time with reference to Series B Bonds, means all Series B Bonds except (a) Series B Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation, (b) Series B Bonds paid or deemed to have been paid within the meaning of Section 9.02 and (c) Series B Bonds in lieu of or in substitution for which other Series B Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

"Original Purchaser" means the original purchaser of the Series B Bonds upon the competitive public sale thereof.

"Owner," whenever used herein with respect to a Series B Bond, means the person in whose name the ownership of such Series B Bond is registered on the Registration Books.

"Paying Agent" means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Series B Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"Principal Office" means the office or offices of the Paying Agent for the payment of the Series B Bonds and the administration of its duties hereunder, as such office or offices are identified in a written notice filed with the District by the Paying Agent.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and transfer of the Series B Bonds under Section 2.08.

"Resolution" means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Series B Bonds" means the not to exceed \$8,000,000 aggregate principal amount of Cardiff School District (San Diego County, California) General Obligation Bonds, Election of 2016, Series B issued and at any time Outstanding under this Resolution.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Underwriter" means the original purchaser of the Series B Bonds upon the negotiated sale thereof, to be selected by a District Representative.

"Written Request of the District" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District under a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series B Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series B Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE SERIES B BONDS

SECTION 2.01. *Authorization.* The Board hereby authorizes the issuance of the Series B Bonds in the aggregate principal amount not to exceed \$8,000,000 under and subject to the terms of the Bond Law and this Resolution, for the purpose of raising money to finance school facilities in accordance with the Bond Measure and to pay Costs of Issuance. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Series B Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and interest and premium, if any, on all Series B Bonds which may be Outstanding hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Series B Bonds shall be designated the "Cardiff School District (San Diego County, California) General Obligation Bonds, Election of 2016, Series."

SECTION 2.02. *Terms of Series B Bonds.*

(a) Form; Numbering. The Series B Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. The Series B Bonds shall be lettered and numbered as prescribed by the Paying Agent.

(b) Date of Series B Bonds. The Series B Bonds shall be dated as of the Closing Date.

(c) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Series B Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series B Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Original Purchaser to accept delivery of and pay for the Series B Bonds. In addition, failure on the part of the District to use CUSIP numbers in any notice to Owners of the Series B Bonds will not constitute an event of

default or any violation of the District's contract with the Owners and will not impair the effectiveness of any such notice.

(d) Maturities: Interest. The Series B Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) on the dates and in the amounts to be determined upon the sale of the Series B Bonds and as shall be set forth in the Official Notice of Sale or the Bond Purchase Agreement, as applicable. The final maturity date of the Series B Bonds shall not exceed 40 years from the date of issuance thereof (subject to subsection (g) below). Interest on the Series B Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Each Series B Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if at the time of authentication of a Series B Bond, interest is in default thereon, such Series B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Payment. Interest on the Series B Bonds (including the final interest payment upon maturity or redemption) is payable by check of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series B Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series B Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of the Series B Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

(f) Provisions of Official Notice of Sale or Bond Purchase Agreement to Control. Notwithstanding the foregoing provisions of this Section 2.02 and the following provisions of Section 2.03, any of the terms of the Series B Bonds may be established or modified under the Official Notice of Sale or Bond Purchase Agreement, as applicable. In the event of a conflict or inconsistency between this Resolution and the Official Notice of Sale or Bond Purchase Agreement relating to the terms of the Series B Bonds, the provisions of the Official Notice of Sale or Bond Purchase Agreement, as applicable, shall be controlling.

SECTION 2.03. *Redemption.*

(a) Optional Redemption Dates and Prices. The Series B Bonds shall be subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, the dates and at the redemption prices which are set forth in the Official Notice of Sale or Bond Purchase Agreement, as applicable.

(b) Mandatory Sinking Fund Redemption. If, and as specified in the winning bid for the Series B Bonds, any maturity of Series B Bonds will be designated as "Term Bonds" which are subject to mandatory sinking fund redemption on August 1 in each of the years set forth and in the respective principal amounts set forth in the winning bid, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of such Term Bonds have been redeemed under the preceding subsection (a) of this Section, the aggregate principal amount of such Term Bonds to be redeemed in each year under this subsection (b) will be reduced on a pro rata basis in integral multiples of \$5,000, or as otherwise designated in a Written Request of the District filed with the Paying Agent.

(c) Selection of Series B Bonds for Redemption. Whenever less than all of the Outstanding Series B Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series B Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series B Bond will be deemed to consist of individual bonds of \$5,000 principal amount each, which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed, by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Series B Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Series B Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least two days prior to such mailing to the Series B Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series B Bonds are to be called for redemption, shall designate the serial numbers of the Series B Bonds to be redeemed by giving the individual number of each Series B Bond or by stating that all Series B Bonds between two stated numbers, both inclusive, or by stating that all of the Series B Bonds of one or more maturities have been called for redemption, and shall require that such Series B Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series B Bonds will not accrue from and after the redemption date.

Upon surrender of Series B Bonds redeemed in part only, the District will execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Series B Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series B Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series B Bonds so called for redemption have been duly provided, the Series B Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption

price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Series B Bonds redeemed under this Section 2.03 and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Series B Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series B Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Series B Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under subsection (d) of this Section.

SECTION 2.04. *Form of Series B Bonds.* The Series B Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon will be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Appendix A attached hereto.

SECTION 2.05. *Execution of Series B Bonds.* The Series B Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Secretary to the Board, and the seal of the Board shall be reproduced thereon. No Series B Bond is valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series B Bond is signed by the Paying Agent as authenticating agent.

The Series B Bonds shall be in substantially the form attached hereto as Appendix A and incorporated herein by this reference, allowing those officials executing the Series B Bonds to make the insertions and deletions necessary to conform the Series B Bonds to this Resolution and the Official Notice of Sale or Bond Purchase Agreement, as applicable.

Only those Series B Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, are valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Series B Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of Series B Bonds.* Any Series B Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series B Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Series B Bond issued upon any transfer.

Whenever any Series B Bond or Bonds is surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Series B Bond or Bonds, for like aggregate principal amount. No transfer of Series B Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond which has been selected for redemption.

SECTION 2.07. *Exchange of Series B Bonds.* The Series B Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Series B Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Series B Bond issued upon any exchange (except in the case of any exchange of temporary Series B Bonds for definitive Series B Bonds). No exchange of Series B Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond after it has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Series B Bonds, which will at all times be open to inspection by the District upon reasonable notice. Upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer the ownership of the Series B Bonds on the Registration Books.

SECTION 2.09. *Book-Entry System.* Except as provided below, DTC shall be the Owner of all of the Series B Bonds, and the Series B Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Series B Bonds shall be initially executed and delivered in the form of a single fully registered Series B Bond for each maturity date of the Series B Bonds in the full aggregate principal amount of the Series B Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series B Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Series B Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Series B Bonds. The District shall cause to be paid all principal and interest with respect to the Series B Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series B Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series B Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series B Bonds and delivers a written certificate to DTC and the

District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Series B Bonds. In such event, the District shall issue, transfer and exchange Series B Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series B Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Series B Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series B Bonds evidencing the Series B Bonds to any Depository System Participant having Series B Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series B Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series B Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Series B Bond and all notices with respect to such Series B Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on or before the date of issuance of the Series B Bonds.

SECTION 2.10. *Transfer Under Book-Entry System: Discontinuation of Book-Entry System.* Registered ownership of the Series B Bonds, or any portion thereof, may not be transferred except as follows:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); *provided that* any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

ARTICLE III

SALE OF SERIES B BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Sale of Series B Bonds; Approval of Sale Documents.*

(a) Sale of the Series B Bonds. The Board hereby authorizes the sale of the Series B Bonds by competitive bid, or to the Underwriter to be selected by a District Representative. The Board hereby authorizes a District Representative to determine whether to sell the Series B Bonds pursuant to a competitive bidding process or negotiated sale. As required pursuant to Section 53509.5 of the Bond Law, after the sale of the Series B Bonds, the Board will present actual cost information of the sale at its next scheduled public meeting.

(b) Official Notice of Sale. The Board hereby authorizes the sale of the Series B Bonds by competitive bid in accordance with the provisions of the Official Notice of Sale for the Series B Bonds in substantially the form on file with the Clerk of the Board, together with such additions thereto and changes therein as may be approved by a District Representative. The true interest cost of the Series B Bonds shall not exceed 8% per annum.

(c) Publication of Notice of Intention to Sell Series B Bonds. Under Government Code Section 53692, the Board hereby approves and authorizes the publication by Jones Hall, A Professional Law Corporation, as Bond Counsel to the District, of a Notice of Intention to Sell Bonds in form and substance acceptable to Bond Counsel, in *The Bond Buyer* once at least 15 days prior to the date fixed for receipt of bids.

(d) Negotiated Sale of Series B Bonds. In accordance with Section 53508.9 of the Bond Law, the Board hereby expressly authorizes the sale of the Series B Bonds at negotiated sale if a District Representative determines the following: (a) a negotiated sale provides more flexibility to choose the time and date of the sale which is often advantageous in the municipal bond market; (b) the involvement of the Underwriter in preparing documents, rating agency presentations and structuring bonds generally enhances the quality and results of the bond offering; (c) a negotiated sale will permit the time schedule for the issuance and sale of the Series B Bonds to be expedited, if necessary; (d) a negotiated sale provides the District access to the Underwriter's trading desk for providing estimates of the cost of various bond structures (yields, discounts, premiums and maturities) for the purpose of evaluating alternative potential bond structures with the goal of producing the best match between District objectives and investor acceptance and demand; and (e) a negotiated sale provides time for underwriters to educate potential investors about the District and the Series B Bonds with the goal of maximizing investor orders and reducing interest cost on the day of bond pricing.

Pursuant to Section 53508.7 of the Bond Law, the Board hereby authorizes the negotiated sale of the Series B Bonds to the Underwriter. If sold by a negotiated sale, the Series B Bonds shall be sold pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery by a District Representative of the Bond Purchase Agreement, provided that the Bond Purchase Agreement shall contain the following terms:

- (i) the Series B Bonds shall bear a rate of interest of not to exceed 8 percent per annum and the final maturity shall not exceed the limits contained in the Bond Law;
- (ii) the Series B Bonds shall have a ratio of total debt service to principal of not to exceed four to one; and
- (iii) the Underwriter's discount for a negotiated sale shall not exceed 0.8% of the principal amount of the Series B Bonds.

The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the District.

(e) Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Series B Bonds in the form on file with the Clerk of the Board. A District Representative is hereby individually authorized, at the request of the Original Purchaser, to execute an appropriate certificate affirming the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by Isom Advisors, a Division of Urban Futures, Inc., as financial adviser to the District, to prospective bidders on the Series B Bonds is hereby approved. A District Representative is hereby individually authorized and directed to approve any changes in or additions to a Final Official Statement, and the execution thereof by such District Representative shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Original Purchaser. A District Representative shall execute the Final Official Statement in the name and on behalf of the District.

(f) Furnishing of Official Notice of Sale and Official Statement. The financial adviser to the District, Isom Advisors, a Division of Urban Futures, Inc. is hereby authorized and directed by the District to cause to be furnished to prospective bidders, in the event of a competitive sale of the Series B Bonds, a reasonable number of copies of the Official Notice of Sale and a reasonable number of copies of the Preliminary Official Statement relating to the Series B Bonds.

(g) Terms and Conditions of Competitive Sale. The terms and conditions of the offering and the sale of the Series B Bonds shall be as specified in the Official Notice of Sale. A District Representative, on behalf of the District, is hereby delegated the authority to accept the best responsible bid for the purchase of the Series B Bonds, determined in accordance with the Official Notice of Sale. If two or more bids setting

forth identical interest rates and premium, if any, are received, a District Representative, on behalf of the District, may exercise his or her own discretion and judgment in making the award and may award the Series B Bonds on a pro rata basis in such denominations as he or she shall determine, and may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. Sale of the Series B Bonds shall be awarded, or all bids shall be rejected, not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

(h) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series B Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

SECTION 3.02. *Application of Proceeds of Sale of Series B Bonds.* The proceeds of the Series B Bonds shall be paid to the County Treasurer on the Closing Date, and shall be applied by the County Treasurer as follows:

- (a) The County Treasurer shall deposit in the Debt Service Fund an amount equal to the premium (if any) received by the District on the sale of the Series B Bonds.
- (b) The County Treasurer shall deposit the remainder of such proceeds in the Building Fund.

SECTION 3.03. *Building Fund.* The County Controller shall create and maintain a fund known as the "Cardiff School District, Election of 2016 Series B Building Fund," into which the County Treasurer shall deposit the proceeds from the sale of the Series B Bonds, to the extent required under Section 3.02(b). The County Treasurer shall maintain separate accounting for the proceeds of the Series B Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the Series B Bonds shall be expended by the District solely for the financing of projects for which the Series B Bond proceeds are authorized to be expended under the Bond Measure, and for payment of Costs of Issuance to the extent not paid by the Original Purchaser. All interest and other gain arising from the investment of proceeds of the Series B Bonds shall be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Series B Bonds.

If excess amounts remain on deposit in the Building Fund after payment in full of the Series B Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Series B Bonds have been authorized or otherwise in accordance with the Bond Law.

SECTION 3.04. *Estimated Financing Costs.* The firm of Jones Hall, A Professional Law Corporation, is hereby designated to act as the District's bond counsel and disclosure counsel, and the firm of Isom Advisors, a Division of Urban Futures, Inc., is hereby designated to act as the District's financial advisor, in connection with the issuance and sale of the Series B Bonds. The estimated Costs of Issuance associated with the bond sale are \$167,000, which includes the financial advisor fees and expenses, bond counsel and disclosure counsel fees and expenses, costs of printing the Official Statement, rating agency fees and paying agent fees, but which do not include underwriting fees and the cost of municipal bond insurance. All such costs and expenses shall be paid by the Original Purchaser from its own funds in accordance with Section 3.05.

SECTION 3.05. *Costs of Issuance Custodian Agreement.* As provided in the Official Notice of Sale or Bond Purchase Agreement, as applicable, the Original Purchaser is required to pay all or a portion of the Costs of Issuance from its own funds as a condition to the purchase of the Series B Bonds. The Board hereby authorizes a District Representative to enter into a Costs of Issuance Custodian Agreement relating to the Series B Bonds. As provided in said agreement, amounts provided by the Original Purchaser for payment of Costs of Issuance shall be deposited thereunder and the payment of Costs of Issuance shall be requisitioned by a District Representative in accordance with said agreement.

ARTICLE IV

SECURITY FOR THE SERIES B BONDS; PAYMENT OF DEBT SERVICE

SECTION 4.01. *Security for the Series B Bonds.* The Series B Bonds are general obligations of the District, and the Board has the power to direct the County to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Series B Bonds and the interest and redemption premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the Education Code. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series B Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Series B Bonds when due, including the principal of any Series B Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on the Series B Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable thereon.

SECTION 4.02. *Establishment of Debt Service Fund.* The County Controller shall create and maintain, while the Series B Bonds are outstanding, an interest and sinking

fund for the Series B Bonds, designated the "Cardiff School District, Election of 2016 Series B Bond Debt Service Fund." The Debt Service Fund shall be maintained by the County Treasurer as a separate account, distinct from all other funds of the District. The County Treasurer shall deposit or cause to be deposited into the Debt Service Fund any premium received by the County Treasurer on the sale of the Series B Bonds under Section 3.02(a), and the proceeds of taxes levied under Section 4.01.

The Debt Service Fund is hereby pledged for the payment of the principal of and interest on the Series B Bonds when and as the same become due, including the principal of any term Series B Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Series B Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 4.03. *Disbursements From Debt Service Fund.* The County shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section 4.03. Amounts on deposit in the Debt Service Fund, to the extent needed to pay the principal of and interest on the Series B Bonds when due, shall be transferred by the County Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Series B Bonds. DTC will thereupon make payments of principal and interest on the Series B Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series B Bonds. Any moneys remaining in the Debt Service Fund after the Series B Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District as provided in Section 15234 of the Education Code. As provided in Section 15232 of the Education Code, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Series B Bonds elsewhere than at the office of the County Treasurer.

SECTION 4.04. *Investments.* All moneys held in any of the funds or accounts established with the County hereunder shall be invested in any one or more investments generally permitted to school districts under the laws of the State of California, consistent with the County investment policy. Such investments shall be made under the direction and at the discretion of the County Treasurer. Obligations purchased as an investment of moneys in any fund or account constitute a part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof.

The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Series B Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax

Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

SECTION 5.01. *Punctual Payment.* The Board will direct the County to levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Series B Bonds, in conformity with the terms of the Series B Bonds and of this Resolution. Nothing herein contained prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Books and Accounts; Financial Statements.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Series B Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Series B Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.03. *Protection of Security and Rights of Series B Bond Owners.* The District will preserve and protect the security of the Series B Bonds and the rights of the Series B Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Series B Bonds by the District, the Series B Bonds shall be incontestable by the District.

SECTION 5.04. *Tax Covenants.*

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Series B Bonds are not so used as to cause the Series B Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Series B Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Series B Bonds from the gross income of the Owners of the Series B Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Exemption from Rebate Requirement. The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Series B Bonds are not private activity bonds within the meaning of section 141 of the Internal Revenue Code of 1986 (the "Code"); and ninety-five percent (95%) of the Net Sale Proceeds of the Series B Bonds are to be used for local governmental activities of the District. The aggregate face amount (or, issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Series B Bonds are being issued, is not reasonably expected to exceed \$15,000,000, of which no more than \$5,000,000 is for other than the construction of public school facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation. By reason of the statements set forth in this subparagraph, the District will not rebate excess investment earnings, if any, to the federal government.

(f) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Series B Bonds for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Tax Code, except certain qualified 501(c)(3) bonds as defined in section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Series B Bonds, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2019. If the District determines prior to the sale of the Series B Bonds that obligations which exceed \$10,000,000 aggregate principal amount will be issued in calendar year 2019, a District Representative shall provide that the Series B Bonds are not bank qualified.

SECTION 5.05. *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default

by the District hereunder or under the Series B Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series B Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.06. *CDIAC Annual Reporting.* The District hereby covenants and agrees that it will comply with the provisions of California Government Code Section 8855 subdivision (k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Resolution, failure of the District to comply with said reporting does not constitute a default by the District hereunder or under the Series B Bonds.

SECTION 5.07. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Series B Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* The County Treasurer shall act as Paying Agent for the Series B Bonds, or shall appoint a bank, national banking association or trust company to act as Paying Agent for the Series B Bonds. In such capacity, the Paying Agent shall also act as registration agent and authentication agent for the Series B Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series B Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Board hereby approves the execution and delivery of a Paying Agent Agreement between the District and the Paying Agent. A District Representative is hereby authorized and directed to execute the final form of such Paying Agent Agreement on behalf of the District.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, national banking association or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank, national banking association or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the County Treasurer, the District and the Series B Bond Owners of such resignation. Upon receiving notice of such resignation, the County Treasurer shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Paying Agent May Hold Series B Bonds.* The Paying Agent may become the owner of any of the Series B Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents.* The recitals of facts, covenants and agreements in this Resolution and in the Series B Bonds constitute statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Series B Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer in the absence of the negligence of the Paying Agent.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys the Paying Agent shall be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder.

SECTION 6.04. *Notice to Paying Agent.* The Paying Agent may rely and is protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect

thereof is specifically prescribed in this Resolution) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under Resolution. The District further agrees to indemnify the Paying Agent against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF SERIES B BOND OWNERS

SECTION 7.01. *Remedies of Series B Bond Owners.* Any Series B Bond Owner has the right, for the equal benefit and protection of all Series B Bond Owners similarly situated:

- (a) by *mandamus*, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Series B Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series B Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Series B Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.02. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Series B Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Series B Bond Owners.

SECTION 7.03. *Non-Waiver.* Nothing in this Article VII or in any other provision of this Resolution or in the Series B Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series B

Bonds to the respective Owners of the Series B Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series B Bonds.

A waiver of any default by any Series B Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series B Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Series B Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series B Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Series B Bond Owners, the District and the Series B Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* The Board may amend this Resolution from time to time, without the consent of the Owners of the Series B Bonds, for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) To cure any ambiguity, supply any omission, substitute any party, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the Series B Bond Owners in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series B Bonds.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Series B Bonds Outstanding at the time such consent is given.

Any of the following amendments of this Resolution may be made only with the prior written consent of the Owners of all Outstanding Bonds: (a) a change in the terms of maturity of the principal of any Outstanding Series B Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of Series B Bonds the consent of the Owners of which is required to effect any such modification or amendment, (c) a change in the provisions of Section 7.01 relating to Events of Default, or (d) a reduction in the amount of moneys pledged for the repayment of the Series B Bonds. No amendment may be made to the rights or obligations of any Paying Agent without its written consent.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent and the Owners of the Series B Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Series B Bonds.

SECTION 9.02. *Defeasance of Series B Bonds.*

(a) Discharge of Resolution. Any or all of the Series B Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Series B Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Series B Bonds; or
- (iii) by delivering such Series B Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series B Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series B Bonds have not been surrendered for payment, this Resolution and other assets made under this

Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In that event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Series B Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series B Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Series B Bond (whether upon or prior to its maturity or the redemption date of such Series B Bond), provided that, if such Series B Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice (subject to the qualifications in Section 2.03), then all liability of the District in respect of such Series B Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series B Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Series B Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Series B Bonds, upon such surrender and cancellation, shall be deemed to have been paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Series B Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Series B Bonds and all unpaid interest thereon to maturity, except that, in the case of Series B Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series B Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of

and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series B Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Series B Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Series B Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Series B Bonds and remaining unclaimed for two years after the principal of all of the Series B Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series B Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series B Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series B Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Thereafter, the District shall remain liable to the Owners for payment of any amounts due on the Series B Bonds, which amounts shall be deemed to be paid by the District from moneys remitted to it by the Paying Agent under this subsection (d).

SECTION 9.03. *Execution of Documents and Proof of Ownership by Series B Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series B Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series B Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series B Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proven by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series B Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series B Bond shall bind all future Owners of such Series B Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Series B Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duly provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* The County, including its Board of Supervisors, officers, officials, agents and employees, shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of the District's default with respect to the repayment of the Series B Bonds, including interest thereon, no implied covenants or obligations shall be read into this Resolution against the County, including its Board of Supervisors, officers, officials, agents and employees. The District hereby agrees to indemnify, defend and hold harmless the County, including its Board of Supervisors, officers, officials, agents and employees, against the payment of any and all liabilities, losses, costs and expenses (including attorneys fees and court costs), damages and claims which the County, including its Board of Supervisors, officers, officials, agents and employees, may incur in the exercise and performance of its or their powers and duties hereunder which are not due to its or their negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Series B Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any Series B Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series B Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series B Bonds therein referred to.

SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series B Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief financial officer of the District in trust for the benefit of the Series B Bond Owners.

SECTION 9.08. *Execution of Documents.* Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series B Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

SECTION 9.09. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Trustees of the Cardiff School District at a regular meeting thereof duly held on December 13, 2018, by a majority vote of all of its members.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

President of the Board

Secretary to the Board

APPENDIX A

FORM OF BOND

REGISTERED BOND NO. _____

\$ _____

CARDIFF SCHOOL DISTRICT

(San Diego County, California)

GENERAL OBLIGATION BONDS Election of 2016, SERIES B

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The CARDIFF SCHOOL DISTRICT (the "District"), located in San Diego County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year, commencing August 1, 2019 (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before July 15, 2019, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially U.S. Bank National Association. Principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file

with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request.

This Bond is one of a series of \$_____ of Bonds issued for the purpose of raising money to finance the acquisition, construction and improvement of educational facilities of the District, issued under a Resolution of the Board of Trustees of the District adopted on December 13, 2018 (the "Bond Resolution"). This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Bond Resolution) are general obligations of the District. The Board of Supervisors of the County has the power and is obligate to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District which is subject to taxation for payment of the Bonds. The Bonds do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the principal of or interest on the Bonds.

The principal of and interest and redemption premium, if any, on this Bond do not constitute a debt of the County, the State of California, or any of its political subdivisions (other than the District), or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 2026 are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 2027 are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 2026 and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[if applicable: The Bonds maturing on August 1 in each of the years ____ and ____ are Term Bonds which are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following tables, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph will be reduced on a pro rata basis in integral multiples of \$5,000, as designated in a Written Request of the District filed with the Paying Agent.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption will be given by mail to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, prior to the redemption date. Neither the failure to receive such notice nor any defect in any notice so mailed will affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District

in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been manually signed by the Paying Agent.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest in this Bond.

IN WITNESS WHEREOF, the Cardiff School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Trustees, and attested by the facsimile signature of the Secretary to its Board of Trustees, all as of the date stated above.

CARDIFF SCHOOL DISTRICT

By **EXHIBIT ONLY** _____

President
Board of Trustees

Attest:

EXHIBIT ONLY _____

Secretary
Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to in this Bond.

Date of Authentication:

_____,
as Paying Agent

By _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____
_____ attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the District's financial advisor, in good faith:

- (A) True interest cost of the Bonds: 4.07%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties): \$247,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$7,833,000
- (D) Total payment amount through maturity: \$15,995,000

Cardiff School District
Cardiff by the Sea, California 92007

December 13, 2018

ITEM: REVIEW AND ACCEPTANCE OF ANNUAL AUDIT REPORT

BACKGROUND

Education Code Sections 41020 and 41020.3 specify that districts shall provide for an annual audit of all school funds and shall review the audit at one of its regularly scheduled public meetings. On or before January 31st, school district governing boards are required to review their annual audit report at a public meeting and discuss any audit findings as well as the district's specific corrective action plan.

CURRENT CONSIDERATIONS

The audit report for the school year ending June 30, 2018 has been completed. Copies have been provided to the governing board as an attachment. A hard copy is available for public inspection at the school district office located at 1888 Montgomery Avenue. A representative from Wilkinson, Hadley, King & Co., LLP will be presenting the audit.

FINANCIAL IMPLICATIONS

There are no financial implications.

RECOMMENDATION

It is respectfully recommended that the Board review and accept the audit report for the fiscal year ending June 30, 2018.

**CARDIFF SCHOOL DISTRICT
COUNTY OF SAN DIEGO
CARDIFF-BY-THE-SEA, CALIFORNIA**

AUDIT REPORT

JUNE 30, 2018

Introductory Section

Cardiff School District
Audit Report
For The Year Ended June 30, 2018

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Cardiff School District
Audit Report
For The Year Ended June 30, 2018

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Financial Section



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

To the Board of Trustees
Cardiff School District
Cardiff-by-the-Sea, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cardiff School District ("the District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cardiff School District as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

El Cajon Office
218 W. Douglas Avenue El Cajon, CA 92020
Tel. (619) 447-6700 Fax (619) 447-6707

Berkeley Office
2001 Addison Street, 3rd Floor, Berkeley, CA 94704
Tel. (510) 679-6900 Fax (510) 679-6901

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2018, Cardiff School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and Schedule of Changes in the District's total OPEB liability and related ratios identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cardiff School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 and is also not a required part of the basic financial statements.

The combining financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018 on our consideration of Cardiff School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cardiff School District's internal control over financial reporting and compliance.

Wilkinson Hadley King & Co., LLP

El Cajon, California
December 6, 2018

CARDIFF SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2018

The Management Discussion and Analysis Section of the audit report is management's overall review of the district's financial activities for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- Total governmental activities net position is **(\$1,855,729)**. This is a decrease of \$38,152 which is due to current year depreciation, bond repayment and the new regulation of Net Pension Liability. (See Table 1)
- The District student enrollment decreased by 1 student from October 2016 to October 2017. (See Table 2)
- Property tax revenue increased by 6% over the previous year as a result of increases in the assessed value of properties within the district. (See Table 3)

TABLE 1

GOVERNMENTAL ACTIVITIES

	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2018</u>	<u>Change</u>
Capital Assets	12,582,017	12,938,606	
Other Assets	18,788,663	18,754,012	
TOTAL ASSETS	31,370,680	31,692,618	
Deferred Outflows	1,657,684	3,354,283	
Current Liabilities	125,417	412,453	
Long Term Liabilities	33,780,118	34,894,714	
TOTAL LIABILITIES	33,905,535	35,307,167	
Deferred Inflows	940,406	1,595,463	
TOTAL NET POSITION	(1,817,577)	(1,855,729)	(38,152)

BUSINESS TYPE ACTIVITIES

TOTAL ASSETS	224,855	176,026	
Deferred Outflows	111,714	154,296	
TOTAL LIABILITIES	380,818	389,519	
Deferred Inflows	53,939	56,957	
TOTAL NET POSITION	(115,963)	(116,154)	(191)

TABLE 2

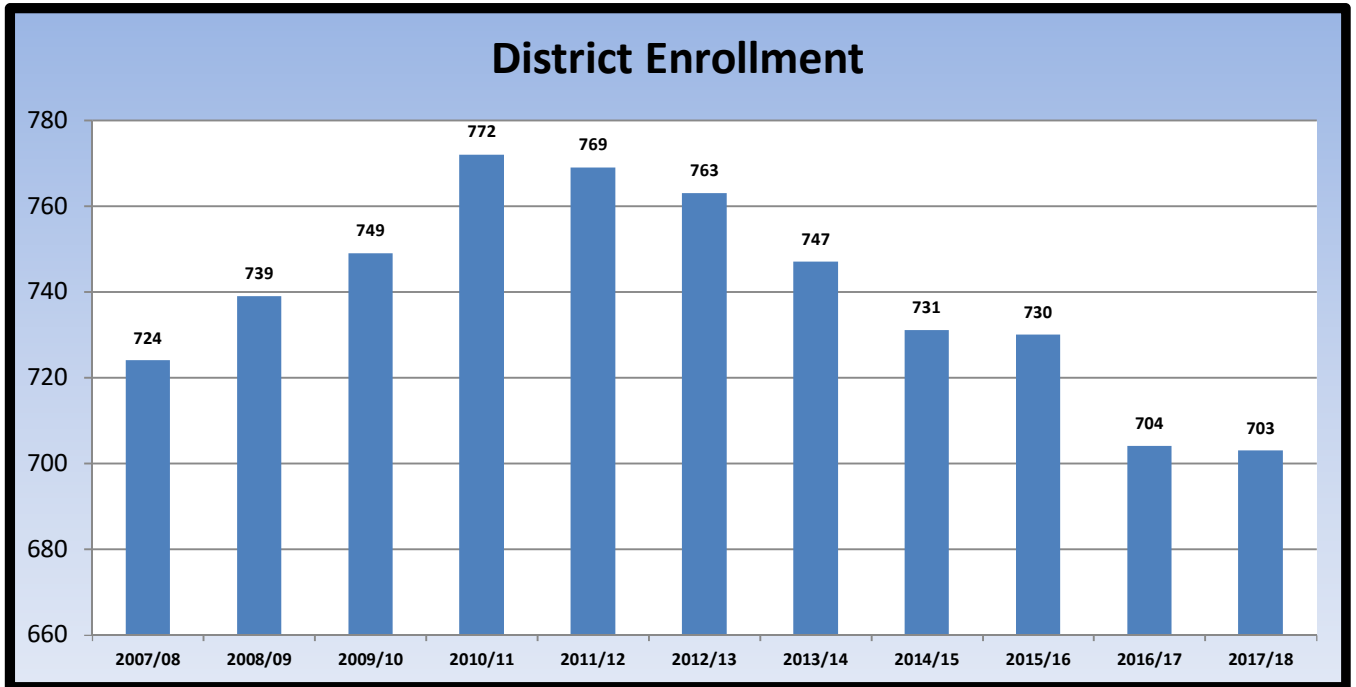
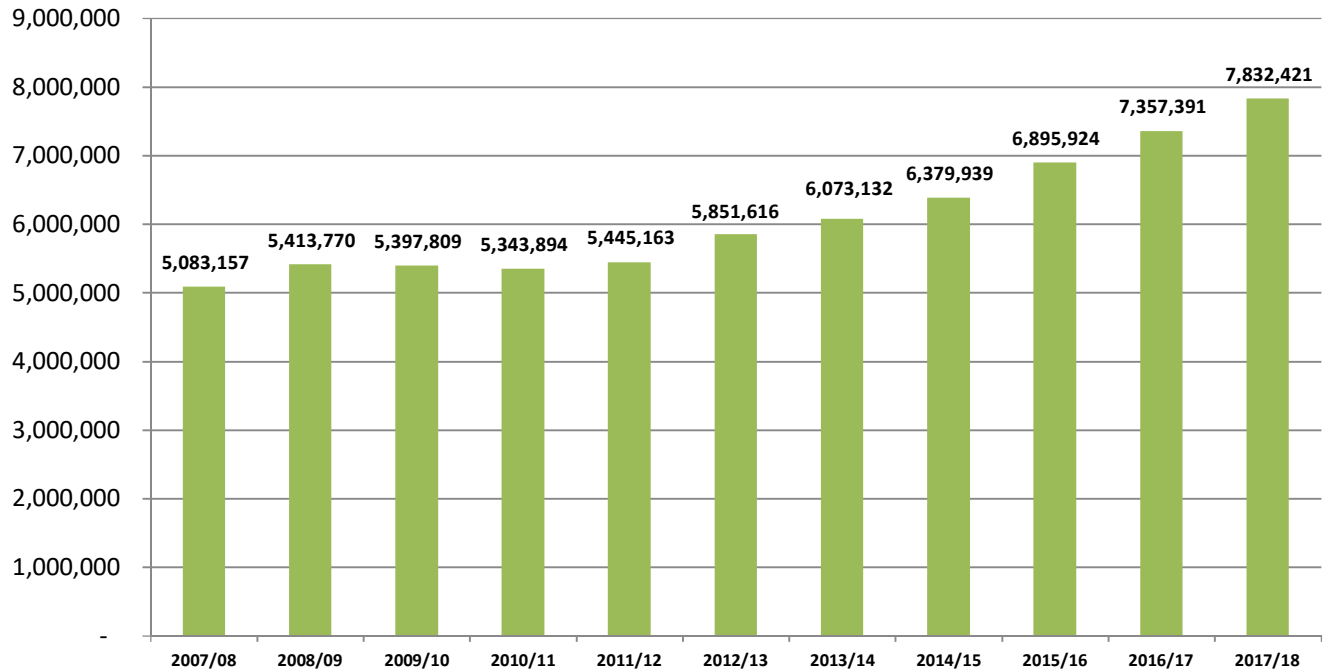


TABLE 3

PROPERTY TAXES



GOVERNMENTAL ACTIVITIES

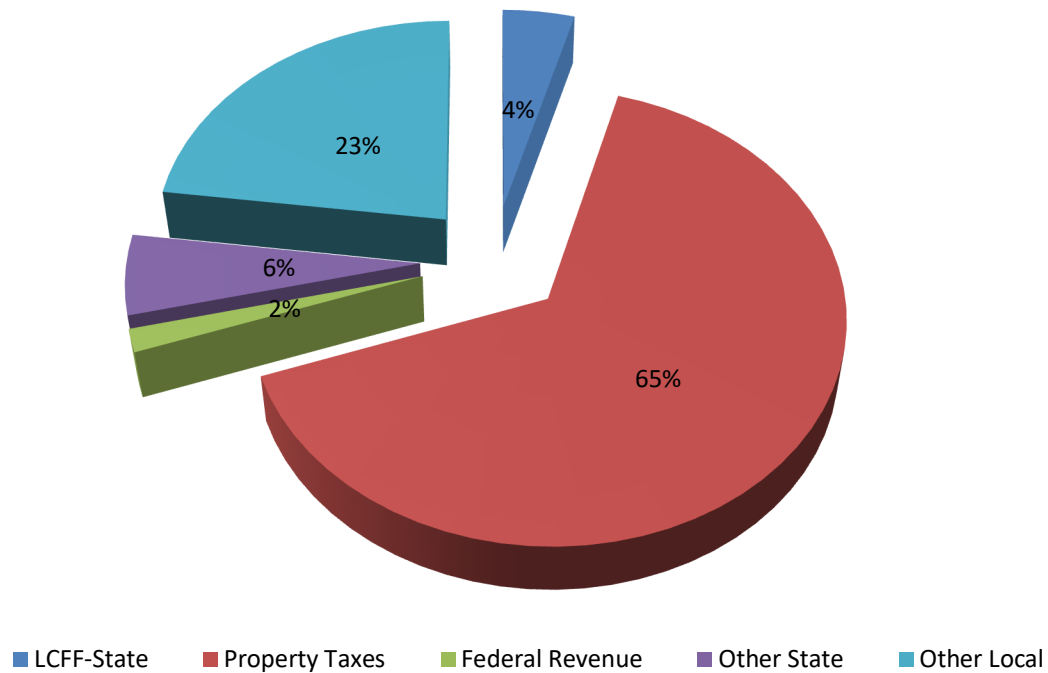
REVENUES

Revenue in the governmental funds is divided into general revenue, which funds the basic ongoing instructional programs and related support services; and program revenue, which funds specific program activities that support the children enrolled in Cardiff's schools.

The largest dollar amount in revenues comes from property taxes. Other major sources are restricted program dollars.

REVENUES	<u>2016/17</u>	<u>2017/18</u>
General Revenues:		
LCFF-State	524,763	522,826
LCFF-Local (PT)	7,390,022	7,866,956
Federal Revenue	248,854	199,714
Other State	692,100	699,009
Other Local	1,994,400	2,761,432
TOTAL	10,850,139	11,959,937

REVENUE BY SOURCE

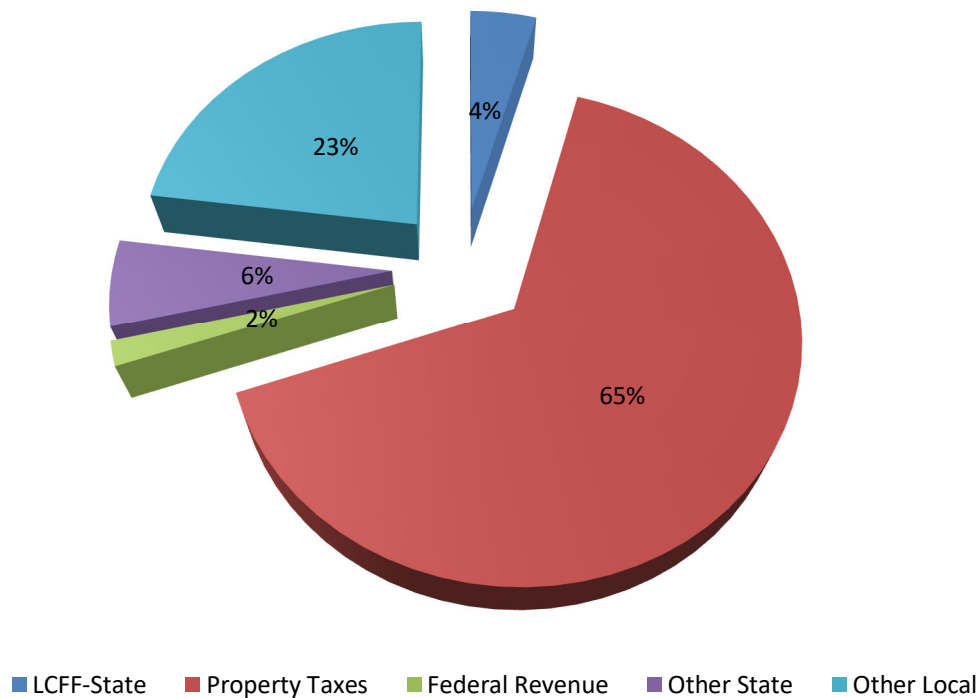


EXPENDITURES

Government wide expenditures are classified by function according to their purpose. The largest amount of funds from all sources was spent on instruction.

EXPENDITURES	<u>2016/17</u>	<u>2017/18</u>
Instruction	7,132,677	7,368,364
Pupil Services	516,566	653,632
General Administration	790,286	811,118
Plant Services	832,718	749,629
Other Outgo	580,369	161,373
Capital Outlay	71,070	703,662
Debt Service	1,046,644	1,570,997
TOTAL	10,970,330	12,018,775

EXXPENDITURES BY FUNCTION



BUDGETARY HIGHLIGHTS

The General Fund accounts are for the primary operations of the district. The District's initial budget is adopted by July 1. Over the course of the year, the district's budget is revised several times to reflect changes in funding and expenditures. The Board approves these revisions as part of the First Interim and Second Interim reports. The following summarizes the general fund budget to actual information for the year ended June 30, 2018.

	ADOPTED BUDGET	YEAR END BUDGET	ACTUAL
REVENUES	9,511,989	9,351,788	9,958,004
EXPENDITURES	8,958,456	9,025,471	9,536,383

The increase to revenue was due mainly to prior year carryover amounts being budgeted mid-year, as well as new program dollars being allocated to the District. The increase to expenditures is also based on prior year carryover amounts and new program dollars.

CAPITAL PROJECTS

In November 2016, the community of Cardiff passed Measure GG, a \$22 million dollar facilities improvement bond measure. District staff continues the implementation of Measure GG which necessitates engaging the services of various contractors to provide design, construction and/or other consulting services to the District.

LONG TERM OBLIGATIONS

At year end, the District had \$35,284,234 in long term obligations. The following is the breakdown for that amount.

GENERAL OBLIGATION BONDS	23,240,974
NET PENSION LIABILITY	10,561,346
CAPITAL LEASES	146,828
TOT AL OPEB LIABILITY	1,296,516
COMPENSATED ABSENCES PAYABLE	38,570
TOTAL	\$35,284,234

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the district's finances and to show the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Courtney Jasper, CBO 1888 Montgomery Avenue, Cardiff, CA 92007. Or you may email to courtney.jasper@cardiffschools.com

Basic Financial Statements

CARDIFF SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 18,500,474	\$ 188,222	\$ 18,688,696
Receivables	240,029	864	240,893
Due from (to) Other Funds	13,060	(13,060)	-
Stores	449	-	449
Capital Assets:			
Land	787,808	-	787,808
Improvements	107,789	-	107,789
Buildings	16,932,625	-	16,932,625
Equipment	416,852	-	416,852
Work in Progress	774,732	-	774,732
Less Accumulated Depreciation	(6,081,200)	-	(6,081,200)
Total Assets	<u>31,692,618</u>	<u>176,026</u>	<u>31,868,644</u>
DEFERRED OUTFLOWS OF RESOURCES	3,354,283	154,296	3,508,579
LIABILITIES:			
Accounts Payable	412,453	-	412,453
Long-Term Liabilities:			
Due Within One Year	1,356,287	-	1,356,287
Due in More Than One Year	33,538,427	389,519	33,927,946
Total Liabilities	<u>35,307,167</u>	<u>389,519</u>	<u>35,696,686</u>
DEFERRED INFLOWS OF RESOURCES	1,595,463	56,957	1,652,420
NET POSITION:			
Restricted For:			
Capital Projects	16,084,391	-	16,084,391
Debt Service	1,638,883	-	1,638,883
Educational Programs	193,706	-	193,706
Other Purposes (Expendable)	1,067,408	-	1,067,408
Other Purposes (Nonexpendable)	1,124	-	1,124
Unrestricted	(20,841,241)	(116,154)	(20,957,395)
Total Net Position	<u>\$ (1,855,729)</u>	<u>\$ (116,154)</u>	<u>\$ (1,971,883)</u>

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities:						
Instruction	\$ 6,886,071	\$ -	\$ 659,113	\$ (6,226,958)	\$ -	\$ (6,226,958)
Instruction-Related Services:						
Instructional Supervision and Administration	10,728	-	-	(10,728)	-	(10,728)
Instructional Library, Media and Technology	372,317	-	-	(372,317)	-	(372,317)
School Site Administration	618,355	-	20,415	(597,940)	-	(597,940)
Pupil Services:						
Home-to-School Transportation	119,096	-	-	(119,096)	-	(119,096)
Food Services	175,719	74,782	47,692	(53,245)	-	(53,245)
All Other Pupil Services	369,713	-	85,197	(284,516)	-	(284,516)
General Administration:						
Centralized Data Processing	-	-	-	-	-	-
All Other General Administration	832,081	74,616	13,262	(744,203)	-	(744,203)
Plant Services	759,934	-	51,360	(708,574)	-	(708,574)
Interest on Long-Term Debt	819,780	-	-	(819,780)	-	(819,780)
Other Outgo	161,373	-	41,841	(119,532)	-	(119,532)
Total Governmental Activities	11,125,167	149,398	918,880	(10,056,889)	-	(10,056,889)
Business-type Activities:						
Enterprise Activities	349,522	-	-	-	(349,522)	(349,522)
Total Business-type Activities	349,522	-	-	-	(349,522)	(349,522)
Total Primary Government	\$ 11,474,689	\$ 149,398	\$ 918,880	\$ (10,056,889)	\$ (349,522)	\$ (10,406,411)
General Revenues:						
Taxes and Subventions:						
Taxes Levied for General Purposes				7,866,957	-	7,866,957
Taxes Levied for Debt Service				1,574,468	-	1,574,468
Taxes Levied for Other Specific Purposes				(50)	-	(50)
Federal and State Aid, Not Restricted				756,902	-	756,902
Interest and Investment Earnings				276,551	2,006	278,557
Miscellaneous				416,829	388,531	805,360
Total General Revenues				\$ 10,891,657	\$ 390,537	\$ 11,282,194
Change in Net Position				834,768	41,015	875,783
Net Position Beginning - Restated (Note O)				(2,690,497)	(157,169)	(2,847,666)
Net Position Ending				\$ (1,855,729)	\$ (116,154)	\$ (1,971,883)

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Building Fund
ASSETS:		
Cash in County Treasury	\$ 3,092,535	\$ 13,265,863
Cash in Revolving Fund	1,500	-
Accounts Receivable	170,479	64,511
Due from Other Funds	47,348	12,446
Stores Inventories	-	-
Total Assets	<u>3,311,862</u>	<u>13,342,820</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$ 127,938	\$ -
Due to Other Funds	359,851	-
Total Liabilities	<u>487,789</u>	<u>-</u>
Fund Balance:		
Nonspendable Fund Balances:		
Revolving Cash	1,500	-
Stores Inventories	-	-
Restricted Fund Balances	336,865	13,084,391
Assigned Fund Balances	1,124	258,429
Unassigned:		
Reserve for Economic Uncertainty	359,851	-
Other Unassigned	2,124,733	-
Total Fund Balance	<u>2,824,073</u>	<u>13,342,820</u>
Total Liabilities and Fund Balances	<u>\$ 3,311,862</u>	<u>\$ 13,342,820</u>

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,638,885	\$ 501,692	\$ 18,498,975
-	-	1,500
-	5,037	240,027
-	359,851	419,645
-	449	449
<u>1,638,885</u>	<u>867,029</u>	<u>19,160,596</u>
\$ -	\$ 834	\$ 128,772
-	46,733	406,584
<u>-</u>	<u>47,567</u>	<u>535,356</u>
-	-	1,500
-	449	449
-	122,451	13,543,707
1,638,885	696,562	2,595,000
-	-	359,851
-	-	2,124,733
<u>1,638,885</u>	<u>819,462</u>	<u>18,625,240</u>
<u>\$ 1,638,885</u>	<u>\$ 867,029</u>	<u>\$ 19,160,596</u>

CARDIFF SCHOOL DISTRICT
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total fund balances, governmental funds \$ 18,625,240

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported including capital assets and accumulated depreciation.

Capital assets relating to governmental activities, at historical cost	19,019,806	
Accumulated depreciation	(6,081,200)	
Net		12,938,606

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was: (283,681)

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	3,354,283
Deferred inflows of resources relating to pensions	(1,567,395)

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources related to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources related to OPEB are reported.

Deferred outflows of resources relating to OPEB	-
Deferred inflows of resources relating to OPEB	(28,068)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	23,240,974	
Net pension liability	10,215,909	
Net OPEB obligation	1,252,433	
Capital leases	146,828	
Compensated absences payable	38,570	
Total		(34,894,714)

Total net position, governmental activities \$ (1,855,729)

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Building Fund
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	\$ 388,450	\$ -
Education Protection Account Funds	134,376	-
Local Sources	7,866,956	-
Federal Revenue	154,863	-
Other State Revenue	687,456	-
Other Local Revenue	725,920	206,884
Total Revenues	<u>9,958,021</u>	<u>206,884</u>
Expenditures:		
Current:		
Instruction	6,394,020	-
Instruction - Related Services	974,344	-
Pupil Services	477,493	-
General Administration	728,621	-
Plant Services	749,629	-
Other Outgo	161,373	-
Capital Outlay	-	674,539
Debt Service:		
Principal	50,903	-
Interest	-	-
Total Expenditures	<u>9,536,383</u>	<u>674,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>421,638</u>	<u>(467,655)</u>
Other Financing Sources (Uses):		
Transfers In	362,757	-
Transfers Out	(777,108)	-
Total Other Financing Sources (Uses)	<u>(414,351)</u>	<u>-</u>
Net Change in Fund Balance	7,287	(467,655)
Fund Balance, July 1	2,816,786	13,810,475
Fund Balance, June 30	<u>\$ 2,824,073</u>	<u>\$ 13,342,820</u>

The accompanying notes are an integral part of this statement.

Bond Interest & Redemption Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 388,450
-	-	134,376
-	-	7,866,956
-	44,851	199,714
8,777	2,776	699,009
1,581,641	156,987	2,671,432
<u>1,590,418</u>	<u>204,614</u>	<u>11,959,937</u>
-	-	6,394,020
-	-	974,344
-	176,139	653,632
-	82,497	811,118
-	-	749,629
-	-	161,373
-	29,123	703,662
1,000,000	-	1,050,903
520,094	-	520,094
<u>1,520,094</u>	<u>287,759</u>	<u>12,018,775</u>
70,324	(83,145)	(58,838)
-	777,108	1,139,865
-	(362,757)	(1,139,865)
-	<u>414,351</u>	<u>-</u>
70,324	331,206	(58,838)
1,568,561	488,256	18,684,078
<u>\$ 1,638,885</u>	<u>\$ 819,462</u>	<u>\$ 18,625,240</u>

CARDIFF SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Total change in fund balances, governmental funds \$ (58,838)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	703,662	
Depreciation expense:	(347,073)	
Net		356,589

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 1,050,903

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases in liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were: (197,731)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: (25,970)

Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when the employer contributions are made. In the statement of activities, costs are measured and recognized in relation to the annual required contribution. The annual required contribution is the normal costs related to the current period plus a calculated amount necessary to systematically amortize any unfunded liability in accordance with generally accepted accounting principles. This year, the difference between the annual required contribution and amounts actually funded was: 36,960

Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (378,755)

Amortization of debt issue premium or discount: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt. Amortization of premium or discount for the period is: 52,634

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: (1,024)

Change in net position of governmental activities - statement of activities \$ 834,768

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICT

STATEMENT OF NET POSITION

ENTERPRISE FUND

JUNE 30, 2018

	Enterprise Fund
	Enterprise Fund
ASSETS:	
Current Assets:	
Cash in County Treasury	\$ 188,222
Accounts Receivable	864
Total Current Assets	189,086
Total Assets	189,086
DEFERRED OUTFLOWS OF RESOURCES:	154,296
LIABILITIES:	
Current Liabilities:	
Due to Other Funds	\$ 13,060
Total Current Liabilities	13,060
Noncurrent Liabilities:	
Net Pension Liability	345,437
Total OPEB Liability	44,082
Total Noncurrent Liabilities	389,519
Total Liabilities	402,579
DEFERRED INFLOWS OF RESOURCES	56,957
NET POSITION:	
Unrestricted (Deficit)	(116,154)
Total Net Position	<u>\$ (116,154)</u>

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Enterprise Fund
	Enterprise Fund
Operating Revenues:	
State Revenue	\$ 22
Local Revenue	390,515
Total Revenues	390,537
Operating Expenses:	
Classified Personnel Salaries	220,711
Employee Benefits	82,534
Books and Supplies	15,155
Services and Other Operating Expenses	31,122
Total Expenses	349,522
Income (Loss) before Contributions and Transfers	41,015
Change in Net Position	41,015
Total Net Position - Beginning	(157,169)
Total Net Position - Ending	\$ (116,154)

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Enterprise Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 388,531
Cash Payments to Employees for Services	(172,762)
Cash Payments to Other Suppliers for Goods and Services	(46,277)
Net Cash Provided (Used) by Operating Activities	<u>169,492</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	2,006
Net Cash Provided (Used) for Investing Activities	<u>2,006</u>
Net Increase (Decrease) in Cash and Cash Equivalents	171,498
Cash and Cash Equivalents at Beginning of Year	16,724
Cash and Cash Equivalents at End of Year	<u>\$ 188,222</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 41,015
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	(39)
Decrease (Increase) in Due From Other Funds	111,148
Decrease (Increase) in Deferred Outflows of Resources	(42,582)
Increase (Decrease) in Accounts Payable	(1,153)
Increase (Decrease) in Due To Other Funds	(3,564)
Increase (Decrease) in Net OPEB Obligation	(69)
Increase (Decrease) in Net Pension Liability	63,724
Increase (Decrease) in Deferred Inflows of Resources	3,018
Total Adjustments	<u>130,483</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 171,498</u>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

A. Summary of Significant Accounting Policies

Cardiff School District (District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual". The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District operates under a locally elected Board form of government and provides educational services as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

2. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by GASB Statement 14, 39 and 61.

3. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

The District reports the following major governmental funds:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Building Fund. This fund exists primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund (Fund 21) are proceeds from the sale or lease-with option-to-purchase of real property (Education Code Section 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (Education Code Section 41003).

Bond Interest and Redemption Fund: This fund was established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

The District reports the following major enterprise funds:

Enterprise Fund. This fund is used to account for the revenues and expenses associated with the District's Extended Student Services program which operates preschools and before/after school programs throughout the District.

In addition, the District reports the following fund types:

Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Funds. These funds account for the acquisition and/or construction of all major governmental general fixed assets.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

4. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

5. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

6. Revenues and Expenses

a. Revenues - Exchange and Non-Exchange

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property tax revenue, interest, certain grants, and other local sources.

Non-exchange transactions are transactions in which the District receives value without directly giving equal value in return, including property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

c. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

7. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

d. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

e. Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

g. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District.

h. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the board of directors or by an official or body to which the board of directors delegates the authority. The board of directors has delegated authority to the assistant superintendent of business services. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

i. Minimum Fund Balance

The District's fund balance policy establishes a minimum unassigned fund balance equal to 5% of total general fund expenditures and transfers out. The District is committed to maintaining a prudent level of financial resources to project against the need to reduce service levels because of temporary revenue shortfalls or unexpected expenditures. The District's minimum fund balance policy requires a reserve for economic uncertainties (REU), consisting of unassigned amounts, equal to 5% (3% required for economic uncertainties plus 2% additional for budget reserve) of the total general fund expenditures and transfers out. The governing board of the District has approved the additional 2% budget reserve be spent down over three years, beginning in the 2011-12 year to return to the state required 3% REU. In the event the balance drops below the established minimum level of 3%, the District's governing board will develop a plan to replenish the fund balance to the established minimum level within the time frames and guidelines set forth by the California Department of Education.

8. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

9. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD)	June 30, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

11. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

12. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

13. Change in Accounting Policies

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2018. Those newly implemented pronouncements are as follows:

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement replaces the requirements of GASB 45 and GASB 57. This statement establishes standards for recognizing and measuring OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. This statement also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service for defined benefit OPEB.

The District provides a defined benefit OPEB plan that is not administered through a trust, but meets the criteria specified in GASB 75. As a result, the District has adjusted measurement of OPEB liability, OPEB expense, and related deferred outflows and inflows of resources in compliance with GASB 75. The change in accounting policies resulted in an adjustment to beginning net position in order to accurately reflect current period transactions. Additional note disclosures regarding OPEB liability, OPEB expense, and related deferred inflows and outflows of resources are located in Note N. Additional note disclosures regarding the adjustment to beginning net position resulting from this change in accounting policy are located in Note S.

GASB 81 - Irrevocable Split-Interest Agreements

The primary objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement requires that a government receiving resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. This statement also requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. In addition, this statement requires that a government recognize revenue when the resources become applicable to the reporting period.

CARDIFF SCHOOL DISTRICT
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The District does not receive resources pursuant to an irrevocable split-interest agreement, nor does the District have any beneficial interests in irrevocable split interest agreements as of June 30, 2018. The District has adopted the accounting policies in the event that the District obtains a beneficial interest in a future split-interest agreement. There have been no adjustments made to the financial statements or note disclosures as a result of adoption of the accounting policies pursuant to GASB 81.

GASB 85 - Omnibus 2017

The primary objective of this statement is to address practice issues that were identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The statement was issued as a clarifying measure to previously issued statements.

The implementation of this statement resulted in a change in how the District recognizes on-behalf payments for the special funding situation for CalSTRS pension. The results of implementing these accounting policies did not have a material effect on the financial statements and did not affect previous periods.

GASB 86 - Certain Debt Extinguishment Issues

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, other than proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial statements for debt that is defeased in substance.

The District does not have any in-substance defeasance of debt as of June 30, 2018. The District has adopted the accounting policies in the event that the District extinguishes debt through use of a legal extinguishment or through an in-substance defeasance in a future period. There have been no adjustments made to the financial statements or note disclosures as a result of adoption of the accounting policies pursuant to GASB 86.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$18,687,197 as of June 30, 2018). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$18,687,197. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investments in the pool is reported in the accounting financial statements as amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks (\$52,071 as of June 30, 2018) and in the revolving fund (\$1,500) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

CARDIFF SCHOOL DISTRICT
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Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 Years	None	None
Registered State Bonds, Notes, Warrants	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Banker's Acceptance	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20% of Base	None
Medium-Term Corporate Notes	5 Years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 Years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

4. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end the District was not exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

As of June 30, 2018, the District's bank balances (including revolving cash) of \$53,571 was not exposed to custodial credit risk.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the county pool.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

5. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

D. Accounts Receivable

Accounts receivable at June 30, 2018 consisted of:

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Building Fund</u>		
Federal Government:				
Federal Programs	\$ 103,193	-	2,611	105,804
State Government:				
Lottery	29,694	-	-	29,694
Special Education	9,900	-	-	9,900
Child Nutrition Program	-	-	159	159
Local Sources:				
Interest	17,542	62,093	2,267	81,902
Other Local Revenues	10,150	2,418	-	12,568
Total	\$ 170,479	\$ 64,511	\$ 5,037	\$ 240,027
	<u>Enterprise Fund</u>			
Local Sources:				
Interest	\$ 864			

All accounts receivable are considered to be fully collectible and as such no allowance for doubtful accounts has been established.

E. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 787,808	\$ -	\$ -	\$ 787,808
Work in progress	71,070	703,662	-	774,732
Total capital assets not being depreciated	858,878	703,662	-	1,562,540
Capital assets being depreciated:				
Buildings	16,932,625	-	-	16,932,625
Improvements	107,789	-	-	107,789
Equipment	416,852	-	-	416,852
Total capital assets being depreciated	17,457,266	-	-	17,457,266
Less accumulated depreciation for:				
Buildings	(5,279,837)	(340,055)	-	(5,619,892)
Improvements	(72,501)	(4,273)	-	(76,774)
Equipment	(381,789)	(2,745)	-	(384,534)
Total accumulated depreciation	(5,734,127)	(347,073)	-	(6,081,200)
Total capital assets being depreciated, net	11,723,139	(347,073)	-	11,376,066
Governmental activities capital assets, net	\$ 12,582,017	\$ 356,589	\$ -	\$ 12,938,606

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Depreciation was charged to functions as follows:

Instruction	\$	344,328
General Administration		2,460
Plant Services		285
	\$	<u>347,073</u>

F. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2018, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Facilities Fund	\$ 12,110	Restricted maintenance
General Fund	Enterprise Fund	13,060	Indirect costs
General Fund	Cafeteria Fund	5,500	Permanent transfer
General Fund	Special Reserve Fund	16,677	Indirect costs
Building Fund	Special Reserve Fund	12,446	Transfer of costs
Special Reserve Fund	General Fund	359,851	Contribution to fund
	Total	<u>\$ 419,644</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2017, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Cafeteria Fund	\$ 54,500	Permanent transfer
General Fund	Special Reserve Fund	722,608	Administrative costs
Deferred Maintenance Fund	General Fund	362,757	Expense reimbursement
	Total	<u>\$ 1,139,865</u>	

G. Accounts Payable

Accounts payable at June 30, 2018 consisted of:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Vendor payable	\$ 58,481	\$ 56	\$ 58,537
Pension related liabilities	66,985	765	67,750
Payroll and related benefits	2,472	13	2,485
Totals	<u>\$ 127,938</u>	<u>\$ 834</u>	<u>\$ 128,772</u>

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

H. Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

I. Deferred Outflows of Resources

A summary of the deferred outflows of resources as of June 30, 2018 is as follows:

Description	Amortization Term	Balance July 1, 2017	Additions	Current Year Amortization	Balance June 30, 2018
Pension related - Governmental	Varies	\$ 1,657,684	\$ 3,166,950	\$ 1,470,351	\$ 3,354,283
Pension related - Business Type	Varies	111,714	108,651	66,069	154,296
Total Deferred Outflows of Resources		<u>\$ 1,769,398</u>	<u>\$ 3,275,601</u>	<u>\$ 1,536,420</u>	<u>\$ 3,508,579</u>

Future amortization of deferred outflows of resources is as follows:

Year Ending June 30	Governmental Activities	Business Type Activities	Total
	Pension Related	Pension Related	
2019	\$ 1,610,811	\$ 69,869	\$ 1,680,680
2020	734,254	40,259	774,513
2021	551,141	28,359	579,500
2022	458,077	15,809	473,886
Total	<u>\$ 3,354,283</u>	<u>\$ 154,296</u>	<u>\$ 3,508,579</u>

J. Deferred Inflows of Resources

A summary of the deferred inflows of resources as of June 30, 2018 is as follows:

Description	Amortization Term	Balance July 1, 2017	Additions	Current Year Amortization	Balance June 30, 2018
Pension related - Governmental	Varies	\$ 940,403	\$ 1,148,686	\$ 521,694	\$ 1,567,395
Pension related - Business Type	Varies	53,940	32,718	29,691	56,967
OPEB related - Governmental	Varies	32,746	-	4,678	28,068
OPEB related - Business Type	Varies	1,155	-	165	990
Total Deferred Inflows of Resources		<u>\$ 1,028,244</u>	<u>\$ 1,181,404</u>	<u>\$ 556,228</u>	<u>\$ 1,653,420</u>

CARDIFF SCHOOL DISTRICT
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YEAR ENDED JUNE 30, 2018

Future amortization of deferred inflows of resources is as follows:

Year Ending June 30	Governmental Activities Pension Related	Business Type Activities Pension Related	Total
2019	\$ 521,693	\$ 29,689	\$ 551,382
2020	421,314	14,059	435,373
2021	394,654	6,677	401,331
2022	229,734	6,542	236,276
Total	<u>\$ 1,567,395</u>	<u>\$ 56,967</u>	<u>\$ 1,624,362</u>

Year Ending June 30	Governmental Activities OPEB Related	Business Type Activities OPEB Related	Total
2019	\$ 4,678	\$ 165	\$ 4,843
2020	4,678	165	4,843
2021	4,678	165	4,843
2022	4,678	165	4,843
2023	4,678	165	4,843
2024	4,678	165	4,843
Total	<u>\$ 28,068</u>	<u>\$ 990</u>	<u>\$ 29,058</u>

K. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General obligation bonds	\$ 17,889,035	\$ -	\$ 1,000,000	\$ 16,889,035	\$ 463,837
Accreted interest	5,291,386	533,293	-	5,824,679	791,163
Bond premium	579,895	-	52,634	527,261	14,736
Total GO Bonds	<u>23,760,316</u>	<u>533,293</u>	<u>1,052,634</u>	<u>23,240,975</u>	<u>1,269,736</u>
Capital leases	-	197,731	50,903	146,828	47,981
Compensated absences *	37,546	1,024	-	38,570	38,570
Total OPEB liability	1,284,715	-	32,282	1,252,433	-
Net pension liability	8,469,451	1,746,458	-	10,215,909	-
Total governmental activities	<u>\$ 33,552,028</u>	<u>\$ 2,478,506</u>	<u>\$ 1,135,819</u>	<u>\$ 34,894,715</u>	<u>\$ 1,356,287</u>
<u>Business-type activities:</u>					
Net pension liability	\$ 298,096	\$ 47,341	\$ -	\$ 345,437	\$ -
Total OPEB liability	45,218	-	1,136	44,082	-
Total business-type activities	<u>\$ 343,314</u>	<u>\$ 47,341</u>	<u>\$ 1,136</u>	<u>\$ 389,519</u>	<u>\$ -</u>

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

2. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2018, as follows:

<u>Year Ending June 30,</u>	
2019	\$ 50,903
2020	50,903
2021	50,903
Total Minimum Rentals	<u>152,709</u>
Less Amounts Representing Interest	<u>(5,881)</u>
Net Present Value of Minimum Lease Payments	<u>\$ 146,828</u>

3. General Obligation Bonds

General obligation bonds at June 30, 2018 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2000 Election Series A	07/19/2000	4.00-6.45%	08/01/2025	\$ 10,999,035
2010 Refunding Bonds	01/14/2010	3.00-5.00%	08/01/2017	5,330,000
2016 Election Series A	02/23/2017	2.00-5.00%	08/01/2046	14,000,000
Total GO Bonds				<u>\$ 30,329,035</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2000 Election Series A	\$ 2,889,035	\$ -	\$ -	\$ 2,889,035
2000-A Accreted Interest	5,291,386	533,292	-	5,824,678
2000-A Bond Premium	92,207	-	-	92,207
2010 Refunding Bonds	1,000,000	-	1,000,000	-
2010 Bond Premium	52,635	-	52,635	-
2016 Election Series A	14,000,000	-	-	14,000,000
2016-A Bond Premium	435,055	-	-	435,055
Total GO Bonds	<u>\$ 23,760,318</u>	<u>\$ 533,292</u>	<u>\$ 1,052,635</u>	<u>\$ 23,240,975</u>

The annual requirements to amortize the bonds outstanding at June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 463,837	\$ 791,163	\$ 551,044	\$ 1,806,044
2020	525,625	859,375	548,744	1,933,744
2021	368,498	931,502	547,244	1,847,244
2022	361,056	1,003,944	547,244	1,912,244
2023	356,746	1,088,254	547,244	1,992,244
2024-2028	1,118,273	3,741,727	2,734,220	7,594,220
2029-2033	855,000	-	2,638,095	3,493,095
2034-2038	2,365,000	-	2,248,845	4,613,845
2039-2043	4,625,000	-	1,498,117	6,123,117
2044-2048	5,850,000	-	448,715	6,298,715
Totals	<u>\$ 16,889,035</u>	<u>\$ 8,415,965</u>	<u>\$ 12,309,512</u>	<u>\$ 37,614,512</u>

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

2017 General Obligation Bonds

In February 2017, the District issued \$14,000,000 2016 Election, Series A, General Obligation Bonds in order to finance improvement of school facilities and equipment. The issue consisted of \$8,985,000 in current interest bonds with an interest rate of 2.00% to 5.00% with annual maturities from August 2018 through August 2043, \$420,000 in term bonds with an interest rate of 5.00% with maturity August 2030. \$4,595,000 in term bonds with an interest rate of 3.625% with which matures August 1, 2046. Principal payments on the bonds are due August 1 of each year beginning August 1, 2018 while interest is payable semi-annually on February 1 and August 1 of each year through maturity beginning February 1, 2018. Total proceeds of \$14,000,000 with additional premium of \$435,053 resulted in \$13,830,000 deposited into the Building Fund after issuance costs of \$387,950, while remaining funds of \$217,103 were deposited into the Bond Interest and Redemption Fund to be utilized for subsequent debt service on the bonds.

Amounts for accreted interest in the long-term debt schedule represent amounts accrued as of June 30, 2018. Amounts for accreted interest in the repayment schedule represents total payments of accreted interest over the life of the bonds.

4. Bond Premium

Bond premium arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

The District has issued bonds at a premium. The premiums are being amortized over the life of the debt using the straight line method.

Premiums issued on the debt resulted in an effective interest rate as follows:

	2000 Series A Bonds	2016 Series A Bonds
Total Interest Payments on Bonds	\$ 8,410,965	\$ 12,803,103
Less Bond Premium	(266,374)	(435,053)
Net Interest Payments	<u>\$ 8,144,591</u>	<u>\$ 12,368,050</u>
Par Amount of Bonds	\$ 10,999,035	\$ 14,000,000
Periods	25	30
Effective Interest Rate	2.960%	2.940%

5. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2018 amounted to \$38,570. This amount is included as part of long-term liabilities in the government-wide financial statements.

6. Net Pension Liability

The District's governmental funds beginning net pension liability was \$8,469,451 and increased by \$1,746,458 during the year ended June 30, 2018. The ending net pension liability for the governmental funds at June 30, 2018 was \$10,215,909. See Note M for additional information regarding the net pension liability.

The District's enterprise fund beginning net pension liability was \$2987,096 and increased by \$47,341 during the year ended June 30, 2018. The ending net pension liability for the enterprise fund at June 30, 2018 was \$345,437. See Note M for additional information regarding the net pension liability.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

7. Total OPEB Liability

The District's governmental funds beginning net OPEB liability was \$1,284,715 and decreased during the year ended June 30, 2018 by \$32,282. The ending total OPEB liability for the governmental funds at June 30, 2018 was \$1,252,433. See Note N for additional information regarding the net pension liability.

The District's enterprise fund beginning total OPEB liability was \$45,218 and decreased during the year ended June 30, 2018 by \$1,136. The ending total OPEB liability for the enterprise fund at June 30, 2018 was \$44,082. See Note N for additional information regarding the net pension liability.

L. Joint Ventures (Joint Powers Agreements)

The District participates in one joint powers agreement (JPA) entity, the San Diego County Schools Risk Management (SDCSRM). The relationship between the District and the JPA is such that the JPA is not a component unit of the District.

The JPA arranges for and provides for various types of insurance for its member districts as requested. The JPA is governed by a board consisting of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

Financial information on the District's share of the SDCSRM JPA for the year ended June 30, 2018 was not available at the time this report was issued. The information can be obtained by contacting the JPA directly.

M. Pension Plans

1. General Information About the Pension Plans

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

CARDIFF SCHOOL DISTRICT
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The Plans' provisions and benefits in effect at June 30, 2018 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-62	50-62
Monthly Benefits as a % of Eligible Compensation	1.1-2.4%	1.0-2.4%*
Required Employee Contribution Rates (at June 30, 2018)	10.250%	9.205%
Required Employer Contribution Rates (at June 30, 2018)	14.430%	14.430%
Required State Contribution Rates (at June 30, 2018)	7.083%	7.083%

*Amounts are limited to 120% of Social Security Wage Base.

**The rate imposed on CalSTRS 2% at 62 members is based on the normal cost of benefits.

	CalPERS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.1-2.5%*
Required Employee Contribution Rates (at June 30, 2018)	7.000%	6.500%
Required Employer Contribution Rates (at June 30, 2018)	15.531%	15.531%

*Amounts are limited to 120% of Social Security Wage Base.

c. Contributions

CalSTRS

For the measurement period ended June 30, 2017 (measurement date), Section 22950 of the California Education Code requires members to contribute monthly to the system 9.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 12.58% of creditable compensation for the measurement period ended June 30, 2017 and 14.43% for the fiscal year ended June 30, 2018. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ending June 30, 2017 (measurement date), employees hired prior to January 1, 2013 paid in 7.00%, employees hired on or after January 1, 2013 paid in 6.00%, and the employer contribution rate was 13.888% of covered payroll. For the fiscal year ending June 30, 2018, employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 6.50%, and the employer's contribution rate was 15.531%.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the measurement period ended June 30, 2017 (measurement date) the State contributed 7.247% of salaries creditable to CalSTRS. In accordance with GASB 85 the District recorded these contributions as revenue and expense in the fund financial statements based on contributions made for the measurement period (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budgeted amounts reported in the General Fund Budgetary Comparison Schedule. Contributions reported each fiscal year are based on the District's proportionate share of the States contribution for the measurement period.

Contributions made by the State on behalf of the District for the past three fiscal years are as follows:

Year Ended June 30,	Contribution Rate	Contribution Amount
2016	5.010%	\$ 205,895
2017	5.740%	252,042
2018	7.247%	327,853

CARDIFF SCHOOL DISTRICT
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d. Contributions Recognized

For the measurement period ended June 30, 2017 (fiscal year June 30, 2018), the contributions recognized for each plan were:

	CalSTRS Governmental	CalSTRS Business Type	Total
Contributions - Employer	\$ 552,090	\$ -	\$ 552,090
Contributions - State On Behalf Payments	327,831	23	327,854
Total Contributions	<u>\$ 879,921</u>	<u>\$ 23</u>	<u>\$ 879,944</u>

	CalPERS Governmental	CalPERS Business Type	Total
Contributions - Employer	\$ 189,791	\$ 25,808	\$ 215,599
Contributions - State On Behalf Payments	-	-	-
Total Contributions	<u>\$ 189,791</u>	<u>\$ 25,808</u>	<u>\$ 215,599</u>

	Total District Contributions-All Pensions		
	Governmental	Business Type	Total
Contributions - Employer	\$ 741,881	\$ 25,808	\$ 767,689
Contributions - State On Behalf Payments	327,831	23	327,854
Total Contributions	<u>\$ 1,069,712</u>	<u>\$ 25,831</u>	<u>\$ 1,095,543</u>

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018 the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	CalSTRS	CalPERS	Total
Proportionate Share of Net Pension Liability - Governmental	\$ 7,675,860	\$ 2,540,049	\$ 10,215,909
Proportionate Share of Net Pension Liability - Business Type	-	345,437	345,437
Total Proportionate Share of Net Pension Liability	<u>\$ 7,675,860</u>	<u>\$ 2,885,486</u>	<u>\$ 10,561,346</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to measurement date June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

CARDIFF SCHOOL DISTRICT
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The District's proportionate share of the net pension liability for each Plan as of June 30, 2017 and June 30, 2018 were as follows:

CalSTRS			
	Proportionate Share Governmental	Proportionate Share Business Type	State's Proportionate Share
Total for District Employees			
Proportion June 30, 2017	0.0083%	-	0.0047%
Proportion June 30, 2018	0.0083%	-	0.0049%
Change in Proportion	-	-	0.0002%

CalPERS		
District's Proportionate Share Governmental	District's Proportionate Share Business Type	Total for District Employees
Proportion June 30, 2017	0.0105%	0.0014%
Proportion June 30, 2018	0.0106%	0.0014%
Change in Proportion	0.0001%	-

a. Pension Expense

For the measurement period ended June 30, 2017 (fiscal year June 30, 2018), pension expense was recognized as follows:

	Governmental Activities		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ 991,269	\$ 457,092	\$ 1,448,361
State On Behalf Pension Expense	199,213	-	199,213
Employer Contributions to Pension Expense	652,763	223,792	876,555
(Increase) Decrease in Deferred Outflows of Resources			
Employer Contributions Subsequent to Measurement Date	(107,780)	(32,679)	(140,459)
Differences between actual and expected experiences	(26,494)	(12,254)	(38,748)
Changes in assumptions	(1,327,203)	(395,748)	(1,722,951)
Changes in proportionate share	56,567	(1,590)	54,977
Net difference between projected and actual earnings	576	150,006	150,582
Increase (Decrease) in Deferred Inflows of Resources			
Differences between actual and expected experiences	(536)	-	(536)
Changes in assumptions	-	(26,423)	(26,423)
Changes in proportionate share	(156,004)	(8,866)	(164,870)
Net difference between projected and actual earnings	726,482	92,339	818,821
Total Pension Expense	\$ 1,008,853	\$ 445,669	\$ 1,454,522

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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	Business Type Activities		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ -	\$ 63,724	\$ 63,724
State On Behalf Pension Expense	13	-	13
Employer Contributions to Pension Expense	44	29,566	29,610
(Increase) Decrease in Deferred Outflows of Resources			
Employer Contributions Subsequent to Measurement Date	(44)	(3,758)	(3,802)
Differences between actual and expected experiences	-	(1,773)	(1,773)
Changes in assumptions	-	(53,820)	(53,820)
Changes in proportionate share	-	(3,256)	(3,256)
Net difference between projected and actual earnings	-	20,069	20,069
Increase (Decrease) in Deferred Inflows of Resources			
Differences between actual and expected experiences	-	-	-
Changes in assumptions	-	(3,486)	(3,486)
Changes in proportionate share	-	(4,032)	(4,032)
Net difference between projected and actual earnings	-	10,545	10,545
Total Pension Expense	\$ 13	\$ 53,779	\$ 53,792
Total Pension Expense - Government Wide	\$ 1,008,866	\$ 499,448	\$ 1,508,314

b. Deferred Outflows and Inflows of Resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Pension contributions subsequent to measurement date	\$ 652,763	\$ 223,792	\$ 876,555
Differences between actual and expected experience	26,494	119,746	146,240
Changes in assumptions	1,327,203	395,748	1,722,951
Changes in employer's proportionate share	181,649	41,104	222,753
Net difference between projected and actual earnings	1,418	384,365	385,783
Total Deferred Outflows of Resources - Governmental Activities	2,189,527	1,164,755	3,354,282
<u>Business Type Activities</u>			
Pension contributions subsequent to measurement date	44	29,566	29,610
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	53,820	53,820
Changes in employer's proportionate share	-	3,256	3,256
Net difference between projected and actual earnings	-	67,610	67,610
Total Deferred Outflows of Resources - Business Type Activities	44	154,252	154,296
Total Deferred Outflows of Resources	\$ 2,189,571	\$ 1,319,007	\$ 3,508,578

CARDIFF SCHOOL DISTRICT
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	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<u>Governmental Activities</u>			
Differences between actual and expected experience	\$ (865)	\$ -	\$ (865)
Changes in assumptions	-	(52,847)	(52,847)
Changes in employer's proportionate share	(468,013)	(26,596)	(494,609)
Net difference between projected and actual earnings	(726,482)	(292,592)	(1,019,074)
Total Deferred Inflows of Resources - Governmental Activities	<u>(1,195,360)</u>	<u>(372,035)</u>	<u>(1,567,395)</u>
<u>Business Type Activities</u>			
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	(6,971)	(6,971)
Changes in employer's proportionate share	-	(8,194)	(8,194)
Net difference between projected and actual earnings	-	(41,802)	(41,802)
Total Deferred Inflows of Resources - Business Type Activities	<u>-</u>	<u>(56,967)</u>	<u>(56,967)</u>
Total Deferred Inflows of Resources	<u>\$ (1,195,360)</u>	<u>\$ (429,002)</u>	<u>\$ (1,624,362)</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2019. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	Governmental Activities					
	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses	
	CalSTRS	CalPERS	CalSTRS	CalPERS		
2019	\$ 1,076,880	\$ 533,931	\$ (338,161)	\$ (183,532)	\$	1,089,118
2020	424,116	310,138	(337,909)	(83,405)		312,940
2021	344,401	206,740	(337,671)	(56,983)		156,487
2022	344,130	113,946	(181,619)	(48,115)		228,342
Total	<u>\$ 2,189,527</u>	<u>\$ 1,164,755</u>	<u>\$ (1,195,360)</u>	<u>\$ (372,035)</u>	\$	<u>1,786,887</u>

Year Ended June 30,	Business Type Activities					
	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses	
	CalSTRS	CalPERS	CalSTRS	CalPERS		
2019	\$ 44	\$ 69,825	\$ -	\$ (29,689)	\$	40,180
2020	-	40,259	-	(14,059)		26,200
2021	-	28,359	-	(6,677)		21,682
2022	-	15,809	-	(6,542)		9,267
Total	<u>\$ 44</u>	<u>\$ 154,252</u>	<u>\$ -</u>	<u>\$ (56,967)</u>	\$	<u>97,329</u>

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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c. Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.75%
Wage Growth	3.50%	3.00%
Projected Salary Increase	0.5% - 6.4% (1)	3.10% - 9.00% (1)
Investment Rate of Return	7.10% (2)	7.50% (2)
Mortality	0.073%-22.86% (3)	0.466%-32.536% (3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) RP2000 series tables adjusted to fit CalSTRS/CalPERS specific experience.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.1000% for CalSTRS and 7.1500% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from CalPERS and CalSTRS websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require board action and proper stakeholder outreach. For these reasons, CalSTRS and CalPERS expect to continue using a discount rate net of administrative expenses for GASB 67 and GASB 68 calculations through at least the 2017-18 fiscal year. CalSTRS and CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CalSTRS

Asset Class	Assumed Allocation 06/30/2017	Long Term Expected Return*
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Absolute Return	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year geometric average used for long term expected real rate of return

CalPERS

Asset Class	Assumed Allocation 06/30/2017	Real Return Years 1-10(1)	Real Return Years 11+(2)
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

CalSTRS			
	Governmental Activities	Business Type Activities	Total
1% Decrease	6.10%	6.10%	6.10%
Net Pension Liability	\$ 11,270,600	\$ -	\$ 11,270,600
Current Discount Rate	7.10%	7.10%	7.10%
Net Pension Liability	\$ 7,675,860	\$ -	\$ 7,675,860
1% Increase	8.10%	8.10%	8.10%
Net Pension Liability	\$ 4,758,486	\$ -	\$ 4,758,486

CalPERS			
	Governmental Activities	Business Type Activities	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 3,737,225	\$ 508,249	\$ 4,245,474
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 2,540,049	\$ 345,437	\$ 2,885,486
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 1,546,890	\$ 210,371	\$ 1,757,261

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

f. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2017 (Previously Reported)	\$ 35,079,609	\$ 24,570,954	\$ 10,508,655	\$ 3,824,063	\$ 6,684,592
Changes for the year:					
Change in proportionate share	637,989	446,869	191,120	162,571	28,549
Service cost	802,207	-	802,207	298,895	503,312
Interest	2,675,830	-	2,675,830	996,989	1,678,841
Differences between expected and actual experience	52,784	-	52,784	19,667	33,117
Change in assumptions	2,644,213	-	2,644,213	985,209	1,659,004
Contributions:					
Employer	-	552,077	(552,077)	(205,699)	(346,378)
Employee	-	455,194	(455,194)	(169,601)	(285,593)
State On Behalf	-	327,845	(327,845)	(122,152)	(205,693)
Net investment income	-	3,329,102	(3,329,102)	(1,240,392)	(2,088,710)
Other income	-	9,526	(9,526)	(3,549)	(5,977)
Benefit payments, including refunds of employee contributions	(1,839,168)	(1,839,168)	-	-	-
Administrative expenses	-	(24,125)	24,125	8,989	15,136
Borrowing costs	-	(7,667)	7,667	2,857	4,810
Other expenses	-	(1,356)	1,356	505	851
Net Changes	4,973,855	3,248,297	1,725,558	734,289	991,269
Balance at June 30, 2018	\$ 40,053,464	\$ 27,819,251	\$ 12,234,213	\$ 4,558,352	\$ 7,675,861

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2017 (Previously Reported)	\$ 7,979,860	\$ 5,896,905	\$ 2,082,955
Changes for the year:			
Adjustment for change in proportionate share	70,686	52,235	18,451
Service cost	216,196	-	216,196
Interest	608,590	-	608,590
Differences between expected and actual experience	56,590	-	56,590
Changes in assumptions	494,685	-	494,685
Contributions - Employer	-	189,790	(189,790)
Contributions - Employee	-	95,487	(95,487)
Net plan to plan resource movement	-	(14)	14
Net investment income	-	660,934	(660,934)
Benefit payments, including refunds of employee contributions	(396,330)	(396,330)	-
Administrative expenses	-	(8,777)	8,777
Net Changes	1,050,417	593,325	457,092
Balance at June 30, 2018	\$ 9,030,277	\$ 6,490,230	\$ 2,540,047

CalPERS - Business Type Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2017 (Previously Reported)	\$ 1,079,251	\$ 797,538	\$ 281,713

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Changes for the year:

Adjustment for change in proportionate share	15,593	11,523	4,070
Service cost	29,402	-	29,402
Interest	82,766	-	82,766
Differences between expected and actual experience	7,696	-	7,696
Changes in assumptions	67,275	-	67,275
Contributions - Employer	-	25,811	(25,811)
Contributions - Employee	-	12,986	(12,986)
Net plan to plan resource movement	-	(2)	2
Net investment income	-	89,884	(89,884)
Benefit payments, including refunds of employee contributions	(53,899)	(53,899)	-
Administrative expenses	-	(1,194)	1,194
Net Changes	148,833	85,109	63,724

Balance at June 30, 2018 \$ 1,228,084 \$ 882,647 \$ 345,437

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports.

N. Postemployment Benefits Other Than Pension Benefits

1. Plan Description

The Cardiff School District (District) administers a single-employer healthcare plan (Plan). The plan provides health benefits to eligible retirees for a maximum of five years or to the age 65, if earlier. The District currently provides retiree health benefits to approximately 60 active and 5 retired employees.

Certificated Employees

The District provides retiree medical (including prescription drug benefits), dental, and vision benefits to eligible retirees and their eligible dependents. Eligibility for retiree benefits requires retirement under STRS with at least 15 consecutive years of District eligible service. Retiree health benefits end at the earlier of the end of 5 years or the retiree's attainment of age 65. The District currently pays up to \$7,271 annually towards health coverage.

Dependent coverage (except COBRA continuation) ceases upon the death of the retiree.

Classified and Other Employees

The District provides retiree medical (including prescription drug benefits), dental, and vision benefits to eligible retirees and their eligible dependents. Eligibility for retiree benefits requires retirement under PERS on or after age 55 with at least 15 consecutive years of District eligible service. Retiree health benefits end at the earlier of the end of 5 years or the retiree's attainment of age 65. The District currently pays up to \$7,271 annually towards health coverage.

Dependent coverage (except COBRA continuation) ceases upon the death of the retiree.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Employees Covered by Benefit Terms

At June 30, 2017, the following retirees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	64
Total number of participants	<u>73</u>

2. Total OPEB Liability

The District's total OPEB liability of \$1,296,515 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability of \$1,296,515 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Inflation	2.75%
Salary Increases	3.00% per annum, in aggregate
Discount Rate	3.40%
Healthcare Cost Trend Rates	6.50% decreasing to 5.00%
Retiree's Share of Costs	Premiums as noted in table above

The discount rate was based on an average, rounded to five basis points, of the range of 3-20 year municipal bond rate indicies: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, and Fidelity GO AA 20 Year Bond index.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 1997 through June 30, 2011 and the CalSTRS experience study for the period July 1, 2010 through June 30, 2015.

Changes in Total OPEB Liability

	Governmental Activities	Business Type Activities	Total
Balance at June 30, 2017	\$ 1,284,715	\$ 45,218	\$ 1,329,933
Changes for the year:			
Service cost	75,661	2,663	78,324
Interest	37,235	1,311	38,546
Changes of benefit terms	(37,427)	(1,317)	(38,744)
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	-	-	-
Benefit payments	(107,751)	(3,793)	(111,544)
Net changes	<u>(32,282)</u>	<u>(1,136)</u>	<u>(33,418)</u>
Balance at June 30, ACTIVE	\$ <u>1,252,433</u>	\$ <u>44,082</u>	\$ <u>1,296,515</u>

There were no changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, ACTIVE.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.30%) or 1-percentage-point-higher (4.30%) than the current discount rate:

	1% Decrease 2.40%	Discount Rate 3.40%	1% Increase 4.40%
Total OPEB Liability - Governmental Activities	\$ 1,321,037	\$ 1,252,433	\$ 1,186,512
Total OPEB Liability - Business Type Activities	46,496	44,082	41,761
Total OPEB Liability - District Wide	<u>\$ 1,367,533</u>	<u>\$ 1,296,515</u>	<u>\$ 1,228,273</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 5.50% decreasing to 4.00%	Healthcare Cost Trend Rate 6.50% decreasing to 5.00%	1% Increase 7.50% decreasing to 6.00%
Total OPEB Liability - Governmental Activities	\$ 1,166,897	\$ 1,252,433	\$ 1,349,539
Total OPEB Liability - Business Type Activities	41,070	44,082	47,499
Total OPEB Liability - District Wide	<u>\$ 1,207,967</u>	<u>\$ 1,296,515</u>	<u>\$ 1,397,038</u>

3. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018 the District recognized OPEB expense of \$112,027 for all funds. At June 30, 2018 the District reported deferred outflows of resources related to the following sources:

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Governmental Activities	Business Type Activities	Total
2019	\$ 4,678	\$ 165	\$ 4,843
2020	4,678	165	4,843
2021	4,678	165	4,843
2022	4,678	165	4,843
2023	4,678	165	4,843
2024	4,678	165	4,843
Total	<u>\$ 28,068</u>	<u>\$ 990</u>	<u>\$ 29,058</u>

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

O. Adjustment to Beginning Net Position

During the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Implementation of GASB Statement No. 75 resulted in a change in calculations of total OPEB liability as well as deferred outflows and deferred inflows of resources associated with OPEB. In addition, the District determined that OPEB would fully be accounted for in the government-wide financial statements. The result of applying the change in accounting policy is an adjustment to beginning net position on the government wide financial statements and the self-insurance fund.

Beginning net position was adjusted as follows:

	Governmental Activities	Business Type Activities
Net Position, Beginning (As Originally Stated)	\$ (1,817,577)	\$ (155,963)
Adjustments for:		
Correction to Net OPEB Obligation	(840,174)	(1,206)
Correction to Deferred Inflows of Resources	(32,746)	-
Net Position, Beginning (As Restated)	<u>\$ (2,690,497)</u>	<u>\$ (157,169)</u>

P. Components of Ending Fund Balance

As of June 30, 2018 ending fund balance consisted of the following:

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Building Fund	Interest & Redemption Fund		
Nonspendable Fund Balances					
Revolving Cash	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
Stores Inventory	-	-	-	449	449
Restricted Fund Balances					
Child Nutrition Program	-	-	-	835	835
California Clean Energy	223,889	-	-	-	223,889
Lottery: Instructional Materials	42,170	-	-	-	42,170
Special Education	70,806	-	-	-	70,806
Capital Projects	-	13,084,391	-	-	13,084,391
Assigned Fund Balances					
Debt Service	-	-	1,638,883	-	1,638,883
Postemployment Benefits	1,124	-	-	-	1,124
Deferred Maintenance	-	-	-	360,275	360,275
Capital Projects	-	258,429	-	696,561	954,990
Other	-	-	-	121,616	121,616
Unassigned Fund Balances					
Economic Uncertainties	359,851	-	-	-	359,851
Unappropriated	2,124,733	-	-	-	2,124,733
Total Fund Balance	<u>\$ 2,824,073</u>	<u>\$ 13,342,820</u>	<u>\$ 1,638,883</u>	<u>\$ 1,179,736</u>	<u>\$ 18,985,512</u>

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

Q. Risk Management

The District is exposed to risk of losses due to:

- a. Torts,
- b. Theft of, damage to, or destruction of assets,
- c. Business interruption,
- d. Errors or omissions,
- e. Job related illnesses or injuries to employees,
- f. Natural disasters,
- g. Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention (self-insurance), risk transfer to and from an insurer, and risk transfer to a noninsurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

The District purchases insurance through joint powers authorities. The District is not obligated to cover any losses beyond the premiums paid for the insurance costs. As a result there has not been a liability recorded for incurred but not reported claims.

R. Commitments and Contingencies

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

S. Subsequent Events

Implementation of New Accounting Guidance

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2019. Those newly implemented pronouncements are as follows:

GASB 83 - Certain Asset Retirement Obligations

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement.

The District does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

CARDIFF SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CARDIFF SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 386,643	\$ 386,643	\$ 388,450	\$ 1,807
Education Protection Account Funds	137,790	138,120	134,376	(3,744)
Local Sources	7,605,879	7,605,879	7,866,956	261,077
Federal Revenue	199,976	193,809	154,863	(38,946)
Other State Revenue	468,122	298,594	687,456	388,862
Other Local Revenue	713,579	728,743	725,903	(2,840)
Total Revenues	<u>9,511,989</u>	<u>9,351,788</u>	<u>9,958,004</u>	<u>606,216</u>
Expenditures:				
Current:				
Certificated Salaries	4,547,684	4,495,307	4,617,723	(122,416)
Classified Salaries	1,490,896	1,490,896	1,537,424	(46,528)
Employee Benefits	1,660,037	1,673,646	1,970,949	(297,303)
Books And Supplies	240,602	259,385	224,473	34,912
Services And Other Operating Expenditures	675,766	723,766	973,538	(249,772)
Other Outgo	292,568	331,568	161,373	170,195
Debt Service:				
Principal	50,903	50,903	50,903	-
Total Expenditures	<u>8,958,456</u>	<u>9,025,471</u>	<u>9,536,383</u>	<u>(510,912)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>553,533</u>	<u>326,317</u>	<u>421,621</u>	<u>95,304</u>
Other Financing Sources (Uses):				
Transfers In	-	-	362,757	362,757
Transfers Out	-	(40,000)	(777,108)	(737,108)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(40,000)</u>	<u>(414,351)</u>	<u>(374,351)</u>
Net Change in Fund Balance	553,533	286,317	7,270	(279,047)
Fund Balance, July 1	2,815,679	2,815,679	2,815,679	-
Fund Balance, June 30	<u>\$ 3,369,212</u>	<u>\$ 3,101,996</u>	<u>\$ 2,822,949</u>	<u>\$ (279,047)</u>

CARDIFF SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.0083%	0.0083%	0.0094%	0.0087%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 7,675,860	\$ 6,684,591	\$ 6,344,141	\$ 5,109,658	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the 2018	4,558,378	3,823,916	3,377,921	3,111,150	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>\$ 12,234,238</u>	<u>\$ 10,508,507</u>	<u>\$ 9,722,062</u>	<u>\$ 8,220,808</u>	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 4,388,633	\$ 4,106,199	\$ 4,354,685	\$ 3,874,485	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	174.90%	162.79%	145.69%	131.88%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

CARDIFF SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 652,807	\$ 552,090	440,595	386,696	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(652,807)	(552,090)	(440,595)	(386,696)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	-	-	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 4,523,957	\$ 43,288,633	4,106,199	4,354,685	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.430%	1.275%	10.730%	8.880%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

CARDIFF SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS *

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.0121%	0.0120%	0.0123%	0.0119%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 2,885,486	\$ 2,364,669	\$ 1,809,817	1,347,510	N/A	N/A	N/A	N/A	\$ N/A	\$ N/A
District's covered-employee payroll	\$ 1,552,412	\$ 1,449,886	\$ 1,365,415	1,248,051	N/A	N/A	N/A	N/A	\$ N/A	\$ N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	185.87%	163.09%	132.55%	107.97%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

CARDIFF SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS *

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 253,358	\$ 215,599	\$ 171,768	160,723	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(253,358)	(215,599)	(171,768)	(160,723)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 1,631,305	\$ 1,552,412	\$ 1,449,886	1,365,415	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

See Accompanying Notes to Required Supplementary Information.

CARDIFF SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
CARDIFF RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2,018	2,017	2,016	2,015	2,014	2,013	2,012	2,011	2,010	2,009
Total OPEB liability:										
Service cost	\$ 78,324	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Interest	38,546	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(38,744)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(111,544)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	(33,418)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	1,329,933	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	\$ 1,296,515	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Covered-employee payroll	\$ 5,089,000	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
District's OPEB liability as a percentage of covered-employee payroll	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

CARDIFF SCHOOL DISTRICTNOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018Budgetary Comparison Schedule - General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Postemployment Benefits (Fund 20) was included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Fund Financial Statements Ending Fund Balance	\$ 2,824,073
Less Fund 20 Fund Balance	<u>1,124</u>
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 2,822,949</u>
General Fund - Fund Financial Statements Net Change in Fund Balance	\$ 7,287
Change in Fund Balance attributed to Fund 20	<u>17</u>
General Fund - Budgetary Comparison Schedule Change in Fund Balance	<u>\$ 7,270</u>

Excess of Expenditures Over Appropriations

As of June 30, 2018, expenditures exceeded appropriations in individual budgeted funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
General Fund		
Certificated Salaries	\$ 122,416	Unanticipated increase in salaries
Classified Salaries	46,528	Unanticipated increase in salaries
Employee Benefits	297,303	Unexpected increase in benefits
Services and Other Operating Expenditures	249,772	Unexpected increase in expenses

Schedule of District's Proportionate Share - California State Teachers' Retirement System

- 1) Benefit Changes: In 2015, 2016, 2017 & 2018 there were no changes to benefits
- 2) Changes in Assumptions: In 2015, 2016 & 2017 there were no changes in assumptions. In 2018 there was a change in discount rate from 7.60% to 7.10%.

Schedule of District's Contributions - California State Teachers' Retirement System

The total pension liability for California State Teachers Retirement System was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2013, 2014, 2015 & 2016 and rolling forward the total pension liabilities to the June 30, 2014, 2015, 2016 & 2017 (measurement dates). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation Date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.60%	7.60%	7.60%
Consumer Price Inflation	3.00%	3.00%	3.00%
Wage Growth (Average)	3.75%	3.75%	3.75%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2018
Measurement Date	06/30/17
Valuation Date	06/30/16
Experience Study	07/01/10 - 06/30/15
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth (Average)	3.50%
Post-retirement Benefit Increases	2.00% Simple

CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015 experience study adopted by the CalSTRS board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries. Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on CalSTRS website.

Schedule of District's Proportionate Share - California Public Employees Retirement System

1) Benefit Changes: In 2015, 2016, 2017 & 2018 there were no changes to benefits

2) Changes in Assumptions: In 2015 and 2017 there were no changes in assumptions. In 2016 the discount rate was changed from 7.5% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%.

Schedule of District's Contributions - California Public Employees' Retirement System

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, & 2016 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016 & 2017 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017 used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation Date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/11
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%
Consumer Price Inflation	2.75%	2.75%	2.75%
Wage Growth (Average)	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2018
Measurement Date	06/30/17
Valuation Date	06/30/16
Experience Study	07/01/97 - 06/30/11
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.75%
Wage Growth (Average)	3.00%
Post-retirement Benefit Increases	2.00% Simple

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the April 2014 experience study report (based on demographic data from 1997 to 2011) available on CalPERS website.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

- 1) Benefit Changes: In 2018 there were no changes to benefits.
- 2) Changes in Assumptions: In 2018 there were no changes in assumptions.
- 3) No assets are accumulated in a trust that meets the criteria in GASB Statement No 75 paragraph 4.
- 4) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.40%

Combining Statements as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CARDIFF SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:			
Cash in County Treasury	\$ 4,381	\$ 497,311	\$ 501,692
Accounts Receivable	2,788	2,249	5,037
Due from Other Funds	-	359,851	359,851
Stores Inventories	449	-	449
Total Assets	<u>7,618</u>	<u>859,411</u>	<u>867,029</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 834	\$ -	\$ 834
Due to Other Funds	5,500	41,233	46,733
Total Liabilities	<u>6,334</u>	<u>41,233</u>	<u>47,567</u>
Fund Balance:			
Nonspendable Fund Balances:			
Stores Inventories	449	-	449
Restricted Fund Balances	835	121,616	122,451
Assigned Fund Balances	-	696,562	696,562
Total Fund Balance	<u>1,284</u>	<u>818,178</u>	<u>819,462</u>
Total Liabilities and Fund Balances	<u>\$ 7,618</u>	<u>\$ 859,411</u>	<u>\$ 867,029</u>

CARDIFF SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
Federal Revenue	\$ 44,851	\$ -	\$ 44,851
Other State Revenue	2,776	-	2,776
Other Local Revenue	77,329	79,658	156,987
Total Revenues	<u>124,956</u>	<u>79,658</u>	<u>204,614</u>
Expenditures:			
Current:			
Pupil Services	176,139	-	176,139
General Administration	-	82,497	82,497
Capital Outlay	-	29,123	29,123
Total Expenditures	<u>176,139</u>	<u>111,620</u>	<u>287,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(51,183)</u>	<u>(31,962)</u>	<u>(83,145)</u>
Other Financing Sources (Uses):			
Transfers In	54,500	722,608	777,108
Transfers Out	(362,757)	-	(362,757)
Total Other Financing Sources (Uses)	<u>(308,257)</u>	<u>722,608</u>	<u>414,351</u>
Net Change in Fund Balance	(359,440)	690,646	331,206
Fund Balance, July 1	360,724	127,532	488,256
Fund Balance, June 30	<u>\$ 1,284</u>	<u>\$ 818,178</u>	<u>\$ 819,462</u>

CARDIFF SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS:		
Cash in County Treasury	\$ 4,381	\$ 4,381
Accounts Receivable	2,788	2,788
Stores Inventories	449	449
Total Assets	<u>7,618</u>	<u>7,618</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	\$ 834	\$ 834
Due to Other Funds	5,500	5,500
Total Liabilities	<u>6,334</u>	<u>6,334</u>
Fund Balance:		
Nonspendable Fund Balances:		
Stores Inventories	449	449
Restricted Fund Balances	835	835
Total Fund Balance	<u>1,284</u>	<u>1,284</u>
Total Liabilities and Fund Balances	<u>\$ 7,618</u>	<u>\$ 7,618</u>

CARDIFF SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Cafeteria Fund	Deferred Maintenance Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			
Federal Revenue	\$ 44,851	\$ -	\$ 44,851
Other State Revenue	2,776	-	2,776
Other Local Revenue	74,847	2,482	77,329
Total Revenues	<u>122,474</u>	<u>2,482</u>	<u>124,956</u>
Expenditures:			
Current:			
Pupil Services	176,139	-	176,139
Total Expenditures	<u>176,139</u>	<u>-</u>	<u>176,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,665)</u>	<u>2,482</u>	<u>(51,183)</u>
Other Financing Sources (Uses):			
Transfers In	54,500	-	54,500
Transfers Out	-	(362,757)	(362,757)
Total Other Financing Sources (Uses)	<u>54,500</u>	<u>(362,757)</u>	<u>(308,257)</u>
Net Change in Fund Balance	835	(360,275)	(359,440)
Fund Balance, July 1	449	360,275	360,724
Fund Balance, June 30	<u>\$ 1,284</u>	<u>\$ -</u>	<u>\$ 1,284</u>

CARDIFF SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018

	Capital Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS:			
Cash in County Treasury	\$ 133,144	\$ 364,167	\$ 497,311
Accounts Receivable	582	1,667	2,249
Due from Other Funds	-	359,851	359,851
Total Assets	<u>133,726</u>	<u>725,685</u>	<u>859,411</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Due to Other Funds	\$ 12,110	\$ 29,123	\$ 41,233
Total Liabilities	<u>12,110</u>	<u>29,123</u>	<u>41,233</u>
Fund Balance:			
Restricted Fund Balances	121,616	-	121,616
Assigned Fund Balances	-	696,562	696,562
Total Fund Balance	<u>121,616</u>	<u>696,562</u>	<u>818,178</u>
Total Liabilities and Fund Balances	<u>\$ 133,726</u>	<u>\$ 725,685</u>	<u>\$ 859,411</u>

CARDIFF SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Capital Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:			
Other Local Revenue	\$ 76,581	\$ 3,077	\$ 79,658
Total Revenues	<u>76,581</u>	<u>3,077</u>	<u>79,658</u>
Expenditures:			
Current:			
General Administration	82,497	-	82,497
Capital Outlay	-	29,123	29,123
Total Expenditures	<u>82,497</u>	<u>29,123</u>	<u>111,620</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,916)</u>	<u>(26,046)</u>	<u>(31,962)</u>
Other Financing Sources (Uses):			
Transfers In	-	722,608	722,608
Total Other Financing Sources (Uses)	<u>-</u>	<u>722,608</u>	<u>722,608</u>
Net Change in Fund Balance	(5,916)	696,562	690,646
Fund Balance, July 1	127,532	-	127,532
Fund Balance, June 30	<u>\$ 121,616</u>	<u>\$ 696,562</u>	<u>\$ 818,178</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Supplementary Information Section

CARDIFF SCHOOL DISTRICT

LOCAL EDUCATION AGENCY

ORGANIZATION STRUCTURE

JUNE 30, 2018

The Cardiff School District was established on February 10, 1913 and is comprised of an area of approximately 3.2 square miles in San Diego County. There were no changes in the boundaries of the district during the current year. The district currently operates two elementary schools, grades K-6.

Governing Board		
Name	Office	Term and Term Expiration
Siena Randall	President	Four year term Expires December 2022
David Ross	Clerk	Four year term Expires December 2020
Nancy Orr	Member	Four year term Expires December 2020
Mark Whitehouse	Member	Four year term Expires December 2022
Dave Clark	Member	Four year term Expires December 2022

Administration
Jill Vinson Superintendent
Courtney Jasper Chief Business Official

CARDIFF SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 YEAR ENDED JUNE 30, 2018

TABLE D-1

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
TK/K-3:				
Regular ADA	365.65	N/A	367.03	N/A
TK/K-3 Totals	365.65	N/A	367.03	N/A
Grades 4-6:				
Regular ADA	302.18	N/A	302.28	N/A
Grades 4-6 Totals	302.18	N/A	302.28	N/A
ADA Totals	667.83	N/A	669.31	N/A

N/A - There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

CARDIFF SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2018

TABLE D-2

Grade Level	Ed. Code 46207 Minutes Requirement	2017-18 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	50,900	180	-	Complied
Grade 1	50,400	52,560	180	-	Complied
Grade 2	50,400	52,560	180	-	Complied
Grade 3	50,400	52,560	180	-	Complied
Grade 4	54,000	56,390	180	-	Complied
Grade 5	54,000	56,390	180	-	Complied
Grade 6	54,000	56,390	180	-	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District met or exceeded its target funding.

CARDIFF SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2018

TABLE D-3

General Fund	Budget 2019 (See Note 1)	2018	2017	2016
Revenues and other financial sources	\$ 9,868,824	\$ 10,320,761	\$ 9,555,729	\$ 9,396,749
Expenditures, other uses and transfers out	9,809,339	10,313,491	9,322,404	8,961,177
Change in fund balance (deficit)	59,485	7,270	233,325	435,572
Ending fund balance	\$ 2,882,434	\$ 2,822,949	\$ 2,815,679	\$ 2,582,354
Available reserves (See Note 2)	\$ 2,507,633	\$ 2,484,584	\$ 2,563,920	\$ 2,263,491
Available reserves as a percentage of total outgo (See Note 3)	25.6%	24.1%	27.5%	25.3%
Total long-term debt	\$ 33,927,946	\$ 35,284,233	\$ 33,780,118	\$ 19,072,812
Average daily attendance at P-2	668	668	676	690

This schedule discloses the district's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the district's ability to continue as a going concern for a reasonable period of time.

The general fund balance has increased by \$240,595 over the past two years. The fiscal year 2018-19 budget projects an increase of \$59,485. For a district of this size, the State recommends available reserves of at least 4% of total general fund expenditures, transfers out, and other uses (total outgo).

Long-term debt has increased by \$16,211,421 over the past two years.

Average daily attendance (ADA) has decreased by 126 over the past two years.

Notes:

- 1 Budget 2019 is included for analytical purposes only and has not been subjected to audit.
- 2 Available reserves consist of all unassigned fund balances, all assigned fund balances, and all funds reserved for economic uncertainties contained within the General Fund.
- 3 On behalf payments of \$327,833, \$357,074, and \$282,274,, have been excluded from the calculation of available reserves as a percentage of total outgo for the fiscal years ending June 30, 2018, 2017, and 2016.
- 4 As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement #54, the District's Special Reserve Fund for Postemployment Benefits (Fund 20) was included with the general fund. The above Schedule of Financial Trends and Analysis contains only the financial information of the general fund.

CARDIFF SCHOOL DISTRICTRECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**TABLE D-4**

	General Fund	Special Reserve Fund for Postemployment Benefits
June 30, 2018 annual financial and budget report fund balances	\$ 2,822,950	\$ 1,124
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
GASB 54 presentation of Special Reserve Fund	1,124	(1,124)
Net adjustments and reclassifications	1,124	(1,124)
June 30, 2018 audited financial statement fund balances	\$ 2,824,074	\$ -
	Enterprise Fund	Governmental Activities
	Schedule of Long-Term Liabilities	Schedule of Long-Term Liabilities
June 30, 2018, annual financial and budget report fund balances	\$ 210,388	\$ 34,102,844
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
General Obligation Bonds overstatement	-	(519,341)
Capital leases understatement	-	146,828
Net pension liability understatement	135,409	1,166,649
Total OPEB liability understatement	45,218	
Compensated Absences understatement	-	4,024
Net pension liability overstatement	-	(6,289)
Net adjustments and reclassifications	180,627	791,871
June 30, 2018, audited financial statement total liabilities	\$ 391,015	\$ 34,894,715

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

No charter schools are chartered by Cardiff School District.

<u>Charter Schools</u>	<u>Included In Audit?</u>
None	N/A

Other Independent Auditor's Reports



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards*

Board of Trustees
Cardiff School District
Cardiff-by-the-Sea, California

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cardiff School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Cardiff School District's basic financial statements, and have issued our report thereon dated December 6, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cardiff School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cardiff School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cardiff School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cardiff School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Berkeley Office
2001 Addison Street, 3rd Floor, Berkeley, CA 94704
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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hobbly King & Co., LLP

El Cajon, California
December 6, 2018

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA



Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on State Compliance

Board of Trustees
Cardiff School District
Cardiff-by-the-Sea, California

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 that could have a direct and material effect on each of the District's state programs identified below for the fiscal year ended June 30, 2018.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State's audit guide, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>Compliance Requirements</u>	<u>Procedures in Audit Guide Performed?</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance Accounting:	
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	N/A
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials.....	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction.....	N/A
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
After School	N/A
Before School	N/A
General Requirements	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
CHARTER SCHOOLS:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study.....	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Opinion on State Compliance

In our opinion, Cardiff School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2018.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hobbie King & Co., LLP

El Cajon, California
December 6, 2018

Findings and Recommendations Section

CARDIFF SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X Not Applicable

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X Not Applicable

Type of auditor's report issued on compliance for major programs: Not Applicable

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X Not Applicable

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

Not Applicable	Not Applicable
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X Not Applicable

CARDIFF SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

3. State Awards

Any audit findings disclosed that are required to be reported in
accordance with the state's Guide for Annual Audits of K-12
Local Education Agencies and State Compliance Reporting? ☐ Yes ☒ No

Type of auditor's report issued on compliance
for state programs: Unmodified

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NOT APPLICABLE

D. State Award Findings and Questioned Costs

NONE

CARDIFF SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
-------------------------------	-----------------------	--

There were no findings reported in the June 30, 2017 audit.

**Cardiff School District
Cardiff-By-The-Sea, California 92007**

December 13, 2018

ITEM: APPROVE BUDGET CHANGES THROUGH 10/31/2018

BACKGROUND

AB 1200 requires local education agencies (LEAs) to file interim reports of their annual budget as of October 31st and January 31st. LEAs must collect the financial data for these reporting periods and prepare appropriate interim reports for Governing Board review

CURRENT CONSIDERATIONS

Attached is the listing of the budget changes.

FINANCIAL IMPLICATIONS

The changes are as follow:

Classified Salaries	Increase	\$ 19,751
Employee Benefits	Increase	\$ 2,876
Books and Supplies	Increase	\$ 2,600
Other Services	Increase	\$ 221,897

TOTAL EXPENDITURES	Increase	\$ 246,524
---------------------------	----------	-------------------

TOTAL REVENUE	Decrease	\$ 54,814
----------------------	----------	------------------

Included for your review is the Year to Date Summary that reflects the budget through October 31, 2018 with the budget changes.

RECOMMENDATION

It is recommended that the board approve the budget changes through October 31, 2018.

BUDGET CHANGES THRU 10/31/2018

	<u>Certiicated</u> <u>Salaries</u>	<u>Classified</u> <u>Salaries</u>	<u>Employee</u> <u>Benefits</u>	<u>Books &</u> <u>Supplies</u>	<u>Other</u> <u>Services</u>	<u>Equipment</u>	<u>Other Outgo</u>	<u>Revenue</u>
Special Ed Property Tax Transfer								4,141
Special Ed Discretionary Grants								(14,907)
Title II Federal Funds								(2,808)
One Time Discretionary Funds								(107,480)
State Lottery								6,678
Mental Health State Funds								74
Miscellaneous Local Funds								59,488
Salary Adjustments		19,751						
Labor related costs			2,876					
Art/Garden Curriculum Supplies				2,000				
Prop 39 Services					223,889			
Insurance Premiums					2,008			
Professional Services					(4,000)			
TOTAL	0	19,751	2,876	2,000	221,897	0	0	(54,814)

**CARDIFF SCHOOL DISTRICT
2018-2019 YEAR TO DATE SUMMARY**

		6/11/2018 BOARD ADOPTED	THRU 10/31/2018 BUDGET CHANGES	THRU 10/31/2018 REVISED
BEGINNING BALANCE		3,101,996		2,822,949
REVENUES				
	Revenue Limit/LCFF Sources	8,676,141	4,141	8,680,282
	Federal Revenue	173,391	(17,715)	155,676
	State Revenue	421,747	(100,728)	321,019
	Local Revenue	597,545	59,488	657,033
	TOTAL REVENUE	9,868,824	(54,814)	9,814,010
EXPENDITURES				
	Certificated Salaries	4,600,870	0	4,600,870
	Classified Salaries	1,562,269	19,751	1,582,020
	Employee Benefits	1,727,708	2,877	1,730,585
	Books/Supplies	244,714	2,000	246,714
	Services	880,986	221,897	1,102,883
	Equipment	0	0	0
	Tuition - Special Ed Regional	189,000	0	189,000
	Debt Service - Apple Lease A	107,620	0	107,620
	TOTAL EXPENDITURES	9,313,167	246,525	9,559,692
EXCESS/DEFIENCY		555,657		254,318
Contributions	FUND 1300	(30,000)		(33,017)
	FUND 4000	(466,171)		(463,154)
NET EXCESS/DEFIENCY		59,486		(241,853)
ENDING BALANCE		3,161,482		2,581,096
RESERVES				
	Restricted Monies	722,585		146,821
	Revolving Cash	1,500		1,500
<i>STATE MINIMUM RESERVE</i>	<i>(4% of Expenditures)</i>	372,527		382,387
NET ENDING BALANCE		2,064,870		2,050,388
	<i>Budget Assumptions-Reserves</i>	22.2%		21.4%

**Cardiff School District
Cardiff-By-The-Sea, California 92007**

December 13, 2018

**ITEM: AUTHORIZE DISTRICT CERTIFICATION OF FIRST
INTERIM BUDGET STATE REPORT FOR PERIOD
ENDING OCTOBER 31, 2018**

BACKGROUND

Each year, the California State Department of Education requires that districts submit Interim Reports on the status of the district budget to reflect revenue and expenditures as of October 31st and January 31st of the school year. These reports allow the district to make appropriate budget transfers or to take any other appropriate action to ensure the fiscal health of the district for the current and succeeding fiscal years. The Board of Trustees and the County Superintendent of Schools must certify the Interim Reports.

CURRENT CONSIDERATIONS

The Interim Report, detailing the status of the district budget as of October 31, 2018 is provided to the Trustees. The required items include: Fund data for the General Fund provided in the SACS format; average daily attendance report; criteria and standards; projected cash flow; and a multi-year projection.

FINANCIAL IMPLICATIONS

Positive certification of the first period interim report sets the state for any budget revisions or personnel actions, which may be required to ensure the long-term fiscal health of the District.

RECOMMENDATION

It is respectfully recommended that the Board approve the Second Interim Report.

Exhibit I

NOTICE OF CRITERIA AND STANDARDS REVIEW. This interim report was based upon and reviewed using the state-adopted Criteria and Standards. (Pursuant to Education Code (EC) sections 33129 and 42130)

Signed: _____
District Superintendent or Designee

Date: _____

NOTICE OF INTERIM REVIEW. All action shall be taken on this report during a regular or authorized special meeting of the governing board.

To the County Superintendent of Schools:

This interim report and certification of financial condition are hereby filed by the governing board of the school district. (Pursuant to EC Section 42131)

Meeting Date: December 13, 2018

Signed: _____
President of the Governing Board

CERTIFICATION OF FINANCIAL CONDITION

X POSITIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

_____ QUALIFIED CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

_____ NEGATIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

Contact person for additional information on the interim report:

Name: Courtney Jasper

Telephone: 760-632-5890 ext 162

Title: CBO

E-mail: courtney.jasper@cardiffschools.com

Criteria and Standards Review Summary

The following summary is automatically completed based on data provided in the Criteria and Standards Review form (Form 01CSI). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern, which could affect the interim report certification, and should be carefully reviewed.

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	Funded ADA for any of the current or two subsequent fiscal years has not changed by more than two percent since budget adoption.	X	

CRITERIA AND STANDARDS (continued)			Met	Not Met
2	Enrollment	Projected enrollment for any of the current or two subsequent fiscal years has not changed by more than two percent since budget adoption.	X	
3	ADA to Enrollment	Projected second period (P-2) ADA to enrollment ratio for the current and two subsequent fiscal years is consistent with historical ratios.	X	
4	Local Control Funding Formula (LCFF) Revenue	Projected LCFF revenue for any of the current or two subsequent fiscal years has not changed by more than two percent since budget adoption.	X	
5	Salaries and Benefits	Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures has not changed by more than the standard for the current and two subsequent fiscal years.	X	
6a	Other Revenues	Projected operating revenues (federal, other state, other local) for the current and two subsequent fiscal years have not changed by more than five percent since budget adoption.	X	
6b	Other Expenditures	Projected operating expenditures (books and supplies, services and other expenditures) for the current and two subsequent fiscal years have not changed by more than five percent since budget adoption.		X
7	Ongoing and Major Maintenance Account	If applicable, changes occurring since budget adoption meet the required contribution to the ongoing and major maintenance account (i.e., restricted maintenance account).	n/a	
8	Deficit Spending	Unrestricted deficit spending, if any, has not exceeded the standard in any of the current or two subsequent fiscal years.	X	
9a	Fund Balance	Projected general fund balance will be positive at the end of the current and two subsequent fiscal years.	X	
9b	Cash Balance	Projected general fund cash balance will be positive at the end of the current fiscal year.	X	
10	Reserves	Available reserves (e.g., reserve for economic uncertainties, unassigned/unappropriated amounts) meet minimum requirements for the current and two subsequent fiscal years.	X	

SUPPLEMENTAL INFORMATION			No	Yes
S1	Contingent Liabilities	Have any known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) occurred since budget adoption that may impact the budget?	X	
S2	Using One-time Revenues to Fund Ongoing Expenditures	Are there ongoing general fund expenditures funded with one-time revenues that have changed since budget adoption by more than five percent?	X	
S3	Temporary Interfund Borrowings	Are there projected temporary borrowings between funds?	X	
S4	Contingent Revenues	Are any projected revenues for any of the current or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes, forest reserves)?	X	
S5	Contributions	Have contributions from unrestricted to restricted resources, or transfers to or from the general fund to cover operating deficits, changed since budget adoption by more than \$20,000 and more than 5% for any of the current or two subsequent fiscal years?		X

SUPPLEMENTAL INFORMATION (continued)			No	Yes
S6	Long-term Commitments	Does the district have long-term (multiyear) commitments or debt agreements?		X
		• If yes, have annual payments for the current or two subsequent fiscal years increased over prior year's (2017-18) annual payment?		X
		• If yes, will funding sources used to pay long-term commitments decrease or expire prior to the end of the commitment period, or are they one-time sources?	X	
S7a	Postemployment Benefits Other than Pensions	Does the district provide postemployment benefits other than pensions (OPEB)?		X
		• If yes, have there been changes since budget adoption in OPEB liabilities?	X	
S7b	Other Self-insurance Benefits	Does the district operate any self-insurance programs (e.g., workers' compensation)?	X	
		• If yes, have there been changes since budget adoption in self-insurance liabilities?	n/a	
S8	Status of Labor Agreements	As of first interim projections, are salary and benefit negotiations still unsettled for:		
		• Certificated? (Section S8A, Line 1b)	X	
		• Classified? (Section S8B, Line 1b)	X	
S8	Labor Agreement Budget Revisions	For negotiations settled since budget adoption, per Government Code Section 3547.5(c), are budget revisions still needed to meet the costs of the collective bargaining agreement(s) for:		
		• Certificated? (Section S8A, Line 3)	n/a	
		• Classified? (Section S8B, Line 3)	n/a	
S9	Status of Other Funds	Are any funds other than the general fund projected to have a negative fund balance at the end of the current fiscal year?	X	

ADDITIONAL FISCAL INDICATORS			No	Yes
A1	Negative Cash Flow	Do cash flow projections show that the district will end the current fiscal year with a negative cash balance in the general fund?	X	
A2	Independent Position Control	Is personnel position control independent from the payroll system?	X	
A3	Declining Enrollment	Is enrollment decreasing in both the prior and current fiscal years?	X	
A4	New Charter Schools Impacting District Enrollment	Are any new charter schools operating in district boundaries that are impacting the district's enrollment, either in the prior or current fiscal year?	X	
A5	Salary Increases Exceed COLA	Has the district entered into a bargaining agreement where any of the current or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?	X	
A6	Uncapped Health Benefits	Does the district provide uncapped (100% employer paid) health benefits for current or retired employees?	X	
A7	Independent Financial System	Is the district's financial system independent from the county office system?	X	
A8	Fiscal Distress Reports	Does the district have any reports that indicate fiscal distress? If yes, provide copies to the COE, pursuant to EC 42127.6(a).	X	
A9	Change of CBO or Superintendent	Have there been personnel changes in the superintendent or chief business official (CBO) positions within the last 12 months?	X	

2018-19 First Interim
General Fund
Summary - Unrestricted/Restricted
Revenues, Expenditures, and Changes in Fund Balance

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
A. REVENUES								
1) LCFF Sources		8010-8099	8,676,141.00	8,680,282.00	858,335.20	8,680,282.00	0.00	0.0%
2) Federal Revenue		8100-8299	173,391.00	155,676.00	223.00	155,676.00	0.00	0.0%
3) Other State Revenue		8300-8599	421,747.00	321,019.00	15,069.31	321,019.00	0.00	0.0%
4) Other Local Revenue		8600-8799	597,545.00	657,033.00	234,547.31	657,033.00	0.00	0.0%
5) TOTAL, REVENUES			9,868,824.00	9,814,010.00	1,108,174.82	9,814,010.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	4,600,870.17	4,600,870.17	1,266,632.38	4,600,870.17	0.00	0.0%
2) Classified Salaries		2000-2999	1,562,269.60	1,582,020.60	460,020.65	1,582,020.60	0.00	0.0%
3) Employee Benefits		3000-3999	1,727,707.24	1,730,584.88	470,596.05	1,730,584.88	0.00	0.0%
4) Books and Supplies		4000-4999	244,714.00	246,714.00	155,345.61	246,714.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	880,986.21	1,102,883.21	525,192.05	1,102,883.21	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	296,620.32	296,620.32	108,204.99	296,620.32	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			9,313,167.54	9,559,693.18	2,985,991.73	9,559,693.18		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			555,656.46	254,316.82	(1,877,816.91)	254,316.82		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	496,171.22	496,171.22	20,000.00	496,171.22	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(496,171.22)	(496,171.22)	(20,000.00)	(496,171.22)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			59,485.24	(241,854.40)	(1,897,816.91)	(241,854.40)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	2,822,949.56	2,822,949.56		2,822,949.56	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			2,822,949.56	2,822,949.56		2,822,949.56		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			2,822,949.56	2,822,949.56		2,822,949.56		
2) Ending Balance, June 30 (E + F1e)			2,882,434.80	2,581,095.16		2,581,095.16		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	1,500.00	1,500.00		1,500.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Items		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Restricted		9740	374,801.46	146,821.82		146,821.82		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	372,527.00	0.00		0.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	0.00	382,387.00		382,387.00		
Unassigned/Unappropriated Amount		9790	2,133,606.34	2,050,386.34		2,050,386.34		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
LCFF SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	395,376.00	395,376.00	233,108.00	395,376.00	0.00	0.0%
Education Protection Account State Aid - Current Year		8012	140,244.00	140,244.00	33,594.00	140,244.00	0.00	0.0%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
Tax Relief Subventions								
Homeowners' Exemptions		8021	55,157.00	55,157.00	(0.10)	55,157.00	0.00	0.0%
Timber Yield Tax		8022	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8029	0.00	0.00	0.00	0.00	0.00	0.0%
County & District Taxes								
Secured Roll Taxes		8041	7,814,888.00	7,814,888.00	341,184.38	7,814,888.00	0.00	0.0%
Unsecured Roll Taxes		8042	240,360.00	240,360.00	249,192.51	240,360.00	0.00	0.0%
Prior Years' Taxes		8043	0.00	0.00	1,256.41	0.00	0.00	0.0%
Supplemental Taxes		8044	0.00	0.00	0.00	0.00	0.00	0.0%
Education Revenue Augmentation Fund (ERAF)		8045	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds (SB 617/699/1992)		8047	0.00	0.00	0.00	0.00	0.00	0.0%
Penalties and Interest from Delinquent Taxes		8048	0.00	0.00	0.00	0.00	0.00	0.0%
Miscellaneous Funds (EC 41604)								
Royalties and Bonuses		8081	0.00	0.00	0.00	0.00	0.00	0.0%
Other In-Lieu Taxes		8082	0.00	0.00	0.00	0.00	0.00	0.0%
Less: Non-LCFF (50%) Adjustment		8089	0.00	0.00	0.00	0.00	0.00	0.0%
Subtotal, LCFF Sources			8,646,025.00	8,646,025.00	858,335.20	8,646,025.00	0.00	0.0%
LCFF Transfers								
Unrestricted LCFF								
Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other LCFF								
Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	0.00	0.00	0.00	0.00	0.00	0.0%
Property Taxes Transfers		8097	30,116.00	34,257.00	0.00	34,257.00	0.00	0.0%
LCFF/Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, LCFF SOURCES			8,676,141.00	8,680,282.00	858,335.20	8,680,282.00	0.00	0.0%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	129,445.00	129,445.00	0.00	129,445.00	0.00	0.0%
Special Education Discretionary Grants		8182	26,587.00	11,680.00	0.00	11,680.00	0.00	0.0%
Child Nutrition Programs		8220	0.00	0.00	0.00	0.00	0.00	0.0%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
Forest Reserve Funds		8260	0.00	0.00	0.00	0.00	0.00	0.0%
Flood Control Funds		8270	0.00	0.00	0.00	0.00	0.00	0.0%
Wildlife Reserve Funds		8280	0.00	0.00	0.00	0.00	0.00	0.0%
FEMA		8281	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from Federal Sources		8287	0.00	0.00	0.00	0.00	0.00	0.0%
Title I, Part A, Basic	3010	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title I, Part D, Local Delinquent Programs	3025	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title II, Part A, Educator Quality	4035	8290	17,359.00	14,551.00	223.00	14,551.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
Title III, Part A, Immigrant Education Program	4201	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Title III, Part A, English Learner Program	4203	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Public Charter Schools Grant Program (PCSGP)	4610	8290	0.00	0.00	0.00	0.00	0.00	0.0%
	3020, 3040, 3041, 3045, 3060, 3061, 3110, 3150, 3155, 3177, 3180, 3181, 3185, 4050, 4123, 4124, 4126, 4127,							
Other NCLB / Every Student Succeeds Act	5510, 5630	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Career and Technical Education	3500-3599	8290	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue	All Other	8290	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			173,391.00	155,676.00	223.00	155,676.00	0.00	0.0%
OTHER STATE REVENUE								
Other State Apportionments								
ROC/P Entitlement								
Prior Years	6360	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	0.00	0.00	0.00	0.00	0.00	0.0%
Mandated Costs Reimbursements		8550	251,171.00	143,691.00	0.00	143,691.00	0.00	0.0%
Lottery - Unrestricted and Instructional Materials		8560	129,559.00	136,237.00	5,311.31	136,237.00	0.00	0.0%
Tax Relief Subventions								
Restricted Levies - Other								
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8576	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from State Sources		8587	0.00	0.00	0.00	0.00	0.00	0.0%
After School Education and Safety (ASES)	6010	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Charter School Facility Grant	6030	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Career Technical Education Incentive Grant Program	6387	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6650, 6690, 6695	8590	0.00	0.00	0.00	0.00	0.00	0.0%
California Clean Energy Jobs Act	6230	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Specialized Secondary	7370	8590	0.00	0.00	0.00	0.00	0.00	0.0%
American Indian Early Childhood Education	7210	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Quality Education Investment Act	7400	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	41,017.00	41,091.00	9,758.00	41,091.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			421,747.00	321,019.00	15,069.31	321,019.00	0.00	0.0%

2018-19 First Interim
General Fund
Summary - Unrestricted/Restricted
Revenues, Expenditures, and Changes in Fund Balance

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
OTHER LOCAL REVENUE								
Other Local Revenue								
County and District Taxes								
Other Restricted Levies								
Secured Roll		8615	0.00	0.00	0.00	0.00	0.00	0.0%
Unsecured Roll		8616	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00	0.00	0.0%
Supplemental Taxes		8618	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Ad Valorem Taxes								
Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds								
Not Subject to LCFF Deduction		8625	0.00	0.00	0.00	0.00	0.00	0.0%
Penalties and Interest from Delinquent Non-LCFF Taxes		8629	0.00	0.00	0.00	0.00	0.00	0.0%
Sales								
Sale of Equipment/Supplies		8631	20,000.00	20,000.00	18,552.70	20,000.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	76,300.00	76,300.00	23,240.00	76,300.00	0.00	0.0%
Interest		8660	19,000.00	19,000.00	4,195.53	19,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Adult Education Fees		8671	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Resident Students		8672	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Services		8677	0.00	0.00	0.00	0.00	0.00	0.0%
Mitigation/Developer Fees		8681	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
Plus: Misc Funds Non-LCFF (50%) Adjustment		8691	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues From Local Sources		8697	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Local Revenue		8699	221,177.00	275,677.00	114,011.08	275,677.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers Of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	261,068.00	266,056.00	74,548.00	266,056.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Transfers								
From Districts or Charter Schools	6360	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6360	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6360	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			597,545.00	657,033.00	234,547.31	657,033.00	0.00	0.0%
TOTAL, REVENUES			9,868,824.00	9,814,010.00	1,108,174.82	9,814,010.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	3,960,917.77	3,963,917.77	1,066,966.66	3,963,917.77	0.00	0.0%
Certificated Pupil Support Salaries		1200	178,246.92	175,246.92	45,763.68	175,246.92	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	461,705.48	461,705.48	153,902.04	461,705.48	0.00	0.0%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			4,600,870.17	4,600,870.17	1,266,632.38	4,600,870.17	0.00	0.0%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	587,550.52	591,296.52	139,480.94	591,296.52	0.00	0.0%
Classified Support Salaries		2200	331,579.99	331,579.99	109,984.11	331,579.99	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	119,631.00	125,252.00	41,750.68	125,252.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	424,930.85	435,314.85	143,214.25	435,314.85	0.00	0.0%
Other Classified Salaries		2900	98,577.24	98,577.24	25,590.67	98,577.24	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			1,562,269.60	1,582,020.60	460,020.65	1,582,020.60	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	740,839.25	740,839.25	205,673.62	740,839.25	0.00	0.0%
PERS		3201-3202	230,754.36	234,714.36	72,897.80	234,714.36	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	185,502.99	185,502.99	53,511.00	185,502.99	0.00	0.0%
Health and Welfare Benefits		3401-3402	448,746.10	447,663.74	104,133.50	447,663.74	0.00	0.0%
Unemployment Insurance		3501-3502	3,738.38	3,738.38	862.15	3,738.38	0.00	0.0%
Workers' Compensation		3601-3602	118,126.16	118,126.16	33,517.98	118,126.16	0.00	0.0%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			1,727,707.24	1,730,584.88	470,596.05	1,730,584.88	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Other Reference Materials		4200	35,570.00	35,570.00	16,466.20	35,570.00	0.00	0.0%
Materials and Supplies		4300	209,144.00	211,144.00	138,879.41	211,144.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.00	0.00	0.00	0.0%
Food		4700	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			244,714.00	246,714.00	155,345.61	246,714.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	162,400.00	162,400.00	31,602.34	162,400.00	0.00	0.0%
Travel and Conferences		5200	27,687.00	28,687.00	16,320.38	28,687.00	0.00	0.0%
Dues and Memberships		5300	13,000.00	13,000.00	0.00	13,000.00	0.00	0.0%
Insurance		5400-5450	41,500.00	43,508.00	43,508.00	43,508.00	0.00	0.0%
Operations and Housekeeping Services		5500	176,600.00	176,600.00	67,079.08	176,600.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	65,800.00	48,736.20	22,863.51	48,736.20	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	(10,256.79)	(10,256.79)	0.00	(10,256.79)	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	384,456.00	620,408.80	337,046.31	620,408.80	0.00	0.0%
Communications		5900	19,800.00	19,800.00	6,772.43	19,800.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			880,986.21	1,102,883.21	525,192.05	1,102,883.21	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
State Special Schools		7130	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments Payments to Districts or Charter Schools		7141	189,000.00	189,000.00	1,480.52	189,000.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Pass-Through Revenues To Districts or Charter Schools		7211	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices		7212	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs		7213	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education SELPA Transfers of Apportionments To Districts or Charter Schools	6500	7221	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices	6500	7222	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs	6500	7223	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Transfers of Apportionments To Districts or Charter Schools	6360	7221	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices	6360	7222	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs	6360	7223	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments	All Other	7221-7223	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	2,921.87	2,921.87	2,921.87	2,921.87	0.00	0.0%
Other Debt Service - Principal		7439	104,698.45	104,698.45	103,802.60	104,698.45	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			296,620.32	296,620.32	108,204.99	296,620.32	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00		
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENDITURES			9,313,167.54	9,559,693.18	2,985,991.73	9,559,693.18	0.00	0.0%

2018-19 First Interim
General Fund
Summary - Unrestricted/Restricted
Revenues, Expenditures, and Changes in Fund Balance

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: Special Reserve Fund		8912	0.00	0.00	0.00	0.00	0.00	0.0%
From: Bond Interest and Redemption Fund		8914	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: Child Development Fund		7611	0.00	0.00	0.00	0.00	0.00	0.0%
To: Special Reserve Fund		7612	0.00	0.00	0.00	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
To: Cafeteria Fund		7616	30,000.00	30,000.00	20,000.00	30,000.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	466,171.22	466,171.22	0.00	466,171.22	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			496,171.22	496,171.22	20,000.00	496,171.22	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
State Apportionments Emergency Apportionments		8931	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds								
Proceeds from Sale/Lease-Purchase of Land/Buildings		8953	0.00	0.00	0.00	0.00	0.00	0.0%
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00		
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00		
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES								
(a - b + c - d + e)			(496,171.22)	(496,171.22)	(20,000.00)	(496,171.22)	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	49,000.00	49,000.00	5,286.70	49,000.00	0.00	0.0%
3) Other State Revenue		8300-8599	2,600.00	2,600.00	324.43	2,600.00	0.00	0.0%
4) Other Local Revenue		8600-8799	110,000.00	110,000.00	18,111.72	110,000.00	0.00	0.0%
5) TOTAL, REVENUES			161,600.00	161,600.00	23,722.85	161,600.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	94,302.80	94,302.80	23,977.33	94,302.80	0.00	0.0%
3) Employee Benefits		3000-3999	19,898.42	19,898.42	5,246.18	19,898.42	0.00	0.0%
4) Books and Supplies		4000-4999	68,000.00	68,000.00	20,253.69	68,000.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	1,000.00	1,000.00	789.00	1,000.00	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			183,201.22	183,201.22	50,266.20	183,201.22		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(21,601.22)	(21,601.22)	(26,543.35)	(21,601.22)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	30,000.00	30,000.00	20,000.00	30,000.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			30,000.00	30,000.00	20,000.00	30,000.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			8,398.78	8,398.78	(6,543.35)	8,398.78		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	1,283.82	1,283.82		1,283.82	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			1,283.82	1,283.82		1,283.82		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			1,283.82	1,283.82		1,283.82		
2) Ending Balance, June 30 (E + F1e)			9,682.60	9,682.60		9,682.60		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	0.00	0.00		0.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Items		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Restricted		9740	9,682.60	9,682.60		9,682.60		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	0.00	0.00		0.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	0.00	0.00		0.00		
Unassigned/Unappropriated Amount		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
FEDERAL REVENUE								
Child Nutrition Programs		8220	49,000.00	49,000.00	5,286.70	49,000.00	0.00	0.0%
Donated Food Commodities		8221	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue		8290	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			49,000.00	49,000.00	5,286.70	49,000.00	0.00	0.0%
OTHER STATE REVENUE								
Child Nutrition Programs		8520	2,600.00	2,600.00	324.43	2,600.00	0.00	0.0%
All Other State Revenue		8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			2,600.00	2,600.00	324.43	2,600.00	0.00	0.0%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	110,000.00	110,000.00	18,106.08	110,000.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	0.00	0.00	5.64	0.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Interagency Services		8677	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			110,000.00	110,000.00	18,111.72	110,000.00	0.00	0.0%
TOTAL, REVENUES			161,600.00	161,600.00	23,722.85	161,600.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CERTIFICATED SALARIES								
Certificated Supervisors' and Administrators' Salaries		1300	0.00	0.00	0.00	0.00	0.00	0.0%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Support Salaries		2200	94,302.80	94,302.80	23,977.33	94,302.80	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.00	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	0.00	0.00	0.00	0.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			94,302.80	94,302.80	23,977.33	94,302.80	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	0.00	0.00	0.00	0.00	0.00	0.0%
PERS		3201-3202	10,798.21	10,798.21	2,729.53	10,798.21	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	7,214.16	7,214.16	1,834.30	7,214.16	0.00	0.0%
Health and Welfare Benefits		3401-3402	0.00	0.00	205.20	0.00	0.00	0.0%
Unemployment Insurance		3501-3502	47.15	47.15	11.98	47.15	0.00	0.0%
Workers' Compensation		3601-3602	1,838.90	1,838.90	465.17	1,838.90	0.00	0.0%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			19,898.42	19,898.42	5,246.18	19,898.42	0.00	0.0%
BOOKS AND SUPPLIES								
Books and Other Reference Materials		4200	0.00	0.00	0.00	0.00	0.00	0.0%
Materials and Supplies		4300	5,000.00	5,000.00	2,457.15	5,000.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.00	0.00	0.00	0.0%
Food		4700	63,000.00	63,000.00	17,796.54	63,000.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			68,000.00	68,000.00	20,253.69	68,000.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	500.00	500.00	150.00	500.00	0.00	0.0%
Dues and Memberships		5300	0.00	0.00	0.00	0.00	0.00	0.0%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	500.00	500.00	639.00	500.00	0.00	0.0%
Communications		5900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			1,000.00	1,000.00	789.00	1,000.00	0.00	0.0%
CAPITAL OUTLAY								
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENDITURES			183,201.22	183,201.22	50,266.20	183,201.22		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: General Fund		8916	30,000.00	30,000.00	20,000.00	30,000.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			30,000.00	30,000.00	20,000.00	30,000.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			30,000.00	30,000.00	20,000.00	30,000.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) LCFF Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	110,000.00	110,000.00	13,490.54	110,000.00	0.00	0.0%
5) TOTAL, REVENUES			110,000.00	110,000.00	13,490.54	110,000.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	0.00	0.00	0.00	0.00	0.00	0.0%
3) Employee Benefits		3000-3999	0.00	0.00	0.00	0.00	0.00	0.0%
4) Books and Supplies		4000-4999	0.00	0.00	0.00	0.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	0.00	0.00	0.00	0.00	0.00	0.0%
6) Capital Outlay		6000-6999	8,000,000.00	8,000,000.00	165,648.97	8,000,000.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			8,000,000.00	8,000,000.00	165,648.97	8,000,000.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(7,890,000.00)	(7,890,000.00)	(152,158.43)	(7,890,000.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(7,890,000.00)	(7,890,000.00)	(152,158.43)	(7,890,000.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	13,342,820.12	13,342,820.12		13,342,820.12	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			13,342,820.12	13,342,820.12		13,342,820.12		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			13,342,820.12	13,342,820.12		13,342,820.12		
2) Ending Balance, June 30 (E + F1e)			5,452,820.12	5,452,820.12		5,452,820.12		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	0.00	0.00		0.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Items		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Legally Restricted Balance		9740	5,084,391.20	5,084,391.20		5,084,391.20		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	368,428.92	368,428.92		368,428.92		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	0.00	0.00		0.00		
Unassigned/Unappropriated Amount		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
FEDERAL REVENUE								
FEMA		8281	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Federal Revenue		8290	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER STATE REVENUE								
Tax Relief Subventions Restricted Levies - Other								
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8576	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue		8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER LOCAL REVENUE								
County and District Taxes								
Other Restricted Levies Secured Roll		8615	0.00	0.00	0.00	0.00	0.00	0.0%
Unsecured Roll		8616	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00	0.00	0.0%
Supplemental Taxes		8618	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Ad Valorem Taxes Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds Not Subject to LCFF Deduction		8625	0.00	0.00	0.00	0.00	0.00	0.0%
Penalties and Interest from Delinquent Non-LCFF Taxes		8629	0.00	0.00	0.00	0.00	0.00	0.0%
Sales Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	110,000.00	110,000.00	13,490.54	110,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			110,000.00	110,000.00	13,490.54	110,000.00	0.00	0.0%
TOTAL, REVENUES			110,000.00	110,000.00	13,490.54	110,000.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CLASSIFIED SALARIES								
Classified Support Salaries		2200	0.00	0.00	0.00	0.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.00	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	0.00	0.00	0.00	0.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	0.00	0.00	0.00	0.00	0.00	0.0%
PERS		3201-3202	0.00	0.00	0.00	0.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	0.00	0.00	0.00	0.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	0.00	0.00	0.00	0.00	0.00	0.0%
Unemployment Insurance		3501-3502	0.00	0.00	0.00	0.00	0.00	0.0%
Workers' Compensation		3601-3602	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			0.00	0.00	0.00	0.00	0.00	0.0%
BOOKS AND SUPPLIES								
Books and Other Reference Materials		4200	0.00	0.00	0.00	0.00	0.00	0.0%
Materials and Supplies		4300	0.00	0.00	0.00	0.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			0.00	0.00	0.00	0.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	0.00	0.00	0.00	0.00	0.00	0.0%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	0.00	0.00	0.00	0.00	0.00	0.0%
Communications		5900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			0.00	0.00	0.00	0.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	8,000,000.00	8,000,000.00	165,648.97	8,000,000.00	0.00	0.0%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			8,000,000.00	8,000,000.00	165,648.97	8,000,000.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Other Transfers Out								
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Repayment of State School Building Fund Aid - Proceeds from Bonds		7435	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENDITURES			8,000,000.00	8,000,000.00	165,648.97	8,000,000.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Proceeds								
Proceeds from Sale of Bonds		8951	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Sale/Lease- Purchase of Land/Buildings		8953	0.00	0.00	0.00	0.00	0.00	0.0%
Other Sources								
County School Building Aid		8961	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2019-20 Projection (C)	% Change (Cols. E-C/C) (D)	2020-21 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	8,680,282.00	0.34%	8,710,145.00	1.85%	8,871,521.00
2. Federal Revenues	8100-8299	155,676.00	-0.43%	155,000.00	0.00%	155,000.00
3. Other State Revenues	8300-8599	321,019.00	-39.38%	194,594.00	0.00%	194,594.00
4. Other Local Revenues	8600-8799	657,033.00	-3.20%	635,977.00	0.00%	635,977.00
5. Other Financing Sources						
a. Transfers In	8900-8929	0.00	0.00%	0.00	0.00%	0.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		9,814,010.00	-1.21%	9,695,716.00	1.66%	9,857,092.00
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				4,600,870.17		4,692,886.17
b. Step & Column Adjustment				92,016.00		93,857.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	4,600,870.17	2.00%	4,692,886.17	2.00%	4,786,743.17
2. Classified Salaries						
a. Base Salaries				1,582,020.60		1,613,659.60
b. Step & Column Adjustment				31,639.00		32,272.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				0.00		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	1,582,020.60	2.00%	1,613,659.60	2.00%	1,645,931.60
3. Employee Benefits	3000-3999	1,730,584.88	3.75%	1,795,480.00	3.75%	1,862,809.00
4. Books and Supplies	4000-4999	246,714.00	-0.69%	245,000.00	0.82%	247,000.00
5. Services and Other Operating Expenditures	5000-5999	1,102,883.21	-17.49%	910,000.00	0.66%	916,000.00
6. Capital Outlay	6000-6999	0.00	0.00%	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	296,620.32	0.34%	297,620.32	0.67%	299,620.32
8. Other Outgo - Transfers of Indirect Costs	7300-7399	0.00	0.00%	0.00	0.00%	0.00
9. Other Financing Uses						
a. Transfers Out	7600-7629	496,171.22	-0.61%	493,153.00	0.37%	495,000.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments				0.00		0.00
11. Total (Sum lines B1 thru B10)		10,055,864.40	-0.08%	10,047,799.09	2.04%	10,253,104.09
C. NET INCREASE (DECREASE) IN FUND BALANCE						
(Line A6 minus line B11)		(241,854.40)		(352,083.09)		(396,012.09)
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		2,822,949.56		2,581,095.16		2,229,012.07
2. Ending Fund Balance (Sum lines C and D1)		2,581,095.16		2,229,012.07		1,832,999.98
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	1,500.00		1,500.00		1,500.00
b. Restricted	9740	146,821.82		100,000.00		100,000.00
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	0.00		0.00		0.00
d. Assigned	9780	0.00		0.00		0.00
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	382,387.00		382,186.00		390,324.00
2. Unassigned/Unappropriated	9790	2,050,386.34		1,745,326.07		1,341,175.98
f. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		2,581,095.16		2,229,012.07		1,832,999.98

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2019-20 Projection (C)	% Change (Cols. E-C/C) (D)	2020-21 Projection (E)
E. AVAILABLE RESERVES (Unrestricted except as noted)						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	382,387.00		382,186.00		390,324.00
c. Unassigned/Unappropriated	9790	2,050,386.35		1,745,326.07		1,341,175.98
d. Negative Restricted Ending Balances (Negative resources 2000-9999)	979Z	(0.01)		0.00		0.00
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1 thru E2c)		2,432,773.34		2,127,512.07		1,731,499.98
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		24.19%		21.17%		16.89%
F. RECOMMENDED RESERVES						
1. Special Education Pass-through Exclusions						
For districts that serve as the administrative unit (AU) of a special education local plan area (SELPA):						
a. Do you choose to exclude from the reserve calculation the pass-through funds distributed to SELPA members?	Yes					
b. If you are the SELPA AU and are excluding special education pass-through funds:						
1. Enter the name(s) of the SELPA(s):						
PP: North Coastal Consortium for Special Education						
2. Special education pass-through funds (Column A: Fund 10, resources 3300-3499 and 6500-6540, objects 7211-7213 and 7221-7223; enter projections for subsequent years 1 and 2 in Columns C and E)		0.00		0.00		0.00
2. District ADA Used to determine the reserve standard percentage level on line F3d (Col. A: Form AI, Estimated P-2 ADA column, Lines A4 and C4; enter projections)		643.67		649.80		666.90
3. Calculating the Reserves						
a. Expenditures and Other Financing Uses (Line B11)		10,055,864.40		10,047,799.09		10,253,104.09
b. Plus: Special Education Pass-through Funds (Line F1b2, if Line F1a is No)		0.00		0.00		0.00
c. Total Expenditures and Other Financing Uses (Line F3a plus line F3b)		10,055,864.40		10,047,799.09		10,253,104.09
d. Reserve Standard Percentage Level (Refer to Form 01CSI, Criterion 10 for calculation details)		4%		4%		4%
e. Reserve Standard - By Percent (Line F3c times F3d)		402,234.58		401,911.96		410,124.16
f. Reserve Standard - By Amount (Refer to Form 01CSI, Criterion 10 for calculation details)		67,000.00		67,000.00		67,000.00
g. Reserve Standard (Greater of Line F3e or F3f)		402,234.58		401,911.96		410,124.16
h. Available Reserves (Line E3) Meet Reserve Standard (Line F3g)		YES		YES		YES

**CARDIFF SCHOOL DISTRICT
MULTIYEAR PROJECTIONS**

		2018-2019	2019-2020	2020-2021
BEGINNING BALANCE		2,822,949	2,581,096	2,229,013
REVENUES	Revenue Limit/LCFF Sources	8,680,282	8,710,145	8,871,521
	Federal Revenue	155,676	155,000	155,000
	State Revenue	321,019	194,594	194,594
	Local Revenue	657,033	635,977	635,977
	TOTAL REVENUE	9,814,010	9,695,716	9,857,092
	Certificated Salaries			
EXPENDITURES		4,600,870	4,692,886	4,786,744
	Classified Salaries	1,582,020	1,613,660	1,645,931
	Employee Benefits	1,730,585	1,795,480	1,862,809
	Books/Supplies	246,714	245,000	247,000
	Services	1,102,883	910,000	916,000
	Equipment	0	0	0
	Tuition - Special Ed Regional	189,000	190,000	192,000
	Debt Service - Apple Lease A	107,620	107,620	107,620
	TOTAL EXPENDITURES	9,559,692	9,554,646	9,758,104
EXCESS/DEFIENCY		254,318	141,070	98,988
Contributions	FUND 1300	(33,017)	(30,302)	(28,000)
	FUND 4000	(463,154)	(462,851)	(467,000)
NET EXCESS/DEFIENCY		(241,853)	(352,083)	(396,012)
ENDING BALANCE		2,581,096	2,229,013	1,833,001
RESERVES				
	Restricted Monies	146,821	100,000	100,000
	Revolving Cash	1,500	1,500	1,500
<i>STATE MINIMUM RESERVE (4% of Expenditures)</i>		382,387	382,186	390,324
NET ENDING BALANCE		2,050,388	1,745,327	1,341,177
	<i>Budget Assumptions-Reserves</i>	21.4%	18.3%	13.7%

Description	ESTIMATED FUNDED ADA Original Budget (A)	ESTIMATED FUNDED ADA Board Approved Operating Budget (B)	ESTIMATED P-2 REPORT ADA Projected Year Totals (C)	ESTIMATED FUNDED ADA Projected Year Totals (D)	DIFFERENCE (Col. D - B) (E)	PERCENTAGE DIFFERENCE (Col. E / B) (F)
A. DISTRICT						
1. Total District Regular ADA Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (includes Necessary Small School ADA)	650.68	650.68	643.67	643.67	(7.01)	-1%
2. Total Basic Aid Choice/Court Ordered Voluntary Pupil Transfer Regular ADA Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (ADA not included in Line A1 above)	0.00	0.00	0.00	0.00	0.00	0%
3. Total Basic Aid Open Enrollment Regular ADA Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (ADA not included in Line A1 above)	0.00	0.00	0.00	0.00	0.00	0%
4. Total, District Regular ADA (Sum of Lines A1 through A3)	650.68	650.68	643.67	643.67	(7.01)	-1%
5. District Funded County Program ADA						
a. County Community Schools	0.00	0.00	0.00	0.00	0.00	0%
b. Special Education-Special Day Class	0.00	0.00	0.00	0.00	0.00	0%
c. Special Education-NPS/LCI	0.00	0.00	0.00	0.00	0.00	0%
d. Special Education Extended Year	0.00	0.00	0.00	0.00	0.00	0%
e. Other County Operated Programs: Opportunity Schools and Full Day Opportunity Classes, Specialized Secondary Schools	0.00	0.00	0.00	0.00	0.00	0%
f. County School Tuition Fund (Out of State Tuition) [EC 2000 and 46380]	0.00	0.00	0.00	0.00	0.00	0%
g. Total, District Funded County Program ADA (Sum of Lines A5a through A5f)	0.00	0.00	0.00	0.00	0.00	0%
6. TOTAL DISTRICT ADA (Sum of Line A4 and Line A5g)	650.68	650.68	643.67	643.67	(7.01)	-1%
7. Adults in Correctional Facilities	0.00	0.00	0.00	0.00	0.00	0%
8. Charter School ADA (Enter Charter School ADA using Tab C. Charter School ADA)						

Cardiff Elementary		2018-19 General Fund Cashflows										Actuals to end of the month of: 10/30/2018		2018-2019 1st Interim			Type: 2					
68007 AL												USER INPUT AREA										
11/29/18 12:32												Totals up to June 30th			2018-2019 1st Interim		CODE		July SY August SY Other Months SY			
Beginning Cash Balance		Beginning Balances	July	August	September	October	November	Dec - Prior to Property Taxes	December	January	February	March	April	May	June	\$	\$		2017-18			
		\$	3,091,416	2,720,198	2,252,287	1,288,777	919,996	210,579	(202,342)	2,054,038	2,293,007	1,733,340	1,000,220	2,824,294	2,861,917	\$	3,091,416	3,091,416				
			1st Quarter			2nd Quarter				3rd Quarter			4th Quarter									
Line 8000-8998 Total Cash Inflows - CY Revenues																						
1 8000-8099 LCFF Sources																						
2 8011 LCFF			\$ 58,277	\$ 58,277	\$ 58,277	\$ 58,277	\$ -	\$ -	\$ -	\$ 23,311	\$ 27,791	\$ 27,791	\$ 27,791	\$ 27,791	\$ 27,791	\$ 395,376	\$ 395,376	1819 BS1	\$ -	\$ -	\$ -	
3 8021-8047 Property Taxes			13,833	116,622	26,171	435,008	-	-	2,844,556	999,652	121,994	-	2,567,938	774,650	209,980	8,110,405	8,110,405	1819 BS1	-	-	-	
3.1 8012 RDA			-	-	33,694	-	-	-	35,061	-	-	-	-	-	36,528	140,244	140,244	1819 BS1	-	-	-	
3.5 8047 RDA Residual Balance & CRD			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
4 8096 Charter In Lieu Taxes			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
4.5 8097 Special Education - Prop Tax Transfer			-	-	-	-	-	-	-	9,369	-	-	8,485	-	16,403	34,257	34,257	1819 BS1	-	-	-	
5 Multiple Other RL Sources			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
6 8000-8099 Subtotal LCFF Sources			72,110	174,899	118,042	493,285	-	-	2,879,617	1,032,332	149,786	62,852	2,604,215	802,442	290,703	8,680,282	8,680,282		-	-	-	
7																						
8 8100-8299 Federal Revenues																						
9 8181&8182 Special Education			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1819 BS1	\$ -	\$ 141,125	\$ -	
10 8110 Impact Aid			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
11 8285 9068 Assets - Pass Through			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
11.1 8290 3010&25 Title I - Fed Cash Mgmt System			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
11.2 8290 4035 Title II - Fed Cash Mgmt System			-	-	-	223	-	-	3,638	-	-	3,638	-	-	3,638	11,136	14,551	1819 BS1	-	-	3,415	
11.3 8290 4201&03 Title III - Fed Cash Mgmt System			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
12 Multiple Other Federal			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
13 8100-8299 Subtotal Federal Revenues			-	-	-	223	-	-	3,638	-	-	3,638	-	-	3,638	11,136	155,676		-	141,125	3,415	
14																						
15 8300-8599 Other State Revenues																						
16 8311 6500&10 PA Sp. Ed. (SDUSD, Poway & Infant)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1819 BS1	\$ -	\$ -	\$ -	
17 Multiple OTHER PA Recompensations and Adjustments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
19 8550 Mandate Block/One-time Discretionary			-	-	-	-	-	-	47,897	-	-	-	47,897	47,897	-	143,691	143,691	1819 BS1	-	-	-	
23 8560 Lottery			-	-	-	5,311	-	-	-	34,059	-	-	34,059	-	34,059	107,489	136,237	1819 BS1	-	-	28,748	
26 8590 Educator Effectiveness			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
26 Multiple Other State			-	-	9,758	-	11,593	-	3,455	14,590	(3,095)	1,962	(13,945)	5,387	11,385	41,091	41,091	1819 BS1	-	-	-	
28 8300-8599 Subtotal Other State Revenues			-	-	9,758	5,311	11,593	-	51,352	48,649	(3,095)	1,962	68,012	53,284	45,444	292,271	321,019		-	-	28,748	
29																						
30 8600-8799 Other Local Revenues																						
31 8782 9025 ROP - Pass Through			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1819 BS1	\$ -	\$ -	\$ -	
32 8772 9065 ASES - Pass Through			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
33 8792 SPED PA Special Education - Pass Through			13,228	13,396	23,962	23,962	23,945	-	23,945	23,945	23,945	23,945	23,945	23,945	23,945	266,056	266,056	1819 BS1	-	-	-	
34 Multiple Other Local			(10,324)	27,006	46,152	97,164	43,191	-	12,632	45,824	86,862	15,056	19,567	20,704	45,532	449,367	390,977	1819 BS1	-	-	-	
35 8600-8799 Subtotal Other Local Revenues			2,904	40,402	70,114	121,126	67,136	-	36,577	69,769	110,807	39,001	43,512	44,649	69,426	715,425	657,033		-	-	-	
36																						
37 8900-8998 Transfers In & Other Sources			-	-	-	-	(0)	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1819 BS1	(0)	-	-	
38																						
39 8000-8998 Total Cash Inflows - CY Revenues			\$ 75,014	\$ 215,301	\$ 197,914	\$ 619,946	\$ 78,730	\$ -	\$ 2,971,184	\$ 1,150,750	\$ 257,497	\$ 107,453	\$ 2,715,739	\$ 900,375	\$ 409,211	\$ 9,699,114	\$ 9,814,010		\$ (0)	\$ 141,125	\$ 32,163	
40																						
41 1000-7998 Cash Outflows - CY Expenditures																						
42 1000-3999 Salaries & Benefits																						
43 1000-1999 Certificated			\$ 42,047	\$ 407,756	\$ 407,421	\$ 409,408	\$ 415,973	\$ -	\$ 415,117	\$ 410,473	\$ 419,202	\$ 412,410	\$ 422,273	\$ 415,747	\$ 434,538	\$ 4,612,363	\$ 4,600,870	1819 BS1	\$ -	\$ -	\$ -	
44 2000-2999 Classified			62,570	76,773	161,110	159,568	134,658	-	143,289	149,349	132,761	152,784	138,788	158,258	137,547	1,807,455	1,592,020	1819 BS1	-	-	-	
45 3000-3999 Benefits			28,206	129,071	157,165	156,154	154,343	-	156,399	156,687	154,248	156,963	156,288	158,179	166,488	1,730,211	1,730,585	1819 BS1	374	-	-	
46 1000-3999 Subtotal Salaries & Benefits			132,823	613,599	725,696	725,131	704,984	-	714,804	716,508	706,210	722,176	717,341	732,183	738,573	7,950,029	7,913,475		374	-	-	
47																						
48 4000-7998 Other Expenditures																						
49 4000-4999 Supplies			\$ 59,296	\$ 39,484	\$ 42,520	\$ 14,045	\$ 14,389	\$ 11,188	\$ -	\$ 16,260	\$ 16,311	\$ 11,305	\$ 12,624	\$ 12,524	\$ 29,946	\$ 279,892	\$ 246,714	1819 BS1	\$ -	\$ -	\$ -	
50 5000-5999 Utilities			156	24,447	18,219	24,258	12,096	-	15,132	11,090	14,625	10,945	14,015	10,085	27,608	182,675	176,600	1819 BS1	-	-	-	
51 5000-5999 Other Services (Excl. Utilities)			80,184	68,693	47,894	261,193	53,675	-	66,575	69,560	63,952	67,143	119,049	58,171	149,660	1,105,940	926,293	1819 BS1	-	-	-	
52 6000-6999 Capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
52.1 7200-7299 Pass Through Revenues			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1819 BS1	-	-	-	
53 7000-7998 Transfers Out, Other Uses & Outgo			108,266	(986)	925	-	3,002	320,026	-	98,363	16,066	29,004	28,635	49,788	336,616	989,707	891,822	1819 BS1	-	-	-	
54 4000-7998 Subtotal Other Expenditures			247,902	131,838	109,558	299,485	83,162	412,921	-	195,273	110,955	118,397	174,324	130,569	543,830	2,558,214	2,241,419		-	-	-	
55																						
56 1000-7998 Total Cash Outflows - CY Expenditures			\$ 380,726	\$ 745,437	\$ 835,254	\$ 1,024,616	\$ 788,147	\$ 412,921	\$ 714,804	\$ 911,781	\$ 817,165	\$ 840,573	\$ 891,664	\$ 862,753	\$ 1,282,403	\$ 10,508,243	\$ 10,154,894		\$ 374	\$ -	\$ -	
57																						

Cardiff Elementary		2018-19 General Fund Cashflows										Actuals to end of the month of: 10/30/2018					2018-2019 1st Interim					Type: 2		
68007 AL																	USER INPUT AREA							
11/29/18 12:32		Beginning	July	August	September	October	November	Dec - Prior to Property Taxes	December	January	February	March	April	May	June	Totals up to June 30th	2018-2019 1st Interim	1718 CF	July SY	August SY	Other Months SY			
58	9111-9499 Assets (Excluding 9110 Cash)																							
59	9111-9199 Other Cash Equivalents	\$ (1,500)														\$			\$	\$	\$			
60	9200-9299 Receivables (Excl. deferrals listed below)	(140,780)	17,543	2,055	9,381	39,969										68,947	101,568	1718 CF	-	-	-			
61	9200-9299 Deferrals - Principal Apportionment	-														-			-	-	-			
64	9200-9299 Receivables - Lottery	(29,695)														-			-	-	-			
65	9300-9319 Temporary Loans / Due From	(47,348)			27,348										20,000	47,348			-	-	-			
66	9320-9499 Other Assets	-	-	-	-	-									-	-			-	-	-			
67																								
68	9111-9499 Change in Assets (Excl. 9110 Cash)	\$ (219,322)	\$ 17,543	\$ 2,055	\$ 36,729	\$ 39,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 116,295	\$ 101,568		\$ -	\$ -	\$ -			
69																								
70	9500-9659 Current Liabilities																							
71	9500-9599 Payables	\$ 127,938	\$ (26,828)	\$ (20,277)	\$ 1,595	\$ (5,787)										\$ (51,297)	\$ (76,165)	1718 CF	\$ -	\$ -	\$ -			
72	9650-9659 Deferred Revenues	-	-	-	-	-										-			-	-	-			
73																								
74	9500-9659 Change in Current Liabilities	\$ 127,938	\$ (26,828)	\$ (20,277)	\$ 1,595	\$ (5,787)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (51,297)	\$ 76,165		\$ -	\$ -	\$ -			
75																								
76	Multiple Other Activity																							
77	9793 Audit Adjustments		\$ -	\$ -	\$ -	\$ -					\$ -		\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -			
78	9795 Other Restatements																							
79	7999 Expense Suspense		(320)	320	(5,789)	809										(4,979)			-	-	-			
80	8999 Revenue Suspense		3,154	17,731	(12,004)	2,104										10,984			-	-	-			
81	9910 Payroll Suspense		(59,055)	62,397	13,150	(1,206)										15,286			-	-	-			
82	Treasury Reconciling Items															-			-	-	-			
83																								
84	Multiple Total Other Activity		\$ (56,221)	\$ 80,448	\$ (4,643)	\$ 1,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,291	\$ -		\$ -	\$ -	\$ -			
85																								
86	Ending Balance WITHOUT Borrowing		\$ 2,360,347	\$ 1,892,436	\$ 1,288,777	\$ 919,996	\$ 210,579	\$ (202,342)	\$ 2,054,038	\$ 2,293,007	\$ 1,733,340	\$ 1,000,220	\$ 2,824,294	\$ 2,861,917	\$ 2,008,725	\$ 2,368,576	\$ 2,928,265		\$ -	\$ -	\$ -			
87																								
89	Multiple Borrowing Activity																							
90	9640 TRAN / TTF Principal Amounts										\$ -		\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -			
91	8660 TRAN / TTF Premium																		-	-	-			
92	5800 TRAN / TTF Issuance Cost & Interest																		-	-	-			
93	9135 & 9640 TRAN / TTF Repayment																		-	-	-			
94	9600-9619 Temporary Loans / Due To		(359,851)		(359,851)											(359,851)			-	-	-			
95	9629-9649 Other Liabilities (Excluding TRANs)		-	-	-	-										-			-	-	-			
96																								
97	Multiple Total Borrowing Activity	\$ 359,851	\$ -	\$ -	\$ (359,851)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (359,851)	\$ -		\$ -	\$ -	\$ -			
98																								
99	9110 Ending Cash Balance		\$ 2,720,198	\$ 2,252,287	\$ 1,288,777	\$ 919,996	\$ 210,579	\$ (202,342)	\$ 2,054,038	\$ 2,293,007	\$ 1,733,340	\$ 1,000,220	\$ 2,824,294	\$ 2,861,917	\$ 2,008,725	\$ 2,008,725	\$ 2,928,265							

17-18 Ending Cash Balance		2,480,565	1,972,759	1,367,419	1,316,329	606,397	2,358,145	2,501,884	3,556,767	3,010,210	2,348,787	3,303,140	3,530,706	3,091,416						
16-17 Ending Cash Balance		2,022,107	1,697,170	1,154,995	536,628	10,535	(74,188)	1,915,534	2,627,643	2,261,231	1,612,557	2,857,766	3,191,256	2,732,759						
15-16 Ending Cash Balance		1,788,883	1,433,848	965,038	446,122	(121,765)	2,165,047	1,690,759	2,430,217	1,862,074	1,494,346	2,703,807	2,780,331	2,277,162						
14-15 Ending Cash Balance		1,969,170	1,564,989	922,408	166,967	167,326	167,326	1,636,924	2,248,972	1,766,223	1,169,165	2,375,171	2,432,701	1,948,679						
13-14 Ending Cash Balance		2,292,220	2,035,629	1,792,000	1,244,078	944,702	944,702	2,622,864	2,737,881	2,368,273	1,953,529	2,905,627	2,884,107	2,195,096						
12-13 Ending Cash Balance		1,879,429	1,576,603	1,098,394	745,020	419,620	419,620	1,952,349	1,968,983	1,605,442	1,248,736	2,279,305	2,258,198	\$ 1,900,914						
11-12 Ending Cash Balance		1,611,838	1,199,379	856,818	321,255	175,539	175,539	1,585,593	1,568,362	1,381,555	1,381,555	1,381,555	2,101,477	1,638,497						
10-11 Ending Cash Balance		1,750,492	1,235,025	859,208	487,153	206,590		1,633,643	1,752,462	1,300,504	1,110,744	1,794,992	1,860,796	1,473,828						
09-10 Ending Cash Balance		2,264,819	1,857,361	1,529,955	1,140,714	777,411		2,236,342	1,608,540	1,508,785	1,247,757	1,455,212	1,515,311	1,327,819						
08-09 Ending Cash Balance		1,846,676	1,424,819	921,316	759,982	336,543		1,697,532	1,128,848	842,175	457,043	921,504	905,518	717,319						
07-08 Ending Cash Balance		79,854	50,160	112,801	122,358	19,329		271,704	493,491	92,939	114,164	939,231	864,842	606,877						
06-07 Ending Cash Balance		51,591	137,058	101,327	42,176	73,295		926,591	552,527	521,631	226,258	552,517	629,019	251,106						
05-06 Ending Cash Balance		263,666	10,838	73,296	51,917	59,251		1,127,822	916,246	789,946	348,285	649,432	576,164	220,486						
04-05 Ending Cash Balance		293,257	3,573	257,203	496,166	136,415		994,273	907,089	980,901	475,331	484,938	732,025	238,034	District's authorizing signature					

Cardiff School District Budget Assumptions 2019-20

Foundational

1. The budget shall reflect the goals of the strategic plan.
2. The employee compensation package is an important aspect of the district's budgetary planning.
3. Provision for the basic education program at all levels shall be the primary consideration.
4. One-time income and ending fund balance shall only be for one-time, non-recurring items.
5. Funding for major maintenance and facilities projects shall be budgeted at ~~4~~ **5**% of General Fund expenditures.
6. The district shall reserve sufficient funds in anticipation of upcoming curriculum adoptions.
7. The cafeteria program shall ~~be self-supporting~~ shall be monitored annually and regularly using cost saving measures to ensure a quality school lunch program.
8. Estimates for utilities, contracted services, insurance, maintenance contracts and supplies shall be based upon a combination of historical data and industry projections.
9. Budgeted expenditures shall not exceed income unless the expenditures which exceed income are one-time only, and are being made possible by an identifiable revenue source.
10. When a new and previously unbudgeted general fund project or program is recommended, the major competing demands for funding shall be reviewed also.
11. Provisions shall be made to maintain the use, value, and safety of the facilities and equipment through capital improvements and preventative maintenance.
12. The District shall maintain a district reserve that is 20-25% of the annual budgeted revenues.
13. The district will use the tax assessor's recommended increase/decrease for property taxes each year.

Staffing and Enrollment

14. Keeping class sizes in the low to mid 20's is a target in Cardiff's budgetary planning.
15. Combination classes in all grade levels will be avoided whenever possible.
(combination classes may be a necessary part of each school's class schedule)

Programs

16. Consideration for professional development at all levels shall be included.
17. It is recognized that specialty programs are funded in partnership with local funding sources.
18. Facilities, Maintenance and Operations expenditures will be considered in three tiers: short term, mid term and long term needs.
19. Consideration of technology support, through staff, services, and equipment, shall be included. Technological support for instruction, learning, communication, and data analysis will be considered in three tiers: short term, mid term and long term needs.

Revised: