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

# REGULAR MEETING OF THE GOVERNING BOARD
# AGENDA

**TUESDAY, JANUARY 10, 2012 • 5:00 PM • PUBLIC MEETNG**
**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
Mr. Andy Brown,III, President
Ms. Nancy Orr, Clerk
Ms. Gail Coakley, Member
Mr. Dave Clark, Member
Mr. Mark Whitehouse, Member
Ms. Jill Vinson, Superintendent

D. Approval of agenda for January 10, 2012
***All items are action unless labeled information***

E. Approve minutes from the regular/organizational meeting of December 8, 2011 ***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 fifteen 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/Conference
H. Superintendent's Report

*Exhibit*

III. CONSENT CALENDAR

*Items listed in the Consent Calendar are considered to be routine and are acted on by the Board in one motion unless members of the Board request specific items to be discussed or pulled. It is understood that the Superintendent recommends approval on all Consent Items. Each item of the Consent agenda approved by the Board shall be deemed to have been considered in full and adopted as recommended.*

A. Approval of Current Business Items:
   1. Purchase Orders
   2. Commercial Warrants #12-985454 to #12-995219 $73,168 ***B***
   3. Payroll Warrants, December, 2011, $456,251

B. Enrollment report as of 1/05/12 ***C***

C. Consider approval of Memorandum of Understanding between Cardiff School District and Encinitas Union School District ***D***

D. Consider approval of Nonpublic Agencies Master Contract between Cardiff School District and Bridges Educational Corporation ***E***

E. Removal of items from Consent Calendar

F. Approval of Consent Calendar

IV. BUSINESS AND FINANCE

A. Budget Update ***(Information)***

B. Review and accept annual audit report for 2010-11 ***F***

V. GENERAL FUNCTIONS

A. Approve revised Board Administrative Regulation 5111, Students, Admission ***G***

B. Approve revised Board Policy 5131, Students, Conduct ***H***

C. Consider changing the May regular board meeting date

VI. FUTURE AGENDA ITEMS

VII. ANNOUNCEMENT: ADJOURNING TO CLOSED SESSION

VIII. REPORT FROM CLOSED SESSION (If applicable)

IX. ADJOURNMENT OF MEETING

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

# MINUTES

## REGULAR/ORGANIZATIONAL MINUTES OF DECEMBER 8, 2011

The regular/organizational meeting of the Governing Board of the Cardiff School District was held on Tuesday, December 8, 2011 at the Cardiff School, 1888 Montgomery Avenue, Cardiff-by-the-Sea, California. President Coakley called the meeting to order at 5:00 p.m. Trustees and visitors were led in the pledge of allegiance. Trustee Whitehouse arrived ten minutes late.

Members present: Brown III, Clark, Coakley, Orr, Whitehouse

Members absent: None

Administrators present: Vinson, Parker, Kissell

Visitors: Meghan Laurs, SEA
Daniel Turitto

Andy Brown, III was appointed President of the Board for 2012.

MOTION: Orr
SECOND: Clark
CARRIED: 4:0

Mr. Brown presided over the remainder of the meeting.

Nancy Orr was elected Clerk of the Governing Board for 2012.

MOTION: Coakley
SECOND: Clark
CARRIED: 4:0

The following appointments were made:

1. The Superintendent was appointed secretary to the Board of Trustees.
2. Dave Clark was appointed representative to the Trustee Review Committee of the North Coastal Consortium for Special Education.
3. Dave Clark and Nancy Orr were appointed to the City of Encinitas School District Liaison Committee.

Exhibit A

The regular meetings of the Governing Board for 2012 were scheduled for 5:00 p.m. at the Cardiff School, 1888 Montgomery Avenue, Cardiff-by-the-Sea, California on the following dates:

Tuesday, January 10, 2012
Thursday, February 9, 2012
Thursday, March 8, 2012
Thursday, April 19, 2012
Thursday, May 10, 2012
Thursday, June 14, 2012
Thursday, July 12, 2012
Thursday, August 9, 2012
Thursday, September 13, 2012
Thursday, October 11, 2012
Thursday, November 8, 2012
Thursday, December 13, 2012

The agenda for December 8, 2011 was approved as presented.

MOTION: Coakley
SECOND: Orr
CARRIED: 5:0

The minutes from the regular meeting of November 10, 2011 were approved as written.

MOTION: Coakley
SECOND: Orr
CARRIED: 5:0

Hearing Session:

- Mr. Kissell reported Superintendent Vinson gave the 21st Century Learning presentation in Spanish at the ELAC/DELAC meting.
- Ms. Parker reported the Site Plan and scores from last year's STAR data were reviewed at the last School Site Council meeting.
- Meghan Laurs reported the Gala theme for the March 10th event is "Masquerade by the Sea". The auction chair committee seats have all been filled. Invitations will be sent out in January. The SEA directories have been distributed. Hudson Printers did the printing at no cost. They will also be printing the business decals for those businesses that donate $300 or more. The extended family outreach letter campaign will be going out. This campaign reaches out to family members that may be able to help contribute to our schools. Next Monday SEA will be sending out the end-of-year reminder letter to anyone that needs to make end-of-year tax donations.
- Trustee Whitehouse reported on the Board's attendance at the Annual California School Boards Association Workshop held in San Diego.

Hearing Session continued

- Superintendent Vinson informed Trustees that a survey was going to be sent out to parents, students, and staff. The Speak Up For Technology survey will help our district understand where our students, families and teachers stand with regards to access and use of technology. Ms. Vinson reported that she has had meetings regarding the improvement of the wireless infrastructure. The next step is to meet with a representative from SDCOE to see how we can improve the wireless capabilities and then request bids and look at implementing in phases. Ms. Vinson will report to the Board when she has an idea what the financial implications are. Last Wednesday the professional growth activity was a continuation of the 21st Century Learning. The topic was the 4 C's: *C*ritical Thinking & Problem Solving, *C*ommunication, *C*ollaboration, *C*reativity & Innovation. Ms. Vinson acknowledged Julie Parker, Brian Kissell, and Steve Brown for their work and leadership on preparing students for the Holiday parade.

The consent calendar was approved as presented.

MOTION: Coakley
SECOND: Orr
CARRIED: 5:0

The budget changes through 10/31/11 were approved.

MOTION: Coakley
SECOND: Orr
CARRIED: 5:0

The District Certification of First Interim Budget State Report for the period ending October 31, 2011 was approved.

MOTION: Orr
SECOND: Clark
CARRIED: 5:0

Board Policy and Administrative Regulation, 5118, Attendance of Non-Residents/Interdistrict Attendance Transfers into the District was adopted.

MOTION: Coakley
SECOND: Orr
CARRIED: 5:0

Future agenda items:

1. Transitional Kindergarten Policy

There being no other regular business to come before the Board, the meeting was adjourned to closed session at 5:50 p.m. The meeting reconvened at 6:30 p.m. President Brown reported the following action was taken during the closed session:

An amendment to the superintendent's contract was made. Ms. Vinson's contract, at the salary of $130,000, was extended to June, 2015.

MOTION: Coakley
SECOND: Clark
CARRIED: 5:0

There being no other business to come before the Board, the meeting was adjourned at 6:35 p.m.

Respectfully submitted,

_____ _____

Nancy Orr, Clerk Jill Vinson, Superintendent

# 2011-2012 Purchase Order Listing

| Date | PO # | Fund | Resc. | Goal | Func. | Object | Loc. | Vendor | Description | Amt Paid |
|---|---|---|---|---|---|---|---|---|---|---|
| 12/1 | 18329 | 3 | | 1110 | 1000 | 4300 | 111 | HOUGHTON MIFFLIN | KNOWING MATHEMATICS | $213.39 |
| 12/8 | 18365 | 3 | | 1110 | 1000 | 4300 | 000 | KRISTINE ENSBERG | REIMBURSE/MEMBERSHIP | $50.00 |
| 12/1 | 18312 | 3 | | 1110 | 1000 | 4300 | 222 | OFFICE DEPOT | CONST. PAPER & LABELS | $164.65 |
| 12/15 | 18337 | 3 | | 1110 | 1000 | 4300 | 111 | EPS/SCHOOL SPECIALTY | WORDLY WISE 3000 | $60.45 |
| 12/15 | 18352 | 3 | | 1110 | 1000 | 4300 | 222 | SPORT SUPPLY GROUP | PLAYGROUND BALLS | $23.40 |
| 12/15 | 18353 | 3 | | 1110 | 1000 | 4300 | 222 | SPORTIME | PLAYGROUND BALLS | $103.44 |
| 12/15 | 18341 | 3 | | 1110 | 1000 | 4300 | 222 | MY BINDING/MC | BINDING COMBS | $31.19 |
| 12/16 | 18361 | 3 | 0000-090 | 1110 | 1000 | 4300 | 111 | AMAZON.COM | KNOWING MATHEMATICS | $37.94 |
| 12/16 | 18362 | 3 | | 1110 | 1000 | 4300 | 111 | AMAZON.COM | UNDER THE BLOOD-RED SUN | $629.10 |
| 12/16 | 18363 | 3 | 0000-001 | 1110 | 1000 | 4300 | 000 | AMAZON.COM | INSTRUCTIONAL MATERIALS | $1,149.48 |
| 12/12 | 18072 | 3 | | | 7100 | 4300 | 000 | ENCINITAS ROTARY CLUB | MEALS | $42.00 |
| 12/1 | 18126 | 3 | | | 7100 | 4300 | 000 | MISSION FED/MC | SUPERINTENDENT EXPENSES | $21.90 |
| 12/1 | 18312 | 3 | | | 7100 | 4300 | 000 | OFFICE DEPOT | COLORED XEROX PAPER | $14.70 |
| 12/15 | 18351 | 3 | | | 7100 | 4300 | 000 | OFFICE DEPOT | OFFICE SUPPLIES | $36.06 |
| 12/15 | 18126 | 3 | | | 7100 | 4300 | 000 | MISSION FED/MC | SUPERINTENDENT EXPENSES | $18.40 |
| 12/1 | 18312 | 3 | | | 7200 | 4300 | 000 | OFFICE DEPOT | COLORED XEROX PAPER | $14.69 |
| 12/15 | 18264 | 3 | | | 7200 | 4300 | 000 | SD CO SUPT OF SCHOOLS | PRINT ABSENCE FORMS | $92.67 |
| 12/1 | 18318 | 3 | | | 8200 | 4300 | 000 | MISSION JANITORIAL | CUSTODIAL SUPPLIES | $671.93 |
| 12/12 | 18345 | 3 | | | 8200 | 4300 | 000 | WAXIE | VACUUM & MOPS | $402.79 |
| 12/15 | 18321 | 3 | | | 8200 | 4300 | 000 | AMERICAN FENCE CO. | PANELS, TUBING & T-STANDS | $2,399.68 |
| 12/15 | 18374 | 3 | | | 8200 | 4300 | 000 | SIGN LINE | "PLEASE KEEP OFF" SIGNS | $377.13 |
| 12/16 | 18327 | 3 | | | 8200 | 4300 | 000 | AGRI SERVICE, INC. | TOPSOIL 70/30 | $3,504.37 |
| 12/15 | 18344 | 6 | 6500 | 5770 | 1110 | 4300 | 000 | SUPER DUPER PUBL. | INSTRUCTIONAL MATERIALS | $60.90 |
| 12/15 | 18343 | 6 | 6500 | 5770 | 1110 | 4300 | 000 | SOUTHWEST SCH SUPPLY | INSTRUCTIONAL MATERIALS | $40.15 |
| 12/15 | 18316 | 6 | 6500 | 5770 | 1110 | 4300 | 000 | MERITLINE.COM | CASES FOR iPADS | $184.60 |
| 12/1 | 18324 | 6 | 6500 | 5770 | 1120 | 4300 | 111 | OFFICE DEPOT | HEAVY DUTY STAPLER & STAPLES | $43.44 |
| 12/12 | 18048 | 6 | 8150 | | 8110 | 4300 | 000 | HOME DEPOT | CUSTODIAL SUPPLIES | $1,148.32 |
| 12/15 | 18382 | 6 | 8150 | | 8110 | 4300 | 000 | EVANS TIRES/MC | SERVICE TRUCK/PARTS & TIRES | $1,684.71 |
| 12/16 | 18067 | 6 | 8150 | | 8110 | 4300 | 000 | ARCO | GASOLINE FOR TRUCK | $187.74 |
| 12/15 | 18375 | 3 | 0000-068 | 1110 | 1000 | 4300-005 | 111 | JACKIE MUSIL | REIMBURSE/TECH SUPPLIES | $145.40 |
| 12/15 | 18375 | 3 | 0000-068 | 1110 | 1000 | 4300-005 | 222 | JACKIE MUSIL | REIMBURSE/TECH SUPPLIES | $148.80 |
| 12/16 | 18354 | 3 | 0000-068 | 1110 | 1000 | 4300-005 | 222 | AMAZON.COM | MINI STEREO POWER AMPLIFIER | $52.49 |
| 12/16 | 18360 | 3 | 0000-068 | 1110 | 1000 | 4300-005 | 111 | AMAZON.COM | TECH SUPPLIES | $361.08 |
| 12/8 | 18364 | 6 | 6300 | 1110 | 1000 | 4300-006 | 222 | JENNIFER BAUMGARTNER | REIMBURSE/SCIENCE SUPPLIES | $116.48 |
| 12/16 | 18187 | 6 | 6300 | 1110 | 1000 | 4300-006 | 111 | AMY SHIREMAN | REIMBURSE/SCIENCE SUPPLIES | $101.06 |
| | | | | | | | | | | $14,334.53 |

**4000 BALANCE: $281,848 ACCUMULATED BALANCE: $163,012.29 REMAINING BALANCE: $118,835.71**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 12/1 | 17972 | 6 | 7240 | 5001 | 3600 | 5100 | 000 | CARE-A-VAN TRANSPORT | SPECIAL ED TRANSPORTATION | $3,648.00 |
| 12/8 | 17972 | 6 | 7240 | 5001 | 3600 | 5100 | 000 | CARE-A-VAN TRANSPORT | SPECIAL ED TRANSPORTATION | $2,240.00 |
| 12/15 | 18375 | 3 | | | 2420 | 5200 | 222 | JACKIE MUSIL | REIMBURSE/MILEAGE | $96.02 |
| 12/8 | 17974 | 3 | | | 7100 | 5200 | 000 | JILL VINSON | REIMBURSE/CONF. EXPENSES | $113.68 |
| 12/1 | 18126 | 3 | | | 7100 | 5200 | 000 | MISSION FED/MC | CONFERENCE EXPENSES | $56.70 |
| 12/1 | 18333 | 3 | | | 7100 | 5200 | 000 | AMERICAN AIRLINES/MC | AIRFARE FOR SYMPOSIUM | $264.80 |
| 12/15 | 18126 | 3 | | | 7100 | 5200 | 000 | MISSION FED/MC | CONFERENCE EXPENSES | $84.00 |
| 12/1 | 18355 | 3 | | | 7200 | 5200 | 000 | SANDIE LUEHRS | REIMBURSE/CONF. EXPENSES | $463.67 |
| 12/1 | 18334 | 3 | | | 7200 | 5200 | 000 | SOUTHWEST AIRLINES/MC | AIRFARE FOR SYMPOSIUM | $69.70 |

# 2011-2012 Purchase Order Listing

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 12/16 | 18107 | 3 | | | 8200 | 5500-001 | 111 | SDG&E | SERVICE 11/8-12/8 | $4,665.47 |
| 12/16 | 18107 | 3 | | | 8200 | 5500-001 | 222 | SDG&E | SERVICE 11/8-12/8 | $508.36 |
| 12/19 | 18107 | 3 | | | 8200 | 5500-001 | 222 | SDG&E | SERVICE FOR 10/10-11/8 | $2,304.47 |
| 12/19 | 18107 | 3 | | | 8200 | 5500-001 | 111 | SDG&E | SERVICE 11/8-12/8 | $326.58 |
| 12/8 | 18071 | 3 | | | 8200 | 5500-002 | 111 | EDCO WASTE | SERVICE FOR NOV | $426.64 |
| 12/8 | 18071 | 3 | | | 8200 | 5500-002 | 222 | EDCO WASTE | SERVICE FOR NOV | $426.64 |
| 12/15 | 18106 | 3 | | | 8200 | 5500-003 | 111 | SAN DIEGUITO WATER | RECYCLED WATER 10/31-11/30 | $743.60 |
| 12/15 | 18105 | 3 | | | 8200 | 5500-003 | 000 | SAN DIEGUITO WATER | SERVICE 10/3-11/28 | $146.57 |
| 12/15 | 18105 | 3 | | | 8200 | 5500-003 | 111 | SAN DIEGUITO WATER | SERVICE 10/3-11/28 | $314.32 |
| 12/15 | 18105 | 3 | | | 8200 | 5500-003 | 222 | SAN DIEGUITO WATER | SERVICE 10/3-11/28 | $3,353.60 |
| 12/16 | 18095 | 3 | | | 8200 | 5500-003 | 111 | ARROWHEAD | SERVICE FOR NOV | $26.93 |
| 12/16 | 18095 | 3 | | | 8200 | 5500-003 | 222 | ARROWHEAD | SERVICE FOR NOV | $52.63 |
| 12/16 | 18095 | 3 | | | 8200 | 5500-003 | 000 | ARROWHEAD | SERVICE FOR NOV | $26.00 |
| 12/15 | 18124 | 3 | | | 8200 | 5500-004 | 111 | AMERICAN PEST CONTROL | SERVICE FOR RODENTS | $60.00 |
| 12/8 | 18289 | 3 | | 1110 | 1000 | 5600 | 111 | OCE IMAGISTICS | OVERAGE CHARGES | $116.32 |
| 12/8 | 18289 | 3 | | 1110 | 1000 | 5600 | 222 | OCE IMAGISTICS | OVERAGE CHARGES | $14.92 |
| 12/15 | 17997 | 3 | | 1110 | 1000 | 5600 | 111 | OCE | LEASE PAYMENT | $754.62 |
| 12/15 | 17997 | 3 | | 1110 | 1000 | 5600 | 222 | OCE | LEASE PAYMENT | $752.62 |
| 12/19 | 18387 | 3 | | 1110 | 1000 | 5600 | 111 | SD DIGITAL SOLUTIONS | OVERAGE CHARGE | $24.01 |
| 12/1 | 18074 | 3 | | | 2700 | 5600 | 111 | PITNEY BOWES | LEASE PAYMENT | $52.80 |
| 12/1 | 18074 | 3 | | | 2700 | 5600 | 222 | PITNEY BOWES | LEASE PAYMENT | $52.80 |
| 12/19 | 18074 | 3 | | | 2700 | 5600 | 111 | PITNEY BOWES | LEASE PAYMENT | $52.80 |
| 12/19 | 18074 | 3 | | | 2700 | 5600 | 222 | PITNEY BOWES | LEASE PAYMENT | $52.80 |
| 12/16 | 18005 | 3 | | | 7100 | 5600 | 000 | OCE | MAINTENANCE AGREEMENT | $79.00 |
| 12/1 | 18074 | 3 | | | 7200 | 5600 | 000 | PITNEY BOWES | LEASE PAYMENT | $52.80 |
| 12/16 | 18094 | 3 | | | 7200 | 5600 | 000 | PRUDENTIAL OVERALL | MATS | $10.70 |
| 12/16 | 18005 | 3 | | | 7200 | 5600 | 000 | OCE | MAINTENANCE AGREEMENT | $79.00 |
| 12/19 | 18074 | 3 | | | 7200 | 5600 | 000 | PITNEY BOWES | LEASE PAYMENT | $52.80 |
| 12/16 | 18094 | 3 | | | 8200 | 5600 | 111 | PRUDENTIAL OVERALL | TOWELS & MOPS/NOV | $128.70 |
| 12/16 | 18094 | 3 | | | 8200 | 5600 | 222 | PRUDENTIAL OVERALL | TOWELS, MOPS & MATS/NOV | $164.05 |
| 12/15 | 18381 | 6 | 8150 | | 8110 | 5600 | 000 | STANDARD ELECTRONICS | REPAIR FIRE PANEL | $85.00 |
| 12/15 | 18382 | 6 | 8150 | | 8110 | 5600 | 000 | EVANS TIRES/MC | SERVICE TRUCK/LABOR | $760.95 |
| 12/5 | 18225 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | JACK HILL | BAND DIRECTOR | $1,160.00 |
| 12/1 | 18306 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | SARAH BROWN | INSTRUMENTAL COACHING | $220.00 |
| 12/1 | 18224 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | ALBERTO CABRERA | INSTRUMENTAL COACHING | $560.00 |
| 12/1 | 18223 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | STEVE BROWN | INSTRUMENTAL COACHING | $780.00 |
| 12/15 | 18383 | 3 | 0800 | 1110 | 1000 | 5800 | 111 | MAD SCIENCE OF SD | GATE PROGRAM | $1,447.85 |
| 12/16 | 18223 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | STEVE BROWN | INSTRUMENTAL COACHING | $540.00 |
| 12/16 | 18306 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | SARAH BROWN | INSTRUMENTAL COACHING | $240.00 |
| 12/19 | 18223 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | STEVE BROWN | INSTRUMENTAL COACHING | $390.00 |
| 12/19 | 18225 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | JACK HILL | BAND DIRECTOR | $800.00 |
| 12/19 | 18224 | 3 | 0000-085 | 1110 | 1000 | 5800 | 111 | ALBERTO CABRERA | INSTRUMENTAL COACHING | $720.00 |
| 12/1 | 18111 | 3 | | | 7100 | 5800 | 000 | TECHMASTERS, INC. | ERATE CONSULTING SERVICE | $375.00 |
| 12/15 | 18111 | 3 | | | 7100 | 5800 | 000 | TECHMASTERS, INC. | ERATE CONSULTING SERVICE | $250.00 |
| 12/15 | 18139 | 3 | | | 7200 | 5800 | 000 | CA DEPT OF JUSTICE | BACKGROUND CHECKS | $64.00 |
| 12/15 | 18091 | 3 | | | 7200 | 5800 | 000 | CINTAS DOCUMENT MGMT | SHREDDING SERVICE | $102.48 |
| 12/12 | 18366 | 3 | | | 8200 | 5800 | 000 | RIGOBERTO MARTINEZ | SPREAD SOIL & GRASS SEEDS | $2,300.00 |
| 12/15 | 18017 | 3 | | | 8200 | 5800 | 000 | RIGOBERTO MARTINEZ | GROUNDSCARE/DEC | $4,167.00 |
| 12/15 | 18378 | 3 | | | 8200 | 5800 | 000 | RIGOBERTO MARTINEZ | TRIM TREES & HAUL AWAY | $1,750.00 |

# 2011-2012 Purchase Order Listing

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 12/15 | 18112 | 6 | 6500 | 5770 | 1190 | 5800 | 000 | JOANNE DANSSAERT, PT | PHYSICAL THERAPY | $420.00 |
| 12/15 | 18377 | 6 | 6500 | 5770 | 1190 | 5800 | 000 | MELISSA HAIDER | PHYSICAL THERAPY | $403.75 |
| 12/15 | 18226 | 6 | 8150 | | 8110 | 5800 | 000 | WESTERN FIRE PROTECT. | QUARTERLY SPRINKLER INSPECT | $297.00 |
| 12/15 | 18380 | 6 | 8150 | | 8110 | 5800 | 000 | BJ'S RENTALS | SKIP LOADER RENTAL | $1,241.29 |
| 12/15 | 18339 | 6 | 8150 | | 8110 | 5800 | 000 | SPEEDY TUNE & BRAKE | SERVICE GMC TRUCK | $93.94 |
| 12/15 | 18372 | 6 | 8150 | | 8110 | 5800 | 000 | JACKSON & BLANC | REPAIR HEATER RM. 14 CARDIFF | $334.00 |
| 12/15 | 18373 | 6 | 8150 | | 8110 | 5800 | 000 | CARROLL PLUMBING | REPAIR DRINKING FOUNTAIN | $170.00 |
| 12/15 | 17930 | 3 | | | 7191 | 5800-004 | 000 | WILKINSON HADLEY | PROGRESS BILL FOR 10-11 AUDIT | $6,550.00 |
| 12/1 | 18308 | 3 | | | 7100 | 5800-005 | 000 | FAGEN FRIEDMAN | LEGAL SERVICES FOR OCT | $4,644.12 |
| 12/19 | 18308 | 3 | | | 7100 | 5800-005 | 000 | FAGEN FRIEDMAN | LEGAL SERVICES FOR NOV | $3,193.14 |
| 12/19 | 18388 | 3 | | | 7100 | 5800-005 | 000 | STUTZ, ARTIANO, SHINOFF | LEGAL SERVICES FOR OCT | $136.83 |
| 12/19 | 18150 | 3 | | | 2700 | 5900-001 | 111 | AT&T | SERVICE THRU 12/4 | $121.56 |
| 12/19 | 18150 | 3 | | | 2700 | 5900-001 | 222 | AT&T | SERVICE THRU 12/4 | $121.57 |
| 12/19 | 18150 | 3 | | | 7200 | 5900-001 | 000 | AT&T | SERVICE THRU 12/4 | $121.57 |
| 12/19 | 18348 | 3 | | | 7200 | 5900-002 | 000 | FEDEX | SHIPPING CHARGES | $14.25 |
| | | | | | | | | | | $57,434.42 |

**5000 BALANCE: $676,856 ACCUMULATED BALANCE: $256,519.33 REMAINING BALANCE: $420,336.67**

CARDIFF SCHOOL DISTRICT

Enrollment Form

As of January 5, 2012

**CARDIFF**

| | | BOYS | GIRLS | | |
|---|---|---|---|---|---|
| K | Bjorstad | 12 | 10 | 22 | |
| K | Hall | 12 | 9 | 21 | |
| K | McNamara | 11 | 8 | 19 | |
| K | Paccione | 13 | 9 | 22 | |
| K | Stone | 12 | 9 | 21 | |
| K | Reese | 0 | 0 | 0 | |
| | | | | **TOT K** | 105 |
| 1 | Carter | 12 | 10 | 22 | |
| 1 | Easson | 12 | 10 | 22 | |
| 1 | Froke | 12 | 10 | 22 | |
| 1 | Kulbacki | 12 | 10 | 22 | |
| 1 | Sallans | 14 | 8 | 22 | |
| 1 | Doui/Boye | 9 | 8 | 17 | |
| 1 | Reese | 0 | 0 | 0 | |
| | | | | **TOT 1** | 127 |
| 2 | Gust/Stua | 14 | 8 | 22 | |
| 2 | Kavan | 14 | 8 | 22 | |
| 2 | Payte | 12 | 10 | 22 | |
| 2 | Redding | 13 | 10 | 23 | |
| 2 | Doui/Boye | 8 | 7 | 15 | |
| 2 | Reese | 0 | 0 | 0 | |
| | | | | **TOT 2** | 104 |
| 3 | Hamilton | 11 | 12 | | |
| 3 | Pacetti/Paz | 13 | 10 | | |
| 3 | Doui/Boye | 4 | 6 | | |
| | | | | **TOT 3** | 56 |
| | Boy/Girl Subtotal | 220 | | | 172 |
| | **SCHOOL TOTAL** | 392 | | | |

**ADA HARRIS**

| | | BOYS | GIRLS | | |
|---|---|---|---|---|---|
| 3 | Peery | 12 | 9 | 21 | |
| 3 | Hellmann | 11 | 12 | 23 | |
| 3 | Switzler | 10 | 11 | 21 | |
| 3 | Steel | 1 | 0 | 1 | |
| | | | | **TOT 3** | 66 |
| 4 | d'Entremont | 16 | 12 | 28 | |
| 4 | Jacobson | 14 | 11 | 25 | |
| 4 | Murray, J. | 15 | 13 | 28 | |
| 4 | Trees | 13 | 17 | 30 | |
| 4 | Steel | 0 | 1 | 1 | |
| | | | | **TOT 4** | 112 |
| 5 | Ensberg | 14 | 10 | 24 | |
| 5 | Murray, S | 13 | 12 | 25 | |
| 5 | Price | 13 | 11 | 24 | |
| 5 | Yant | 12 | 11 | 23 | |
| 5 | Steel | 1 | 0 | 1 | |
| | | | | **TOT 5** | 97 |
| 6 | Brice | 14 | 13 | 27 | |
| 6 | Heyer | 15 | 14 | 29 | |
| 6 | Jewell | 13 | 12 | 25 | |
| 6 | Layman | 15 | 12 | 27 | |
| 6 | Steel | 1 | 0 | 1 | |
| | | | | **TOT 6** | 109 |
| | Boy/Girl Subtotal | 203 | | | 181 |
| | **SCHOOL TOTAL** | 384 | | | |

**DISTRICT TOTAL** 776

Cardiff School District
Cardiff-by-the-Sea, California 92007

January 10, 2012

ITEM: **APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN CARDIFF SCHOOL DISTRICT AND ENCINITAS UNION SCHOOL DISTRICT**

## BACKGROUND

California Government Code Section 53060 authorizes school districts "to contract with … any persons or agencies for the furnishing of special services…if such persons or agencies specially trained and experienced and competent to perform the special services required…"

## CURRENT CONSIDERATION

Special education students' EIPs mandate special services. The District does not employ an autism specialist; therefore, we are transporting two students to an appropriate regional class in the Encinitas Union School District. These student's require a one-to-one instructional assistant as mandated in their IEP.

## FINANCIAL IMPLICATIONS

The total cost for the 2011-12 school year is $51,715.59

## RECOMMENDATION

It is respectfully recommended that the Board approved the Memorandum of Understanding between the Cardiff School District and the Encinitas Union School District.

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

January 10, 2012

ITEM: **APPROVE NONPUBLIC AGENCIES MASTER CONTRACT BETWEEEN CARDIFF SCHOOL DISTRICT AND BRIDGES EDUCATIONAL CORPORATION**

## BACKGROUND

California Government Code Section 53060 authorizes school districts "to contract with…any persons or agencies for the furnishing of special services… if such persons or agencies are specially trained and experienced and competent to perform the special services required…"

Part of the process of paying a nonpublic agency requires an agreement signed between the school district and the consultant.

## CURRENT CONSIDERATION

Special education students IEP's mandate special services. The District does not employ autism specialist; therefore, we are contracting with a nonpublic agency for these services.

## FINANCIAL IMPLICATIONS

The cost is not to exceed $700.

## RECOMMENDATION

It is respectfully recommended that the Board approve the Nonpublic Agency Services Master Contract between Cardiff School District and Bridges Educational Corporation.

Cardiff School District
Cardiff By The Sea, California 92007

January 10, 2012

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, 2011 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.

At the district's request, the district's auditor, Mr. P. Robert Wilkinson, may be available to answer questions and explain the audit process.

## 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, 2011.

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

## AUDIT REPORT

## JUNE 30, 2011

**WILKINSON HADLEY KING & CO. LLP**
**CPA's and Advisors**
**218 W. Douglas Avenue**
**El Cajon, California 92020**

# Introductory Section

Cardiff School District
Audit Report
For The Year Ended June 30, 2011

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Cardiff School District
Audit Report
For The Year Ended June 30, 2011

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# Financial Section

**WILKINSON HADLEY KING & CO. LLP**
CPA's and Advisors
218 W. Douglas Avenue
El Cajon, California 92020

**Independent Auditor's Report on Financial Statements**

Board of Trustees
Cardiff School District
Cardiff-by-the-Sea, California 92007

Members of the Board of Trustees:

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 Cardiff School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cardiff School District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2011, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cardiff School District's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *Standards and Procedures for Audits of California K-12 Local Education Agencies 2010-11,* published by the Education Audit Appeals Panel, and is also not a required part of the financial statements. The combining and individual nonmajor fund 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wilkinson Hadley King & Co., LLP

El Cajon, California
November 22, 2011

**CARDIFF SCHOOL DISTRICT**
Management Discussion and Analysis
June 30, 2011
(Unaudited)

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, 2011.

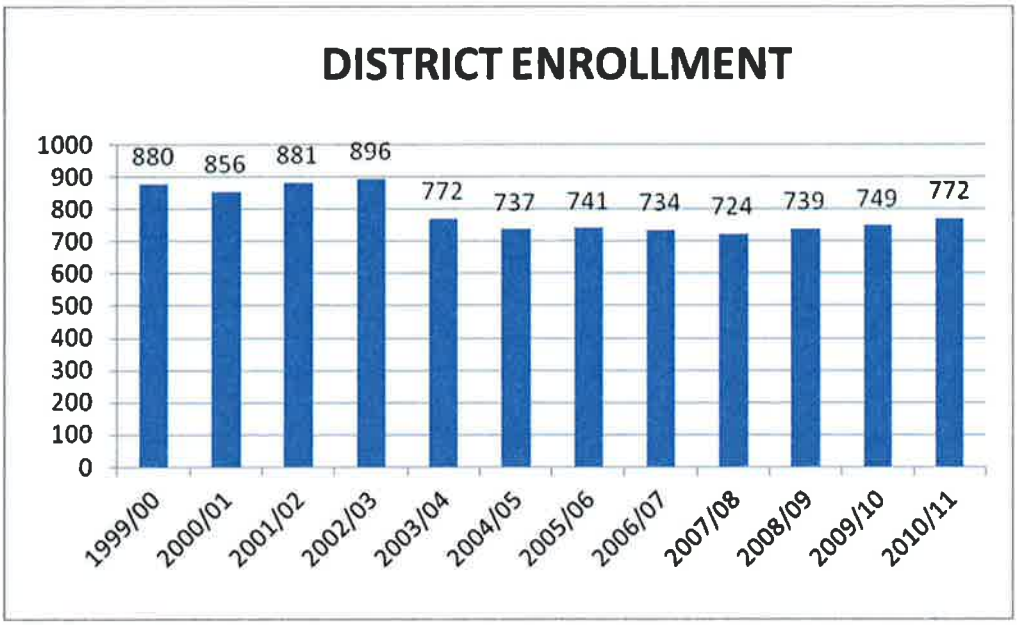
## FINANCIAL HIGHLIGHTS

- Total net assets are $9,135,521. This is an increase of $765,675, which is due to current year depreciation and bond repayment. *(See Table 1)*
- The District student enrollment increased by 23 students from October 2010 to October 2011. *(See Table 2)*
- Property tax revenue decreased by 1% over the previous year as a result of decreases in the assessed value of properties within the district. Fiscal Year 04/05 is the last year the district received Supplemental Taxes. *(See Table 3)*

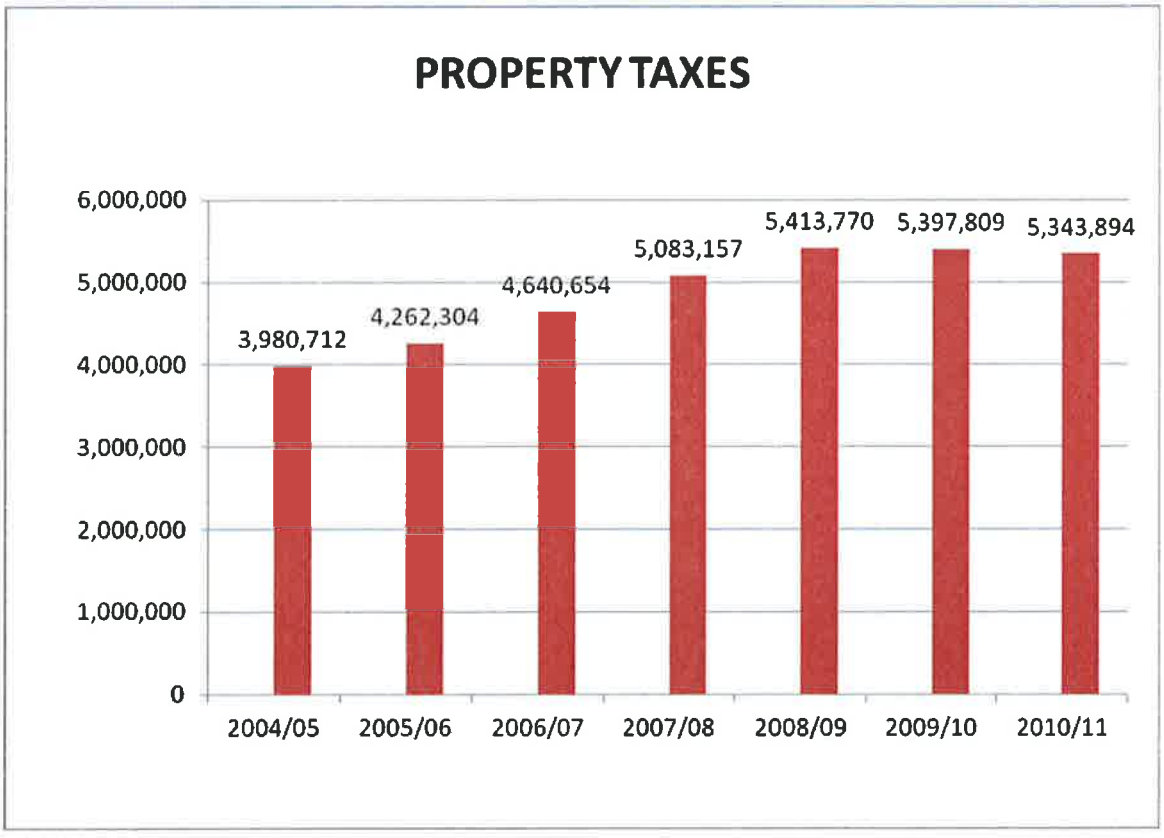
**TABLE 1**
**NET**
**ASSETS**

| | | June 30, 2010 | June 30, 2011 | Change |
|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | |
| Capital Assets | | 14,811,716 | 14,872,265 | |
| Other Assets | | 2,952,075 | 3,172,549 | |
| | **TOTAL ASSETS** | **17,763,791** | **18,044,814** | |
| Current Liabilities | | 221,264 | 270,561 | |
| Long Term Liabilities | | 9,172,680 | 8,638,732 | |
| | **TOTAL LIABILITIES** | **9,393,944** | **8,909,293** | |
| **TOTAL NET ASSETS** | | **8,369,847** | **9,135,521** | **765,675** |
| **BUSINESS TYPE ACTIVITIES** | | | | |
| | **TOTAL ASSETS** | **16,085** | **10,629** | |
| | **TOTAL LIABILITIES** | **2,554** | **2,500** | |
| **TOTAL NET ASSETS** | | **13,531** | **8,129** | **(5,402)** |

## TABLE 2




## TABLE 3



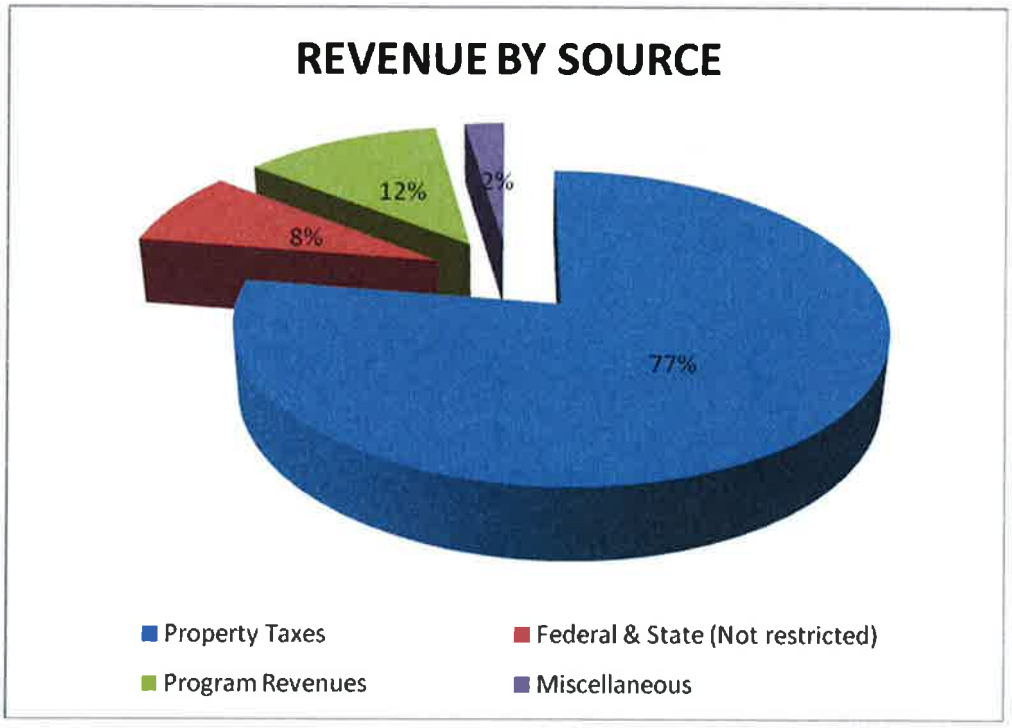
## GOVERNMENTAL ACTIVITIES

### 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.

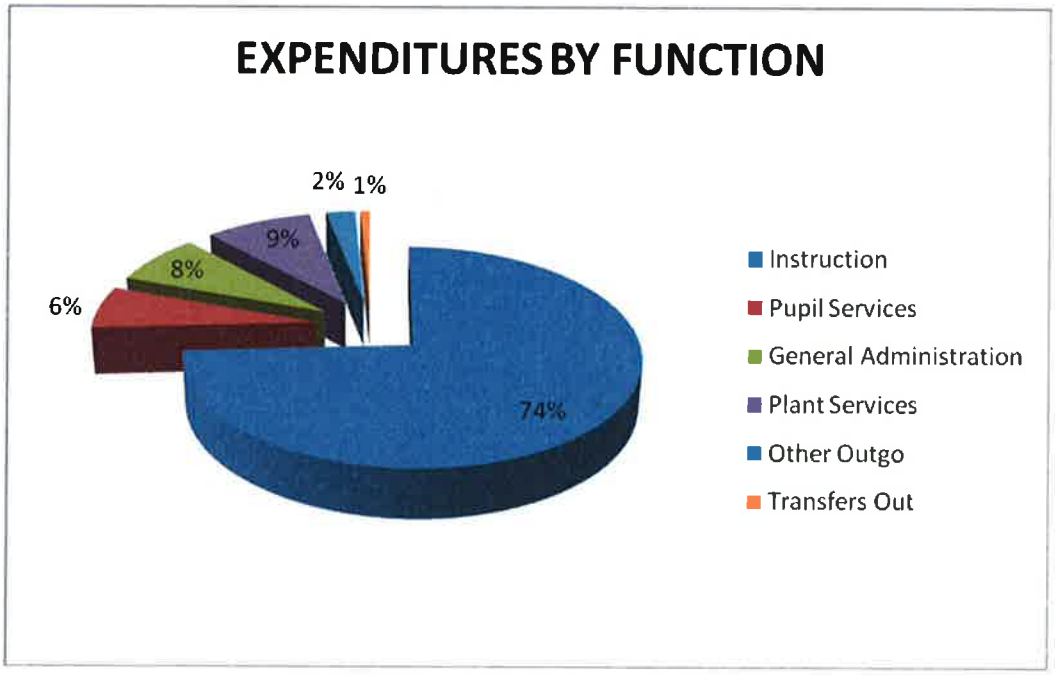
| REVENUES | 2010/11 |
|---|---|
| General Revenues: | |
| Property Taxes | 6,198,413 |
| Federal & State Not Restricted | 628,659 |
| Program Revenues | 884,748 |
| Miscellaneous | 534,318 |
| **TOTAL** | **8,246,138** |



## 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** | **2010/11** |
|---|---|
| Instruction | 5,586,462 |
| Pupil Services | 480,714 |
| General Administration | 573,508 |
| Plant Services | 658,605 |
| Other Outgo | 181,174 |
| **TOTAL** | **7,480,463** |



## BUDGETARY HIGHLIGHTS

The General Fund accounts 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, 2011.

| | ADOPTED BUDGET | YEAR END BUDGET | ACTUAL |
|---|---|---|---|
| **REVENUES** | 6,928,261 | 7,260,379 | 7,210,888 |
| **EXPENDITURES** | 6,907,152 | 7,069,170 | 6,838,298 |

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

The district is not currently involved in any new major construction projects. Minor projects will continue to be funded with deferred maintenance funds and developer fees.

## LONG TERM DEBT

At year end, the district had $8,638,732 in long term debt. The following is the breakdown for that amount.

| | |
|---|---|
| GENERAL OBLIGATION BONDS | 8,219,000 |
| BOND PREMIUM | 394,448 |
| OPEB | 13,063 |
| COMPENSATED ABSENCES | 12,221 |
| **TOTAL** | **8,638,732** |

## 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 Sandie Luehrs, Director, Fiscal Services at Cardiff School District, 1888 Montgomery Avenue, Cardiff, CA 92007. Or you may email to sandielu@sdcoe.net.

Basic Financial Statements

# CARDIFF SCHOOL DISTRICT

STATEMENT OF NET ASSETS
JUNE 30, 2011

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS:** | | | |
| Cash in County Treasury | $ 2,691,872 | $ 15,190 | $ 2,707,062 |
| Cash in Revolving Fund | 1,500 | - | 1,500 |
| Accounts Receivable | 463,175 | 32 | 463,207 |
| Internal Balances | 4,593 | (4,593) | - |
| Stores Inventories | 1,971 | - | 1,971 |
| Prepaid Expenses | 394,438 | - | 394,438 |
| Capital Assets: | | | |
| Land | 787,808 | - | 787,808 |
| Improvements | 107,789 | - | 107,789 |
| Buildings | 16,840,882 | - | 16,840,882 |
| Equipment | 593,080 | - | 593,080 |
| Less Accumulated Depreciation | (3,842,294) | - | (3,842,294) |
| Total Assets | 18,044,814 | 10,629 | 18,055,443 |
| **LIABILITIES:** | | | |
| Accounts Payable | 171,082 | 2,500 | 173,582 |
| Deferred Revenue | 99,479 | - | 99,479 |
| Long-term Liabilities | | | |
| Due within one year | 567,221 | - | 567,221 |
| Due in more than one year | 8,071,511 | - | 8,071,511 |
| Total Liabilities | 8,909,293 | 2,500 | 8,911,793 |
| **NET ASSETS:** | | | |
| Invested in Capital Assets, Net of Related Debt | 6,268,265 | - | 6,268,265 |
| Restricted for: | | | |
| Capital Projects | 363,235 | - | 363,235 |
| Debt Service | 858,471 | - | 858,471 |
| Educational Programs | 8,826 | - | 8,826 |
| Other Purposes (expendable) | 883,757 | 8,129 | 891,886 |
| Unrestricted | 752,967 | - | 752,967 |
| Total Net Assets | $ 9,135,521 | $ 8,129 | $ 9,143,650 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

| Functions | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities | Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-type Activities | Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total |
|---|---|---|---|---|---|---|---|
| Governmental Activities: | | | | | | | |
| Instruction | $ 4,933,532 | $ - | $ 511,658 | $ - | $ (4,421,874) | $ | $ (4,421,874) |
| Instruction-Related Services: | | | | | | | |
| Instructional Supervision and Administration | 6,509 | - | 1,787 | - | (4,722) | | (4,722) |
| Instructional Library, Media and Technology | 191,537 | - | 17 | - | (191,520) | | (191,520) |
| School Site Administration | 454,884 | - | 32,069 | - | (422,815) | | (422,815) |
| Pupil Services: | | | | | | | |
| Home-to-School Transportation | 116,573 | - | 33,819 | - | (82,754) | | (82,754) |
| Food Services | 161,898 | 109,864 | 51,278 | - | (756) | | (756) |
| All Other Pupil Services | 202,243 | - | 84,780 | - | (117,463) | | (117,463) |
| General Administration: | | | | | | | |
| All Other General Administration | 573,508 | - | 5,279 | - | (568,229) | | (568,229) |
| Plant Services | 658,605 | - | 68 | - | (658,537) | | (658,537) |
| Enterprise Activities | (340) | - | - | - | 340 | | 340 |
| Interest on Long-Term Debt | 75,132 | | | | (75,132) | | (75,132) |
| Other Outgo | 106,382 | - | 54,129 | - | (52,253) | | (52,253) |
| Business-Type Activities | | | | | | | |
| Enterprise Activities | 334,911 | - | - | - | | (334,911) | (334,911) |
| Total Expenses | $ 7,815,374 | $ 109,864 | $ 774,884 | $ - | $ (6,595,715) | $ (334,911) | $ (6,930,626) |

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| General Revenues: | | | |
| Taxes and Subventions: | | | |
| Taxes Levied for General Purposes | 5,365,616 | - | 5,365,616 |
| Taxes Levied for Debt Service | 832,998 | - | 832,998 |
| Taxes Levied for Other Specific Purposes | (201) | - | (201) |
| Federal and State Aid Not Restricted to Specific Programs | 628,659 | - | 628,659 |
| Interest and Investment Earnings | 24,473 | 150 | 24,623 |
| Interagency Revenues | 8,320 | - | 8,320 |
| Miscellaneous | 501,525 | 329,359 | 830,884 |
| Total General Revenues | 7,361,390 | 329,509 | 7,690,899 |
| Change in Net Assets | 765,675 | (5,402) | 760,273 |
| Net Assets Beginning | 8,369,846 | 13,531 | 8,383,377 |
| Net Assets Ending | $ 9,135,521 | $ 8,129 | $ 9,143,650 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

| | General Fund | Bond Interest & Redemption Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **ASSETS:** | | | | |
| Cash in County Treasury | $ 1,474,899 | $ 858,471 | $ 358,502 | $ 2,691,872 |
| Cash in Revolving Fund | 1,500 | - | - | 1,500 |
| Accounts Receivable | 458,680 | - | 4,495 | 463,175 |
| Due from Other Funds | 13,603 | - | 10,942 | 24,545 |
| Stores Inventories | - | - | 1,971 | 1,971 |
| Total Assets | $ 1,948,682 | $ 858,471 | $ 375,910 | $ 3,183,063 |
| **LIABILITIES AND FUND BALANCE:** | | | | |
| Liabilities: | | | | |
| Accounts Payable | $ 88,157 | $ - | $ 757 | $ 88,914 |
| Due to Other Funds | 19,233 | - | 719 | 19,952 |
| Deferred Revenue | 99,479 | - | - | 99,479 |
| Total Liabilities | 206,869 | - | 1,476 | 208,345 |
| Fund Balance: | | | | |
| Nonspendable Fund Balances: | | | | |
| Revolving Cash | 1,500 | - | - | 1,500 |
| Stores Inventories | - | - | 1,971 | 1,971 |
| Restricted Fund Balances | 8,826 | 858,471 | 76,059 | 943,356 |
| Committed Fund Balances: | | | | |
| Committed for Deferred Maintenance | - | - | 296,404 | 296,404 |
| Assigned Fund Balances | 42,134 | - | - | 42,134 |
| Unassigned: | | | | |
| Reserve for Economic Uncertainty | 842,696 | - | - | 842,696 |
| Other Unassigned | 846,657 | - | - | 846,657 |
| Total Fund Balance | 1,741,813 | 858,471 | 374,434 | 2,974,718 |
| Total Liabilities and Fund Balances | $ 1,948,682 | $ 858,471 | $ 375,910 | $ 3,183,063 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

| | | | |
|---|---|---|---|
| Total fund balances - governmental funds balance sheet | | | $ 2,974,718 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | |
| Capital assets: In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported including capital assets and accumulated depreciation. | | | |
| Capital assets relating to governmental activities, at historical cost | | 18,329,559 | |
| Accumulated depreciation | | (3,842,294) | |
| | Net | | 14,487,265 |
| Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs are amortized over the life of the debt. Unamortized debt issue costs included in prepaid expense on the statement of net assets are: | | | 394,438 |
| 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 unmatured interest owing at the end of the period was: | | | (82,168) |
| Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of: | | | |
| General obligation bonds payable | | 8,219,000 | |
| Net OPEB obligation | | 13,063 | |
| Bond Premium | | 394,448 | |
| Compensated absences payable | | 12,221 | |
| | Total | | (8,638,732) |
| Net assets of governmental activities - statement of net assets | | | $ 9,135,521 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | General Fund | Bond Interest & Redemption Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| Revenues: | | | | |
| Revenue Limit Sources: | | | | |
| State Apportionments | $ 3,043 | $ - | $ - | $ 3,043 |
| Local Sources | 5,365,616 | - | - | 5,365,616 |
| Federal Revenue | 277,979 | - | 48,108 | 326,087 |
| Other State Revenue | 744,643 | 6,810 | 3,049 | 754,502 |
| Other Local Revenue | 819,607 | 829,511 | 147,771 | 1,796,889 |
| Total Revenues | 7,210,888 | 836,321 | 198,928 | 8,246,137 |
| Expenditures: | | | | |
| Instruction | 4,608,438 | - | - | 4,608,438 |
| Instruction - Related Services | 649,804 | - | - | 649,804 |
| Pupil Services | 318,724 | - | 161,837 | 480,561 |
| General Administration | 572,839 | - | 733 | 573,572 |
| Plant Services | 599,013 | - | 81,326 | 680,339 |
| Other Outgo | 89,480 | - | - | 89,480 |
| Debt Service: | | | | |
| Principal | - | 480,000 | - | 480,000 |
| Interest | - | 209,192 | - | 209,192 |
| Total Expenditures | 6,838,298 | 689,192 | 243,896 | 7,771,386 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 372,590 | 147,129 | (44,968) | 474,751 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 118 | - | 60,535 | 60,653 |
| Transfers Out | (60,577) | - | (76) | (60,653) |
| Total Other Financing Sources (Uses) | (60,459) | - | 60,459 | - |
| Net Change in Fund Balance | 312,131 | 147,129 | 15,491 | 474,751 |
| Fund Balance, July 1 | 1,429,682 | 711,342 | 358,943 | 2,499,967 |
| Fund Balance, June 30 | $ 1,741,813 | $ 858,471 | $ 374,434 | $ 2,974,718 |

The accompanying notes are an integral part of this statement.

# 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, 2011

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | | $ 474,751 |
| 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: | 5,578 | |
| Depreciation expense: | (330,029) | |
| Net | | (324,451) |
| 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: | | 480,000 |
| 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: | | (9,439) |
| 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: | | (4,266) |
| 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: | | 143,498 |
| 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: | | 5,582 |
| Change in net assets of governmental activities - statement of activities | | $ 765,675 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

STATEMENT OF NET ASSETS
ENTERPRISE FUND
JUNE 30, 2011

| | Enterprise Fund |
|---|---|
| | Enterprise Fund |
| **ASSETS:** | |
| Current Assets: | |
| Cash in County Treasury | $ 15,189 |
| Accounts Receivable | 32 |
| Due from Other Funds | 8,291 |
| Total Current Assets | 23,512 |
| Total Assets | $ 23,512 |
| **LIABILITIES:** | |
| Current Liabilities: | |
| Accounts Payable | $ 2,500 |
| Due to Other Funds | 12,883 |
| Total Current Liabilities | 15,383 |
| Total Liabilities | 15,383 |
| **NET ASSETS:** | |
| Unrestricted Net Assets | 8,129 |
| Total Net Assets | $ 8,129 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2011

| | Enterprise Fund |
|---|---|
| | Enterprise Fund |
| Operating Revenues: | |
| Local Revenue | $ 329,509 |
| Total Revenues | 329,509 |
| | |
| Operating Expenses: | |
| Classified Personnel Salaries | 245,480 |
| Employee Benefits | 49,553 |
| Books and Supplies | 21,632 |
| Services and Other Operating Expenses | 18,246 |
| Total Expenses | 334,911 |
| Operating Income (Loss) | (5,402) |
| | |
| Income (Loss) before Contributions and Transfers | (5,402) |
| | |
| Change in Net Assets | (5,402) |
| | |
| Total Net Assets - Beginning | 13,531 |
| Total Net Assets - Ending | $ 8,129 |

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, 2011

| | Enterprise Fund |
|---|---|
| | Enterprise Fund |
| **Cash Flows from Operating Activities:** | |
| Cash Received from Customers | $ 342,660 |
| Cash Payments to Employees for Services | (295,034) |
| Cash Payments to Other Suppliers for Goods and Services | (39,877) |
| Net Cash Provided (Used) by Operating Activities | 7,749 |
| **Cash Flows from Investing Activities:** | |
| Interest and Dividends on Investments | 150 |
| Net Cash Provided (Used) for Investing Activities | 150 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 7,899 |
| Cash and Cash Equivalents at Beginning of Year | 7,290 |
| Cash and Cash Equivalents at End of Year | $ 15,189 |
| **Reconciliation of Operating Income to Net Cash Provided by Operating Activities:** | |
| Operating Income (Loss) | $ (5,402) |
| Change in Assets and Liabilities: | |
| Decrease (Increase) in Receivables | 464 |
| Decrease (Increase) in Due From | 8 |
| Increase (Decrease) in Accounts Payable | (54) |
| Increase (Decrease) in Due To | 12,883 |
| Total Adjustments | 13,301 |
| Net Cash Provided (Used) by Operating Activities | $ 7,899 |

The accompanying notes are an integral part of this statement.

# CARDIFF SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

| | Agency Fund<br>Student Body Fund |
|---|---|
| **ASSETS:** | |
| Cash on Hand and in Banks | $ 34,497 |
| Total Assets | $ 34,497 |
| **LIABILITIES:** | |
| Due to Student Groups | $ 34,497 |
| Total Liabilities | $ 34,497 |
| **NET ASSETS:** | |
| Total Net Assets | $ - |

The accompanying notes are an integral part of this statement.

## 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's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

### 2. Basis of Presentation, Basis of Accounting

#### a. Basis of Presentation

Government-wide Statements: The statement of net assets 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.

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.

Bond Interest and Redemption Fund. This fund is used to account for the accumulation of resources for, and the repayment of District bonds, interest, and related costs.

Enterprise Fund. This fund is used to account for revenues and expenditures of the District's daycare program.

The District reports the following non-major enterprise funds:

Enterprise Fund. This fund is used to account for revenues and expenditures of the District's daycare program.

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.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, 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.

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.

3. 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.

4. 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.

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:

| Asset Class | Estimated Useful Lives |
|---|---|
| Infrastructure | 30 |
| Buildings | 50 |
| Building Improvements | 20 |
| Vehicles | 5-15 |
| Office Equipment | 5-15 |
| Other Equipment | 5-15 |

d. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District.

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. Deferred Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent cash received on specific projects and programs exceeds qualified expenditures.

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 assets.

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 Balance Reserves and Designations

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 governing board or by an official or body to which the governing board delegates the authority. 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 conveys 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.

j. Minimum Fund Balance

The District maintains a minimum reserve, within the general fund, an amount not less than the amount required by state law. The fund balance reserve policy establishes a goal of the difference between local property taxes and the calculated revenue limit. The District believes a reserve at this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aid districts such as this district are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

k. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement #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.

l. 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.

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:

| Violation | Action Taken |
|---|---|
| None reported | Not applicable |

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

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

| Fund Name | Deficit Amount | Remarks |
|---|---|---|
| None reported | Not applicable | Not applicable |

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 ($2,707,062 as of June 30, 2011). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $2,707,062. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances on hand and in banks ($34,497 as of June 30, 2011) 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. 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.

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. At year end, the District was not exposed to custodial credit risk.

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. At year end, 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. At year end, the District was not exposed to interest rate risk.

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.

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 at an amount determined by the fair value per share of the pool's underlying portfolio, 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.

D. Accounts Receivable

Accounts receivable at June 30, 2011 consisted of:

| | General Fund | Special Revenue Funds | Capital Projects Funds | Other Funds | Total |
|---|---|---|---|---|---|
| Federal Government: | | | | | |
| Federal programs | $ 40,343 | $ 3,686 | $ - | $ - | $ 44,029 |
| State Government: | | | | | |
| Lottery | 49,685 | - | - | - | 49,685 |
| Other state programs | 218,438 | 259 | - | - | 218,697 |
| Local Sources: | | | | | |
| Interest | 3,370 | 462 | 88 | 32 | 3,952 |
| Other local sources | 146,844 | - | - | - | 146,844 |
| Totals | $ 458,680 | $ 4,407 | $ 88 | $ 32 | $ 463,207 |

E. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 787,808 | $ - | $ - | $ 787,808 |
| Total capital assets not being depreciated | 787,808 | - | - | 787,808 |
| Capital assets being depreciated: | | | | |
| Buildings | 16,840,882 | - | - | 16,840,882 |
| Improvements | 107,789 | - | - | 107,789 |
| Equipment | 587,502 | 5,578 | - | 593,080 |
| Total capital assets being depreciated | 17,536,173 | 5,578 | - | 17,541,751 |
| Less accumulated depreciation for: | | | | |
| Buildings | (2,908,795) | (335,735) | - | (3,244,530) |
| Improvements | (43,025) | (4,288) | - | (47,313) |
| Equipment | (560,445) | 9,994 | - | (550,451) |
| Total accumulated depreciation | (3,512,265) | (330,029) | - | (3,842,294) |
| Total capital assets being depreciated, net | 14,023,908 | (324,451) | - | 13,699,457 |
| Governmental activities capital assets, net | $ 14,811,716 | $ (324,451) | $ - | $ 14,487,265 |

Depreciation was charged to functions as follows:

| | | |
|---|---|---|
| Instruction | $ | 321,804 |
| Instruction-Related Services | | 2,844 |
| General Administration | | 4,651 |
| Plant Services | | 730 |
| | $ | 330,029 |

F. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2011 consisted of the following:

| Due To Fund | Due From Fund | | Amount |
|---|---|---|---|
| General Fund | Cafeteria Fund | $ | 719 |
| General Fund | Enterprise Fund | | 12,883 |
| Deferred Maintenance Fund | General Fund | | 10,942 |
| Enterprise Fund | General Fund | | 8,291 |
| | Total | $ | 32,835 |

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, 2011 consisted of the following:

| Transfers From | Transfers To | | Amount |
|---|---|---|---|
| Special Reserve Fund | General Fund | $ | 41 |
| General Fund | Deferred Maintenance Fund | | 60,535 |
| Building Fund | General Fund | | 70 |
| State School Building Fund | General Fund | | 1 |
| County School Facilities Fund | General Fund | | 3 |
| Special Reserve Fund | General Fund | | 3 |
| | Total | $ | 60,653 |

G. Accounts Payable

Accounts payable at June 30, 2011 consisted of:

| | General Fund | Special Revenue Funds | Other Funds | Total |
|---|---|---|---|---|
| Vendor payables | $ 19,603 | $ 37 | $ 80 | $ 19,720 |
| Payroll and related benefits | 49,750 | 685 | 2,420 | 52,855 |
| Other liabilities | 18,804 | 35 | - | 18,839 |
| Totals | $ 88,157 | $ 757 | $ 2,500 | $ 91,414 |

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.

| Description | Beginning Balance | Issued | Redeemed | Ending Balance |
|---|---|---|---|---|
| Tax Anticipation Notes | $ - | $ 575,000 | $ 575,000 | $ - |

I. 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, 2011 are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| General obligation bonds | $ 8,699,000 | $ - | $ 480,000 | $ 8,219,000 | $ 555,000 |
| Bond premium | 447,080 | - | 52,632 | 394,448 | - |
| Compensated absences * | 17,803 | - | 5,582 | 12,221 | 12,221 |
| Net OPEB obligation | 8,797 | 45,534 | 41,268 | 13,063 | - |
| Total governmental activities | $ 9,172,680 | $ 45,534 | $ 579,482 | $ 8,638,732 | 567,221 |

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

| Liability | Activity Type | Fund |
|---|---|---|
| Compensated absences | Governmental | General |

2. Debt Service Requirements

Debt service requirements on long-term debt, net of bond premium and OPEB obligation, at June 30, 2011, are as follows:

| | Governmental Activities | | |
|---|---|---|---|
| Year Ending June 30, | Principal | Interest | Total |
| 2012 | $ 567,221 | $ 188,875 | $ 756,096 |
| 2013 | 615,000 | 171,325 | 786,325 |
| 2014 | 680,000 | 151,900 | 831,900 |
| 2015 | 750,000 | 130,450 | 880,450 |
| 2016 | 820,000 | 102,800 | 922,800 |
| 2017-2021 | 3,037,961 | 2,675,240 | 5,713,201 |
| 2022-2026 | 1,761,039 | 5,828,925 | 7,589,964 |
| Totals | $ 8,231,221 | $ 9,249,515 | $ 17,480,736 |

J. 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.

The condensed audited financial information for the year ended June 30, 2011 is as follows:

| | | |
|---|---|---|
| Total Assets | $ | 125,367 |
| Total Liabilities | | 20,869 |
| Total Fund Balance | | 104,498 |
| | | |
| Total Cash Receipts | | 66,406 |
| Total Cash Disbursements | | 51,331 |
| Net Change in Fund Balance | | 15,075 |

K. Employee Retirement Systems

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 State Teachers' Retirement System (STRS), and classified employees are members of the Public Employees' Retirement System (PERS).

PERS:

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7% of their salary (7% of monthly salary over $133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2010-11 was 10.707% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal year ending June 30, 2011, 2010 and 2009 were $134,290, $126,153 and $103,942, respectively, and equal 100% of the required contributions for each year.

STRS:

Plan Description

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2010-11 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal year ending June 30, 2011, 2010 and 2009 were $300,631, $301,883 and $308,864, respectively, and equal 100% of the required contributions for each year. The amount contributed by the State on behalf of the District was $154,140.

L. Postemployment Benefits Other Than Pension Benefits

Plan Description

The Cardiff School District (District) administers a single-employer healthcare plan (Plan). The plan provides health benefits to eligible retirees to age 65. The District currently provides retiree health benefits to approximately 58 active and 8 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 consecitive 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 $4,853 annually towards health coverage.

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 $4,853 annually towards health coverage.

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

Premium Rates

The District participates in the San Diego County Office of Education Fringe Benefit Consortiums. The medical plans in which the District participates are community-rated.

The following table summarizes the current monthly premiums paid by the District on behalf of retirees for the primary medical and dental plans in which retirees are enrolled.

Benefits

| | Kaiser HMO | Kaiser POS | Delta Dental | Vision |
|---|---|---|---|---|
| Employee only | $397.26 | $567.01 | $56.99 | $14.72 |
| Employee plus spouse | $790.91 | $1,130.42 | $110.10 | $29.24 |
| Employee plus family | $1,117.64 | $1,598.05 | $181.46 | $42.04 |

Funding Policy: Beginning in the 2009-10 fiscal year, the District began to accrue the retiree health benefits in accordance with GASB Statement No. 45. The expense is generally accrued over the working career of employees. Under accrual accounting in accordance with GASB Statement No. 45 the District's expense for the fiscal year ended June 30, 2011 is $41,268.

Annual OPEB Cost and Net OPEB Obligation: The District's annual other postemployment benefits (OPEB) cost (expense) is based on the annual required contribution of the employer (ARC). The District's expense is comprised of the present value of benefits accruing in the current year (normal cost) plus a 30 year amortization (on a level-dollar basis) of the unfunded actuarial accrued liability (past service liability). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the fiscal year ended June 30, 2011, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the plan:

| | | |
|---|---|---|
| Annual required contribution | $ | 45,534 |
| Contributions made | | (41,268) |
| Increase in net OPEB obligation | | 4,266 |
| Net OPEB obligations-beginning of year | | 8,797 |
| Net OPEB obligations-end of year | $ | 13,063 |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2011 is as follows:

| Fiscal Year Ended June 30, | | Annual OPEB Costs | Percentage of Annual OPEB Cost Contributed | | Net OPEB Obligation |
|---|---|---|---|---|---|
| 2011 | $ | 45,534 | 91% | $ | 13,063 |

Funded Status and Funding Progress: As of June 30, 2011, the accrued liability for benefits was $401,395, of which $401,395 is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $5,114,233, and the ratio of unfunded actuarial accrued liability to the covered payroll was 7.8 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

M. Commitments and Contingencies

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.

N. Construction Commitments

As of June 30, 2011 the District had no commitments with respect to unfinished projects.

O. Subsequent Events

In July 2011, the District entered into the San Diego County School Districts 2011 Pooled Tax and Revenue Anticipation Notes (TRANS) in the amount of $305,000. The notes mature on January 31, 2012 and were sold to supplement the District's cash flows and bear interest at a rate of 2.00%.

# 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, 2011

**EXHIBIT B-1**

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| Revenues: | | | | |
| Revenue Limit Sources: | | | | |
| State Apportionments | $ - | $ 3,039 | $ 3,043 | $ 4 |
| Local Sources | 5,380,973 | 5,380,585 | 5,365,616 | (14,969) |
| Federal Revenue | 242,927 | 396,096 | 277,979 | (118,117) |
| Other State Revenue | 657,226 | 715,983 | 744,643 | 28,660 |
| Other Local Revenue | 647,135 | 764,676 | 819,607 | 54,931 |
| Total Revenues | 6,928,261 | 7,260,379 | 7,210,888 | (49,491) |
| Expenditures: | | | | |
| Current: | | | | |
| Certificated Salaries | 3,638,650 | 3,639,987 | 3,628,312 | 11,675 |
| Classified Salaries | 1,152,137 | 1,154,550 | 1,148,221 | 6,329 |
| Employee Benefits | 985,915 | 1,006,852 | 998,157 | 8,695 |
| Books And Supplies | 277,359 | 384,747 | 273,396 | 111,351 |
| Services And Other Operating Expenditures | 770,091 | 762,883 | 695,154 | 67,729 |
| Other Outgo | 60,000 | 90,232 | 89,480 | 752 |
| Capital Outlay | 23,000 | 29,919 | 5,578 | 24,341 |
| Total Expenditures | 6,907,152 | 7,069,170 | 6,838,298 | 230,872 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 21,109 | 191,209 | 372,590 | 181,381 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | 118 | 118 | - |
| Transfers Out | (60,535) | (60,577) | (60,577) | - |
| Total Other Financing Sources (Uses) | (60,535) | (60,459) | (60,459) | - |
| Net Change in Fund Balance | (39,426) | 130,750 | 312,131 | 181,381 |
| Fund Balance, July 1 | 1,429,682 | 1,429,682 | 1,429,682 | - |
| Fund Balance, June 30 | $ 1,390,256 | $ 1,560,432 | $ 1,741,813 | $ 181,381 |

# CARDIFF SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS-HEALTHCARE PLAN
YEAR ENDED JUNE 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Acturial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| 6/30/10 | $ - | $ 401,395 | $ 401,395 | - | $ 4,005,000 | 10.0% |
| 6/30/11 | - | 401,395 | 401,395 | - | 5,114,233 | 7.8% |

# Combining Statements and Budget Comparisons 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, 2011

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds (See Exhibit A-4) |
|---|---|---|---|
| **ASSETS:** | | | |
| Cash in County Treasury | $ 291,759 | $ 66,743 | $ 358,502 |
| Accounts Receivable | 4,407 | 88 | 4,495 |
| Due from Other Funds | 10,942 | - | 10,942 |
| Stores Inventories | 1,971 | - | 1,971 |
| Total Assets | $ 309,079 | $ 66,831 | $ 375,910 |
| **LIABILITIES AND FUND BALANCE:** | | | |
| Liabilities: | | | |
| Accounts Payable | $ 757 | $ - | $ 757 |
| Due to Other Funds | 719 | - | 719 |
| Total Liabilities | 1,476 | - | 1,476 |
| Fund Balance: | | | |
| Nonspendable Fund Balances: | | | |
| Stores Inventories | 1,971 | - | 1,971 |
| Restricted Fund Balances | 9,228 | 66,831 | 76,059 |
| Committed Fund Balances: | | | |
| Committed for Deferred Maintenance | 296,404 | - | 296,404 |
| Total Fund Balance | 307,603 | 66,831 | 374,434 |
| Total Liabilities and Fund Balances | $ 309,079 | $ 66,831 | $ 375,910 |

# CARDIFF SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds (See Exhibit A-6) |
|---|---|---|---|
| Revenues: | | | |
| Federal Revenue | $ 48,108 | $ - | $ 48,108 |
| Other State Revenue | 3,049 | - | 3,049 |
| Other Local Revenue | 112,049 | 35,722 | 147,771 |
| Total Revenues | 163,206 | 35,722 | 198,928 |
| Expenditures: | | | |
| Pupil Services | 161,837 | - | 161,837 |
| General Administration | - | 733 | 733 |
| Plant Services | 81,326 | - | 81,326 |
| Total Expenditures | 243,163 | 733 | 243,896 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (79,957) | 34,989 | (44,968) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 60,535 | - | 60,535 |
| Transfers Out | - | (76) | (76) |
| Total Other Financing Sources (Uses) | 60,535 | (76) | 60,459 |
| Net Change in Fund Balance | (19,422) | 34,913 | 15,491 |
| Fund Balance, July 1 | 327,025 | 31,918 | 358,943 |
| Fund Balance, June 30 | $ 307,603 | $ 66,831 | $ 374,434 |

# CARDIFF SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | Cafeteria Fund | Deferred Maintenance Fund | Total Nonmajor Special Revenue Funds (See Exhibit C-1) |
|---|---|---|---|
| **ASSETS:** | | | |
| Cash in County Treasury | $ 6,736 | $ 285,023 | $ 291,759 |
| Accounts Receivable | 3,968 | 439 | 4,407 |
| Due from Other Funds | - | 10,942 | 10,942 |
| Stores Inventories | 1,971 | - | 1,971 |
| Total Assets | $ 12,675 | $ 296,404 | $ 309,079 |
| **LIABILITIES AND FUND BALANCE:** | | | |
| Liabilities: | | | |
| Accounts Payable | $ 757 | $ - | $ 757 |
| Due to Other Funds | 719 | - | 719 |
| Total Liabilities | 1,476 | - | 1,476 |
| Fund Balance: | | | |
| Nonspendable Fund Balances: | | | |
| Stores Inventories | 1,971 | - | 1,971 |
| Restricted Fund Balances | 9,228 | - | 9,228 |
| Committed Fund Balances: | | | |
| Committed for Deferred Maintenance | - | 296,404 | 296,404 |
| Total Fund Balance | 11,199 | 296,404 | 307,603 |
| Total Liabilities and Fund Balances | $ 12,675 | $ 296,404 | $ 309,079 |

# CARDIFF SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Cafeteria Fund | Deferred Maintenance Fund | Total Nonmajor Special Revenue Funds (See Exhibit C-2) |
|---|---|---|---|
| Revenues: | | | |
| Federal Revenue | $ 48,108 | $ - | $ 48,108 |
| Other State Revenue | 3,049 | - | 3,049 |
| Other Local Revenue | 109,985 | 2,064 | 112,049 |
| Total Revenues | 161,142 | 2,064 | 163,206 |
| Expenditures: | | | |
| Pupil Services | 161,837 | - | 161,837 |
| Plant Services | - | 81,326 | 81,326 |
| Total Expenditures | 161,837 | 81,326 | 243,163 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (695) | (79,262) | (79,957) |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 60,535 | 60,535 |
| Total Other Financing Sources (Uses) | - | 60,535 | 60,535 |
| Net Change in Fund Balance | (695) | (18,727) | (19,422) |
| Fund Balance, July 1 | 11,894 | 315,131 | 327,025 |
| Fund Balance, June 30 | $ 11,199 | $ 296,404 | $ 307,603 |

# CARDIFF SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011

| | Capital Facilities Fund | Total Nonmajor Capital Projects Funds (See Exhibit C-1) |
|---|---|---|
| **ASSETS:** | | |
| Cash in County Treasury | $ 66,743 | $ 66,743 |
| Accounts Receivable | 88 | 88 |
| Total Assets | $ 66,831 | $ 66,831 |
| | | |
| **LIABILITIES AND FUND BALANCE:** | | |
| Liabilities: | | |
| Total Liabilities | - | - |
| | | |
| Fund Balance: | | |
| Restricted Fund Balances | $ 66,831 | $ 66,831 |
| Total Fund Balance | 66,831 | 66,831 |
| | | |
| Total Liabilities and Fund Balances | $ 66,831 | $ 66,831 |

## CARDIFF SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Building Fund | Capital Facilities Fund |
|---|---|---|
| Revenues: | | |
| Other Local Revenue | $ - | $ 35,722 |
| Total Revenues | - | 35,722 |
| Expenditures: | | |
| General Administration | - | 733 |
| Total Expenditures | - | 733 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | 34,989 |
| Other Financing Sources (Uses): | | |
| Transfers Out | (70) | - |
| Total Other Financing Sources (Uses) | (70) | - |
| Net Change in Fund Balance | (70) | 34,989 |
| Fund Balance, July 1 | 70 | 31,842 |
| Fund Balance, June 30 | $ - | $ 66,831 |

| State School Building Fund | County School Facilities Fund | Special Reserve Fund | Total Nonmajor Capital Projects Funds (See Exhibit C-2) |
|---|---|---|---|
| $ - | $ - | $ - | $ 35,722 |
| - | - | - | 35,722 |
| - | - | - | 733 |
| - | - | - | 733 |
| - | - | - | 34,989 |
| (1) | (2) | (3) | (76) |
| (1) | (2) | (3) | (76) |
| (1) | (2) | (3) | 34,913 |
| 1 | 2 | 3 | 31,918 |
| $ - | $ - | $ - | $ 66,831 |

# 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, 2011

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 |
|---|---|---|
| Gail Coakley | President | Four year term<br>Expires December 2014 |
| Andy Brown III | Clerk | Four year term<br>Expires December 2012 |
| Mark Whitehouse | Member | Four year term<br>Expires December 2014 |
| Nancy Orr | Member | Four year term<br>Expires December 2012 |
| Dave Clark | Member | Four year term<br>Expires December 2014 |

## Administration

Jill Vinson
Superintendent

Sandie Luehrs
Chief Business Official

# CARDIFF SCHOOL DISTRICT

**TABLE D-1**

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2011

| | Second Period Report * | | Annual Report * | |
|---|---|---|---|---|
| | Original | Revised | Original | Revised |
| Elementary: | | | | |
| Kindergarten | 114.81 | 114.81 | 115.61 | 115.61 |
| Grades 1 through 3 | 326.89 | 326.89 | 326.52 | 326.52 |
| Grades 4 through 6 | 286.99 | 286.99 | 286.54 | 286.54 |
| Special education | 4.93 | 4.93 | 4.63 | 4.63 |
| Elementary totals | 733.62 | 733.62 | 733.30 | 733.30 |
| ADA totals | 733.62 | 733.62 | 733.30 | 733.30 |

* There were no revisions to the P2 or Annual reports.

Average daily attendance is a measurement of the number of pupils attending classes of the district. 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. 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, 2011

TABLE D-2

| Grade Level | 1982-83 Actual Minutes | 1982-83 Adjusted & Reduced | 1986-87 Minutes Requirement | 1986-87 Adjusted & Reduced | 2010-11 Actual Minutes | Number of Days Traditional Calendar | Number of Days Multitrack Calendar | Status |
|---|---|---|---|---|---|---|---|---|
| Kindergarten | 31,680 | 30,800 | 36,000 | 35,000 | 39,600 | 180 | - | Complied |
| Grade 1 | 51,920 | 50,478 | 50,400 | 49,000 | 53,000 | 180 | - | Complied |
| Grade 2 | 51,920 | 50,478 | 50,400 | 49,000 | 53,000 | 180 | - | Complied |
| Grade 3 | 51,920 | 50,478 | 50,400 | 49,000 | 56,200 | 180 | - | Complied |
| Grade 4 | 52,800 | 51,333 | 54,000 | 52,500 | 56,200 | 180 | - | Complied |
| Grade 5 | 52,800 | 51,333 | 54,000 | 52,500 | 56,200 | 180 | - | Complied |
| Grade 6 | 52,800 | 51,333 | 54,000 | 52,500 | 56,200 | 180 | - | Complied |

Districts, including basic aid districts, must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirements, whichever is greater, as required by Education Code Section 46201. 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.

# CARDIFF SCHOOL DISTRICT

TABLE D-3

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2011

| General Fund | Budget 2012 (See Note 1) | 2011 | 2010 | 2009 |
|---|---|---|---|---|
| Revenues and other financial sources | $ 6,866,949 | $ 7,210,999 | $ 7,370,021 | $ 7,516,404 |
| Expenditures, other uses and transfers out | 6,851,551 | 6,898,834 | 6,985,303 | 7,251,115 |
| Change in fund balance (deficit) | 15,398 | 312,165 | 384,718 | 265,289 |
| Ending fund balance | $ 1,756,138 | $ 1,740,740 | $ 1,428,575 | $ 1,043,857 |
| Available reserves | $ 1,745,812 | $ 1,730,414 | $ 1,422,145 | $ 981,355 |
| Available reserves as a percentage of total outgo (See Note 2) | 25.5% | 25.1% | 20.3% | 13.5% |
| Total long-term debt | $ 8,071,511 | $ 8,638,732 | $ 9,172,680 | $ 9,287,642 |
| Average daily attendance at P-2 | 746 | 734 | 712 | 709 |

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 fund balance has increased by $962,172 over the past three years. The fiscal year 2011-12 budget projects an increase of $15,398. For a district of this size, the State recommends available reserves of at least 1% of total general fund expenditures, transfers out, and other uses (total outgo).

Long-term debt has decreased by $1,020,478 over the past three years.

Average daily attendance (ADA) has increased by 50 over the past three years.

Notes:

1 Budget 2012 is included for analytical purposes only and has not been subjected to audit.

2 On behalf payments have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2011, 2010, and 2009.

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 Other Than Capital Outlay (Fund 17) and 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 DISTRICT

**TABLE D-4**

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

| | General Fund | Special Reserve Fund for Postemployment Benefits |
|---|---|---|
| June 30, 2011, annual financial and budget report fund balances | $ 1,740,740 | $ 1,073 |
| Adjustments and reclassifications: | | |
| Increasing (decreasing) the fund balance: | | |
| GASB 54 presentation of Special Reserve Fund merged with General Fund | 1,073 | (1,073) |
| June 30, 2011, audited financial statement fund balances | $ 1,741,813 | $ - |

| | Schedule of Long-Term Liabilities |
|---|---|
| June 30, 2011, annual financial and budget report total liabilities | $ 8,623,178 |
| Adjustments and reclassifications: | |
| Increase (decrease) in total liabilities: | |
| Bond premium understatement | 11,232 |
| Compensated absences understatement | 56 |
| Net OPEB obligation understatement | 4,266 |
| Net adjustments and reclassifications | 15,554 |
| June 30, 2011, audited financial statement total liabilities | $ 8,638,732 |

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.

# CARDIFF SCHOOL DISTRICT

TABLE D-5

SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2011

No charter schools are chartered by Cardiff School District.

| Charter Schools | Included In Audit? |
|---|---|
| None | N/A |

# Other Independent Auditor's Reports

**WILKINSON HADLEY KING & CO. LLP**
CPA's and Advisors
218 W. Douglas Avenue
El Cajon, California 92020

**Independent Auditor's Report**

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 92007

Members of the Board of Trustees:

We have audited 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, 2011, which collectively comprise the Cardiff School District's basic financial statements and have issued our report thereon dated November 22, 2011. 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.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered Cardiff School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cardiff School District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Cardiff School District's financial statements are free of 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.*

This report is intended solely for the information and use of management, others within the entity and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co., LLP

El Cajon, California
November 22, 2011

**WILKINSON HADLEY KING & CO. LLP**
CPA's and Advisors
218 W. Douglas Avenue
El Cajon, California 92020

**Independent Auditor's Report**

Report on State Compliance

Board of Trustees
Cardiff School District
Cardiff-by-the-Sea, California 92007

Members of the Board of Trustees:

We have audited the basic financial statements of the Cardiff School District ("District") as of and for the year ended June 30, 2011 and have issued our report thereon dated November 22, 2011. 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. We have also audited the District's compliance with the requirements specified in the State's audit guide, *Standards and Procedures for Audits of California K-12 Local Education Agencies 2010-11*, published by the Education Audit Appeals Panel, applicable to the District's statutory requirements identified below for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

The auditing standards referred to above 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 material effect on the state laws and regulations applicable to the items in the schedule below occured. 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.

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:

| Description | Procedures In Audit Guide | Procedures Performed |
|---|---|---|
| Attendance Accounting: | | |
| Attendance Reporting | 8 | Yes |
| Kindergarten Continuance | 3 | Yes |
| Independent Study | 23 | N/A |
| Continuation Education | 10 | N/A |
| Instructional Time: | | |
| School Districts | 6 | Yes |
| County Offices of Education | 3 | N/A |
| Instructional Materials, General Requirements | 8 | Yes |
| Ratios of Administrative Employees to Teachers | 1 | Yes |
| Classroom Teacher Salaries | 1 | Yes |
| Early Retirement Incentive Program | 4 | N/A |
| GANN Limit Calculation | 1 | Yes |
| School Accountability Report Card | 3 | Yes |
| Public Hearing Requirement - Receipt of Funds | 1 | Yes |

| | | |
|---|---|---|
| Class Size Reduction Program (Including In Charter Schools): | | |
| General Requirements | 7 | Yes |
| Option One Classes | 3 | Yes |
| Option Two Classes | 4 | N/A |
| Only One School Serving Grades K-3 | 4 | N/A |
| After School Education and Safety Program: | | |
| General Requirements | 4 | N/A |
| After School | 4 | N/A |
| Before School | 5 | N/A |
| Contemporaneous Records of Attendance, For Charter Schools | 1 | N/A |
| Mode of Instruction, For Charter Schools | 1 | N/A |
| Nonclassroom-Based Instruction/Independent Study, For Charter Schools | 15 | N/A |
| Determination of Funding for Nonclassroom-Based Instruction, For Charter Schools | 3 | N/A |
| Annual Instructional Minutes - Classroom Based, For Charter Schools | 3 | 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.

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, 2011.

This report is intended solely for the information and use of the Board of Trustees, management, State Controller's Office, Department of Finance, Department of Education, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co., LLP

El Cajon, California
November 22, 2011

Findings and Recommendations Section

## CARDIFF SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

### A. Summary of Auditor's Results

1. Financial Statements

| | | | |
|---|---|---|---|
| Type of auditor's report issued: | Unqualified | | |
| Internal control over financial reporting: | | | |
| One or more material weaknesses identified? | ___ Yes | _X_ No | |
| One or more significant deficiencies identified that are 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 section 510(a) of Circular A-133? | ___ Yes | _X_ Not Applicable | |

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| Not Applicable | Not Applicable |

| | | | |
|---|---|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $300,000 | | |
| Auditee qualified as low-risk auditee? | ___ Yes | _X_ Not Applicable | |

3. State Awards

Internal control over state programs:

| | | |
|---|---|---|
| One or more material weaknesses identified? | ____ Yes | X No |
| One or more significant deficiencies identified that are are not considered to be material weaknesses? | ____ Yes | X None Reported |

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

**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE

**D. State Award Findings and Questioned Costs**

NONE

## CARDIFF SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

| Finding/Recommendation | Current Status | Management's Explanation If Not Implemented |
|---|---|---|
| Finding 2010-1<br>Multi-Funded Payroll<br><br>In review of employees funded by federal programs, the district was unable to provide personal activity reports or semi-annual certifications for employees that were funded out of special education funds. OMB Circular A-87 requires that an employee funded by a federal program have their time documented by either a personal activity report or semi-annual certification which is signed either by the employee or supervisor as verification of the work performed.<br><br>Implement policies and procedures that require all employees that are funded through federal categorical programs to have either a signed semi-annual certification or personal activity report as verification of time and work performed. | Implemented | |

# ADMISSION

## Age of Admission

Proof of age shall be required of all enrolling students. The legal evidences of age, in order of desirability, are a birth certificate, baptismal certificate, passport, immigration certificate, or affidavit from the parent/guardian.

~~A child who will reach the age of five on or before December 2 of the school year shall be eligible for enrollment in kindergarten at the beginning of that school year or at any later time in the same year. (Education Code 48000)~~

A child shall be admitted to kindergarten at the beginning of a school year, or at a later time in the same ear if the child will have his or her fifth birthday on or before one of the following dates:

1. December 2 of the 2011-12 school year.
2. November 1 of the 2012-13 school year.
3. October 1 of the 2013-14 school year.
4. September 1 of the 2014-15 school year and each school year thereafter.

## Early Entry to Kindergarten

A child who becomes five years old after December 2 may be admitted into kindergarten, with parental approval, at any time after his/her fifth birthday during the school year when the Superintendent or designee determines on a case-by-case basis that such admittance is in the child's best interests.

The Superintendent or designee shall provide parents/guardians with information as to the effects, advantages and disadvantages of early entry into kindergarten. (Education Code 48000)

Classroom space must be available.

*(cf. 5123 - Promotion/Acceleration/Retention)*

## CONDUCT

The Governing Board believes that all students have the right to be educated in a positive learning environment free from disruptions. On school grounds and at school activities, students shall be expected to exhibit appropriate conduct that does not infringe upon the rights of others or interfere with the school program.

Behavior is considered appropriate when students are diligent in study, careful with school property, courteous, and respectful towards their teachers, other staff, students and volunteers.

*(cf. 5131.1 - Bus Conduct)*
*(cf. 5137 - Positive School Climate)*

The Superintendent or designee shall ensure that each school site develops standards of conduct and discipline consistent with district policies and administrative regulations.

Students and parents/guardians shall be notified of district and school rules related to conduct and shall receive regular instruction regarding these rules. In addition, parents/guardians and students may be provided information about early warning signs of harassing/intimidating behaviors, such as bullying, as well as prevention and intervention strategies.

Prohibited student conduct includes but is not limited to:

1. Behavior that endangers staff and/or students

*(cf. 0450 - Comprehensive Safety Plan)*
*(cf. 5131.7 - Weapons and Dangerous Instruments)*
*(cf. 5136 - Gangs)*
*(cf. 5142 - Safety)*

2. Behavior that disrupts the orderly classroom or school environment

*(cf. 5131.4 - Campus Disturbances)*

3. Harassment of students or staff, including bullying, intimidation, hazing, or initiation activity or any other verbal, written or physical conduct that causes or threatens to cause bodily harm or emotional suffering

*(cf. 5145.3 - Nondiscrimination/Harassment)*
*(cf. 5145.7 - Sexual Harassment)*
*(cf. 5145.9 - Hate-Motivated Behavior)*

4. Damage to or theft of property belonging to the district, staff or students

*(cf. 3515.4 - Recovery for Property Loss or Damage)*
*(cf. 5131.5 - Vandalism, Theft and Graffiti)*

**CONDUCT** (continued)

5. Profane, vulgar or abusive language

*(cf. 5145.2 - Freedom of Speech/Expression)*

6. Plagiarism or dishonesty in school work or on tests

*(cf. 5131.9 - Academic Honesty)*
*(cf. 6162.54 - Test Integrity/Test Preparation)*
*(cf. 6162.6 - Use of Copyrighted Materials)*
*(cf. 6163.4 - Student Use of Technology)*

7. Inappropriate dress

*(cf. 5132 - Dress and Grooming)*

8. Tardiness and unexcused absence from school

*(cf. 5113 - Absences and Excuses)*
*(cf. 5113.1 - Truancy)*

9. Failure to remain on school premises in accordance with school rules

*(cf. 5112.5 - Open/Closed Campus)*

**Possession of Cellular Phones and Other Personal Electronic Signaling Devices**

No student shall be prohibited from possessing or using an electronic signaling device that is determined by a licensed physician or surgeon to be essential for the student's health and the use of which is limited to health-related purposes. (Education Code 48901.5)

The physician's documentation of the health related purpose shall be presented to the principal and shall be maintained on file in the main office at the school site.

Students may possess or use personal electronic signaling devices, including but not limited to pagers, ~~beepers~~ and cellular/digital telephones.

Permitted devices shall:

1. Be turned off during class time and at any other time directed by a district employee

2. Not disrupt the educational program or school activity

**CONDUCT** (continued)

~~If a disruption occurs, the employee shall direct the student to turn off the device and/or confiscate it. If a school employee finds it necessary to confiscate a device, he/she may either return it at the end of the class period or school day or keep it until the principal or designee has consulted with the student's parent/guardian.~~

3. Student cell phones, including, but not limited to, text messages and digital photos, may be searched by the District, under limited circumstances, in accordance with the limitations imposed by state and federal law. Specifically, school officials may not search students' cell phones including the accessing and reading of their text messages and digital photos, unless those officials:

(a) have a reasonable suspicion, based on objective and articulable facts, that the search will provide evidence that the particular student was violating either the law or school rule; and
(b) the scope of the search is reasonably related to the objectives of the search and not excessively intrusive in light of the nature of the infraction.

**Discipline for Violation of Cell Phone Policy**

Students are subject to progressive discipline for violation of this policy, as follows:

(a) A first-time offender shall have his or her cell phone confiscated and returned at the end of the day;
(b) The second infraction shall warrant confiscation of the cell phone and return of the cell phone only when retrieved by the child's parent or legal guardian;
(c) Should a student violate this policy a third time, the student shall be subject to a one-day suspension, and shall be permanently banned from possessing a cell phone on school property for the remainder of the current school year.

The district is not responsible for lost or stolen personal electronic signaling devices, beepers and cellular/digital telephones.

~~A student who violates this policy may be prohibited from possessing a personal electronic signaling device at school or school-related events.~~

**Enforcement of Standards**

Employees are expected to provide appropriate supervision to enforce standards of conduct and, if they observe or become aware of a violation of these standards, to immediately intervene or call for assistance. If an employee believes a matter has not been resolved, he/she shall refer the matter to his/her supervisor or administrator for further investigation.

**CONDUCT** (continued)

Students who violate district or school rules and regulations may be subject to discipline, including but not limited to suspension, expulsion or transfer to alternative programs in accordance with Board policy and administrative regulation. In addition, when the conduct involves intimidation, harassment, or other endangerment of a student or employee, the Superintendent or designee shall provide appropriate assistance as necessary for the victim and the offender or make appropriate referrals for such assistance.

*(cf. 1020 - Youth Services)*
*(cf. 1400 - Relations Between Other Governmental Agencies and the Schools)*
*(cf. 5020 - Parent Rights and Responsibilities)*
*(cf. 5138 - Conflict Resolution/Peer Mediation)*
*(cf. 5144 - Discipline)*
*(cf. 5144.1 - Suspension and Expulsion/Due Process)*
*(cf. 5144.2 - Suspension and Expulsion/Due Process (Students with Disabilities))*
*(cf. 6020 - Parent Involvement)*
*(cf. 6164.2 - Guidance/Counseling Services)*
*(cf. 6184 - Continuation Education)*
*(cf. 6185 - Community Day School)*

*Legal Reference:*
*EDUCATION CODE*
*32050 Hazing*
*35181 Governing board policy on responsibilities of students*
*35291-35291.5 Rules*
*44807 Duty concerning conduct of students*
*48900-48925 Suspension or expulsion, especially:*
*48908 Duties of students*
*CIVIL CODE*
*1714.1 Liability of parents and guardians for willful misconduct of minor*
*PENAL CODE*
*417.25-417.27 Laser scope*
*CODE OF REGULATIONS, TITLE 5*
*300-307 Duties of pupils*
*UNITED STATES CODE, TITLE 42*
*2000h-2000h6 Title IX, 1972 Education Act Amendments*
*Management Resources:*
*CSBA PUBLICATIONS*
*Protecting Our Schools: Governing Board Strategies to Combat School Violence, 1999*
*U.S. DEPARTMENT OF EDUCATION PUBLICATIONS*
*Preventing Bullying: A Manual for Schools and Communities, 1998*
*WEB SITES*
*California Department of Education, Safe Schools and Violence Prevention Office:*
*http://www.cde.ca.gov/spbranch/safety*
*CSBA: http://www.csba.org*

Policy adopted: 01/16/08
Revised

**CARDIFF SCHOOL DISTRICT**
Cardiff-By-The-Sea, California