Lakeside Union School District

County of San Diego
Lakeside, California

Audit Report

June 30, 2023

Wilkinson Hadley King & Co. LLP
CPAs and Advisors

Lakeside Union School District
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June 30, 2023

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Independent Auditor's Report

To the Board of Education
Lakeside Union School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakeside Union School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note A to the financial statements, in the fiscal year ended June 30, 2023, the District adopted new accounting guidance, *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financials 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining financial statements and additional supplementary information, identified in the table of contents, as required by the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

El Cajon, California
December 15, 2023

LAKESIDE UNION SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Unaudited)

The discussion and analysis of Lakeside Union School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

FINANCIAL HIGHLIGHTS

- The increase in Local Control Funding Formula (LCFF) sources from 2021-22 to 2022-23 was $4.3 million (9.2%).
- The general fund expenditures increased by $10.8 million (16.8%) over the previous year amount.
- General Fund revenues and other sources exceeded expenses and other uses by $5.3 million.
- The General Fund ended the fiscal year with 12.23% reserves in unrestricted fund balance.

Overview of the Financial Statements

This annual report consists of the following parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplementary information, and findings and recommendations. These statements are organized so the reader can understand the Lakeside Union School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Basic Financial Statements

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's more significant funds with all other non-major funds presented in total in one column.

The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the District's general fund budget is included.

Reporting the district as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2022-2023?"

The change in net position is important because it tells the reader that, for the district as a whole, the financial position of the district has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

Reporting the district's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

Governmental Funds

Most of the district's activities are reported in governmental funds. The District's major funds are the General Fund, the Building Fund, the Special Reserve Fund for Capital Outlay, and the Capital Projects Fund for Blended Component Units. All other governmental funds are aggregated into one nonmajor governmental funds column. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

The district as a Whole

The District's net position was $(26.8) million at June 30, 2023. Of this amount, unrestricted net position was $(51.9) million, net investment in capital assets was $(5) million, and restricted net position was $30 million. A Comparative analysis of government-wide statement of net position is presented in Table 1.

The District's net position increased $16.5 million this fiscal year (See Table 2). The District's expenses for instruction, instruction related, and pupil services represented 78% of total expenses. The administrative activities of the District accounted for just 7.3% of total costs. The remaining 14.7% was spent on plant services and other expenses like interest payments on debt. (See Figure 2).

(Table 1)
Comparative Statement of Net Position

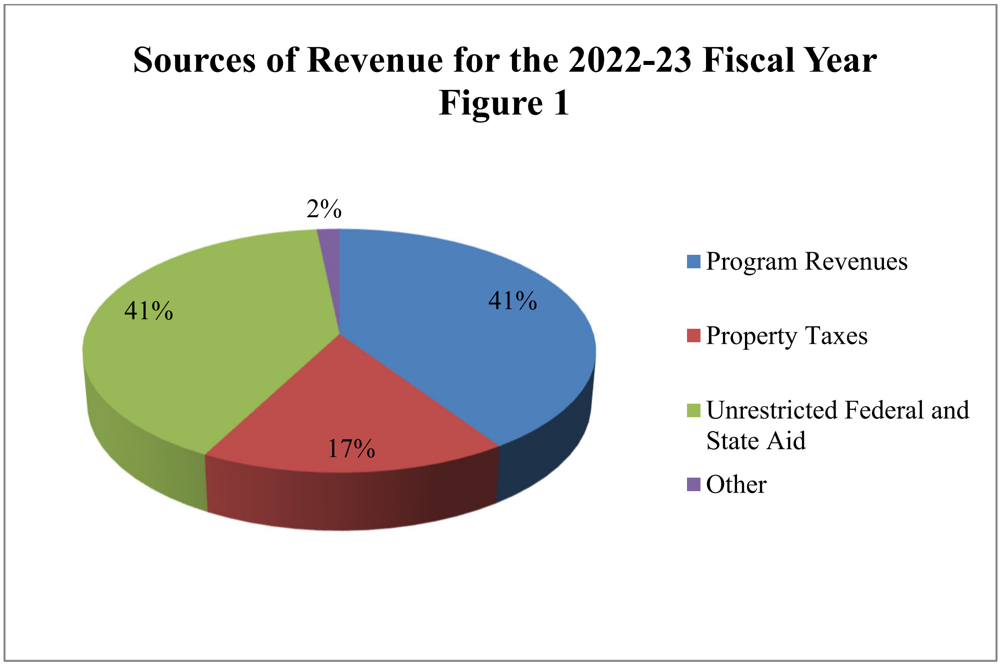
	Governmental Activities			
	6/30/2023	**6/30/2022**	**Change**	**% Change**
Assets				
Cash and Investments	$ 39,945,928	$ 37,632,098	$ 2,313,830	6.15%
Accounts receivable	6,465,501	7,129,254	(663,753)	-9.31%
Inventory	32,967	39,919	(6,952)	-17.42%
Prepaid expenses	241,163	482,327	(241,164)	-50.00%
Lease receivable	-	-	-	100.00%
Capital assets, net	73,297,500	58,534,539	14,762,961	25.22%
Lease assets, net	458,785	841,096	(382,311)	-45.45%
Subscription assets, net	355,314	-	355,314	100.00%
Total Assets	$ 120,797,158	$ 104,659,233	$ 16,137,925	15.42%
Deferred Outflows of Resources				
Deferred outflows of resources - pensions	$ 18,478,407	$ 15,862,464	$ 2,615,943	16.49%
Total Deferred Outflows of Resources	$ 18,478,407	$ 15,862,464	$ 2,615,943	16.49%
Liabilities				
Accounts payable and other current liabilities	$ 6,620,130	$ 6,350,532	$ 269,598	4.25%
Unearned revenue	1,957,131	1,830,758	126,373	6.90%
Long-term liabilities	143,870,062	129,905,483	13,964,579	10.75%
Total Liabilities	$ 152,447,323	$ 138,086,773	$ 14,360,550	10.40%
Deferred Inflows of Resources				
Deferred inflows of resources - pensions	$ 13,688,102	$ 30,046,690	$ (16,358,588)	-54.44%
Total Deferred Inflows of Resources	$ 13,688,102	$ 30,046,690	$ (16,358,588)	-54.44%
Net Position				
Net investment in capital assets	$ (5,010,688)	$ (14,255,718)	$ 9,245,030	-64.85%
Restricted	30,066,829	27,093,643	2,973,186	10.97%
Unrestricted	(51,916,001)	(60,449,691)	8,533,690	-14.12%
Total Net Position	$ (26,859,860)	$ (47,611,766)	$ 20,751,906	-43.59%

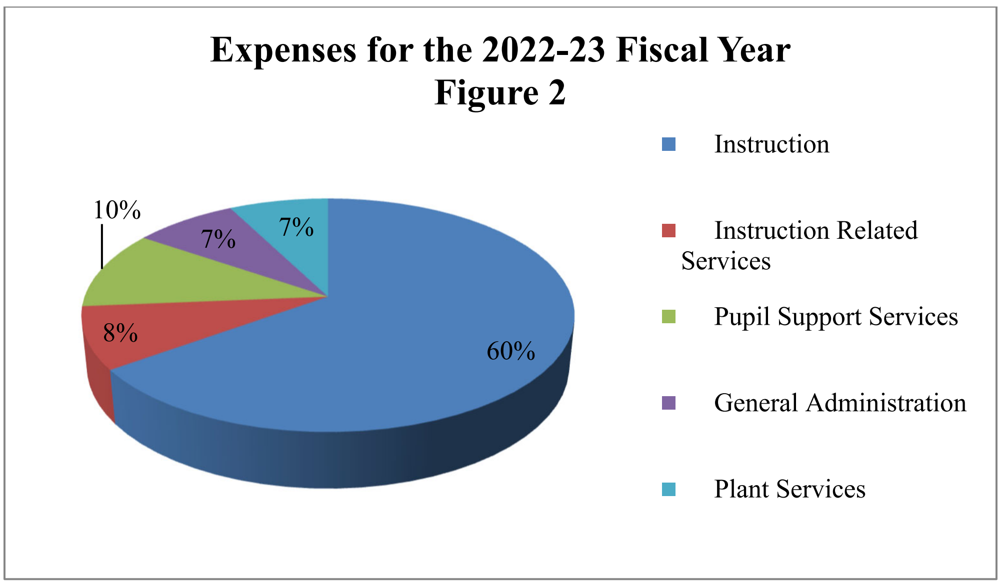
(Table 2)
Comparative Statement of Change in Net Position

	Governmental Activities			
	Year Ended 6/30/2023	**Year Ended 6/30/2022**	**Change**	**% Change**
Revenues				
Program revenues				
Charges for services	$ 915,306	$ 915,905	$ (599)	100.00%
Operating grants and contributions	38,133,721	22,158,055	15,975,666	72.10%
Capital grants and contributions	-	-	-	#DIV/0!
General revenues				
Taxes levied for general purposes	13,337,286	11,868,942	1,468,344	12.37%
Taxes levied for debt service	3,099,235	2,853,981	245,254	8.59%
Taxes levied for other specific purposes	-	-	-	#DIV/0!
Federal and state aid not restricted	39,124,990	36,030,678	3,094,312	8.59%
Interest and investment earnings	536,709	(537,854)	1,074,563	-199.79%
Miscellaneous	1,035,975	1,068,649	(32,674)	-3.06%
Total Revenues	96,183,222	74,358,356	21,824,866	29.35%
Expenses				
Instruction	47,881,854	38,180,440	9,701,414	25.41%
Instruction Related Services	6,343,921	5,391,042	952,879	17.68%
Pupil Support Services	7,970,583	6,557,789	1,412,794	21.54%
General Administration	5,809,991	4,586,507	1,223,484	26.68%
Plant Services	5,586,758	4,357,577	1,229,181	28.21%
Other Expenses	6,076,078	4,927,216	1,148,862	23.32%
Total Expenses	79,669,185	64,000,571	15,668,614	24.48%
Increase (Decrease) in Net Position	16,514,037	10,357,785	6,156,252	59.44%
Net Position - Beginning Balance	(43,373,897)	(57,969,551)	14,595,654	-25.18%
Net Position - Ending Balance	$ (26,859,860)	$ (47,611,766)	$ 20,751,906	-43.59%

GOVERNMENTAL ACTIVITIES

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $79.67 million. The amount that our local taxpayers financed for these activities through property taxes was $16.4 million. Federal and State aid not restricted to specific purposes totaled $39.1 million. Operating grants, capital grants, and contributions revenue was $39 million. Operating grants, capital grants and unrestricted federal and state aid and covered 96.97% of the expenses of the entire District (See Figure 1).





FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's governmental funds reported a combined fund balance of $38.9 million, an increase of $1 million from the previous fiscal year's combined ending balance of $37.9 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net increase to the ending balance of $0.8 million.

The District ended the year with an increase of $5.3 million to the general fund ending balance. The State recommends available reserves of 3% of total general fund expenditures and other financing uses of the general fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, vehicles, and equipment. Table 3 demonstrates a comparative Schedule of Capital Assets.

(Table 3)
Comparative Schedule of Capital Assets
June 30, 2023 and 2022

	2023	2022	Net $ Change	Net % Change
Land	$ 2,600,683	$ 2,600,683	$ -	0.0%
Work in Progress	27,299,350	4,526,885	22,772,465	503.0%
Land Improvements	6,058,538	4,278,147	1,780,391	41.6%
Buildings & Improvements	58,537,056	67,540,857	(9,003,801)	-13.3%
Equipment	11,062,427	10,775,885	286,542	2.7%
Less Accumulated Depreciation for				
Land Improvements	(1,683,814)	(970,351)	(713,463)	73.5%
Buildings & Improvements	(23,367,289)	(23,292,622)	(74,667)	0.3%
Equipment	(7,209,451)	(6,924,945)	(284,506)	4.1%
Lease Assets	1,608,075	1,600,801	7,274	0.5%
Less Accumulated Amortization	(1,149,290)	(759,705)	(389,585)	51.3%
Subscription Assets	532,971	-	532,971	100.0%
Less Accumulated Amortization	(177,657)	-	(177,657)	100.0%
Total	$ 74,111,599	$ 59,375,635	$ 14,735,964	24.8%

Long-Term Debt

The following represents a comparative schedule of the District's long-term debt outstanding.

(Table 4)
Comparative Schedule of Long-Term Debt
June 30, 2023 and 2022

	2023	2022	Net $ Change	Net % Change
General Obligation Bonds	$ 78,265,997	$ 77,543,339	$ 722,658	0.93%
Solar Loan Payable	7,989,524	8,493,537	(504,013)	-5.93%
Leases Payable	436,910	1,189,019	(752,109)	-63.25%
Subscriptions Payable	419,358	0	419,358	100.00%
Total Long-Term Debt	$ 87,111,789	$ 87,225,895	$ (114,106)	-0.13%

FACTORS BEARING ON THE DISTRICT'S FUTURE

The governor's 2023-24 Budget Act addresses a significant decline in revenues following two years of unprecedented General Fund growth, which resulted in a state shortfall of more than $30 billion. Despite the shortfall the governor provided a cost of living adjustment of 8.22% to the Local Control Funding Formula, funding for universal school meals, transitional kindergarten, community schools, and the expanded learning opportunities program for an overall increase in funding to schools for the 2023-24 fiscal year.

Despite increases in school funding, costs of salaries, pensions, and other employee benefits continue to rise. With declining enrollment, the District is monitoring the budget closely to ensure all financial obligations are met and the District remains fiscally strong.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 questions about this report or need additional financial information, please contact Lisa Davis, Assistant Superintendent of Business Services, at Lakeside Union School District, 12335 Woodside Avenue, Lakeside, CA 92040.

Basic Financial Statements

Lakeside Union School District

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash	$ 39,945,928
Accounts Receivable	6,465,501
Inventory	32,967
Prepaid Expenses	241,163
Capital Assets:	
Land	2,600,683
Land Improvements	6,058,538
Buildings & Improvements	58,537,056
Equipment	11,062,427
Work in Progress	27,299,350
Less Accumulated Depreciation	(32,260,554)
Lease Assets:	
Equipment	1,608,075
Less Accumulated Amortization	(1,149,290)
Subscription Assets:	
Subscriptions	532,971
Less Accumulated Amortization	(177,657)
Total Assets	120,797,158
Deferred Outflows of Resources	18,478,407
Liabilities	
Accounts Payable and Other Current Liabilities	6,620,130
Unearned Revenue	1,957,131
Long-Term Liabilities:	
Due Within One Year	2,666,815
Due In More Than One Year	141,203,247
Total Liabilities	152,447,323
Deferred Inflows of Resources	13,688,102
Net Position	
Net Investment in Capital Assets	(5,010,688)
Restricted For:	
Capital Projects	8,267,150
Debt Service	2,722,367
Educational Programs	13,273,740
Other Purposes (Expendable)	5,444,342
Other Purposes (Nonexpendable)	359,230
Unrestricted	(51,916,001)
Total Net Position	$ (26,859,860)

The accompanying notes to the financial statements are an integral part of this statement.

Lakeside Union School District

Statement of Activities

For the Year Ended June 30, 2023

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 Position: Governmental Activities
Governmental Activities					
Instruction	$ 47,881,854	$ 736,568	$ 27,211,597	$ -	$ (19,933,689)
Instruction-Related Services:					
Instructional Supervision and Administration	1,572,398	8,164	379,867	-	(1,184,367)
Instructional Library, Media and Technology	274,173	-	27,519	-	(246,654)
School Site Administration	4,497,350	9,790	481,143	-	(4,006,417)
Pupil Services:					
Home-to-School Transportation	1,491,850	180	83,149	-	(1,408,521)
Food Services	2,834,326	51,482	4,438,589	-	1,655,745
All Other Pupil Services	3,644,407	3,561	409,716	-	(3,231,130)
General Administration:					
Centralized Data Processing	908,425	-	128,095	-	(780,330)
All Other General Administration	4,901,566	3,956	665,773	-	(4,231,837)
Plant Services	5,586,758	29,369	591,887	-	(4,965,502)
Ancillary Services	51,908	-	60,598	-	8,690
Community Services	2,045,621	22,307	2,676,849	-	653,535
Interest on Long-Term Debt	3,961,954	-	-	-	(3,961,954)
Transfers Between Agencies	16,595	49,929	978,939	-	1,012,273
Total Governmental Activities	$ 79,669,185	$ 915,306	$ 38,133,721	$ -	(40,620,158)

General Revenues	
Taxes and Subventions:	
Property Taxes, Levied for General Purposes	$ 13,337,286
Property Taxes, Levied for Debt Service	3,099,235
Federal and State Aid Not Restricted for Specific Purposes	39,124,990
Interest and Investment Earnings	536,709
Interagency Revenues	528,218
Miscellaneous	507,757
Total General Revenues	57,134,195
Change in Net Position	16,514,037
Net Position - Beginning of Year, As Restated (See Note T)	(43,373,897)
Net Position - Ending	$ (26,859,860)

The accompanying notes to the financial statements are an integral part of this statement.

Lakeside Union School District

Balance Sheet – Governmental Funds
June 30, 2023

	General Fund	Child Development Fund	Special Reserve For Capital Outlay	Nonmajor Governmental Funds	Total
Assets					
Cash and Investments	$ 19,333,679	$ 4,440,216	$ 7,220,530	$ 8,951,503	$ 39,945,928
Accounts Receivable	5,169,869	483,406	255,653	556,573	6,465,501
Due from Other Funds	4,275,845	2,107,481	-	1,493,273	7,876,599
Stores Inventories	-	-	-	32,967	32,967
Prepaid Expenditures	241,163	-	-	-	241,163
Total Assets	$ 29,020,556	$ 7,031,103	$ 7,476,183	$ 11,034,316	$ 54,562,158
Liabilities and Fund Balance:					
Liabilities:					
Accounts Payable	$ 4,539,970	$ 130,450	$ 248,800	$ 870,578	$ 5,789,798
Due to Other Funds	2,138,239	3,618,641	1,479,556	640,163	7,876,599
Unearned Revenue	1,899,468	-	-	57,663	1,957,131
Total Liabilities	8,577,677	3,749,091	1,728,356	1,568,404	15,623,528
Fund Balance:					
Nonspendable	326,163	-	-	33,067	359,230
Restricted	11,520,889	3,282,012	5,471,852	9,432,845	29,707,598
Assigned	6,095,827	-	275,975	-	6,371,802
Unassigned	2,500,000	-	-	-	2,500,000
Total Fund Balance	20,442,879	3,282,012	5,747,827	9,465,912	38,938,630
Total Liabilities and Fund Balances	$ 29,020,556	$ 7,031,103	$ 7,476,183	$ 11,034,316	$ 54,562,158

The accompanying notes to the financial statements are an integral part of this statement.

Lakeside Union School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balances governmental funds:		$ 38,938,630

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

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

Capital assets relating to governmental activities, at historical cost	105,558,054	
Accumulated depreciation	(32,260,554)	
Net		73,297,500
Lease assets relating to governmental activities, at historical cost	1,608,075	
Accumulated amortization	(1,149,290)	
Net		458,785
Lease assets relating to governmental activities, at historical cost	532,971	
Accumulated amortization	(177,657)	
Net		355,314

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:	(830,332)

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

General obligation bonds payable	78,265,997	
Solar loan payable	7,989,524	
Leases payable	436,910	
Subscriptions payable	419,358	
Net pension liability	45,019,441	
Net OPEB liability	11,319,465	
Compensated absences	419,367	
Total		(143,870,062)

The accompanying notes to the financial statements are an integral part of this statement.

Deferred gain or loss on debt refunding: In the government wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or a deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:		3,112,227
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources relating to pensions	14,041,853	
Deferred inflows of resources relating to pensions	(8,586,823)	
Net		5,455,030
Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB	1,324,327	
Deferred inflows of resources relating to OPEB	(5,101,279)	
Net		(3,776,952)
Total net position governmental activities:		$ (26,859,860)

The accompanying notes to the financial statements are an integral part of this statement.

Lakeside Union School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Child Development Fund	Special Reserve For Capital Outlay	Nonmajor Governmental Funds	Total
Revenues					
State Apportionment	$ 33,732,749	$ -	$ -	$ -	$ 33,732,749
Education Protection Account Funds	3,706,305	-	-	-	3,706,305
Property Taxes	13,337,286	-	-	3,099,235	16,436,521
Federal Revenue	5,244,526	45,660	-	1,802,675	7,092,861
Other State Revenue	19,049,392	(813,300)	-	1,861,545	20,097,637
Interest	409,719	95,243	26,914	255,020	786,896
FMV Adjustment	(198,784)	(87,335)	(84,688)	120,620	(250,187)
Other Local Revenue	6,423,653	2,506,622	441,139	318,716	9,690,130
Total Revenues	$ 81,704,846	$ 1,746,890	$ 383,365	$ 7,457,811	$ 91,292,912
Expenditures					
Current Expenditures:					
Instruction	47,197,032	464,922	-	-	47,661,954
Instruction - Related Services	6,177,197	181,027	-	-	6,358,224
Pupil Services	5,166,934	-	-	2,719,554	7,886,488
Ancillary Services	12	-	-	51,897	51,909
Community Services	1,763,403	287,450	-	-	2,050,853
General Administration	5,875,455	24,318	-	67,290	5,967,063
Plant Services	3,889,378	14,991	612,079	44,473	4,560,921
Other Outgo	16,595	-	-	-	16,595
Capital Outlay	3,930,632	-	4,311,708	4,066,648	12,308,988
Debt Service:					
Principal	980,546	928	-	995,000	1,976,474
Interest	138,400	-	-	1,860,144	1,998,544
Total Expenditures	75,135,584	973,636	4,923,787	9,805,006	90,838,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,569,262	773,254	(4,540,422)	(2,347,195)	454,899
Other Financing Sources (Uses):					
Transfers In	-	-	1,777,756	-	1,777,756
Transfers Out	(1,777,756)	-	-	-	(1,777,756)
Proceeds from Leases and SBITA	540,245	-	-	-	540,245
Total Other Financing Sources (Uses)	(1,237,511)	-	1,777,756	-	540,245
Net Change in Fund Balance	5,331,751	773,254	(2,762,666)	(2,347,195)	995,144
Fund Balance, Beginning of Year	15,111,128	2,508,758	8,510,493	11,813,107	37,943,486
Fund Balance, End of Year	$ 20,442,879	$ 3,282,012	$ 5,747,827	$ 9,465,912	$ 38,938,630

The accompanying notes to the financial statements are an integral part of this statement.

Total change in fund balances governmental funds:		$ 995,144
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay: In governmental funds, the costs of capital assets, lease assets, and subscription assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, lease assets, and subscription assets are allocated over their estimated useful lives as depreciation or amortization expense. The difference between capital outlay expenditures and depreciation and amortization expense for the period is:		
Expenditures for capital outlay	12,308,988	
Depreciation expense	(1,243,648)	
Amortization expense	(567,242)	
Net		10,498,098
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		1,976,473
Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were:		(540,245)
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:		(1,822,367)
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:		(12,185)

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:	5,116,119
Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year the difference between OPEB expenses and actual employer OPEB contributions was:	444,044
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: 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, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is:	(141,044)
Change in net position of governmental activities:	$ 16,514,037

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The District operates under a locally elected Board of Education form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital facilities funds, debt service funds, and student-related activities.

2. Component Units

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

3. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue 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. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from general revenues of the District.

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

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service programs, construction and maintenance of school facilities, and repayment of long-term debt.

Major Governmental Funds

The District reports the following major governmental funds:

General Fund: The General Fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other capital projects funds. Other authorized resources that may be deposited into this fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code§41003*).

Non-Major Governmental Funds

The District reports the following non-major governmental funds categorized by the fund type:

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following nonmajor special revenue funds:

Associated Student Body Fund: This fund is used to account separately for the activities of associated student body organizations operated by the District.

Cafeteria Special Revenue Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code §38091 through §38093*). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code §38091 and §38100*).

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District maintains the following nonmajor capital projects funds:

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

Capital Facilities Fund: The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt. The District maintains the following nonmajor debt service funds:

Bond Interest and Redemption Fund: The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of San Diego Auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.

4. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and 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 are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. The 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 considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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 from 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.

5. 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 or at year end, whichever is sooner.

6. Budgets and Budgetary Accounting

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

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

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

7. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

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

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

b. Expenses/Expenditures

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

8. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation (FDIC). 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 §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 §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 using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, 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 expenditures during the benefiting period.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital 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 Life
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

d. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of $5,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The balance of the liabilities is recognized in the government-wide financial statements at year end.

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

f. Unearned Revenue

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

g. Interfund Activity

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

h. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

Restricted Fund Balance represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through 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 or resolution. 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 convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

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

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

i. Minimum Fund Balance Policy

The District maintains a minimum reserve for economic uncertainties of 3% of the District's general fund annual operating expenditures. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. If the reserve for economic uncertainties drops below 3%, it shall be recovered as soon as fiscally possible. In the event of unanticipated changes in revenues or expenditures, it is the responsibility of the Superintendent/Designee to report the projections to the Board when they become known. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject varying constraints in use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned.

j. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Pupil Transportation Fund (Fund 15) and The Special Reserve Fund for Other Than Capital Outlay (Fund 17) do not have continuing revenue sources that are either restricted or committed in nature. As such these funds do not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. The funds have been combined with the general fund for reporting purposes.

k. Deferred Inflows and Deferred Outflows of Resources

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

l. Pensions

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain timeframes. For this report, the following time frames are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

m. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used:

Valuation Date	January 1, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

9. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

10. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

11. Fair Value Measurements

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

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

12. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2023. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement 91, Conduit Debt Obligations	05/2019
GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements	03/2020
GASB Statement 96, Subscription Based Information Technology Arrangements	05/2020
GASB Statement 99, Omnibus 2022 (Portions related to leases, PPPs, and SBITAs)	04/2022
GASB Implementation Guide 2021-1, Implementation Guidance Update - 2021 (Except Question 5.1)	05/2021

The implementation of new accounting guidelines resulted in the following changes during the fiscal year ended June 30, 2023:

- Subscription based information technology arrangements (SBITAs) were previously accounted for as a current expense in the years the subscription payments were made. Under the provisions of GASB Statement No. 96 long-term subscriptions are recorded on the government wide statement of net position as subscription assets which are amortized over the life of the agreement, and subscription liabilities which are reduced over the life of the agreement by principal payments.

Implementation of these standards did not result in any additional changes to financial accounting or reporting for the District.

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 Position of Individual Funds

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

Fund Name	Deficit Amount	Remarks
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The District's investments at June 30, 2023, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
San Diego County Treasury	$ 35,646,276	$ -	$ 35,646,276	$ -
Total investments by fair value level	$ 35,646,276	$ -	$ 35,646,276	$ -

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

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

D. Cash and Investments

As of June 30, 2023, the District held the following cash and cash equivalents:

	General Fund	Child Development	Special Reserve For Capital Outlay	Nonmajor Governmental Funds	Total
Cash in County Treasury	$ 19,788,412	$ 4,536,385	$ 3,120,657	$ 9,124,010	$ 36,569,464
FMV Adjustment	(539,733)	(123,731)	(85,117)	(174,607)	(923,188)
Cash with Fiscal Agent	-	-	4,184,990		4,184,990
Cash in Bank and in Revolving Fund	85,000	27,562	-	2,100	114,662
Total Cash and Cash Equivalents	$ 19,333,679	$ 4,440,216	$ 7,220,530	$ 8,951,503	$ 39,945,928

1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool ($36,569,464 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $35,646,276. 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 ($29,562 as of June 30, 2023) and in revolving fund ($85,100 as of June 30, 2023) are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC).

3. Cash with Fiscal Agent

Cash balances held with fiscal agent ($4,184,990 as of June 30, 2023) are held in a cash account at Bank of America (trustee) to be distributed to the District upon submission of allowable expenditures for the Solar project.

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

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

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

5. 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 treasury is restricted by Government Code §53635 pursuant to §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 Lakeside Union recognized rating agencies are designed to give an indication of risk.

At June 30, 2023, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not Applicable	$ 35,646,276

b. Custodial Credit Risk

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

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

At June 30, 2023, the District's bank balances, revolving cash balances, and cash with fiscal agent were held at financial institutions that have secured the deposits with insurance, but not in the District's name, as such $3,934,990 is 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. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the San Diego County Treasury with a fair value of $35,646,276. The average weighted maturity for this pool was 438 days at June 30, 2023.

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.

6. 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 a 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.

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2023, consisted of:

	Major Governmental Funds				
	General Fund	Child Development Fund	Special Reserve For Capital Outlay	Nonmajor Governmental Funds	Total
Federal Government:					
Special Education	$ 1,263,995	$ -	$ -	$ -	$ 1,263,995
ESSER/GEER	985,844	-	-	-	985,844
Title I	31,647	-	-	-	31,647
Title III	27,748	-	-	-	27,748
Title IV	25,597	-	-	-	25,597
Child Nutrition Program	-	-	-	237,454	237,454
State Government:					
Special Education	335,745	-	-	-	335,745
Lottery	278,804	-	-	-	278,804
Arts, Music, and Instructional Materials	1,244,052	-	-	-	1,244,052
Classified Summer Assistance	163,172	-	-	-	163,172
Child Nutrition Program	-	-	-	115,070	115,070
Other State Programs	281,966	-	-	146,645	428,611
Local Sources					
Interest	37,554		17,814	57,404	112,772
ASES	66,744	-	-	-	66,744
Charter School Oversight	215,812	-	-	-	215,812
Other Local Sources	211,189	483,406	237,839	-	932,434
Total Accounts Receivable	$ 5,169,869	$ 483,406	$ 255,653	$ 556,573	$ 6,465,501

F. Prepaid Expenditures

Prepaid expenditures as of June 30, 2023 consisted of:

	General Fund
Prepaid Curriculum	$ 241,163
Total Prepaid Expenditures	$ 241,163

G. Capital Assets and Lease Assets

Capital asset and lease asset activity for the year ended June 30, 2023, was as follows:

Governmental activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 2,600,683	$ -	$ -	$ 2,600,683
Work in progress	18,157,432	11,482,201	2,340,283	27,299,350
Total capital assets not being depreciated	20,758,115	11,482,201	2,340,283	29,900,033
Capital assets being depreciated:				
Land improvements	6,058,538	-	-	6,058,538
Buildings and improvements	56,196,773	2,340,283	-	58,537,056
Equipment	10,775,885	286,542	-	11,062,427
Total capital assets being depreciated	73,031,196	2,626,825	-	75,658,021
Less accumulated depreciation for:				
Land improvements	(1,548,978)	(134,836)	-	(1,683,814)
Buildings and improvements	(22,542,983)	(824,306)	-	(23,367,289)
Equipment	(6,924,945)	(284,506)	-	(7,209,451)
Total accumulated depreciation	(31,016,906)	(1,243,648)	-	(32,260,554)
Total capital assets, net	62,772,405	12,865,378	2,340,283	73,297,500
Lease assets				
Equipment	1,600,801	7,274	-	1,608,075
Less accumulated amortization	(759,705)	(389,585)	-	(1,149,290)
Total lease assets, net	841,096	(382,311)	-	458,785
Subscription assets				
Information technology licenses	-	532,971	-	532,971
Less accumulated amortization	-	(177,657)	-	(177,657)
Total subscription assets	-	355,314	-	355,314
Capital assets and lease assets, net	$ 63,613,501	$ 12,838,381	$ 2,340,283	$ 74,111,599

Depreciation and amortization were charged to functions as follows:

	Depreciation by Function	Amortization by Function
Instruction	$ 393,297	$ 524,931
Instruction Related	136,133	19,944
General Administration	39,113	20,399
Plant Services	675,105	1,968
Total	$ 1,243,648	$ 567,242

H. Interfund Balances & Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2023 consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Child Development	$ 3,394,272	Revenue Correction
General Fund	Child Development	224,370	Expenditure Reimbursement
General Fund	Nonmajor Govt. Fund	29,874	Indirect Costs
General Fund	Nonmajor Govt. Fund	605,854	Revenue Correction
General Fund	Nonmajor Govt. Fund	21,476	Expenditure Reimbursement
Nonmajor Govt. Fund	General Fund	188	Indirect Costs
Nonmajor Govt. Fund	General Fund	1,493,084	Expenditure Reimbursement
Child Development	General Fund	180,156	Indirect Costs
Child Development	General Fund	1,646,955	Expenditure Reimbursement
Child Development	General Fund	280,370	Revenue Correction
	Total	$ 7,876,599	

2. Transfers To and From Other Funds

Transfers In	Transfers Out	Amount	Purpose
Special Reserve for Capital Outlay	General Fund	$ 500,000	Deferred maintenance
Special Reserve for Capital Outlay	General Fund	1,277,756	Capital projects
	Total	$ 1,777,756	

I. Accounts Payable

Accounts payable balances as of June 30, 2023, consisted of:

	Major Governmental Funds				
	General Fund	Child Development	Special Reserve For Capital Outlay	Nonmajor Governmental Funds	Total
Vendors Payable	$ 2,208,059	$ 12,844	$ 248,800	$ 848,665	$ 3,318,368
Payroll and Benefits	2,329,309	117,606	-	21,913	2,468,828
Amounts due to Charter School	2,602	-	-	-	2,602
Total Accounts Payable	$ 4,539,970	$ 130,450	$ 248,800	$ 870,578	$ 5,789,798

J. Unearned Revenue

Unearned revenue balances as of June 30, 2023, consisted of:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Programs			
ESSER III	$ 1,399,943	$ -	$ 1,399,943
Title I	101,830	-	101,830
Title II	93,780	-	93,780
State Programs			
Universal Pre-Kindergarten	3,689	-	3,689
In Person Instruction Grant	300,226	-	300,226
Local Sources			
School Lunch Balances	-	57,663	57,663
Total Unearned Revenue	$ 1,899,468	$ 57,663	$ 1,957,131

K. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2023, consisted of:

	Major Governmental Funds				
	General Fund	Child Development Fund	Special Reserve For Capital Outlay	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance					
Revolving Cash	$ 85,000	$ -	$ -	$ 100	$ 85,100
Inventory	-	-	-	32,967	32,967
Prepaid Expenditures	241,163	-	-	-	241,163
Total Nonspendable Fund Balance	326,163	-	-	33,067	359,230
Restricted Fund Balance					
Capital Projects	-	-	5,471,852	2,795,298	8,267,150
Debt Service	-	-	-	2,722,367	2,722,367
Educational Programs	10,695,095	3,282,012	-	-	13,977,107
Child Nutrition	-	-	-	3,847,586	3,847,586
Other Purposes	825,794	-	-	67,594	893,388
Total Restricted Fund Balance	11,520,889	3,282,012	5,471,852	9,432,845	29,707,598
Assigned Fund Balance					
Capital Projects	-	-	275,975	-	275,975
Cash Flow	4,805,479	-	-	-	4,805,479
Transportation	10,109	-	-	-	10,109
Other Purposes	1,280,239	-	-	-	1,280,239
Total Assigned Fund Balance	6,095,827	-	275,975	-	6,371,802
Unassigned Fund Balance					
For Economic Uncertanties	2,500,000	-	-	-	2,500,000
Total Unassigned Fund Balance	2,500,000	-	-	-	2,500,000
Total Fund Balance	$ 20,442,879	$ 3,282,012	$ 5,747,827	$ 9,465,912	$ 38,938,630

L. 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, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 77,543,339	$ 1,833,210	$ 1,110,552	$ 78,265,997	$ 1,337,407
Solar Loan Payable	8,493,537	-	504,013	7,989,524	520,690
Leases Payable	793,505	7,274	363,847	436,932	220,733
SBITA Liability	-	532,971	113,613	419,358	168,618
Net Pension Liability*	30,977,771	14,041,670	-	45,019,441	-
Net OPEB Obligation*	11,690,171	-	370,706	11,319,465	-
Compensated Absences*	407,182	12,185	-	419,367	419,367
Total Governmental Activities	$ 129,905,505	$ 16,427,310	$ 2,462,731	$ 143,870,084	$ 2,666,815

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for the solar loan payable are made from the special reserve fund for capital outlay projects.
- Payments for leases payable are made from the general fund.
- Payments for pension contributions are made from the general fund, child development fund and cafeteria fund.
- Payments for OPEB contributions are made from the general fund, child development fund and cafeteria fund.
- Payments for compensated absences are made from the general fund, child development fund and the cafeteria fund.

2. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

November 4, 2008, registered voters authorized the issuance of $79,550,000 principal amount of general obligation bonds.

November 4, 2014, registered voters reauthorized the issuance of $31,000,000 principal amount of general obligation bonds.

Of amounts authorized by registered voters, all amounts have been issued with no authorization remaining.

General obligation bonds at June 30, 2023 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
2008 Election, Series A	04/23/09	3.00 - 6.03%	08/01/33	$ 21,833,149
2008 Election, Series B	10/07/10	6.14 - 6.49%	08/01/50	12,982,209
2015 Refunding Bonds	06/09/15	2.00 - 4.00%	08/01/35	6,185,000
2016 Refunding Bonds	11/02/16	2.00 - 4.00%	08/01/33	17,815,000
2014 Election, Series B	11/15/18	4.00 - 5.75%	08/01/45	15,000,000
2014 Election, Series C	08/05/21	4.00%	08/01/41	13,100,000
Total				$ 86,915,358

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2008 Election, Series A					
Principal	$ 1,783,149	$ -	$ -	$ 1,783,149	$ -
Premium	51,687	-	-	51,687	-
Accreted Interest	3,002,623	412,750	-	3,415,373	-
2008 Election, Series B					
Principal	10,690,031	-	-	10,690,031	-
Premium	278,929	-	-	278,929	-
Accreted Interest	11,119,770	1,420,460	-	12,540,230	-
2015 Refunding Bonds					
Principal	5,650,000	-	85,000	5,565,000	50,000
Discount	(73,406)		(1,104)	(72,302)	(650)
2016 Refunding Bonds					
Principal	16,445,000	-	690,000	15,755,000	895,000
Premium	1,788,856	-	75,057	1,713,799	97,356
2014 Election, Series B					
Principal	13,015,000	-	-	13,015,000	60,000
Premium	830,683	-	-	830,683	3,830
2014 Election, Series C					
Principal	10,900,000	-	220,000	10,680,000	195,000
Premium	2,061,017	-	41,599	2,019,418	36,871
Total	$ 77,543,339	$ 1,833,210	$ 1,110,552	$ 78,265,997	$ 1,337,407

The annual requirements to amortize the bonds outstanding at June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2024	1,200,000	1,806,794	-	3,006,794
2025	1,080,152	1,767,744	819,848	3,667,744
2026	1,184,216	1,745,469	995,784	3,925,469
2027	886,318	1,719,944	1,558,682	4,164,944
2028	922,463	1,690,944	1,787,537	4,400,944
2029-2033	18,500,000	6,573,523	-	25,073,523
2034-2038	14,641,025	3,321,002	12,848,975	30,811,002
2039-2043	11,192,143	1,528,950	17,421,455	30,142,548
2044-2048	5,998,520	227,300	19,349,534	25,575,354
2049-2053	1,883,343	-	20,619,946	22,503,289
Total	$ 57,488,180	$ 20,381,668	$ 75,401,761	$ 153,271,609

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2023.

Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The District imputes the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

Bond Premium and Discount

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

Effective interest on general obligation bonds issued at a premium or discount are as follows:

	2008 Election Series A	2008 Election Series B	2015 Refunding	2016 Refunding	2014 Election Series B	2014 Election Series C
Total Interest Payments	$ 23,929,697	$ 79,073,622	$ 3,328,219	$ 8,717,336	$ 11,652,125	$ 5,760,057
Bond Premium/Discount	(846,769)	(338,737)	80,353	(1,937,882)	(957,376)	(2,477,002)
Net Interest Payments	23,082,928	78,734,885	3,408,572	6,779,454	10,694,749	3,283,055
PAR Amount of Bonds	21,833,149	12,982,209	6,185,000	17,815,000	15,000,000	13,100,000
Periods	21	38	20	15	26	20
Effective Interest Rate	5.03%	15.96%	2.76%	2.54%	2.74%	1.25%

3. Solar Loan Payable

On December 29, 2021 the District entered into an equipment lease/purchase agreement with Banc of America Public Capital Corp to obtain funds for a Solar Project. $8,493,537 was deposited into a project fund at Banc of America to be disbursed to the District upon receipt of allowable expenditures for the project. The agreement calls for annual payments of $643,392 inclusive of interest at a rate of 1.641% beginning December 2022 and extending through December 2036.

Future payments on the agreement are scheduled as follows:

June 30,	Principal	Interest	Total
2024	$ 512,283	$ 131,108	$ 643,391
2025	520,690	122,702	643,392
2026	529,235	114,157	643,392
2027	537,919	105,472	643,391
2028	546,747	96,645	643,392
2029-2033	2,871,296	345,662	3,216,958
2034-2038	2,471,354	102,212	2,573,566
Total	$ 7,989,524	$ 1,017,958	$ 9,007,482

4. Leases Payable

The District has entered into three lease agreements with Apple Inc for the right to use iPads, three lease agreements with Kyocera Document Solutions for the right to use copy machines, twenty one lease agreements with Wells Fargo Financial for the right to use copy machines, two lease agreements with US Bank Equipment Finance for the right to use copy machines, and six lease agreements with Xerox for the right to use copy machines. The lease agreements have been recorded in accordance with GASB Statement No. 87 as lease assets and lease liabilities. The leases have been discounted at an imputed rate of 3.00%.

The District office has entered into one lease agreement with Quadient Leasing for the right to use postage machines. The lease agreements have been recorded in accordance with GASB Statement No. 87 as lease assets and lease liabilities. The leases have been discounted at an imputed rate of 5.00%.

Future payments on the lease agreements are scheduled as follows:

June 30,	Principal	Interest	Total
2024	$ 220,733	$ 2,387	$ 223,120
2025	109,318	272	109,590
2026	103,233	106	103,339
2027	3,648	19	3,667
Total	$ 436,932	$ 2,784	$ 439,716

5. Subscription Liabilities

The District entered into agreements with various companies subscribing to use of software for specified terms. Three of the agreements resulted in subscription liabilities as defined by GASB Statement No. 96. Interest was imputed at a rate of 6.37% for the subscriptions.

Future payments on the subscriptions are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 168,618	$ 140,455	$ 309,073
2025	250,740	58,332	309,072
Total	$ 419,358	$ 198,787	$ 618,145

6. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2023 amounted to $419,367. This amount is included as part of long-term liabilities in the government-wide financial statements.

7. Net Pension Liability

The District's beginning net pension liability was $30,977,771 and increased by $14,041,670 during the year ended June 30, 2023 for an ending net pension liability of $45,019,441. See Note M for additional information regarding the net pension liability.

8. Net OPEB Liability

The District's beginning net OPEB liability was $11,690,171 and decreased by $370,706 during the year ended June 30, 2023 for an ending net OPEB liability of $11,319,465. See Note N for additional information regarding the net OPEB liability.

M. Pension Plans

1. General Information about the Pension Plans

   a. Plan Descriptions

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

   b. Benefits Paid

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

   The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	CalSTRS	
Hire Date	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55-60	55-62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (2022-23)	10.250%	10.205%
Required Employer Contribution Rates (2022-23)	19.100%	19.100%
Required State Contribution Rates (2022-23)	10.828%	10.828%

   *Amounts are limited to 120% of Social Security Wage Base.
   **The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

	CalPERS	
	Before	After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%*
Required Employee Contribution Rates (2022-23)	7.000%	8.000%
Required Employer Contribution Rates (2022-23)	25.370%	25.370%

*Amounts are limited to 120% of Social Security Wage Base
**The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2023, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2023. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2023, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 25.37% of covered payroll.

On Behalf Payments

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2023 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2021	10.328%	$ 2,492,862	$ 1,733,002
2022	10.828%	2,502,352	420,364
2023	10.828%	2,691,738	7,582,047

The State contributed an additional $297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

d. <u>Contributions Recognized</u>

For the fiscal year ended June 30, 2023 (measurement period June 30, 2022), the contributions recognized for each plan were:

	Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 5,083,715	$ 2,724,142	$ 7,807,857
Contributions - State On Behalf Payments	2,691,738	-	2,691,738
Total Governmental Funds	$ 7,775,453	$ 2,724,142	$ 10,499,595

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 3,991,531	$ 1,999,503	$ 5,991,034
Contributions - State On Behalf Payments	2,502,352	-	2,502,352
Total Government-Wide	$ 6,493,883	$ 1,999,503	$ 8,493,386

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

As of June 30, 2022 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability		
	CalSTRS	CalPERS	Total
Governmental Activities	$ 25,677,750	$ 19,341,691	$ 45,019,441

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to measurement date June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2022 and June 30, 2023 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Governmental Activities				
Proportion June 30, 2022	0.040546%	0.026271%	0.066817%	0.061602%
Proportion June 30, 2023	0.036954%	0.022537%	0.059491%	0.056211%
Change in Proportion	-0.003592%	-0.003734%	-0.007326%	-0.005391%

*Represents State's Proportionate Share on behalf of District employees.

a. Pension Expense

	Governmental Activities		
	CalSTRS	CalPERS	Total
State On Behalf Pension Expense	$ 7,582,047	$ -	$ 7,582,047
Employer Contributions	5,083,715	2,724,142	7,807,857
Change In:			
Net Pension Liability	7,226,396	6,815,274	14,041,670
Deferred Outflows of Resources	480,427	(8,442,993)	(7,962,566)
Deferred Inflows of Resources	(12,173,114)	977,891	(11,195,223)
Total Pension Expense - Governmental	$ 8,199,471	$ 2,074,314	$ 10,273,785

b. Deferred Outflows and Inflows of Resources

At June 30, 2023, The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Governmental Activities			
Contributions Subsequent to Measurement	$ 5,083,715	$ 2,724,142	$ 7,807,857
Experience Differences	21,524	98,891	120,415
Changes in Assumptions	1,123,434	1,430,789	2,554,223
Changes in Proportionate Share	1,338,508	242,830	1,581,338
Earnings Differences	-	1,978,020	1,978,020
Total Deferred Outflows of Resources	$ 7,567,181	$ 6,474,672	$ 14,041,853

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Governmental Activities			
Experience Differences	$ 2,046,846	$ 482,969	$ 2,529,815
Changes in Proportionate Share	2,456,883	1,316,177	3,773,060
Earnings Differences	2,283,948	-	2,283,948
Total Deferred Inflows of Resources	$ 6,787,677	$ 1,799,146	$ 8,586,823

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2024. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Governmental Activities					
Year Ended	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect
June 30,	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2024	$ 6,506,187	$ 3,719,250	$ (2,781,599)	$ (623,441)	$ 6,820,397
2025	502,388	863,307	(2,511,004)	(491,138)	(1,636,447)
2026	502,389	499,580	(2,627,423)	(465,322)	(2,090,776)
2027	56,217	1,392,535	1,504,132	(219,245)	2,733,639
2028	-	-	(283,463)	-	(283,463)
Thereafter	-	-	(88,320)	-	(88,320)
Total	$ 7,567,181	$ 6,474,672	$ (6,787,677)	$ (1,799,146)	$ 5,455,030

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2023, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Payroll Growth	3.50%	(3)
Investment Rate of Return	7.00%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post-retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

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

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

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

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

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

CalSTRS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Estate	15.00%	3.55%
Inflation Sensitivie	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigating Strategies	10.00%	1.75%
Cash/Liquidity	2.00%	-0.35%

*20 year average

CalPERS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

*20 year average

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	$ 43,610,524	$ 27,940,052
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 25,677,750	$ 19,341,691
1% Increase	8.10%	7.90%
Net Pension Liability	$ 10,788,351	$ 12,235,462

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

CalSTRS Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2022 (Previously Reported)	$ 237,735,331	$ 207,328,776	$ 30,406,555	$ 11,955,200	$ 18,451,355
Changes for the year					
Change in proportionate share	(26,065,957)	(22,732,098)	(3,333,859)	(1,699,239)	(1,634,620)
Service cost	4,565,934	-	4,565,934	1,729,715	2,836,219
Interest	14,989,352	-	14,989,352	5,678,423	9,310,929
Experience differences	(995,284)	-	(995,284)	(377,044)	(618,240)
Change in assumptions	-	-	-	-	-
Change in benefits	41,644	-	41,644	15,776	25,868
Contributions:					
Employer	-	3,879,620	(3,879,620)	(1,469,718)	(2,409,902)
Employee	-	2,419,812	(2,419,812)	(916,698)	(1,503,114)
State on behalf	-	2,546,193	(2,546,193)	(964,575)	(1,581,618)
Net investment income	-	(4,396,557)	4,396,557	1,665,550	2,731,007
Other income	-	77,454	(77,454)	(29,343)	(48,111)
Benefit payments(1)	(10,426,791)	(10,426,791)	-	-	-
Administrative expenses	-	(113,697)	113,697	43,072	70,625
Borrowing costs	-	(73,051)	73,051	27,674	45,377
Other expenses	-	(3,177)	3,177	1,202	1,975
Net changes	(17,891,102)	(28,822,292)	10,931,190	3,704,795	7,226,395
Balance at June 30, 2023	$ 219,844,229	$ 178,506,484	$ 41,337,745	$ 15,659,995	$ 25,677,750

(1) – Includes refunds of employee contributions

CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2022 (Previously Reported)	$ 65,826,350	$ 53,299,933	$ 12,526,417
Changes for the year			
Change in proportionate share	(5,760,687)	(4,664,458)	(1,096,229)
Service cost	1,397,024	-	1,397,024
Interest	4,179,748	-	4,179,748
Experience differences	(623,035)	-	(623,035)
Change in assumptions	1,924,164	-	1,924,164
Change in benefits	-	-	-
Contributions:			
Employer	-	1,999,486	(1,999,486)
Employee	-	620,705	(620,705)
Nonemployer	-	-	-
Net plan to plan resource movement	-	2	(2)
Net investment income	-	(3,623,609)	3,623,609
Benefit payments(1)	(2,978,485)	(2,978,485)	-
Administrative expenses	-	(30,186)	30,186
Other expenses	-	-	-
Net changes	(1,861,271)	(8,676,545)	6,815,274
Balance at June 30, 2023	$ 63,965,079	$ 44,623,388	$ 19,341,691

(1) – Includes refunds of employee contributions

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

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N. Postemployment Benefits Other than Pension Benefits (OPEB)

A. Plan Description

The California Public Employees Retirement System (CalPERS) administers the Lakeside Union School District Retiree Benefits Plan (Plan) through the California Employers' Retiree Benefit Trust (CERBT). The plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for employee groups as follows:

The District provides the ability to enroll in retiree health benefits (including medical, dental and vision) to eligible retirees and their dependents. The District's financial obligation is to pay for retiree medical for the retiree only coverage to age 65 subject to an annual maximum benefit allotment. The retiree pays for any amounts above the annual maximum and for the cost of covering dependents. Retirees can elect dental and vision coverage on a self-pay basis. The District does not contribute any retiree health benefits beyond the retiree's attainment of age 65. The current applicable maximum benefit allotments and eligibility for coverage are described below.

Certificated Employees

The District provides retiree medical including prescription drug benefits to eligible retirees and their eligible dependents to the retirees' attainment of age 65. Eligibility for retiree medical benefits requires retirement under STRS on or after age 55 with at least 15 years of District eligible service.

The District's contribution for eligible employees who retired before January 1, 2018 is an amount equal to the premium for retiree only subject to a maximum, which is equivalent to the cost of the employee only health coverage under the most expensive HMO health plan offered by the District annually.

The District's contribution for eligible employees who retire on or after January 1, 2018 is an amount equal to the premium for retiree only subject to a maximum, which is equivalent to the cost of the employee only health coverage under the UHC Network 1 health plan offered by the District annually. The District does not provide any financial contribution for coverage beyond age 65. Retirees can elect dependent medical and dental coverage on a self-paid basis. Spouse coverage ceases upon the death of the retiree. The District does not provide any financial contribution for coverage beyond age 65. Retirees can elect dependent medical coverage and additional dental coverage on a self-paid basis. Spouse coverage ceases upon the death of the retiree.

Classified Employees

The District provides retiree medical including prescription drug benefits to eligible retirees and their eligible dependents to the retirees' attainment of age 65. For employees hired before September 11, 2014, eligibility for retiree medical and dental benefits requires retirement under PERS on or after age 55 with at least 10 years of District eligible service. For employees hired on or after September 11, 2014, eligibility for retiree medical benefits requires retirement under PERS on or after age 55 with at least 15 years of District eligible service.

The District's contribution for eligible employees who retire on or before December 31, 2019 is an amount equal to the retiree only premium up to the most expensive HMO that is available to bargaining unit members.

The District's contribution for eligible employees who retire on or after January 1, 2020 is an amount equal to the premium for retiree only subject to a maximum, which is $7,740. The District does not provide any financial contribution for coverage beyond age 65. Retirees can elect dependent medical and dental coverage on a self-paid basis, except for 4 Classified retirees who are grandfathered in for District-paid dental coverage. Spouse coverage ceases upon the death of the retiree.

Management Employees

The District offers retiree medical including prescription drug benefits to eligible retirees and their eligible dependents to the retirees' attainment of age 65. There are some management employees with lifetime medical coverage and/or some life insurance coverage. Eligibility for retiree medical benefits requires retirement under STRS/PERS eligibility requirements of 55 years old with at least 10 years of District eligible service.

The District's contribution is 100% of the retiree-only medical premium. The District does not provide any financial contribution for coverage beyond age 65 for retirees without lifetime coverage. Retirees can elect dependent medical and dental coverage on a self-paid basis, except for 3 Management retirees who are grandfathered in for District-paid dental coverage. Spouse coverage ceases upon the death of the retiree.

Employees Covered by Benefit Terms

At measurement date, June 30, 2023, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	86
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	351
	437

Contributions

The District makes contributions to CERBT to fund as much of the OPEB liability as determined feasible in current operating budget. Contributions are determined by management of the District based on budget implications. Plan members are not required to contribute to the plan.

B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal Year	July 1^{st} to June 30^{th}
Measurement Date	June 30, 2023
Funding Policy	Pay-as-you-go
Asset Return	6.0% per annum
Discount Rate	4.13% per annum
Inflation	2.30% per annum
Salary Increases	2.80% per annum
Pre-retirement Turnover	Termination rates are based on the 2021 CalPERS School Withdrawal Rates for PERS employees and the 2021 STRS Sex Distinct Withdrawal Rates for STRS employees.
Mortality Rates	Mortality rates are based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 for PERS employees and the SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021 for STRS employees.
Retirement Rates	CalSTRS and CalPERS 2021 Retirement Rates
Retirement Eligibility Age	55 for CalSTRS members, 50 for CalPERS members
Participant Rates	95% of future active employees are assumed to elect retiree health coverage at retirement.
Spouse Coverage	20% of future retirees electing coverage are assumed to elect coverage for their spouse. Spouses are assumed to be the same age as retiree.
Medical Trend Rates	6.75% decreasing to 4.5%

Discount Rate

The discount rate of 4.13% is a blended rate between the rate of return and the resulting rate using the average of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

The discount rate has decreased from the June 30, 2022 discount rate of 4.09%.

Actuarial Cost Method

The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the cost is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. As required by GASB 75, the normal cost is calculated to remain level as a percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.

Actuarial Value of Assets

Any assets of the plan are valued on a market value basis.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the OPEB plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	6.00%
Global Debt Securities	23%	6.00%
Inflation Assets	5%	6.00%
Real Estate Investment Trusts	20%	6.00%
Commodities	3%	6.00%
Cash	0%	6.00%

Long-term expected rate of return is 6.00%.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2022	$ 12,469,388	$ 779,217	$ 11,690,171
Changes for the year:			
Service cost	552,121	-	552,121
Interest	512,064	-	512,064
Experience differences	(335,376)	-	(335,376)
Changes of assumptions	(36,791)	-	(36,791)
Contributions - employer	-	1,013,411	(1,013,411)
Net investment income	-	49,702	(49,702)
Benefit payments	(1,013,411)	(1,013,411)	-
Administrative expenses	-	(389)	389
Net change	(321,393)	49,313	(370,706)
Balance at June 30, 2023	$ 12,147,995	$ 828,530	$ 11,319,465

Sensitivity of the net OPEB liability to changes in the Discount Rate

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

	1% Decrease (3.13%)	Valuation Discount Rate (4.13%)	1% Increase (5.13%)
Net OPEB Liability	$ 12,122,271	$ 11,319,464	$ 10,536,649

Sensitivity of the net OPEB liability to changes in the health care cost trend rates

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

	1% Decrease	Healthcare Cost Trends Rate	1% Increase
	5.75% Decreasing to 3.50%	6.75% Decreasing to 4.50%	7.75% Decreasing to 5.50%
Net OPEB Liability	$ 10,107,437	$ 11,319,464	$ 12,714,103

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

For the year ended June 30, 2023, the District recognized OPEB expense of $1,058,320. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience differences	$ 563,734	$ (2,145,954)
Changes of assumptions	702,341	(2,955,325)
Difference from projected earnings	58,252	-
Total	$ 1,324,327	$ (5,101,279)

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2024	290,005	$ (739,081)	$ (449,076)
2025	285,656	(725,018)	(439,362)
2026	261,574	(725,018)	(463,444)
2027	224,928	(725,018)	(500,090)
2028	225,520	(725,018)	(499,498)
Thereafter	36,644	(1,462,126)	(1,425,482)
Total	$ 1,324,327	$ (5,101,279)	$ (3,776,952)

Payables to the OPEB Plan

At June 30, 2023, the District did not have any payables to the OPEB plan outstanding.

O. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

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

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

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

P. Participation in Joint Powers Authorities

The District is a member of two joint powers agreements (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the San Diego County Schools Fringe Benefits Consortium (SDCSFBC) for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

Q. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

   The District has received state and federal funds for specific purposes that are subject 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.

2. Litigation

   The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District as of June 30, 2023.

3. Construction Commitments

   As of June 30, 2023, the District had the following commitments with respect to unfinished capital projects:

Construction in Process:	Commitment	*Expeceted Date of Final Completion
Technology Expansion	$ 1,000,000	June 2025
Central Kitchen Improvements	173,410	June 2024
LF ESS Portable Buildings	750,000	June 2025
LV ESS Portable Buildings	750,000	June 2025
District Wide Energy Project	7,989,524	June 2024
Replacement	500,000	August 2024
TDS Securit Fencing	250,000	August 2024

* Expected date of final completion subject to change

R. Deferred Outflows of Resources

The District issued refunding bonds June 2015 and November 2016, and as a result of the calculated gain or loss, a loss on refunding was recognized as a deferred outflow of resources. The loss on refunding will be amortized over the life of the refunding bonds utilizing the straight line method.

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2023, is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Loss - 2015 Bonds	$ 2,027,667	$ -	$ 144,833	$ 1,882,834
Refunding Loss - 2016 Bonds	1,341,156	-	111,763	1,229,393
Pension Related				-
CalSTRS	8,047,608	5,083,715	5,564,142	7,567,181
CalPERS	(1,968,321)	11,610,989	3,167,996	6,474,672
OPEB Related	1,617,902	(2,960)	290,615	1,324,327
Total Deferred Outflows of Resources	$ 11,066,012	$ 16,691,744	$ 9,279,349	$ 18,478,407

Future amortization of deferred outflows is as follows:

Year Ending June 30,	Refunding Losses	Pension Related	OPEB Related	Total
2024	$ 256,596	$ 10,225,437	$ 290,005	$ 10,772,038
2025	256,596	1,365,695	285,656	1,907,947
2026	256,596	1,001,969	261,574	1,520,139
2027	256,596	1,448,752	224,928	1,930,276
2028	256,596	-	225,520	482,116
Thereafter	1,829,247	-	36,644	1,865,891
Total	$ 3,112,227	$ 14,041,853	$ 1,324,327	$ 18,478,407

S. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB statement have been recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred inflows of resources.

A summary of the deferred inflows of resources as of June 30, 2023, is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	$ 18,960,791	$ (8,582,793)	$ 3,590,321	$ 6,787,677
CalPERS	821,255	1,719,264	741,373	1,799,146
OPEB Related	5,468,192	372,167	739,080	5,101,279
Total Deferred Inflows of Resources	$ 25,250,238	$ (6,491,362)	$ 5,070,774	$ 13,688,102

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related	OPEB Related	Total
2024	$ 3,405,040	$ 739,081	$ 4,144,121
2025	3,002,142	725,018	3,727,160
2026	3,092,745	725,018	3,817,763
2027	(1,284,887)	725,018	(559,869)
2028	283,463	725,018	1,008,481
Thereafter	88,320	1,462,126	1,550,446
Total	$ 8,586,823	$ 5,101,279	$ 13,688,102

T. Adjustment to Beginning Net Position

As a result of the implementation of GASB Statement No. 87, the District adjusted beginning fund balance/net position as follows:

	Governmental Activities
Beginning Net Position as Reported in June 30, 2022 Audit Report	$ (47,611,766)
Adjustments to Beginning Balance	
GASB 87 Implementation	4,237,869
Beginning Net Position, as Restated	$ (43,373,897)

U. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Fiscal Year Effective
GASB Statement 99, Omnibus 2022 (Portions related to financial guarantees and derivative instruments)	04/2022	2024-25
GASB Statement 100, Accounting Changes for Error Corrections	06/2022	2024-25
GASB Statement 101, Compensated Absences	06/2022	2024-25
GASB Implementation Guide 2021-1, Implementation Guidance Update - 2021 (Question 5.1)	05/2021	2024-25
GASB Implementation Guide 2023-1, Implementation Guidance Update - 2023	06/2023	2024-25

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

Required Supplementary Information

Lakeside Union School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Federal Revenue	$ 5,509,476	$ 7,161,604	$ 5,244,526	$ (1,917,078)
Other State Revenue	15,675,333	15,016,989	19,049,392	4,032,403
Interest Income	120,000	175,000	409,444	234,444
FMV Adjustment	-	-	(198,752)	(198,752)
Other Local Revenue	5,761,278	6,617,271	6,423,654	(193,617)
Total Revenues	75,954,224	79,657,147	81,704,604	2,047,457
Expenditures				
Current Expenditures:				
Certificated Salaries	25,936,810	27,837,149	27,596,016	241,133
Classified Salaries	9,375,055	11,276,895	11,306,014	(29,119)
Employee Benefits	20,842,195	20,801,408	21,396,057	(594,649)
Books and Supplies	1,922,563	4,227,022	3,464,434	762,588
Services and Other Operating	5,947,711	8,671,299	8,026,724	644,575
Other Outgo	5,000	648,392	16,595	631,797
Transfers of Indirect Costs	(134,832)	(92,514)	(91,609)	(905)
Debt Service				
Principal	-	-	980,546	(980,546)
Interest	-	-	138,400	(138,400)
Total Expenditures	66,101,833	77,072,067	75,135,584	1,936,483
Excess (Deficiency) of Revenues Over Expenditures	9,852,391	2,585,080	6,569,020	3,983,940
Other Financing Sources (Uses)				
Interfund Transfers In	-	-	-	-
Interfund Transfers Out	(500,000)	(1,777,756)	(1,777,756)	-
Proceeds from Leases and SBITA	-	-	540,245	540,245
Net Financing Sources (Uses)	(500,000)	(1,777,756)	(1,237,511)	540,245
Net Change in Fund Balance	9,352,391	807,324	5,331,509	4,524,185
Fund Balance - Beginning of Year	15,101,015	15,101,015	15,101,015	-
Fund Balance - End of Year	$ 24,453,406	$ 15,908,339	$ 20,432,524	$ 4,524,185

Lakeside Union School District

Budgetary Comparison Schedule – Child Development Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance to Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Federal Revenue	$ -	$ -	$ 45,660	$ 45,660
Other State Revenue	399,180	339,913	(813,300)	(1,153,213)
Interest Income	-	50,220	409,444	359,224
FMV Adjustment	-	-	(198,752)	(198,752)
Other Local Revenue	1,321,082	2,104,000	2,303,838	199,838
Total Revenues	1,720,262	2,494,133	1,746,890	(747,243)
Expenditures				
Current Expenditures:				
Certificated Salaries	116,835	124,381	130,581	(6,200)
Classified Salaries	1,100,437	1,100,901	360,377	740,524
Employee Benefits	514,203	526,804	217,155	309,649
Books and Supplies	45,108	87,507	32,938	54,569
Services and Other Operating	422,419	152,500	207,339	(54,839)
Transfers of Indirect Costs	21,968	24,390	24,318	72
Debt Service				
Principal	-	-	928	(928)
Total Expenditures	2,220,970	2,016,483	973,636	1,042,847
Net Change in Fund Balance	(500,708)	477,650	773,254	295,604
Fund Balance - Beginning of Year	2,508,758	2,508,758	2,508,758	-
Fund Balance - End of Year	$ 2,008,050	$ 2,986,408	$ 3,282,012	$ 295,604

Lakeside Union School District

Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0370%	0.0405%	0.0382%	0.0404%	0.0424%	0.0450%	0.0471%	0.0451%	0.0436%	N/A
District's proportionate share of the net pension liability (asset)	$ 25,677,750	$ 18,451,354	$ 37,061,897	$ 36,528,043	$ 38,942,832	$ 41,574,495	$ 38,081,550	$ 30,364,814	$ 25,487,786	N/A
State's proportionate share of the net pension liability (asset) associated with the District	15,659,995	13,811,439	26,203,587	21,439,588	20,405,766	22,518,940	21,592,046	18,133,022	14,033,604	N/A
Total	$ 41,337,745	$ 32,262,793	$ 63,265,484	$ 57,967,631	$ 59,348,598	$ 64,093,435	$ 59,673,596	$ 48,497,836	$ 39,521,390	N/A
District's covered payroll**	23,590,609	23,823,319	23,543,058	21,738,729	22,502,689	23,769,141	23,392,667	20,842,725	19,326,546	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	108.85%	77.45%	157.42%	168.03%	173.06%	174.91%	162.79%	145.69%	131.88%	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

Lakeside Union School District

Schedule of the District's Contributions - CalSTRS

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 5,083,715	$ 3,991,531	$ 4,171,550	$ 4,341,497	$ 4,054,909	$ 3,516,856	$ 2,990,158	$ 2,510,033	$ 1,984,395	N/A
Contributions in relation to the contractually required contribution	(5,083,715)	(3,991,531)	(4,171,550)	(4,341,497)	(4,054,909)	(3,516,856)	(2,990,158)	(2,510,033)	(1,984,395)	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	N/A
District's covered payroll**	$ 26,616,309	$ 23,590,609	$ 23,823,184	$ 23,543,109	$ 27,275,689	$ 22,502,487	$ 23,769,141	$ 23,392,667	$ 20,842,725	N/A
Contributions as a percentage of covered payroll	19.10%	16.92%	17.51%	18.44%	14.87%	15.63%	12.58%	10.73%	9.52%	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on the fiscal year.

Lakeside Union School District

Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS
Last Ten Fiscal Years*

	Fiscal Year									
	2022	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0562%	0.0616%	0.0633%	0.0612%	0.0637%	0.0661%	0.0603%	0.0613%	0.0586%	N/A
District's proportionate share of the net pension liability (asset)	$ 19,341,691	$ 12,526,417	$ 19,412,875	$ 17,832,202	$ 16,975,627	$ 15,788,647	$ 11,911,296	$ 9,029,628	$ 6,651,738	N/A
District's covered payroll**	$ 9,069,721	$ 9,132,357	$ 9,472,344	$ 8,908,825	$ 8,489,055	$ 8,494,456	$ 7,303,361	$ 6,812,395	$ 6,160,776	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	213.26%	137.17%	204.94%	200.16%	199.97%	185.87%	163.09%	132.55%	107.97%	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

Lakeside Union School District

Schedule of the District's Contributions - CalPERS

Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 2,724,142	$ 2,077,873	$ 1,890,398	$ 1,868,041	$ 1,609,112	$ 1,363,965	$ 1,179,710	$ 930,466	$ 860,916	N/A
Contributions in relation to the contractually required contribution	(2,724,142)	(2,077,873)	(1,890,398)	(1,868,041)	(1,609,112)	(1,363,965)	(1,179,710)	(930,466)	(860,916)	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	N/A
District's covered payroll**	$ 10,737,651	$ 9,069,721	$ 9,132,357	$ 9,472,344	$ 8,908,825	$ 8,489,055	$ 8,494,456	$ 7,303,361	$ 7,303,361	N/A
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%	16.067%	13.888%	12.740%	11.788%	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on the fiscal year.

Lakeside Union School District

Schedule of Changes in the District's Net OPEB Liability and Related Ratios – LSUSD Retiree Health Benefit Plan
Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2015	2014	2013
Total OPEB liability:										
Service cost	$ 552,121	$ 1,125,351	$ 1,089,729	$ 988,908	$ 935,348	$ 903,718	N/A	N/A	N/A	N/A
Interest	512,064	402,232	432,201	484,645	511,233	480,489	N/A	N/A	N/A	N/A
Changes of benefit terms	-	-	-	(97,284)	(214,514)	-	N/A	N/A	N/A	N/A
Experience differences	(335,376)	(2,150,121)	(263,287)	1,014,722	-	-	N/A	N/A	N/A	N/A
Changes of assumptions	(36,791)	(3,739,576)	329,781	685,182	356,398	(98,446)	N/A	N/A	N/A	N/A
Benefit payments	(1,013,411)	(815,317)	(979,572)	(869,731)	(856,503)	(829,004)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(321,393)	(5,177,431)	608,852	2,206,442	731,962	456,757	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	12,469,388	17,646,819	17,037,967	14,831,525	14,099,563	13,642,806	N/A	N/A	N/A	N/A
Total OPEB liability - ending	$ 12,147,995	$ 12,469,388	$ 17,646,819	$ 17,037,967	$ 14,831,525	$ 14,099,563	N/A	N/A	N/A	N/A
Plan fiduciary net position:										
Contributions - employer	$ 1,013,411	$ 815,317	$ 1,040,355	$ 869,731	$ 956,503	$ 1,329,004	N/A	N/A	N/A	N/A
Contributions - employee	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Net investment income	49,702	(120,253)	182,240	22,702	35,423	-	N/A	N/A	N/A	N/A
Benefit payments	(1,013,411)	(815,317)	(979,572)	(869,731)	(856,503)	(829,004)	N/A	N/A	N/A	N/A
Administrative expenses	(389)	(227)	(646)	(547)	(258)	-	N/A	N/A	N/A	N/A
Other expenses	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	49,313	(120,480)	242,377	22,155	135,165	500,000	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	779,217	899,697	657,320	635,165	500,000	-	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending	$ 828,530	$ 779,217	$ 899,697	$ 657,320	$ 635,165	$ 500,000	N/A	N/A	N/A	N/A
Net OPEB liability	$ 11,319,465	$ 11,690,171	$ 16,747,122	$ 16,380,647	$ 14,196,360	$ 13,599,563	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total OPEB liability	6.82%	6.25%	5.10%	3.86%	4.28%	3.55%				
Covered payroll	36,263,747	29,342,786	32,185,534	31,248,091	30,064,000	30,064,000	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	31.21%	39.84%	52.03%	52.42%	47.22%	45.24%	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Lakeside Union School District

Schedule of the District's Contributions – LSUSD Retiree Health Benefit Plan
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial determined contributions	$ 1,159,051	$ -	$ -	$ -	$ -	$ -	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(1,013,411)	(815,317)	(1,040,355)	(869,731)	(956,503)	(1,329,004)	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ 145,640	$ (815,317)	$ (1,040,355)	$ (869,731)	$ (956,503)	$ (1,329,004)	N/A	N/A	N/A	N/A
District's covered payroll**	36,263,747	29,342,786	32,185,534	31,248,091	30,064,000	$ 30,064,000	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	2.795%	2.779%	3.232%	2.783%	3.182%	4.42%	N/A	N/A	N/A	N/A

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The Plan does not have actuarially determined contributions as of June 30, 2023.

Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Pupil Transportation Fund (Fund 15) and Special Reserve Fund for Other Than Capital Outlay (Fund 17) were included with the general fund as the fund did not meet the definition of a special revenue fund under GASB Statement No. 54. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only. Below is a table reconciling between the General Fund as reported in the Basic Financial Statements and the General Fund as reported in the Budgetary Comparison Schedule.

General Fund - Basic Financial Statements Ending Fund Balance	$ 20,442,879
Fund 15 Fund Balance	(10,109)
Fund 17 Fund Balance	(246)
General Fund - Budgetary Comparison Schedule Ending Fund Balance	$ 20,432,524
General Fund - Basic Financial Statements Net Change in Fund Balance	$ 5,331,751
Fund 15 Net Change in Fund Balance	(237)
Fund 17 Net Change in Fund Balance	(5)
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	$ 5,331,509

Excess of Expenditures Over Appropriations

As of June 30, 2023, the District's expenditures which exceeded appropriations in the following categories:

Appropriations Category	Excess Expenditures	Reason for Excess Expenditures
General Fund:		
Employee Benefits	$ 594,649	The District overestimated the expenditures for CalSTRS paid by the State On Behalf of the District.
Classified Salaries	29,119	The District overestimated the costs for classified salaries.
Transfers of Indirect Costs	905	The District overestimated the costs being transferred to different funds.
Debt Service	1,118,946	The District did not budget for principal and interest in general fund through the debt service function.
Child Development Fund:		
Services and Other Operating	54,839	The District overestimated the costs of Services and Other operating
Certified Salaries	6,200	The District overestimated the costs for certified salaries.

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: There were no changes to benefits during the periods being reported.

2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies. Changes in assumptions effective in fiscal year 2020-21 (measured as of June 30, 2020) were to termination rates and service retirement rates based on the experience study for the period July 1, 2015, through June 30, 2018. Changes in assumptions effective in fiscal year 2017-18 (measured as of June 30, 2017) were to price inflation, wage growth, discount rate and mortality tables based on the experience study for the period July 1, 2010, through June 30, 2015.

Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 2020 (released in May 2021). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/15	07/01/06 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return (1)	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/06 - 06/30/15	07/01/15 - 06/30/18	07/01/15 - 06/30/18	07/01/15 - 06/30/18
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return (1)	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

(1) – Net of investment expenses but gross of administrative expenses.

CalSTRS uses a generational mortality assumption, which involves the use of base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

Schedule of District's Proportionate Share – CalPERS

1. Benefit Changes: There were no changes to benefits during the periods being reported.

2. Changes in Assumptions. On December 21, 2016, the CalPERS Board lowered the discount rate for funding purposes from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016, actuarial valuations and the June 30, 2017 valuations for the School Pool. Subsequently the CalPERS Board decrease from 7.25% to 7.15% for the school pool valuation occurred in the June 30, 2019, valuation. Finally, the CalPERS board decreased the discount rate from 7.15% to 6.90% for measurement date June 30, 2022 as a result of the 2021 experience study. Additional adjustments were made to mortality and other assumptions based upon the experience study completed in 2021.

Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 2020. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/00 - 06/30/19
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.15%	7.15%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	2.75%	2.75%	2.75%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

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

1) Benefit Changes: In 2019 the District made changes to benefit terms consistent with bargaining agreements. There have been no additional changes to benefits in periods being reported.

2) Changes in Assumptions: Changes in assumptions include changes in the discount rate annually along with updates to experience studies.

3) The following are the discount rates used for each period:

Year	Discount Rate
2018	3.35%
2019	3.22%
2020	2.45%
2021	2.19%
2022	4.09%
2023	4.13%

Schedule of District's Contributions to OPEB Plan

The District is not currently obtaining actuarially determined contributions. The District is funding OPEB contributions on a pay-as-you-go basis through the OPEB trust.

Combining Statements as Supplementary Information

Lakeside Union School District

Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		Capital Projects Fund		Debt Service Fund	
	Associated Student Body Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest & Redemption Fund	Total Nonmajor Governmental Funds
Assets						
Cash and Investments	$ 70,954	$ 3,535,749	$ 939,114	$ 1,683,319	$ 2,722,367	$ 8,951,503
Accounts Receivable	1,980	523,009	16,780	14,804	-	556,573
Due from Other Funds	1,838	28,921	1,462,514	-	-	1,493,273
Stores Inventories	-	32,967	-	-	-	32,967
Total Assets	$ 74,772	$ 4,120,646	$ 2,418,408	$ 1,698,123	$ 2,722,367	$ 11,034,316
Liabilities and Fund Balance:						
Liabilities:						
Accounts Payable	$ 7,118	$ 131,040	$ 732,420	$ -	$ -	$ 870,578
Due to Other Funds	60	51,290	584,725	4,088	-	640,163
Unearned Revenue	-	57,663	-	-	-	57,663
Total Liabilities	7,178	239,993	1,317,145	4,088	-	1,568,404
Fund Balance:						
Nonspendable	-	33,067	-	-	-	33,067
Restricted	67,594	3,847,586	1,101,263	1,694,035	2,722,367	9,432,845
Total Fund Balance	67,594	3,880,653	1,101,263	1,694,035	2,722,367	9,465,912
Total Liabilities and Fund Balances	$ 74,772	$ 4,120,646	$ 2,418,408	$ 1,698,123	$ 2,722,367	$ 11,034,316

Lakeside Union School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		Capital Projects Fund		Debt Service Fund	
	Associated Student Body Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Bond Interest & Redemption Fund	Total Nonmajor Governmental Funds
Revenues						
Property Taxes	$ -	$ -	$ -	$ -	$ 3,099,235	$ 3,099,235
Federal Revenue	-	1,802,675	-	-	-	1,802,675
Other State Revenue	-	1,861,545	-	-	-	1,861,545
Interest	1,825	83,629	96,189	43,484	29,893	255,020
FMV Adjustment	(356)	(33,626)	164,245	(9,643)	-	120,620
Other Local Revenue	59,117	53,733	10,678	195,188	-	318,716
Total Revenues	$ 60,586	$ 3,767,956	$ 271,112	$ 229,029	$ 3,129,128	$ 7,457,811
Expenditures						
Current Expenditures:						
Pupil Services	-	2,719,554		-	-	2,719,554
Ancillary Services	51,897	-		-	-	51,897
General Administration	-	67,290		-	-	67,290
Plant Services	-	3,573	23,693	17,207	-	44,473
Capital Outlay	-	155,433	3,911,215	-	-	4,066,648
Debt Service:						
Principal	-	-		-	995,000	995,000
Interest	-	-		-	1,860,144	1,860,144
Total Expenditures	51,897	2,945,850	3,934,908	17,207	2,855,144	9,805,006
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,689	822,106	(3,663,796)	211,822	273,984	(2,347,195)
Net Change in Fund Balance	8,689	822,106	(3,663,796)	211,822	273,984	(2,347,195)
Fund Balance, Beginning of Year	58,905	3,058,547	4,765,059	1,482,213	2,448,383	11,813,107
Fund Balance, End of Year	$ 67,594	$ 3,880,653	$ 1,101,263	$ 1,694,035	$ 2,722,367	$ 9,465,912

Other Supplementary Information

Lakeside Union School District
Local Education Agency Organization Structure
June 30, 2023

The Lakeside Union School District was established in 1923 and is comprised of an area of approximately 75 square miles in San Diego County. There were no changes in the boundaries of the District during the current fiscal year. The District is currently operating six elementary schools, two middle schools, a K-8 academy, and is the authorizer of two charter schools.

On July 1, 1997, the District authorized River Valley Charter High School which provides education to students in grades 7-12.

On April 18, 2002 the District authorized Barona Indian Charter School which provides education to students in grades K-8.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Andrew Hayes	President	Four Year Term Expires November 30, 2026
Lara Hoefer Moir	Vice President	Four Year Term Expires November 30, 2024
Jim Bennet	Clerk	Four Year Term Expires November 30, 2026
Autum Ellenson	Member	Two Year Term Expires November 30, 2024
Ron Kasper	Member	Four Year Term Expires November 30, 2026

ADMINISTRATION

Rhonda Taylor, Ed.D.
Superintendent

Lisa Davis
Assistant Superintendent
Business Services

Natalie Winspear, Ed.D.
Assistant Superintendent
Educational Services

Samantha Orahood
Director of Finance

Lakeside Union School District

Schedule of Average Daily Attendance
Year Ended June 30, 2023

	Second Period Report Certificate #4FDC831A		Annual Report Certificate #5BE55B89	
	Original	Revised	Original	Revised
TK/K-3				
Regular ADA	1,940.76	N/A	1,949.93	N/A
Extended Year Special Education	3.47	N/A	3.47	N/A
Total TK/K-3	1,944.23	N/A	1,953.40	N/A
Grades 4-6				
Regular ADA	1,353.67	N/A	1,355.32	N/A
Extended Year Special Education	3.08	N/A	3.08	N/A
Nonpublic, Nonsectarian Schools	2.73	N/A	3.54	N/A
Extended Year - Nonpublic	0.07	N/A	0.07	N/A
Total Grades 4-6	1,359.55	N/A	1,362.01	N/A
Grades 7-8				
Regular ADA	880.97	N/A	883.15	N/A
Extended Year Special Education	1.26	N/A	1.26	N/A
Nonpublic, Nonsectarian Schools	1.94	N/A	1.94	N/A
Extended Year - Nonpublic	0.51	N/A	0.51	N/A
Total Grades 7-8	884.68	N/A	886.86	N/A
Total ADA	4,188.46	N/A	4,202.27	N/A

N/A – There were no audit findings which resulted in revisions to average daily attendance (ADA).

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 and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

Lakeside Union School District

Schedule of Instructional Time
Year Ended June 30, 2023

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	46,870	0	46,870	180	0	180	Complied
Kindergarten	36,000	48,090	0	48,090	180	0	180	Complied
1st Grade	50,400	54,220	0	54,220	180	0	180	Complied
2nd Grade	50,400	54,220	0	54,220	180	0	180	Complied
3rd Grade	50,400	54,220	0	54,220	180	0	180	Complied
4th Grade	54,000	54,220	0	54,220	180	0	180	Complied
5th Grade	54,000	54,220	0	54,220	180	0	180	Complied
6th Grade	54,000	58,420	0	58,420	180	0	180	Complied
7th Grade	54,000	58,420	0	58,420	180	0	180	Complied
8th Grade	54,000	58,420	0	58,420	180	0	180	Complied

This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

   - To pupils in Kindergarten 36,000 minutes
   - To pupils in grades 1 to 3 50,400 minutes
   - To pupils in grades 4 to 8 54,000 minutes
   - To pupils in grades 9 to 12 64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

   - EC §46112:Grades 1 to 3 230 minutes
   - EC §46113: Grades 4 to 8 240 minutes
   - EC §46114: Kindergarten 180 minutes
   - EC §46141: Grades 9 to 12 240 minutes

Lakeside Union School District

Schedule of Financial Trends and Analysis
Year Ended June 30, 2023

General Fund	Budget 2024 (See Note 1)	2023	2022	2021
Revenues and Other Financing Sources	$ 75,789,668	$ 82,244,849	$ 66,527,514	$ 63,744,597
Expenditures and Other Financing Uses	79,772,647	76,913,340	64,313,817	61,934,562
Net Change in Fund Balance	(3,982,979)	5,331,509	2,213,697	1,810,035
Ending Fund Balance	$ 16,449,545	$ 20,432,524	$ 15,101,015	$ 12,887,318
Available Reserves (See Note 2)	$ 2,452,002	$ 6,095,827	$ 9,212,026	$ 9,377,768
Available Reserves as a Percentage of Total Outgo	3.07%	7.93%	14.32%	15.14%
Long Term Debt	$ 84,864,363	$ 87,111,811	$ 86,830,359	$ 64,755,763
Average Daily Attendance at P2 (See Note 4)	4,263	4,188	4,282	4,806

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

The general fund balance has increased by $7,545,206 (58.55%) over the past two years. The fiscal year 2023-24 budget projects an decrease of $3,982,979 (19.49%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has increased by $22,356,048 (34.52%) over the past two years.

ADA has decreased by 618 as compared to 2020-21. As a result of the COVID-19 pandemic there was no attendance reporting for the 2021-22 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

Notes:

1. Budget 2024 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances contained within the general fund.
3. As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No 54, the District's Pupil Transportation Fund (Fund 15) and Special Reserve Fund for Other Than Capital Outlay (Fund 17) were included with the general fund for reporting purposes. The above Schedule of Financial Trends and Analysis contains only the financial information of the general fund.

Lakeside Union School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2023

	General Fund (Fund 01)	Pupil Transportation Fund (Fund 15)	Special Reserve Fund for Other than Capital Outlay (Fund 17)
June 30, 2023, annual financial and budget report fund balances	$ 20,432,524	$ 10,109	$ 246
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance:			
GASB 54 Fund Presentation	10,355	(10,109)	(246)
Net adjustments and reclassifications	10,355	(10,109)	(246)
June 30, 2023, audited financial statement fund balances	$ 20,442,879	$ -	$ -

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

Lakeside Union School District

Schedule of Charter Schools

Year Ended June 30, 2023

The Lakeside Union School District charters the following charter schools:

Charter Schools	Charter Number	Included in Audit?
River Valley Charter High School	0120	No
Barona Indian Charter School	0469	No

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

Lakeside Union School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
CHILD NUTRITION CLUSTER:				
U.S. Department of Agriculture				
Passed through California Department of Education				
School Breakfast Program	10.553	13526	$ -	$ 262,158
National School Lunch Program	10.555	13523	-	927,779
National School Lunch Program - Noncash Commodities	10.555	13392	-	69,808
Supply Chain Assistance (SCA) Funds	10.555	15655	-	259,900
Total Child Nutrition Cluster			-	1,519,645
SPECIAL EDUCATION (IDEA) CLUSTER:				
U.S. Department of Education				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	1,165,870
IDEA Local Assistance, Private Schools	84.027	10115	-	5,140
IDEA Preschool Grants	84.027	13430	-	52,269
IDEA Mental Health	84.173	15197	-	70,300
IDEA Preschool Staff Development	84.173	13431	-	488
Total Special Education (IDEA) Cluster			-	1,294,067
OTHER PROGRAMS:				
U.S. Department of Agriculture				
Passed through California Department of Education				
Child and Adult Care Food Program	10.558	13666	-	187,553
National School Lunch Program - Equipment Assistance	10.579	14906	-	95,477
U.S. Department of Education				
Direct Program:				
Impact Aid	84.041	-	-	347,221
Passed through California Department of Education				
Title I	84.010	14329	-	640,869
Indian Education	84.060	10011	-	28,515
IDEA Early Intervention	84.181	23761	-	27,613
Title III English Learner Student Program	84.365	14346	-	74,317
Title II Supporting Effective Instruction	84.367	14341	-	111,506
Title IV Student Support Academic Enrichment	84.424	15396	-	79,995
ARP - Homeless Children and Youth II	84.425	15566	-	9,526
ESSER II	84.425D	15547	-	168
ESSER III	84.425D	15559	-	1,432,623
ESSER III - Learning Loss	84.425D	10155	-	983,819
ESSER III Learning Loss	84.425D	15621	-	214,287
U.S. Department of Health and Human Services				
Passed through California Department of Education				
ARP California State Preschool Programs - Rate Supplements	93.575	15641	-	45,660
Total Other Programs			-	4,279,149
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 7,092,861

See accompanying notes to schedule of expenditures of federal awards.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs.* The District used an indirect cost rate of 6.44% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs.* The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

Program	CFDA #	Indirect Cost Rate
Child Nutrition Cluster	10.553, 10.555, 10.579	5.33%

Schoolwide Program

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in it’s schoolwide programs:

Program	CFDA #	Amount Expended
Title I	84.010	$ 640,869

Other Independent Auditors’ Reports

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Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education
Lakeside Union School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Lakeside Union School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Lakeside Union School District's basic financial statements, and have issued our report thereon dated December 15, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

El Cajon, California
December 15, 2023

WILKINSON HADLEY
KING & CO. LLP
CPAS AND ADVISORS
El Cajon, CA | Berkeley, CA

Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
Lakeside Union School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lakeside Union School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

El Cajon, California
December 15, 2023

WILKINSON HADLEY
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Brian K. Hadley, CPA
Aubrey W. Mann, CPA
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Independent Auditor's Report on State Compliance and on Internal Control over State Compliance

To the Board of Education
Lakeside Union School District

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited the Lakeside Union School District's (the District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2023.

Basis for Opinion on Each Applicable State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each applicable state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

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The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over state compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following programs:

		Procedures Performed
Local Education Agencies Other than Charter Schools		
A.	Attendance	Yes
B.	Teacher Certification and Misassignments	Yes
C.	Kindergarten Continuance	Yes
D.	Independent Study	Yes
E.	Continuation Education	N/A
F.	Instructional Time	Yes
G.	Instructional Materials	Yes
H.	Ratio of Administrative Employees to Teachers	Yes
I.	Classroom Teacher Salaries	Yes
J.	Early Retirement Incentive	N/A
K.	Gann Limit Calculation	Yes
L.	School Accountability Report Card	Yes
M.	Juvenile Court Schools	N/A
N.	Middle or Early College High Schools	N/A
O.	K-3 Grade Span Adjustment	Yes
P.	Transportation Maintenance of Effort	Yes
Q.	Apprenticeship: Related and Supplemental Instruction	N/A
R.	Comprehensive School Safety Plan	Yes
S.	District of Choice	N/A
TT.	Home to School Transportation Reimbursement	Yes
UU.	Independent Study Certification for ADA Loss Mitigation	Yes

School Districts, County Offices of Education, and Charter Schools

T.	California Clean Energy Jobs Act...	N/A
U.	After/Before School Education and Safety Program.................	Yes
V.	Proper Expenditure of Education Protection Account Funds......	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts........	Yes
X.	Local Control and Accountability Plan.....................................	Yes
Y.	Independent Study - Course Based..	N/A
Z.	Immunizations...	No
AZ.	Educator Effectiveness...	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G)....................	Yes
CZ.	Career Technical Education Incentive Grant............................	N/A
EZ.	Transitional Kindergarten..	Yes

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over State Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over state compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over state compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

El Cajon, California
December 15, 2023

Auditor's Results, Findings & Recommendations

Lakeside Union School District

Schedule of Auditor's Results

Year Ended June 30, 2023

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
One or more material weakness(es) identified?	____ Yes	X No
One or more significant deficiencies identified that are not considered material weakness(es)?	____ Yes	X No
Noncompliance material to financial statements noted?	____ Yes	X No

FEDERAL AWARDS

Internal control over major programs:		
One or more material weakness(es) identified?	____ Yes	X No
One or more significant deficiencies identified that are not considered material weakness(es)?	____ Yes	X No
Type of auditor's report issued on compliance for major programs:	Unmodified	
Compliance supplement utilized for single audit	May 2023	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	____ Yes	X No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
10.553, 10.555 10.579	Child Nutrition Cluster
84.010	Title I
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs	$750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

STATE AWARDS

Type of auditor's report issued on compliance for state programs:	Unmodified			
Internal control over applicable state programs:				
One or more material weakness(es) identified?		Yes	X	No
One or more significant deficiencies identified that are not considered material weakness(es)?		Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with *2022-23 Guide for Annual Audits of California K-12 Local Education Agencies?*		Yes	X	No

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards,* Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

None

B. Federal Award Findings

None

C. State Award Findings

None

Finding/Recommendation	Status	Explanation if Not Implemented
Finding 2022-001 **State Compliance: Independent Study** Condition In the review of the independent study agreements, we found that six students' information was missing on the master agreement. Recommendation The District provides training to all employees completing documentation for independent study to ensure that they are keeping all required agreements in the student file as well as filling out all agreements completely.	Implemented	