CULVER CITY UNIFIED SCHOOL DISTRICT

LOS ANGELES COUNTY

AUDIT REPORT

For the Fiscal Year Ended
June 30, 2023

NIGRO & NIGRO PC

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Financial Section

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Education
Culver City Unified School District
Culver City, California

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 Culver City Unified School District, as of and for the fiscal 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 accompanying 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 Culver City Unified School District, as of June 30, 2023, and the respective changes in financial position thereof for the fiscal 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 (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards are further described in the Auditors' 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.

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.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Auditors' 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 auditors' 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 GAAS 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 for 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 GAAS 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, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents 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, except for the LEA Organization Structure, 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 Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, except for the LEA Organization Structure, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The LEA Organization Structure has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued our report dated December 12, 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.

Nigro & Nigro, PC

Murrieta, California
December 12, 2023

This discussion and analysis of Culver City Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by $14.8 million
- Governmental expenses were about $137.5 million. Revenues were about $152.4 million.
- The District acquired over $4.9 million in new capital assets during the year.
- Governmental funds increased by $8.8 million, or 17.0%.
- Reserves for the General Fund decreased by $4.0 million or 43.0%. Revenues and other financing sources were $117.4 million, and expenditures and other financing uses were $111.8 million.

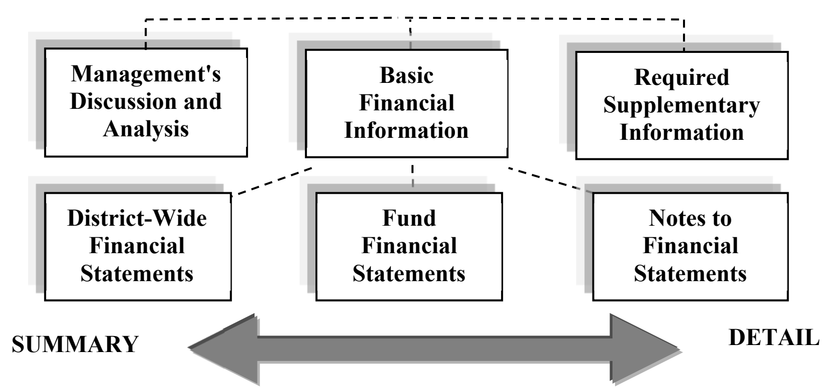
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial* statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
    - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Culver City Unified School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

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 by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that is properly using certain revenues.

The District has one fund type:

1) ***Governmental funds*** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2023, than it was the year before – increasing to $15.1 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2023	2022	Net Change
Assets			
Current assets	$ 114,878,929	$ 98,945,194	$ 15,933,735
Capital assets	169,430,382	167,570,459	1,859,923
Total assets	284,309,311	266,515,653	17,793,658
Total Deferred outflows of resources	37,368,253	25,701,256	11,666,997
Liabilities			
Current liabilities	26,343,764	17,702,250	8,641,514
Long-term liabilities	232,594,340	200,345,686	32,248,654
Total liabilities	258,938,104	218,047,936	40,890,168
Total Deferred inflows of resources	47,589,639	73,868,298	(26,278,659)
Net position			
Net investment in capital assets	52,431,365	48,359,521	4,071,844
Restricted	50,936,873	39,678,940	11,257,933
Unrestricted	(88,218,417)	(87,737,786)	(480,631)
Total net position	$ 15,149,821	$ 300,675	$ 14,849,146

Changes in net position, governmental activities. The District's total revenues increased 16.8% to $152.4 million (See Table A-2). The increase is due primarily to increased federal and state grants.

The total cost of all programs and services increased 18.1% to $137.5 million. The District's expenses are predominantly related to educating and caring for students, 68.0%. The purely administrative activities of the District accounted for just 6.9% of total costs. A significant contributor to the increase in costs was increased spending from federal and state grants, increased salaries and benefits, and increased pension expenses.

Table A-2: Statement of Activities

	Governmental Activities		
	2023	2022	Net Change
Revenues			
Program Revenues:			
Charges for services	$ 1,154,200	$ 1,191,324	$ (37,124)
Operating grants and contributions	54,214,429	42,030,132	12,184,297
Capital grants and contributions	918,671	-	918,671
General Revenues:			
Property taxes	52,412,047	46,077,436	6,334,611
Federal and state aid not restricted	42,538,617	38,300,129	4,238,488
Other general revenues	1,154,033	2,851,334	(1,697,301)
Total Revenues	152,391,997	130,450,355	21,941,642
Expenses			
Instruction-related	78,536,898	65,253,246	13,283,652
Pupil services	14,973,205	12,433,198	2,540,007
Administration	9,431,832	7,182,675	2,249,157
Plant services	12,448,569	9,066,359	3,382,210
All other activities	22,152,347	22,568,428	(416,081)
Total Expenses	137,542,851	116,503,906	21,038,945
Increase (decrease) in net position	$ 14,849,146	$ 13,946,449	$ 902,697
Total Net Position	$ 15,149,821	$ 300,675	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $60.4 million, which is above last year's ending fund balance of $51.7 million. The primary cause of the increased fund balance is increased federal and state grants and increased Redevelopment Agency revenues.

Table A-3: The District's Fund Balances

	Fund Balances				
	July 1, 2022	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2023
Fund					
General Fund	$ 16,408,837	$ 115,186,157	$ 111,838,721	$ 2,256,571	$ 22,012,844
Student Activities Fund	339,244	613,995	614,963	-	338,276
Special Education Pass-Through Fund	5,782	13,645,902	13,892,572	-	(240,888)
Adult Education Fund	2,993,628	3,222,564	2,348,307	-	3,867,885
Child Development Fund	215,943	5,956,728	5,863,996	-	308,675
Cafeteria Fund	639,583	4,205,859	3,445,569	-	1,399,873
Capital Facilities Fund	5,466,419	491,494	1,489,244	-	4,468,669
County School Facilities Fund	889,680	891,624	612,222	-	1,169,082
Special Reserve Fund (Capital Outlay)	19,796,525	7,330,909	2,685,211	(2,256,571)	22,185,652
Bond Interest and Redemption Fund	4,894,740	6,824,046	6,814,496	-	4,904,290
Financing Authority	21,555	669	1,793	-	20,431
	$ 51,671,936	$ 158,369,947	$ 149,607,094	$ -	$ 60,434,789

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by $11.9 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased $2.8 million to reflect revised cost estimates.
- Other non-personnel expenses – increased $7.5 million to revise operational cost estimates.

While the District's final budget for the General Fund anticipated that revenues would exceed expenditures by about $0.5 million, the actual results for the year show that revenues exceeded expenditures by roughly $3.3 million. Actual revenues were $5.0 million more than anticipated, and expenditures were $2.2 million more than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2022-23 the District had acquired $4.9 million in new capital assets, related to land, construction in progress, site improvements, and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was $3.0 million.

Table A-4: Capital Assets at Year End, Net of Depreciation

	Governmental Activities		
	2023	2022	Net Change
Land	$ 1,517,971	$ 1,517,971	$ -
Improvement of sites	1,030,785	1,143,382	(112,597)
Buildings	162,399,257	162,963,427	(564,170)
Equipment	1,422,721	1,504,411	(81,690)
Construction in progress	3,059,648	441,268	2,618,380
Total	$ 169,430,382	$ 167,570,459	$ 1,859,923

Long-Term Debt

At year-end the District had $232.6 million in long-term liabilities – an increase of 16.1% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2023	2022	Net Change
General obligation bonds	$ 116,999,017	$ 119,210,938	$ (2,211,921)
Compensated absences	1,635,273	1,608,450	26,823
Other postemployment benefits	29,206,723	27,374,618	1,832,105
Net pension liability	84,753,327	52,151,680	32,601,647
Total	$ 232,594,340	$ 200,345,686	$ 32,248,654

FACTORS BEARING ON THE DISTRICT'S FUTURE

State Budget

The Legislature passed an initial budget package on June 15, 2023. The Legislature's budget package adopted LAO estimates of local property tax revenues, which resulted in an increase to the Proposition 98 guarantee by $2.1 billion across 2022-23 and 2023-24. The legislative package used this additional funding primarily to help maintain previously approved programs. Relative to the May Revision, the Legislature's budget package also: (1) reallocated projected unspent funds in child care and State Preschool programs to increase provider rates and reduce family fees beginning October 1, 2023; (2) included a slightly different mix of reductions as the Governor from climate change-related packages (although a similar overall level); (3) restored $1 billion in 2023-24 in proposed General Fund reductions to transit capital funding and added flexibility to allow local agencies to use this funding for operations; (4) rejected the Governor's proposals to use General Fund cash to pay for certain capital outlay project costs, instead using lease revenue bond financing to pay for these costs; and (5) accelerated the time line to spend funds for MCO tax-related augmentations to around four years from eight to ten years. The Legislature passed an amended budget act and associated trailer bills on June 27, 2023 and June 29, 2023.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

K-14 Education

Funds Modest Increase in School and Community College Funding

The Proposition 98 minimum guarantee depends upon various formulas that adjust for several factors, including changes in state General Fund revenue. For 2022-23, the guarantee is down $3 billion (2.7 percent) compared with the estimates made in June 2022. The decrease in the guarantee is primarily attributable to lower General Fund revenue estimates, somewhat offset by higher local property tax revenue. For 2023-24, the guarantee increases by $953 million (0.9 percent) relative to the revised 2022-23 level. For 2023-24, projected increases in property tax revenue offset declines associated with lower General Fund revenue estimates.

Increase in Required Reserve Deposits

In certain circumstances, the Constitution requires the state to deposit some of the available Proposition 98 funding into a statewide reserve account for schools and community colleges. Under the adopted budget plan, the state deposits a total of $7.5 billion into this account across the 2021-22 through 2023-24 period—an increase of $1.3 billion compared with the estimates made in June 2022. The higher required deposits are primarily due to revenue estimates from the administration that have capital gains accounting for a larger share of General Fund revenue over the period.

Provides Large COLA to School and Community College Districts

In addition to the required reserve deposits, the budget package has several ongoing and one-time increases. The largest ongoing augmentation is $4.8 billion to provide an 8.22 percent COLA for K-12 and community college programs. In K-12, the budget also includes $300 million ongoing targeted to low-income schools with relatively high rates of student mobility within the school year, as well as $250 million one time for literacy coaches and reading specialists.

Budget Has Notable K-14 Structural Gap

The 2023-24 Proposition 98 spending level is not sufficient to fully fund all ongoing spending authorized in the budget package. To cover these costs, the budget package uses $1.9 billion in one-time, prior-year funding to fund the primary school and community college funding formulas ($1.6 billion for schools and $290 million for California Community Colleges). Using one-time funds to cover ongoing costs creates a deficit in the Proposition 98 budget the following year.

Funds School Facilities Grants

The 2022-23 budget package provided $1.3 billion one-time non-Proposition 98 General Fund to cover the state share for new construction and modernization projects under the School Facility Program (SFP). The 2022-23 budget package also included intent language to provide an additional $2.1 billion in 2023-24 and $875 million in 2024-25. The budget provides about $2 billion to the SFP in 2023-24, which is $100 million less than the previously intended augmentation, and continues to assume an additional $875 million will be provided in 2024-25. The budget also delays the intended $550 million non-Proposition 98 General Fund increase to the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program from 2023-24 to 2024-25.

All of these factors were considered in preparing the Culver City Unified School District budget for the 2023-24 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mike Reynolds, Interim Assistant Superintendent of Business Services at (310) 842-4225.

CULVER CITY UNIFIED SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Deposits and investments	$ 72,824,946
Accounts receivable	11,180,804
Inventories	58,310
Lease receivables	30,814,869
Capital assets:	
Non-depreciable capital assets	4,577,619
Depreciable capital assets	224,211,081
Less accumulated depreciation	(59,358,318)
Total assets	284,309,311
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	4,376,019
Deferred outflows related to pensions	32,992,234
Total deferred outflows of resources	37,368,253
LIABILITIES	
Accounts payable	23,253,998
Accrued interest payable	1,997,451
Unearned revenue	1,092,315
Noncurrent liabilities:	
Due or payable within one year	2,501,921
Due in more than one year:	
Other than OPEB and pensions	116,132,369
Total OPEB liability	29,206,723
Net pension liability	84,753,327
Total liabilities	258,938,104
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases	30,097,827
Deferred inflows related to OPEB	3,194,167
Deferred inflows related to pensions	14,297,645
Total deferred inflows of resources	47,589,639
NET POSITION	
Net investment in capital assets	52,431,365
Restricted for:	
Capital projects	25,599,894
Debt service	4,924,721
Student activities	338,276
Categorical programs	20,073,982
Unrestricted	(88,218,417)
Total net position	$ 15,149,821

CULVER CITY UNIFIED SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	$ 61,120,298	$ 346,183	$ 18,826,882	$ 918,671	$ (41,028,562)
Instruction-Related Services:					
Supervision of instruction	7,564,048	11,453	7,972,953	-	420,358
Instructional library, media and technology	791,744	-	1	-	(791,743)
School site administration	9,060,808	49,137	2,905,721	-	(6,105,950)
Pupil Support Services:					
Home-to-school transportation	856,460	-	-	-	(856,460)
Food services	3,710,683	64,303	4,279,163	-	632,783
All other pupil services	10,406,062	23,544	6,479,966	-	(3,902,552)
General Administration Services:					
Data processing services	2,235,242	-	-	-	(2,235,242)
Other general administration	7,196,590	14,666	1,702,135	-	(5,479,789)
Plant services	12,448,569	2,992	234,093	-	(12,211,484)
Ancillary services	618,059	-	613,967	-	(4,092)
Interest on long-term debt	4,552,064	-	-	-	(4,552,064)
Other outgo	13,936,407	641,922	11,199,548	-	(2,094,937)
Depreciation (unallocated)	3,045,817	-	-	-	(3,045,817)
Total Governmental Activities	$ 137,542,851	$ 1,154,200	$ 54,214,429	$ 918,671	(81,255,551)

General Revenues:	
Property taxes	52,412,047
Federal and state aid not restricted to specific purpose	42,538,617
Interest and investment earnings	(1,849,008)
Miscellaneous	3,003,041
Subtotal general revenues	96,104,697
Change in net position	14,849,146
Net position - July 1, 2022	300,675
Net position - June 30, 2023	$ 15,149,821

CULVER CITY UNIFIED SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2023

	General Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 29,532,231	$ 5,180,755	$ 22,186,595	$ 15,925,365	$ 72,824,946
Accounts receivable	6,507,809	3,178,921	189,904	1,304,170	11,180,804
Stores inventories	30,271	-	-	28,039	58,310
Lease receivables	30,814,869	-	-	-	30,814,869
Total Assets	$ 66,885,180	$ 8,359,676	$ 22,376,499	$ 17,257,574	$ 114,878,929
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 13,880,656	$ 8,600,564	$ 190,847	$ 581,931	$ 23,253,998
Unearned revenue	893,853	-	-	198,462	1,092,315
Total Liabilities	14,774,509	8,600,564	190,847	780,393	24,346,313
Deferred Inflows of Resources					
Deferred inflows related to leases	30,097,827	-	-	-	30,097,827
Fund Balances					
Nonspendable	39,271	-	-	36,539	75,810
Restricted	14,429,279	-	22,223,481	14,247,574	50,900,334
Assigned	2,236,775	-	-	2,261,338	4,498,113
Unassigned	5,307,519	(240,888)	(37,829)	(68,270)	4,960,532
Total Fund Balances	22,012,844	(240,888)	22,185,652	16,477,181	60,434,789
Total Liabilities, Deferred Inflows, and Fund Balances	$ 66,885,180	$ 8,359,676	$ 22,376,499	$ 17,257,574	$ 114,878,929

CULVER CITY UNIFIED SCHOOL DISTRICT

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

Total fund balances - governmental funds			$ 60,434,789
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets less accumulated depreciation and lease assets less accumulated amortization.			
	Capital assets at historical cost:	228,788,700	
	Accumulated depreciation:	(59,358,318)	
	Net:		169,430,382
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:			(1,997,451)
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	116,999,017	
	Compensated absences payable	1,635,273	
	Other postemployment benefits	29,206,723	
	Net pension liability	84,753,327	
	Total		(232,594,340)
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 and inflows relating to OPEB for the period were:			
	Deferred outflows of resources	4,376,019	
	Deferred inflows of resources	(3,194,167)	
	Total		1,181,852
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 inflows and outflows relating to pensions for the period were:			
	Deferred outflows of resources	32,992,234	
	Deferred inflows of resources	(14,297,645)	
	Total		18,694,589
Total net position - governmental activities			$ 15,149,821

CULVER CITY UNIFIED SCHOOL DISTRICT

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

	General Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 75,492,603	$ -	$ -	$ -	$ 75,492,603
Federal sources	5,596,774	3,230,312	-	2,402,000	11,229,086
Other state sources	28,401,188	10,662,260	-	7,438,454	46,501,902
Other local sources	5,695,592	(246,670)	7,330,909	12,366,525	25,146,356
Total Revenues	115,186,157	13,645,902	7,330,909	22,206,979	158,369,947
EXPENDITURES					
Current:					
Instruction	62,962,258	-	-	5,466,780	68,429,038
Instruction-Related Services:					
Supervision of instruction	8,454,718	-	-	4	8,454,722
Instructional library, media and technology	745,771	-	-	-	745,771
School site administration	7,642,103	-	-	1,627,913	9,270,016
Pupil Support Services:					
Home-to-school transportation	841,081	-	-	-	841,081
Food services	-	-	-	3,671,432	3,671,432
All other pupil services	11,119,616	-	-	188,253	11,307,869
Ancillary services	3,024	-	-	614,963	617,987
General Administration Services:					
Data processing services	2,188,809	-	-	-	2,188,809
Other general administration	6,312,584	13,892,572	-	1,793	20,206,949
Transfers of indirect costs	(506,339)	-	-	506,339	-
Plant services	12,009,124	-	-	197,151	12,206,275
Capital outlay	22,137	-	2,685,211	2,101,466	4,808,814
Intergovernmental transfers	43,835	-	-	-	43,835
Debt service:					
Principal	-	-	-	1,960,000	1,960,000
Interest	-	-	-	4,854,496	4,854,496
Total Expenditures	111,838,721	13,892,572	2,685,211	21,190,590	149,607,094
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,347,436	(246,670)	4,645,698	1,016,389	8,762,853
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	2,256,571	-	-	-	2,256,571
Interfund transfers out	-	-	(2,256,571)	-	(2,256,571)
Total Other Financing Sources and Uses	2,256,571	-	(2,256,571)	-	-
Net Change in Fund Balances	5,604,007	(246,670)	2,389,127	1,016,389	8,762,853
Fund Balances, July 1, 2022	16,408,837	5,782	19,796,525	15,460,792	51,671,936
Fund Balances, June 30, 2023	$ 22,012,844	$ (240,888)	$ 22,185,652	$ 16,477,181	$ 60,434,789

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2023

Total net change in fund balances - governmental funds		$	8,762,853
Amounts reported for governmental *activities* in the statement of activities are different because:			
In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:			
Expenditures for capital outlay	4,905,740		
Depreciation expense	(3,045,817)		
Net:			1,859,923
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 a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:			1,960,000
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:			251,921
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:			50,511
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).			(26,823)
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:			4,297,620
In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:			(2,306,859)
Change in net position of governmental activities		$	14,849,146

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Culver City Unified School District (the "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 as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities of the District.

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 Culver City School Facilities Financing Authority (the Authority) was established October 1, 2005 under the laws of the State of California under a joint exercise of powers agreement with The California Municipal Financing Authority for the sole purpose of issuing the Series 2005 refunding general obligation bonds and providing, through the saving of overall bond yield, additional capital project financing to the District. The proceeds from the refunding are held by U.S. Bank in an Escrow fund and are being used to pay debt service on the refunded bonds. The Authority holds the Series 2005 refunding bonds in a Revenue Fund. In addition, a Project Fund was established with the net proceeds from the refunding and is also held by U.S. Bank. The Project Fund is used for the purpose of acquiring and constructing capital assets on behalf of the District. The Authority is presented as a blended component unit of the District for financial reporting purposes.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues 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. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fund Financial Statements
The fund financial statements provide information about the District's funds, including its fiduciary funds (and blended component units). 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 nonmajor funds.

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Special Education Pass-Through Fund: This fund is used by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member LEAs.

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* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

Special Revenue Funds: Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are 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. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

Student Activity Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

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

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090 and 38093).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

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 and other capital assets (other than those financed by proprietary funds and trust funds).

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.).

County School Facilities Fund: This fund is used to account for state apportionments provided for modernization of school facilities under SB50.

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.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code* Sections 15125-15262).

Financing Authority: This fund shows the activity of the Culver City Schools Facilities Financing Authority**.**

2. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's proprietary funds and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions

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 fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to 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, interest, certain grants, and other local sources.

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

C. Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the Board of Trustees to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District Board of Education satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

D. Encumbrances

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

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Inventories
Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

3. Capital Assets
Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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.

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

Description	Estimated Lives
Buildings	20-50 years
Improvements/Infrastructure	5-50 years
Equipment	5-20 years

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

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

5. Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences
The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Leases

Lessee:
At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor:
At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from thelessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Subscription-Based Information Technology Arrangements

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the District has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate.

The District recognizes a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The District recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the District which may be implicit, or the District's incremental borrowing rate if the interest rate is not readily determinable. The District recognizes amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

9. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Fund Balances

The fund balance for Governmental Funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Fund Balances (continued)

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Minimum Fund Balance Policy

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. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

When an expenditure is incurred for purposes 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, as needed unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Governmental funds and activities	$	72,824,946

Deposits and investments as of June 30, 2023 consist of the following:

Cash on hand and in banks	$	339,274
Cash in revolving fund		17,500
Investments		72,468,172
Total deposits and investments	$	72,824,946

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Los Angeles County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Los Angeles County Treasurer for the entire portfolio (in relation to the amortized cost of that polio). The balance available for withdrawal is based on the accounting records maintained by the Los Angeles County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2023, $951,030 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

Investments - Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2023, consist of the following:

			Maturity		
	Rating	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:					
U.S. Bank First American Treasury Obligations	AA	$ 20,431	$ 20,431	$ -	Level 2
Los Angeles County Investment Pool	N/A	72,447,741	72,447,741	-	Uncategorized
Total Investments		$ 72,468,172	$ 72,468,172	$ -	

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2023, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had the following investments that represents more than five percent of the District's net investments, other than the County Pool.

First America Treasury Obligations	
U.S. Bank First American Treasury Obligations	100%

Fair Value Measurements
The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Los Angeles County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

All assets have been valued using a market approach, with quoted market prices.

NOTE 3 –RECEIVABLES

A. Accounts Receivable

Accounts receivable as of June 30, 2023, consisted of the following:

	Governmental Activities				
	General Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Federal Government:					
Categorical aid programs	$ 3,517,377	$ 3,178,274	$ -	$ 569,085	$ 7,264,736
State Government:					
Lottery	417,892	-	-	-	417,892
Categorical aid programs	2,129,454	-	-	610,013	2,739,467
Local:					
Other local	443,086	647	189,904	125,072	758,709
Total	$ 6,507,809	$ 3,178,921	$ 189,904	$ 1,304,170	$ 11,180,804

B. Leases Receivable

In accordance with GASB No. 87, the District recognizes a lease receivable and a deferred inflow of resources for two leases the District maintains with the Wildwood School and Echo Foundation. For these leases, the District is reporting lease receivables of $30,814,869 and deferred inflows of $30,097,827 at June 30, 2023. For the fiscal year ended June 30, 2023, the District reported lease revenue of $1,521,143 related to lease payments received.

The leases held by the District do not have an implicit rate of return, therefore the District used the State's incremental borrowing rate of 1.5% to discount the lease revenue to the net present value. The leases reported under GASB 87 contain a termination clause, which requires the lessee or lessor to show cause to terminate the lease. Measurement policies and key estimates related to leases can be found in Note 1.E.7.

The GASB No. 87 included leases are summarized as follows:

Real Property

The District leases real property to the Wildwood School. The term of the lease is for 35 years through June 30, 2046, with monthly payments increasing each year by the Consumer Price Index (CPI). The District also has a lease with the Echo Foundation for real property, where the District receives monthly payments for ten years through June 30, 2032.

The annual payments receivable as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ 1,028,376	$ 457,211	$ 1,485,587
2024-2025	1,068,190	441,710	1,509,900
2025-2026	1,111,177	425,611	1,536,788
2026-2027	1,155,450	408,866	1,564,316
2027-2028	1,201,045	391,456	1,592,501
2028-2033	6,355,866	1,677,150	8,033,016
2033-2038	6,099,494	1,241,986	7,341,480
2038-2043	7,514,352	743,352	8,257,704
2043-2046	5,280,919	457,646	5,738,565
Totals	$ 30,814,869	$ 6,244,988	$ 37,059,857

NOTE 4 – INTERFUND TRANSACTIONS

Interfund Transfers In/Out
Interfund transfers between funds during the year ended June 30, 2023 were:

Special Reserve Fund for Capital Outlay Projects transfer to General Fund for property tax distribution	$ 2,256,571

NOTE 5 – FUND BALANCES

At June 30, 2023, fund balances of the District's governmental funds were classified as follows:

	General Fund	Special Education Pass-Through Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	$ 9,000	$ -	$ -	$ 8,500	$ 17,500
Stores inventories	30,271	-	-	28,039	58,310
Total Nonspendable	39,271	-	-	36,539	75,810
Restricted:					
Categorical programs	14,429,279	-	-	-	14,429,279
Student activity funds	-	-	-	338,276	338,276
Adult education program	-	-	-	3,873,547	3,873,547
Child development program	-	-	-	332,059	332,059
Child nutrition program	-	-	-	1,402,558	1,402,558
Capital projects	-	-	22,223,481	3,376,413	25,599,894
Debt service	-	-	-	4,924,721	4,924,721
Total Restricted	14,429,279	-	22,223,481	14,247,574	50,900,334
Assigned:					
Board required reserve of 2%	2,236,775	-	-	-	2,236,775
Capital projects	-	-	-	2,261,338	2,261,338
Total Assigned	2,236,775	-	-	2,261,338	4,498,113
Unassigned:					
Reserve for economic uncertainties	3,355,162	-	-	-	3,355,162
Remaining unassigned balances	1,952,357	(240,888)	(37,829)	(68,270)	1,605,370
Total Unassigned	5,307,519	(240,888)	(37,829)	(68,270)	4,960,532
Total	$ 22,012,844	$ (240,888)	$ 22,185,652	$ 16,477,181	$ 60,434,789

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

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

	Balance, July 1, 2022	Additions	Deletions	Balance, June 30, 2023
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 1,517,971	$ -	$ -	$ 1,517,971
Construction in progress	441,268	2,955,700	337,320	3,059,648
Total capital assets not being depreciated	1,959,239	2,955,700	337,320	4,577,619
Capital assets being depreciated				
Site improvements	6,218,877	-	-	6,218,877
Buildings	208,513,254	2,126,489	-	210,639,743
Furniture and equipment	7,191,590	160,871	-	7,352,461
Total capital assets being depreciated	221,923,721	2,287,360	-	224,211,081
Less accumulated depreciation:				
Site improvements	(5,075,495)	(112,597)	-	(5,188,092)
Buildings	(45,549,827)	(2,690,659)	-	(48,240,486)
Furniture and equipment	(5,687,179)	(242,561)	-	(5,929,740)
Total accumulated depreciation	(56,312,501)	(3,045,817)	-	(59,358,318)
	165,611,220	(758,457)	-	164,852,763
Governmental Activities Capital Assets, net	$ 167,570,459	$ 2,197,243	$ 337,320	$ 169,430,382

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term liabilities other than OPEB or pensions for the fiscal year ended June 30, 2023, were as follows:

	Balance, July 1, 2022	Additions	Deductions	Balance, June 30, 2023	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	$ 113,880,000	$ -	$ 1,960,000	$ 111,920,000	$ 2,250,000
Unamortized Premium	5,330,938	-	251,921	5,079,017	251,921
Total G.O. Bonds	119,210,938	-	2,211,921	116,999,017	2,501,921
Compensated Absences	1,608,450	26,823	-	1,635,273	-
Sub-Totals	$ 120,819,388	$ 26,823	$ 2,211,921	$ 118,634,290	$ 2,501,921

Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund with local property tax revenues. The compensated absences will be paid by the fund for which the employee worked.

Financing Authority Bonds
On November 16, 2005, the District issued $38,230,000 Revenue Bonds, Series 2005, through the Culver City School Facilities Financing Authority. The bonds were issued to purchase the Culver City Unified School District General Obligation Refunding Bonds, Series 2005, finance certain school facilities to be acquired and/or constructed by the Authority, pay the premium for a bond insurance policy, and pay certain costs of issuance associated with the bonds.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

Election of 2014 (Measure CC)
On June 3, 2014, the voters of the District approved, by more than a 55% majority, Measure "CC", authorizing the District to issue up to $106 million in bonds with revenue going to finance the repair, upgrading, acquisition, construction and equipping of District sites and facilities.

The Bonds are general obligations of the District, payable solely from ad valorem property taxes. The Board of Supervisors of Los Angeles County is empowered and obligated to annually levy such ad valorem property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due.

A summary of all bonds issued and outstanding at June 30, 2023 follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2022	Issuances	Redemptions	Balance, June 30, 2023
Financing Authority Revenue Bonds								
Series 2005	11/16/2005	8/1/2033	3.75% - 5.50%	$ 38,230,000	$ 24,165,000	$ -	$ 1,395,000	$ 22,770,000
Election of 2014 (Measure CC)								
Series A	10/30/2014	8/1/2044	2.00% - 5.00%	26,500,000	16,085,000	-	-	16,085,000
Series B	2/2/2017	8/1/2043	3.25% - 5.00%	53,000,000	47,820,000	-	-	47,820,000
Series C	1/25/2018	8/1/2034	3.00% - 8.00%	26,500,000	25,810,000	-	565,000	25,245,000
					$ 113,880,000	$ -	$ 1,960,000	$ 111,920,000

The annual requirements to amortize general obligation bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ 2,250,000	$ 4,721,950	$ 6,971,950
2024-2025	2,555,000	4,579,369	7,134,369
2025-2026	2,880,000	4,432,359	7,312,359
2026-2027	3,220,000	4,274,088	7,494,088
2027-2028	3,585,000	4,098,981	7,683,981
2028-2033	24,950,000	17,084,108	42,034,108
2033-2038	26,285,000	10,848,567	37,133,567
2038-2043	35,535,000	5,658,391	41,193,391
2043-2045	10,660,000	271,769	10,931,769
Total	$ 111,920,000	$ 55,969,582	$ 167,889,582

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2023, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 28,845,647	$ 4,376,019	$ 3,194,167	$ 3,225,501
MPP Program	361,076	-	-	(64,172)
Totals	$ 29,206,723	$ 4,376,019	$ 3,194,167	$ 3,161,329

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The details of each plan are as follows:

District Plan

Plan description
The District's single-employer defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided
The postretirement health plans and the District's obligation vary by employee group as described below.

Employees become eligible to retire and receive District-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or age 55 and 5 years for STRS members. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The District's contribution on behalf of all eligible retirees and surviving spouses is the same as its contribution for active employees ($149.00 for 2021 and $151.00 for 2022, indexed by the Medical CPI thereafter.) The District pays the PEMHCA administrative fee of 0.33% of premium.

In addition to the PEMHCA minimum and administrative fee, the District pays supplemental benefits for retirees who meet additional age and service requirements, as follows: Certificated and Classified employees other than members of the Management Association of Culver City Schools (MACCS) hired prior to July 1, 2006 who fully retire under PERS or STRS after the later of age 55 and 10 years of service are entitled to reimbursements for up to the single or two-party medical cap applicable to active employees in the year of retirement. The single cap is currently $8,000 and the two-party cap is $12,065.90. In order to be eligible for this benefit they must be covered under PEMHCA, and the reimbursements are offset by the PEMHCA minimum.

In addition, they are eligible for retiree-only District-paid dental coverage. Upon reaching age 65, dental coverage ends and the retiree is subject to a $2,000 annual cap on reimbursements, and PEMHCA coverage is no longer required. Once the PEMHCA minimum exceeds $2,000 there will be no further reimbursements for over-age 65 retirees in PEMHCA.

Certificated and Classified employees hired on or after July 1, 2006 are subject to a 15-year service requirement (20 years for spousal benefits) and benefits prior to age 65 are subject to an annual cap of $3,207, offset by the PEMHCA minimum.

Certificated employees hired prior to July 1, 2006 and working less than full-time are subject to a requirement that at least 3 of the 10 years immediately prior to retirement were full time, and a total of at least 10 years when all full-time and part-time service is combined. Certificated employees hired on or after July 1, 2006 must have at least 10 years of full-time service in the 15 years immediately prior to retirement in order to be eligible, and at least 15 years of full-time service in the last 20 years for spousal benefits.

Part-time Classified employees may retire with pro-rated caps based on their full-time equivalency at the time of retirement. Because of the offset of the PEMHCA minimum, full-time equivalencies of approximately 75% or less result in no supplemental reimbursements after age 65.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Benefits Provided (continued)
Members of MACCS are required to have attained age 55 and completed 5 years of service and have fully retired under PERS or STRS in order to be eligible for supplemental benefits. They receive the full single or two-party medical premium plus retiree-only dental coverage until age 65, and are subject to the $2,000 cap thereafter, except that there are several retirees receiving uncapped benefits under specially negotiated arrangements that are not expected to be repeated in the future.

Employees covered by benefit terms
At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	251
Active employees	850
Total	1,101

Total OPEB Liability
The District's total OPEB liability of $28,845,647 for the Plan was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Salary increases	2.75 percent
Healthcare cost trend rates	6.25 percent decreasing to 4.50 percent

Discount Rate
Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the measurement date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale).

For the current valuation, the discount rate was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

	Bond Buyer G.O. 20-Bond Municipal Bond Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity 20-Year G.O. Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Yield as of June 30, 2022	3.54%	4.09%	3.69%	3.54% - 4.09%	**4.09%**
Yield as of June 30, 2023	3.65%	4.13%	3.86%	3.65% - 4.13%	**4.13%**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Mortality Rates
General: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

Teachers: SOA Pub-2010 Teachers Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

The District does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	$ 26,949,369
Changes for the year:	
Service cost	1,743,328
Interest	1,156,233
Differences between expected and actual experience	2,432
Changes of assumptions	(151,246)
Benefit payments	(854,469)
Net changes	1,896,278
Balance at June 30, 2023	$ 28,845,647

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	$ 33,015,253
Current discount rate	$ 28,845,647
1% increase	$ 25,420,852

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 24,404,614
Current trend rate	$ 28,845,647
1% increase	$ 34,539,314

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 $3,225,501. In addition, 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
Differences between expected and actual experience	$ 2,189	$ 3,058,046
Changes of assumptions	4,373,830	136,121
Totals	$ 4,376,019	$ 3,194,167

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

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 927,401	$ 623,675
2025	916,048	620,807
2026	916,048	620,807
2027	900,703	506,317
2028	357,545	388,595
Thereafter	358,274	433,966
Totals	$ 4,376,019	$ 3,194,167

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2022, 4,770 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability
At June 30, 2023, the District reported a liability of $361,076 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2022, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total OPEB liability to June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2023	**Fiscal Year Ending June 30, 2022**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net OPEB Liability	0.109613%	0.106615%	0.002998%

For the year ended June 30, 2023, the District reported OPEB expense of $(64,172).

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial assumptions and other inputs
The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022
Valuation Date	June 30, 2021
Experience Study	June 30, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.54%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population of 145,282.

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our 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.

Discount Rate
The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2022, was 3.54%, which is an increase of 1.38% from 2.16% as of June 30, 2021.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	MPP OPEB Liability
1% decrease	$ 481,921
Current discount rate	361,076
1% increase	332,879

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	$ 331,301
Current trend rate	361,076
1% increase	394,828

NOTE 9 – PENSION PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2023, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 50,750,064	$ 15,335,413	$ 7,017,270	$ 2,083,237
CalPERS	34,003,263	17,656,821	7,280,375	4,714,898
Totals	$ 84,753,327	$ 32,992,234	$ 14,297,645	$ 6,798,135

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

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

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Contributions
The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. California Senate Bill 90 (Chapter 33, Statutes of 2019) and California Assembly Bill 84 (Chapter 16, Statutes of 2020) (collectively, special legislation)—signed into law in June 2019 and June 2020, respectively —provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

The contribution rates for each program for the year ended June 30, 2023, are presented above, and the District's total contributions were $8,906,016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	$	50,750,064
State's proportionate share of the net pension liability associated with the District		25,415,434
Total	$	76,165,498

The net pension liability was measured as of June 30, 2022. 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 plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Change Increase/ (Decrease)
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.073036%	0.070927%	0.002109%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
For the year ended June 30, 2023, the District recognized pension expense of $2,083,237. In addition, the District recognized pension expense and revenue of $(1,900,890) for support provided by the State. 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	Deferred Inflows
Pension contributions subsequent to measurement date	$ 8,906,016	$ -
Net change in proportionate share of net pension liability	3,870,932	730,297
Difference between projected and actual earnings on pension plan investments	-	2,481,776
Changes of assumptions	2,516,834	-
Differences between expected and actual experience	41,631	3,805,197
Totals	$ 15,335,413	$ 7,017,270

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 3,136,398	$ 2,744,269
2025	950,695	2,938,546
2026	897,486	3,917,233
2027	709,703	(3,526,635)
2028	247,351	659,811
Thereafter	487,764	284,046
Totals	$ 6,429,397	$ 7,017,270

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll Growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our 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.

The long-term investment rate of return assumption 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. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study.

For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 86,192,432
Current discount rate (7.10%)	50,750,064
1% increase (8.10%)	21,322,243

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954, 22955, and 22955.1 of the Education Code and Public Resources Code Section 6217.5. Through the special legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately $2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $4,077,061.

B. California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	25.37%	25.37%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023 are presented above, and the total District contributions were $4,090,526.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $34,003,263. The net pension liability was measured as of June 30, 2022. 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 plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Change Increase/ (Decrease)
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.098821%	0.097736%	0.001084%

For the year ended June 30, 2023, the District recognized pension expense of $4,714,898. 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	Deferred Inflows
Pension contributions subsequent to measurement date	$ 4,090,526	$ -
Net change in proportionate share of net pension liability	448,061	-
Difference between projected and actual earnings on pension plan investments	10,449,191	6,434,331
Changes of assumptions	2,515,368	-
Differences between expected and actual experience	153,675	846,044
Totals	$ 17,656,821	$ 7,280,375

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 3,950,819	$ 2,441,417
2025	3,743,250	2,441,417
2026	3,355,105	2,397,541
2027	2,517,121	-
2028	-	-
Thereafter	-	-
Totals	$ 13,566,295	$ 7,280,375

Actuarial Methods and Assumptions
Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	2000-2019
Actuarial Cost Method	Entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real 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%)

Discount Rate
The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.9%)	$ 49,119,435
Current discount rate (6.9%)	34,003,263
1% increase (7.9%)	21,510,302

C. Social Security
As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2023, the District reported payables of $1,263,106 and $114,770 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2023.

NOTE 10 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The Culver City Unified School District participates in two joint powers agreement (JPA) entities, the Alliance of Schools for Cooperative Insurance Programs (ASCIP) and the School Linked Insurance Management (SLIM).

Each JPA is governed by a board consisting of a voting representatives from member district categories. Each governing board controls the operations of its JPA independent of any influence by the Culver City Unified School District beyond the District's representation on the governing boards. Each JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA.

The relationship between the Culver City Unified School District and the JPAs are such that neither JPA is a component unit of the District financial reporting purposes. Financial statements are available directly from the JPAs.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

B. Construction Commitments
As of June 30, 2023, the District had commitments with respect to unfinished capital projects of approximately $3.5 million.

C. Litigation
The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2023.

Required Supplementary Information

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CULVER CITY UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 71,982,919	$ 75,489,140	$ 75,492,603	$ 3,463
Federal Sources	4,578,257	5,268,725	5,596,774	328,049
Other State Sources	16,678,270	23,917,304	28,401,188	4,483,884
Other Local Sources	5,020,100	5,474,437	5,695,592	221,155
Total Revenues	98,259,546	110,149,606	115,186,157	5,036,551
Expenditures				
Current:				
Certificated Salaries	44,254,861	45,458,044	45,486,413	(28,369)
Classified Salaries	14,024,770	14,817,630	14,277,933	539,697
Employee Benefits	25,755,028	26,551,636	26,109,143	442,493
Books and Supplies	2,834,431	5,311,211	6,066,228	(755,017)
Services and Other Operating Expenditures	12,701,076	17,709,694	20,252,443	(2,542,749)
Transfers of indirect costs	(399,739)	(513,347)	(506,339)	(7,008)
Capital Outlay	156,812	271,812	109,065	162,747
Other Outgo	-	-	43,835	(43,835)
Total Expenditures	99,327,239	109,606,680	111,838,721	(2,232,041)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,067,693)	542,926	3,347,436	2,804,510
Other Financing Sources and Uses				
Interfund Transfers In	1,500,000	1,750,000	2,256,571	506,571
Total Other Financing Sources and Uses	1,500,000	1,750,000	2,256,571	506,571
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	432,307	2,292,926	5,604,007	3,311,081
Fund Balance, July 1, 2022	13,723,186	16,227,230	16,408,837	181,607
Fund Balance, June 30, 2023	$ 14,155,493	$ 18,520,156	$ 22,012,844	$ 3,492,688

CULVER CITY UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – Special Education Pass-Through Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
Federal Sources	$ 3,188,931	$ 3,188,931	$ 3,230,312	$ 41,381
Other State Sources	10,487,940	10,487,940	10,662,260	174,320
Other Local Sources	-	-	(246,670)	(246,670)
Total Revenues	13,676,871	13,676,871	13,645,902	(30,969)
Expenditures				
Other Outgo	13,676,871	13,676,871	13,892,572	(215,701)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(246,670)	(246,670)
Fund Balance, July 1, 2022	5,070	5,782	5,782	-
Fund Balance, June 30, 2023	$ 5,070	$ 5,782	$ (240,888)	$ (246,670)

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalSTRS

For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2021-22	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.0730%	0.0709%	0.0720%	0.0710%	0.0710%
District's proportionate share of the net pension liability	$ 50,750,064	$ 32,277,532	$ 69,527,861	$ 63,857,277	$ 65,290,944
State's proportionate share of the net pension liability associated with the District	25,415,434	16,240,802	35,841,330	34,838,689	37,382,303
Totals	$ 76,165,498	$ 48,518,334	$ 105,369,191	$ 98,695,966	$ 102,673,247
District's covered-employee payroll	$ 42,613,702	$ 40,013,633	$ 40,354,272	$ 40,005,702	$ 39,508,354
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	119.09%	80.67%	172.29%	159.62%	165.26%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.0680%	0.0660%	0.0660%	0.0650%
District's proportionate share of the net pension liability	$ 62,825,985	$ 53,611,550	$ 44,342,979	$ 37,950,027
State's proportionate share of the net pension liability associated with the District	37,167,625	30,524,592	23,452,485	22,915,865
Totals	$ 99,993,610	$ 84,136,142	$ 67,795,464	$ 60,865,892
District's covered-employee payroll	$ 37,538,229	$ 34,623,880	$ 31,970,109	$ 28,925,248
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.37%	154.84%	138.70%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2021-22	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.0988%	0.0977%	0.0970%	0.0990%	0.1030%
District's proportionate share of the net pension liability	$ 34,003,263	$ 19,874,148	$ 29,773,901	$ 28,903,688	$ 27,441,511
District's covered-employee payroll	$ 15,219,537	$ 15,198,820	$ 15,860,774	$ 15,746,677	$ 15,696,269
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.42%	130.76%	187.72%	183.55%	174.83%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.1040%	0.1020%	0.1000%	0.0950%
District's proportionate share of the net pension liability	$ 24,749,771	$ 20,190,095	$ 14,699,992	$ 10,807,020
District's covered-employee payroll	$ 14,999,924	$ 14,080,252	$ 12,655,409	$ 9,993,166
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.00%	143.39%	116.16%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalSTRS

For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	$ 8,906,016	$ 7,210,238	$ 6,259,556	$ 6,707,732	$ 6,302,626
Contributions in relation to the contractually required contribution	8,906,016	7,210,238	6,259,556	6,707,732	6,302,626
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 46,628,357	$ 42,613,702	$ 40,013,633	$ 40,354,272	$ 40,005,702
Contributions as a percentage of covered-employee payroll	19.10%	16.92%	15.64%	16.62%	15.75%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 5,473,062	$ 4,571,987	$ 3,595,997	$ 2,718,724
Contributions in relation to the contractually required contribution	5,473,062	4,571,987	3,595,997	2,718,724
Contribution deficiency (excess):	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 39,508,354	$ 37,538,229	$ 34,623,880	$ 31,970,109
Contributions as a percentage of covered-employee payroll	13.85%	12.18%	10.39%	8.50%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

CULVER CITY UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2022-23	2021-22	2020-21	2019-20	2018-19
CalPERS					
Contractually required contribution	$ 4,090,526	$ 3,486,796	$ 2,899,677	$ 2,727,023	$ 2,485,630
Contributions in relation to the contractually required contribution	4,090,526	3,486,796	2,899,677	2,727,023	2,485,630
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 16,123,477	$ 15,219,537	$ 15,198,820	$ 15,860,774	$ 15,746,677
Contributions as a percentage of covered-employee payroll	25.370%	22.910%	19.078%	17.194%	15.785%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 2,115,415	$ 1,781,920	$ 1,512,523	$ 1,295,931
Contributions in relation to the contractually required contribution	2,115,415	1,781,920	1,512,523	1,295,931
Contribution deficiency (excess):	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 15,696,269	$ 14,999,924	$ 14,080,252	$ 12,655,409
Contributions as a percentage of covered-employee payroll	13.477%	11.880%	10.742%	10.240%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

CULVER CITY UNIFIED SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

Employer's Fiscal Year	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Measurement Period	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Total OPEB liability						
Service cost	$ 1,743,328	$ 1,125,484	$ 907,672	$ 784,988	$ 755,300	$ 733,301
Interest	1,156,233	589,148	781,990	788,339	771,420	746,712
Differences between expected and actual experience	2,432	(2,987,761)	(330,127)	(1,365,812)	(75,469)	-
Changes in assumptions	(151,246)	2,858,414	3,736,109	182,840	298,858	-
Benefit payments	(854,469)	(819,853)	(687,264)	(707,545)	(736,283)	(819,585)
Net change in total OPEB liability	1,896,278	765,432	4,408,380	(317,190)	1,013,826	660,428
Total OPEB liability - beginning	26,949,369	26,183,937	21,775,557	22,092,747	21,078,921	20,418,493
Total OPEB liability - ending	$ 28,845,647	$ 26,949,369	$ 26,183,937	$ 21,775,557	$ 22,092,747	$ 21,078,921
Covered-employee payroll	$ 66,022,499	$ 61,969,073	$ 59,154,942	$ 57,431,983	$ 55,752,379	$ 54,942,679
Total OPEB liability as a percentage of covered-employee payroll	43.69%	43.49%	44.26%	37.92%	39.63%	38.37%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available*

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

Employer's Fiscal Year **Measurement Period**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**	**2019-20** **2018-19**	**2018-19** **2017-18**	**2017-18** **2016-17**
District's proportion of net OPEB liability	0.1096%	0.1066%	0.1087%	N/A	N/A	N/A
District's proportionate share of net OPEB liability	$ 361,076	$ 425,249	$ 460,783	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.80%)	(0.71%)	N/A	N/A	N/A

This liability was not presented in previous audit years, therefore no information is available before the 2020-21 reporting period.

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule
The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the District's Proportionate Share of the Net Pension Liability
This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.

***Change of assumptions* -** There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions
This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 4.09 percent to 4.13 percent since the previous valuation.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented. As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore, the covered payroll disclosure is not applicable.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 2.16 percent to 3.54 percent since the previous valuation.

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Supplementary Information

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The Culver City Unified School District was established in 1949 and is located in Culver City, California. There were no changes to the District's boundaries during the year. The District operates five elementary schools, one middle school, one comprehensive high school, a continuation high school, an independent study center, a child development program, an adult education program and an online academy.

GOVERNING BOARD

Member	Office	Term Expires
Paula Amezola	President	2024
Kelly Kent, Ph.D.	Vice President	2024
Triston Ezidore	Clerk	2026
Stephanie Loredo	Parliamentarian	2026
Brian Guerrero	Member	2026

DISTRICT ADMINISTRATORS

Quoc Tran,[1]
Superintendent

Angela Baxter, Ed.D.,
Associate Superintendent, Educational Services

Robert Quinn,[2]
Assistant Superintendent, Business Services

Jose Alarcon,
Assistant Superintendent, Human Resources

Dr. Jennifer Smith,
Assistant Superintendent, Diversity, Equity, and Inclusion

[1] Resigned effective August 14, 2023. The Interim Superintendent is Dr. Maria Martinez-Paulin.
[2] Retired effective April 7, 2023. The Interim Assistant Superintendent is Mike Reynolds.

CULVER CITY UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2023

	Second Period Report	Annual Report
Regular ADA:		
TK and grades K-3	1,935.81	1,944.96
Grades 4-6	1,451.43	1,456.87
Grades 7-8	1,006.21	1,011.39
Grades 9-12	2,008.36	1,987.22
Total Regular ADA	6,401.81	6,400.44
Special Education, Nonpublic, Nonsectarian Schools:		
TK and grades K-3	4.30	5.27
Grades 4-6	2.47	2.62
Grades 7-8	1.03	1.31
Grades 9-12	5.44	6.99
Total Special Education ADA	13.24	16.19
Total ADA	6,415.05	6,416.63

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2023

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	54,360	180	Complied
Grade 1	50,400	54,360	180	Complied
Grade 2	50,400	54,360	180	Complied
Grade 3	50,400	54,360	180	Complied
Grade 4	54,000	54,360	180	Complied
Grade 5	54,000	54,360	180	Complied
Grade 6	54,000	57,134	180	Complied
Grade 7	54,000	57,134	180	Complied
Grade 8	54,000	57,134	180	Complied
Grade 9	64,800	70,910	180	Complied
Grade 10	64,800	70,910	180	Complied
Grade 11	64,800	70,910	180	Complied
Grade 12	64,800	70,910	180	Complied

CULVER CITY UNIFIED SCHOOL DISTRICT

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

General Fund	(Budget) 2024 [2]	2023	2022	2021
Revenues and other financing sources	$ 106,263,693	$ 117,442,728	$ 99,108,682	$ 92,963,744
Expenditures and other financing uses	107,701,795	111,838,721	97,728,203	88,904,141
Change in fund balance (deficit)	(1,438,102)	5,604,007	1,380,479	4,059,603
Ending fund balance	$ 20,574,742	$ 22,012,844	$ 16,408,837	$ 15,028,358
Available reserves [1]	$ 9,167,429	$ 5,307,519	$ 9,306,436	$ 9,100,692
Available reserves as a percentage of total outgo	8.5%	4.7%	9.5%	10.2%
Total long-term debt	$ 230,092,419	$ 232,594,340	$ 200,345,686	$ 247,703,073
Average daily attendance at P-2	6,415	6,415	6,342	N/A

The General Fund balance has increased by $7.0 million over the past two years. The fiscal year 2023-24 adopted budget projects a decrease of $1.4 million. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in none of the past three years, but anticipates incurring an operating deficit during the 2023-24 fiscal year. Long-term debt has decreased by $15.1 million over the past two years.

ADA increased by 73 compared to 2021-22. Budgeted ADA projects no increase or decrease for 2023-24.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised budget September, 2023.

	General Fund
June 30, 2023, annual financial and budget report (SACS) fund balance	$ 20,986,101
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Accounts receivables understated	1,026,743
June 30, 2023, audited financial statement fund balance	$ 22,012,844

CULVER CITY UNIFIED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Basic	10.553	13525	$ 23,524	
School Breakfast Program - Especially Needy	10.553	13526	175,634	
National School Lunch Program	10.555	13523	952,625	
USDA Donated Foods	10.555	N/A	226,252	
Total Child Nutrition Cluster				$ 1,378,035
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	92,763	
Cash in Lieu of Commodities	10.558	N/A	7,052	
Total Child and Adult Care Food Program Cluster				99,815
Total U.S. Department of Agriculture				1,477,850
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Adult Education Grants Cluster:				
Adult Basic Education and ESL	84.002A	14508	189,640	
Adult Secondary Education	84.002	13978	70,615	
Total Adult Education - State Grants Cluster				260,255
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329		278,638
Title II, Part A, Supporting Effective Instruction	84.367	14341		226,676
English Language Acquisition State Grants				
Title III, Immigrant Education Program	84.365	15146	1,809	
Title III, Limited English Proficiency	84.365	14346	285,698	
Subtotal English Language Acquisition State Grants				287,507
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		1,902
Early Intervention Grants	84.181	23761		59,099
Carl D. Perkins Career and Technical Education: Adult, Sec. 132	84.048	14893		25,212
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	102	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	1,006,220	
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425U	15618	659,557	
Expanded Learning Opportunities (ELO) Grant GEER II	84.425U	15619	151,374	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	429,955	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	741,168	
Subtotal Education Stabilization Fund				2,988,376
Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	4,519,560	
Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10119	17,071	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	119,125	
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	235,472	
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	16,410	
COVID-19: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	52,038	
Total Special Education (IDEA) Cluster				4,959,676
Total U.S. Department of Education				9,087,341
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education (CDE):				
Child Care and Development Fund Cluster:				
Child Development: Federal General Child Care and Development (CCTR)	93.596	13609	327,151	
COVID-19: Child Development: ARP California State Preschool Program - Rate Supplements	93.575	15641	294,926	
Total Child Care and Development Fund Cluster				622,077
Total U.S. Department of Health & Human Services				622,077
Total Expenditures of Federal Awards				$ 11,187,268

Of the federal expenditures presented in the schedule, the District provided the following awards to sub-recipients.

Individuals with Disabilities Education Act (IDEA):			
Basic Local Assistance Entitlement	84.027	13379	$ 3,042,938
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	76,237
COVID-19: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	52,038
Early Intervention Grants	84.181	23761	59,099
Total			$ 3,230,312

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

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.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Schedule of Expenditures of Federal Awards

The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 11,229,086
Differences between Federal Revenues and Expenditures:		
Child Nutrition Cluster	10.553/10.555	(41,818)
Total Schedule of Expenditures of Federal Awards		$ 11,187,268

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Other Independent Auditors' Reports

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Culver City Unified School District
Culver City, California

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, each major fund, and the aggregate remaining fund information of Culver City Unified School 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, and have issued our report thereon dated December 12, 2023.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001 that we consider to be a significant deficiency.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2023-005.

Culver City Unified School District's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Nigro & Nigro, PC

Murrieta, California
December 12, 2023

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Culver City Unified School District
Culver City, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Culver City Unified School District's 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 Culver City Unified School District's major federal programs for the year ended June 30, 2023. The Culver City Unified School 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 Culver City Unified School 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 U.S. *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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School District's federal programs.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Auditors' 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School 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.

Nigro & Nigro, PC

Murrieta, California
December 12, 2023

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Education
Culver City Unified School District
Culver City, California

Report on Compliance

Qualified and Unmodified Opinions
We have audited the Culver City Unified School District's (District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

Qualified Opinion on Certain State Programs
In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Culver City Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other State Programs
In our opinion, Culver City Unified School District complied in all material aspects, with the laws and regulations of the other state programs noted in the table below for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards 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 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 opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Certain State Programs
As described in the accompanying schedule of findings and questioned costs, the Culver City Unified School District did not comply with requirements regarding School Accountability Report Card, Classroom Teacher Salaries, and Gann Limit Calculation, as described in finding numbers 2023-002, 2023-003 and 2023-004. Compliance with such requirements is necessary, in our opinion, for the Culver City Unified School District to comply with the requirements applicable to that program.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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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 Culver City Unified School District's state programs.

Auditors' 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 GAAS, *Government Auditing Standards*, and the 2022-23 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a 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 the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 consider 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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Areas marked as “Not Applicable” were not operated by the District.

We did not perform testing over independent study because the ADA was below the level that requires testing.

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 identify in the audit.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying schedule of findings and questioned costs as Finding 2023-005.

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the auditing procedures applied in the audit of compliance an, accordingly, we express no opinion on the response.

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, the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 identity 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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 12, 2023

Schedule of Findings and Questioned Costs

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Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	No
Identification of major programs:	

Assistance Listing Numbers	Name of Federal Program or Cluster
84.027, 84.173, 84.027A, 84.173A	Special Education Cluster
84.425D & 84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Type of auditors' report issued on compliance for state programs:	Qualified

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
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

Finding 2023-001: Cafeteria Meal Reimbursement Claims (60000)

Criteria: The District submits monthly claims to the California Department of Education to report the number of meals served in different categories – paid, reduced price, and free. The numbers of meals served must be supported by records that reconcile to the amounts reported on the claims.

Condition: The District reported claims for State reimbursement for the Severe Need Breakfast Program that were inconsistent with the numbers calculated on site and submitted for the Federal reimbursement.

Cause: Numbers were inputted without being verified for accuracy before submitting.

Effect: The District under-reported the number of meals served on the claims, resulting in $240,363.54 not being claimed for reimbursement.

Context: This error began to occur in August of 2022 and continued every month until April of 2023.

Recommendation: The District should file amended claim forms for August 2022 through April 2023, if it is allowed. In the future, an employee should review all claim forms before they are submitted to the CDE to ensure that the reports are supported by documentation that agrees to the meals claimed.

Views of Responsible Officials: The District was experiencing a system issue with the meals calculated in its meal tracking system and the difference was not being claimed for reimbursement. The District will review all previous claims for accuracy and file amended claim forms. The District will review all claim forms before they are submitted to the CDE.

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs in 2022-23.

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding 2023-002: School Accountability Report Card (72000)

Criteria: In accordance with Education Code §33126, each school is to provide an accountability report card to include safety, cleanliness, and adequacy of school facilities, to include any needed maintenance to ensure good repair. The condition reported should be supported by the school's Facilities Inspection Tool (FIT), School Facilities Condition Evaluation as required by Ed Code §17002. In addition, according to Education Code §35256, the governing board must publish the School Accountability Report Card (SARC) for each school by February 1 of each year.

Condition: It was noted that the School Facility Repair Status on the SARC for the three schools tested did not match the FIT form in several categories. In every discrepancy, the SARC reported the status as being worse than what was identified through the facilities inspection.

Context: Discrepancies were noted in all three schools selected.

Cause: The discrepancies were overlooked by District staff.

Effect: There is no questioned cost associated with this finding.

Recommendation: We recommend that an employee verify the information presented in the SARC. This information is essential to present the required information about the school fairly to the public.

Views of Responsible Officials: The District will ensure that the department responsible for completing the SARC is reviewing and verifying the information presented in the SARC before it is published.

Finding 2023-003: Classroom Teacher Salaries (61000)
This is a repeat of Finding 2022-005

Criteria: California Education Code, section 41372 (b) states, in part:

> There shall be expended during each fiscal year for payment of salaries of classroom teachers:
> (3) By a unified school district, 55% of the district's current expense of education.

Condition: During our review of classroom teacher salaries, we noted that the District did not meet the required 55% minimum for expenditures of salaries for classroom teachers. The District reported its "current expense of education" totaling $100,986,476, with $52,714,886, or 52.20%, going toward its classroom teachers' salaries.

Context: Not applicable

Cause: The District spent a similar amount on salaries in 2022-23 as it did in 2021-22; however, other spending caused the deficiency in achieving the required percentage.

Effect: The District did not meet the required minimum percentage for classroom teacher salaries. The District expended $2,827,621 less than the amount necessary to meet the minimum of 55%.

Finding 2023-003: Classroom Teacher Salaries (61000) (continued)

Recommendation: The District should continue working to ensure that it meets the minimum required percentage for the classroom teacher salaries in future years.

Views of Responsible Officials: The District will continue working to ensure that it meets the minimum required percentage for classroom teacher salaries in future years.

Finding 2023-004: Gann Limit (40000)

Criteria: The appropriations limit calculated under *Government Code* 7902, often referred to as the Gann limit, was established by Proposition 4 in 1979. The purpose of the limit is to keep inflation adjusted per-person government spending under 1978–79 levels. For LEAs, ADA is used to determine population. Each year LEAs must complete Form GANN as part of its Unaudited Actuals that are submitted to the CDE.

Condition: The prior year Gann ADA and prior year appropriations limit used by the District did not match the data on the prior year appropriations limit calculation previously submitted to the CDE.

Context: Not applicable

Cause: The cause of the variance is unknown.

Effect: There is no questioned cost associated with this finding.

Recommendation: The District should review the Gann limit calculation before submission to the CDE to ensure that the prior year ADA and appropriations limit match the data on the prior year submission.

Views of Responsible Officials: The District will review the Gann Limit calculation before submission to CDE to ensure accuracy.

Finding 2023-005: Transitional Kindergarten (40000)

Criteria: *Education Code* Section 48000(g) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, a school district or charter school shall do all of the following:

(1) Maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite. For purposes of this calculation, the following shall apply for each schoolsite of a school district or charter school:

(A) "Class" means a group of pupils scheduled to report regularly at a particular time to a particular teacher during the regular schoolday, as defined by the governing board of the school district or the governing body of the charter school, as applicable, excluding special day classes. Classes in the evening and summer school class shall not be considered classes for purposes of this calculation.

(B) (i) "Active enrollment count" for purposes of subparagraph (C) means the count of all pupils enrolled in a class with transitional kindergarten pupils on the first day of the school year on which the class was in session, plus all later enrollees, minus all withdrawals since that first day. An active enrollment count shall be made on the last teaching day of each school month that ends before April 15 of the school year.

(ii) For school districts, active enrollment count shall not include pupils enrolled in independent study pursuant to Article 5.5 (commencing with Section 51744) of Chapter 5 of Part 28 who meet the minimum day requirements for independent study and are continually enrolled in independent study for more than 14 schooldays in a school year.

(iii) For charter schools, active enrollment count shall not include pupils enrolled in independent study pursuant to Article 5.5 (commencing with Section 51744) of Chapter 5 of Part 28 who are continually enrolled in independent study for more than 14 schooldays on any of the days on which school is taught for the purpose of meeting the 175-instructional-day offering, as described in Section 11960 of Title 5 of the California Code of Regulations.

(C) "Average number of pupils enrolled per class" means the quotient of the sum of the active enrollment counts made under subparagraph (B) divided by the total number of those active enrollment counts for each class of the schoolsite.

(D) "Average transitional kindergarten class enrollment" means the quotient of the sum of the average number of pupils enrolled per class determined pursuant to subparagraph (C) of all classes at the schoolsite divided by the total number of all classes at the schoolsite that include transitional kindergarten pupils, rounded to the nearest half or whole integer.

Finding 2023-005: Transitional Kindergarten (40000) (continued)

Criteria: (continued)

(2) Commencing with the 2022–23 school year, maintain an average of at least one adult for every 12 pupils for transitional kindergarten classrooms at each schoolsite. For purposes of this calculation, the following shall apply for each schoolsite of a school district or charter school:

(A) "Total transitional kindergarten enrollment" is the sum of the average number of pupils enrolled per class of all classes at the schoolsite, as determined in subparagraph (C) of paragraph (1).

(B) "Number of adults" shall be determined for each schoolsite as follows:

(i) A count of employees of the school district or charter school assigned to each class at the schoolsite that includes transitional kindergarten pupils shall be made on the last teaching day of each school month that ends before April 15 of the school year.

(ii) The sum of all of the adult counts pursuant to clause (i) shall be divided by the total number of those counts, rounded to the nearest half or whole integer.

(C) "Adult-to-pupil ratio" shall be the quotient of the total transitional kindergarten enrollment divided by the total number of adults, rounded to the nearest half or whole integer.

Condition: The District exceeded the maximum average class enrollment in two (2) Transitional Kindergarten classes during the 2022-23 school year. Those same two classes also exceeded the maximum number of pupils per adult during the school year.

Context: Noncompliance was noted in two classes at two schools, out of a total of six classes operated at five schools.

Cause: The District was unable to hire enough teachers in TK programs to maintain the class sizes at the required 24:1 ratio or to have sufficient adults to maintain a 12:1 ratio of adults to pupils.

Effect: The financial penalty for exceeding average TK enrollment is $369,347. The financial penalty for exceeding the TK adult to pupil ratio is $61,886.

Recommendation: The District should closely monitor TK class sizes in the current fiscal year to ensure that maximum average class sizes and adult to pupil ratios are not exceeded.

Views of Responsible Officials: The District will closely monitor TK class sizes to ensure that maximum average class sizes and adult to pupil ratios are not exceeded.

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2022-001: Independent Study Attendance Reporting	During testing of short-term independent study attendance at the school sites, we noted the following elements were missing from the agreements in use at the school sites: • Manner of reporting, frequency of meeting, time of event, place of reporting and for communicating with a pupil's parent or guardian regarding a pupil's academic progress • Specific resources, including materials and personnel, to be made available by the District. *Including, confirming or providing access to the connectivity and devices* adequate to participate in the program and complete work. • The maximum length of time allowed between assignment and completion of a pupil's work • The number of assignments a pupil may miss before there must be an evaluation of whether I/S is in the pupil's best interest • The level of satisfactory educational progress • The number of course credits to be earned (or for elementary grades, other measures of academic credit) if the objective is reached • A statement detailing the academic and other supports that will be provided to address the needs of pupils who are not performing at grade level, or need support in other areas	10000	We recommend that all independent study agreements be updated to reflect all required elements, as they are at the full-time independent study school.	Implemented.
Finding 2022-002: Attendance Accounting	During our review of P-2 ADA totals reported by the District to CDE, we found that the District used an incorrect divisor of 180 in its calculation of Non-Public Schools (NPS) ADA.	10000	We recommend that the District develop policies and procedures, and implement controls, to ensure that pupil attendance is recorded and reported consistently and accurately.	Implemented.

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2022-003: Instructional Time	The District only offered 177 days of instruction for Grades K-12. Due to the reduced offering, the annual instructional time in Grades 4-5 was short by 555 minutes.	40000	We recommend that the District ensure that 180 days of instruction are offered in the 2022-23 school year, and if schools are closed, to request a J-13A waiver in a timely manner.	Implemented.
Finding 2022-004: Instructional Materials	California Education Code Section 60119 requires that school districts conduct a public hearing regarding the sufficiency of textbooks and instructional materials. Furthermore, the District must provide 10-day notice of the public hearing. The notice must include the time, place, and purpose of the hearing and must be posted at a minimum of three public locations within the District. The notice posted by the District did not provide for 10-day notice of the public hearing regarding the sufficiency of textbooks and instructional materials. In fact, the notice was posted two days *after* the public hearing.	70000	We recommend that the District ensure that the notice which is posted during the 2022-23 school year adhere to the requirements for the posting of the public notice with the time, place and purpose at three public locations.	Implemented.
Finding 2022-005: Classroom Teacher Salaries	California Education Code Section 41372 (b) states, in part: There shall be expended during each fiscal year for payment of salaries of classroom teachers: (3) By a unified school district, 55% of the district's current expense of education. During our review of classroom teacher salaries, we noted that the District did not meet the required 55% minimum for expenditures of salaries for classroom teachers. The District reported its "current expense of education" totaling $87,873,192, with $48,296,899, or 54.96%, going toward its classroom teachers' salaries.	61000	The District should continue working to ensure that it meets the minimum required percentage for the classroom teacher salaries in future years.	Not Implemented. See Finding 2023-003

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

To the Board of Education
Culver City Unified School District
Culver City, California

In planning and performing our audit of the basic financial statements of Culver City Unified School District for the year ending June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 12, 2023 on the financial statements of Culver City Unified School District.

ASSOCIATED STUDENT BODY FUNDS

Observation: During our review of disbursements at Culver City High and Culver City Middle, we noted that approvals are not consistently obtained prior to making a purchase. We noted this exception in 11 of 25 disbursements sampled at CCHS and 3 of 13 disbursements we tested at CCMS.

> ***Recommendation:*** Education Code Section 48933(b) requires all expenditures from ASB funds be authorized by a student representative, an advisor, and a district representative (usually a principal or vice-principal) prior to disbursing the funds. As a "best practice", approval by required parties should be obtained before the actual commitment to purchase the items in order to ensure the expense is a proper use of student-body funds and falls within budgetary guidelines. In addition, all related supporting documentation, including receipts or invoices, should be retained. We recommend that the District Office remind the sites of the importance of obtaining pre-approval for purchases.

Observation: During our testing of cash disbursements at Culver City Middle, we noted one purchase that was shipped to a personal address, rather than to the school site or District office. In addition, proof of receipt of goods was missing in four instances.

> ***Recommendation:*** We recommend that items purchased for ASB should be shipped directly to the school site rather than a home address to ensure the items are properly received by the ASB and used for the benefit of the students. Also, proof of receipt should be documented for all expenses to ensure that payments are only made for goods or services actually received.

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Observation: In our testing of cash receipts at Culver City High, we found 4 out of 10 deposits sampled and at Culver City Middle, we found 5 out 7 deposits sampled lacked sufficient supporting documentation. In all cases, the only documentation was a signed cash count sheet. There were no tally sheets, individual pre-numbered receipts, or other point of collection documentation, which made it impossible to tie the cash collected by advisors to the actual amount turned in to the bookkeeper.

> ***Recommendation:*** Supporting documentation such as order forms, ticket control worksheets, pre-numbered receipts, and/or other point of sale documentation should be maintained for all transactions. Sound internal controls for handling cash discourage theft of ASB funds and protect those who handle the cash. It is important to tie all proceeds to the specific fundraiser from which they were generated and to ensure that all proceeds from an event are turned in and properly accounted for. We recommend that before any events are held, control procedures should be established that will allow for the reconciliation between money collected and fundraiser sales.

Observation: In our testing of cash receipts at Culver City High, we found that 2 of the 10 deposits sampled were not deposited in a timely manner. Deposits were made nearly 2 months from the point of collection.

> ***Recommendation:*** We recommend that the District emphasize to the advisors and teachers that deposits should be made to the bookkeeper and bank deposits made on a weekly basis, or more often as needed. Money should never be left over the weekend or holidays because thefts are more likely to occur during these times.

Observation: During our testing at Culver City High and Culver City Middle, we noted that bank reconciliations were not prepared timely, were not reviewed, included stale dated checks, and included deposits and other adjustments that were outstanding for more than two weeks.

> ***Recommendation:*** Timely and accurate bank reconciliations are prudent and necessary to ensure that the accounting records match the amounts held on deposit. We recommend the bookkeeper perform monthly bank reconciliations within two weeks after the statement arrives. Furthermore, the Principal or ASB Advisor should review the bank reconciliation and initial and date the bank statement and reconciliation as evidence they were reviewed. Review of the bank reconciliations by someone other than the ASB Bookkeeper is an important internal control to detect errors and possible questionable or suspicious activity. In addition, checks older than six months are considered "stale dated" and should be investigated and re-issued or written off. Outstanding deposits should be investigated to ensure that the money was deposited accurately.

Observation: During our testing, we noted several ASB Club accounts at Culver City High School that carried negative balances at year-end.

> ***Recommendation:*** The Governing Board allows ASBs to operate in schools to provide an opportunity for students to learn how an organization's finances operate. Clubs with negative balance are not being managed effectively, which increases the risk for fraud to occur, and can be used to disguise fraudulent activity. Additionally, clubs with negative balances encroach on the general ASB accounts. We recommend that the District follow up with the clubs to ensure that a plan is in place to remedy the over-drafted accounts.

We will review the status of the current year comments during our next audit engagement.

Nigro & Nigro, PC

Murrieta, California
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