

# Saugus Union School District

*Respect • Integrity • Learning • Teamwork • Enthusiasm*

2018 - 2019

## Second Interim Financial Report



Presentation March 5, 2019

# Administration

## Governing Board

Julie Olsen, President

David Powell, Clerk

Laura Arrowsmith, Member

David Barlavi, Member

Christopher Trunkey, Member

## District Administration

Dr. Colleen Hawkins, Superintendent

Nick Heinlein, Assistant Superintendent of Business

Dr. Isa De Armas, Assistant Superintendent of Education Services

Dr. Jennifer Stevenson, Assistant Superintendent of Human Resources

## School Site Administration

### Bridgeport

Dr. Carin Fractor, Principal

Michelle Velikorodnyy, Assistant Principal

### Cedarcreek

Robin Payre, Principal

### Emblem Academy

Jon Baker, Principal

Jenny Quan, Assistant Principal

### James Foster

Misty Covington, Principal

### Highlands

Susan Bender, Principal

### Mountain View

Katie Demsher, Principal

Dr. Rose Villaneuva, Assistant Principal

### North Park

Vicki Kubasak, Principal

Jayne Rutter, Assistant Principal

### Plum Canyon

Mary Mann, Principal

Alina Vehuni, Assistant Principal (FTE .8)

### Rio Vista

Gina Nolte, Principal

### Rosedell

Kathy Stendel, Principal

Lisa Loscos, Assistant Principal

### Santa Clarita

Theophane Korie, Principal

### Skyblue Mesa

Kimberly Humphries

Alina Vehuni, Assistant Principal (FTE .2)

### Tesoro Del Valle

Paul Martinsen, Principal

### West Creek Academy

Susan Bett, Principal

David Stepner, Assistant Principal

# Table of Contents

Administration .....	2
General Information .....	4
About the District.....	4
District Mission Statement.....	4
District Vision .....	4
Core Values .....	4
Awards .....	4
Overview .....	5
District Funds .....	6
General Fund (Fund 01) Summary .....	7
Revenues Summary .....	8
Combined Projected Revenue .....	9
Expenditures Summary .....	10
Unrestricted Projected Expenditures.....	12
Restricted Projected Expenditures .....	13
Combined Projected Expenditures .....	14
Fund Balance and Reserve .....	15
Supplementary Information General Fund 01 – Breakdown of Ending Fund Balance .....	16
Other Funds .....	17
Multi-Year Projections for General Fund – Fund 01 .....	20
Assumptions.....	20
MYP Unrestricted Expenditures.....	21
MYP Restricted Expenditures.....	22
MYP Combined Expenditures .....	23
Appendix – Education Acronyms .....	24

# General Information

## About the District

The Saugus Union School District is a preschool to sixth grade school district providing elementary level education under a single Governing Board and centralized administration. The District currently operates 15 Elementary Schools, a Maintenance & Operations and Transportation facility, and a District Office. The District encompasses approximately 94 square miles of land, most of which is on the west side of the Santa Clarita Valley in Los Angeles County.

The Governing Board of the District consists of five elected members. Beginning with the November 2016 election, members were elected from designated geographic boundaries. Members of the Board elect a president each year at the organizational meeting in December. The day-to-day affairs of the District are under the direction of the Superintendent.

## District Mission Statement

The Saugus Union School District in partnership with the home and community is committed to excellence in elementary education.

## District Vision

*Academic Success for Every Child*

## Core Values

*Respect • Integrity • Learning • Teamwork • Enthusiasm*

## Awards

14 - California Gold Ribbon Schools

2 - California Exemplary Arts Schools

13 - California Distinguished Schools

3 - California Achieving Title I Schools

5 - National Blue Ribbon Schools

1 - National Achieving Title I School

5 - CBEE Honor Roll Schools

## Overview

Education Code (EC) Sections 35035(g), 42130 and 42131 require the Governing Board of each school district to certify at least twice a year to the District's ability to meet its financial obligations for the remainder of that fiscal year and for the subsequent two fiscal years. This is called the Interim Report Process.

The Governing Board must certify that the District fits one of the following:

- Positive – based upon the current projections, the District will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- Qualified – based upon the current projections, the District may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
- Negative – based upon the current projections, the District is unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year(s).

It is the District's intent to issue an Executive Summary to help our stakeholders understand the elements of the Standardized Account Code Structure (SACS) Interim Financial Report of the District.

## District Funds

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations (California School Accounting Manual 2016).

There are eleven funds in the District accounting system:

General Fund (Fund 01)

Special Education Pass-Through Fund (Fund 10)

Child Development Fund (Fund 12)

Deferred Maintenance Fund (Fund 14)

Special Reserve Fund Other Than Capital Outlay Projects (Fund 17)

Building Fund (Fund 21)

Capital Facilities Fund (Fund 25)

Capital Project Fund Blended Component Units - Certificates of Deposit (CFD) (Fund 49)

Debt Services Fund for Blended Component Units – Certificates of Deposit (CFD) (Fund 52)

Debt Service Fund (Fund 56-Lease Revenue Bond)

Other Enterprise Fund – Child Development Programs (Fund 63)

# General Fund (Fund 01) Summary

## Revenues

The General Fund receives two different types of revenue:

*Unrestricted* – funds whose uses are not subject to external or legal constraints and may be used for any purpose not prohibited by law.

*Restricted* – funds subject to constraints imposed by external resource providers or by law through constitutional provisions or enabling legislation.

Revenues are also classified into the following subcategories; LCFF Sources, Federal Sources, Other State Revenue, Other Local Revenue.

## Unrestricted Revenues

The Local Control Funding Formula (LCFF) is the primary unrestricted revenue source for the District. The LCFF is comprised of the base grant, additional funding for K-3 Class Size Reduction (CSR), supplemental grants for English learners, low-income, foster youth and homeless students, and add-ons for Home-to-School Transportation and a Targeted Instructional Improvement Grant (TIIG). All of these sum to become our Principal Apportionment.

The Principal Apportionment is comprised of State Aid, Education Protection Act, and local property tax monies. The LCFF apportionment amount is derived from a mathematical calculation utilizing the District's current year or prior year average daily attendance (ADA) through the attendance reporting period named P-2 (typically a date in the middle of April), base grant per student value, Cost of Living Allowance (COLA), and the percentage of students that are either English learners, low-income, foster youth, or homeless (unduplicated count).

## Restricted Revenues

Restricted revenues are subject to externally imposed and legally enforceable constraints by external providers, or by law through constitutional provisions.

## Revenues Summary

The 2018-2019 enrollment is 9,791 based on the annual census from California Basis Educational Data System (CBEDS), this is a decrease of 169 students from Fiscal Year 2017-18. The decreased enrollment number accounts for a decrease in projected P2 average daily attendance (ADA) of 153.84, for a total ADA of 9,492.88. The attendance rate is based on a 5-year average of 96.94%. The District is able to use the highest of either the previous year or current year ADA, the District's funding for fiscal year 2018-19 will be based on the prior year ADA number of 9,646.67. The State approved cost-of-living adjustment for the base grant was 3.70%, and GAP is fully funded at 100%. The Districts 2018-2019 Local Control Funding Formula (LCFF) is projected to yield revenue totaling \$81,751,682, an increase in funding of \$5,368,823 from Fiscal Year 2017-18.

The State approved a one-time Mandated Block Grant (MBG) reimbursement funding of \$184 based on prior year ADA (2017-18). The District is projected to receive \$1,775,373 for one-time MBG reimbursements.

State Lottery rates for unrestricted are \$151 per ADA and restricted is \$53 per ADA, yielding projected revenue of \$2,058,106.

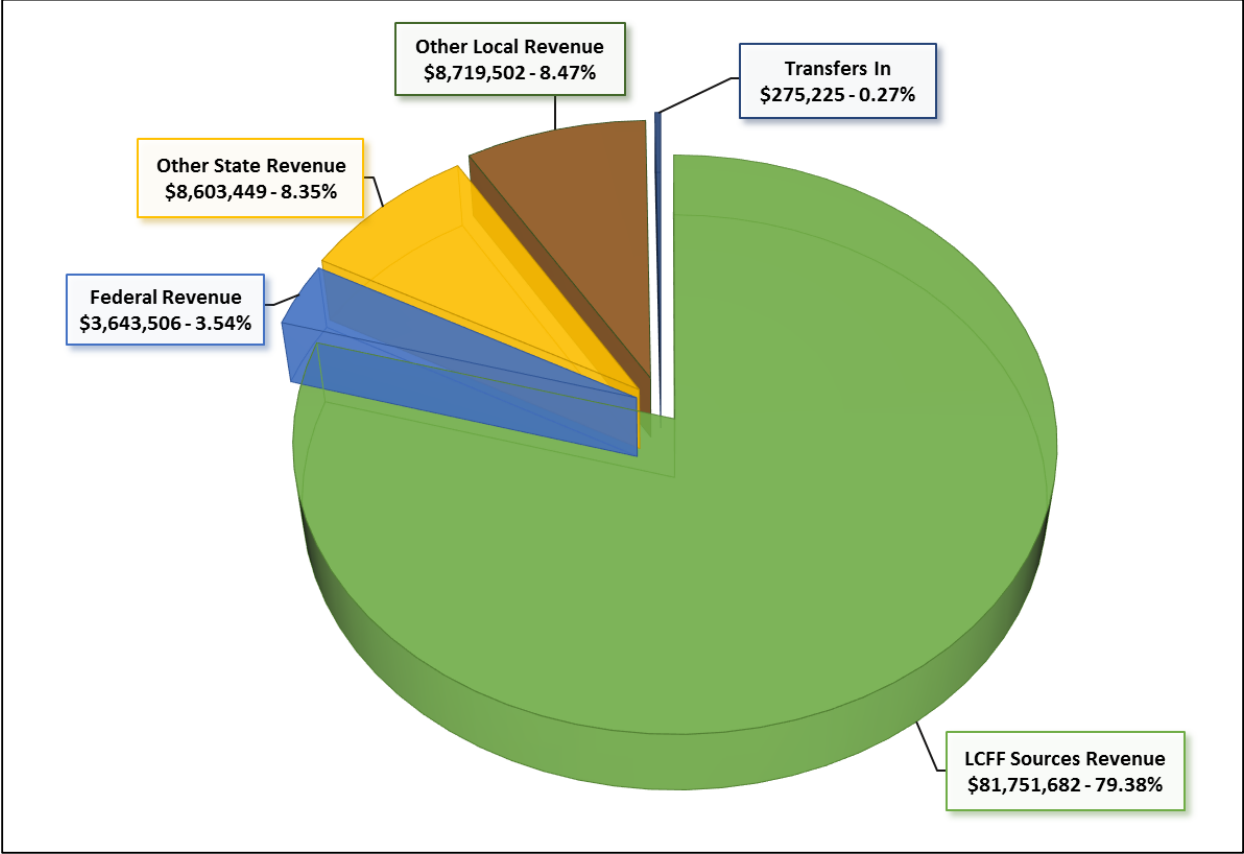
The District is projected to make contributions from the unrestricted general fund of: \$2,879,847 to the Routine Restricted Maintenance Account (RRMA); \$11,110,345 to special education, and \$2,480,343 to the regional autism program.

Total projected combined unrestricted and restricted revenue as of June 30, 2019 at \$102,993,364.

General Fund (01.0 and 01.1)	2018-2019 First Interim Budget Combined	2018-2019 Board Approved Budget	2018-2019 Second Interim Restricted	2018-2019 Second Interim Combined
LCFF Revenue	\$ 81,741,899	\$ 81,751,682	\$ -	\$ 81,751,682
Federal Revenue	\$ 3,583,771	\$ 342,900	\$ 3,300,606	\$ 3,643,506
State Revenue	\$ 4,859,957	\$ 3,655,601	\$ 1,726,462	\$ 5,382,063
STRS On-Behalf	\$ 3,221,386	\$ -	\$ 3,221,386	\$ 3,221,386
Local Revenue	\$ 8,941,483	\$ 1,656,222	\$ 7,063,280	\$ 8,719,502
Transfers In	\$ 275,225	\$ 235,957	\$ 39,268	\$ 275,225
Contributions - SPED/Maint	\$ -	\$ (16,470,535)	\$ 16,470,535	\$ -
<b>Total Revenue</b>	<b>\$ 102,623,721</b>	<b>\$ 71,171,827</b>	<b>\$ 31,821,537</b>	<b>\$ 102,993,364</b>



Combined Projected Revenue

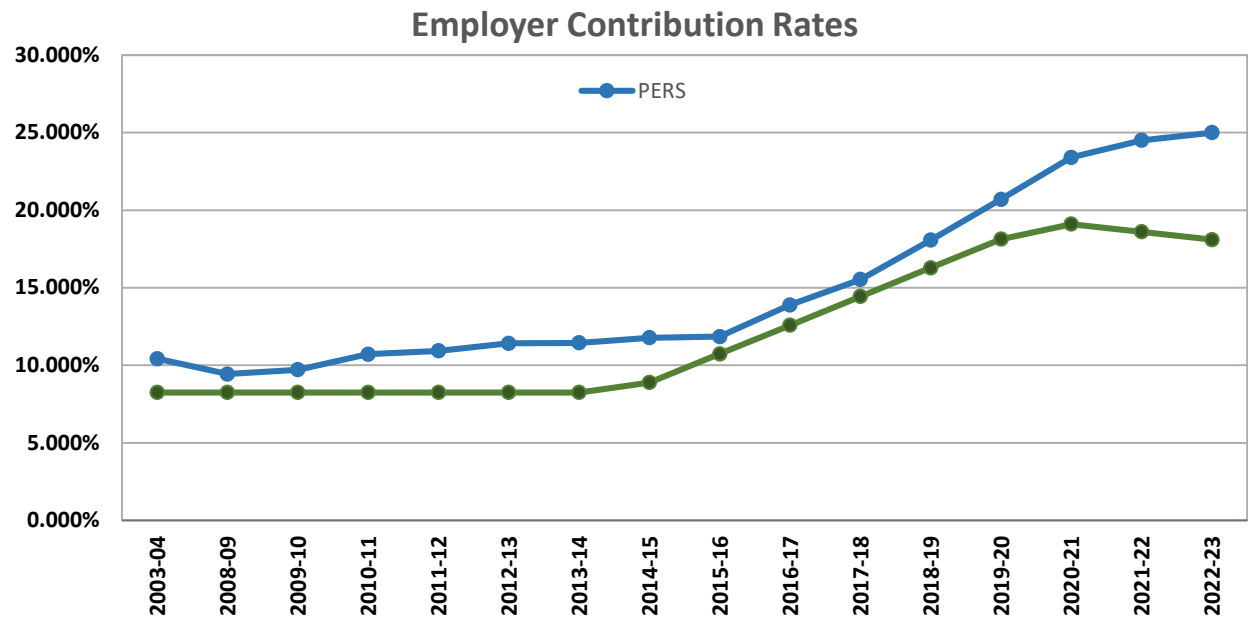


**Total Combined Revenue: \$102,993,364**

## Expenditures Summary

Expenditures also fall within the unrestricted and restricted type. However, they are classified into the following categories; Certificated Salaries, Classified Salaries, Employee Benefits, Books and Supplies, Services and Other Operating Expenditures, Capital Outlay, and Other Outgo.

All employees received a 2% on schedule salary increase effective July 1, 2018. The 2018-19 CalSTRS rate is 16.28%; an increase of 12.28% from 2017-18. The projected CalSTRS cost to the District is \$7,261,663. The 2018-19 CalPERS rate is 18.062%, an increase of 16.30% from 2017-18. The 2019 projected cost to the District is \$2,586,889. The following charts illustrates the historical and projected pension rates and costs:



Fiscal Year	Saugus Actual & Projected	Saugus Percent Increase	State State Rates	State Percent Increase	Saugus Actual & Projected	Saugus Percent Increase	State State Rates	State Percent Increase
	STRS*	STRS	STRS	STRS	PERS	PERS	PERS	PERS
2013-14	3,203,250	6.30%	8.250%	0.00%	1,196,056	12.70%	11.442%	0.22%
2014-15**	3,556,316	11.02%	8.880%	7.64%	1,394,261	16.57%	11.771%	2.88%
2015-16	4,413,194	24.09%	10.730%	20.83%	1,456,574	4.47%	11.847%	0.65%
2016-17***	5,417,325	22.75%	12.580%	17.24%	1,942,105	33.33%	13.888%	17.23%
2017-18	6,245,605	15.29%	14.430%	14.71%	2,216,003	14.10%	15.531%	11.83%
2018-19****	7,261,663	16.27%	16.280%	12.82%	2,788,901	25.85%	18.062%	16.30%
2019-20	7,782,783	7.18%	18.130%	11.36%	3,216,227	15.32%	20.700%	14.61%
2020-21	8,279,111	6.38%	19.100%	5.35%	3,670,483	14.12%	23.400%	13.04%

\*Excludes STRS On-Behalf

\*\*Para Educators increase from 3.75 to 6.5 hrs and become eligible for PERS

\*\*\*All employees received a 5% salary increase

\*\*\*\*All employees received a 2% salary increase

Fiscal years 2018-19, 2019-20, 2021-20 are projections

Books and Supplies account for expenditures related to textbooks, novels, reference materials, and non-capitalized (under \$5,000) classroom technology and equipment. Books and supplies increased mainly due to the addition of carryover funds.

Services and Other Operation Expenditures account for services, rentals, leases, contracts, membership dues, travel, insurance, utilities, legal, and other basic general and administrative expenditures. The expenditures for services increased mainly due to the addition of carryover.

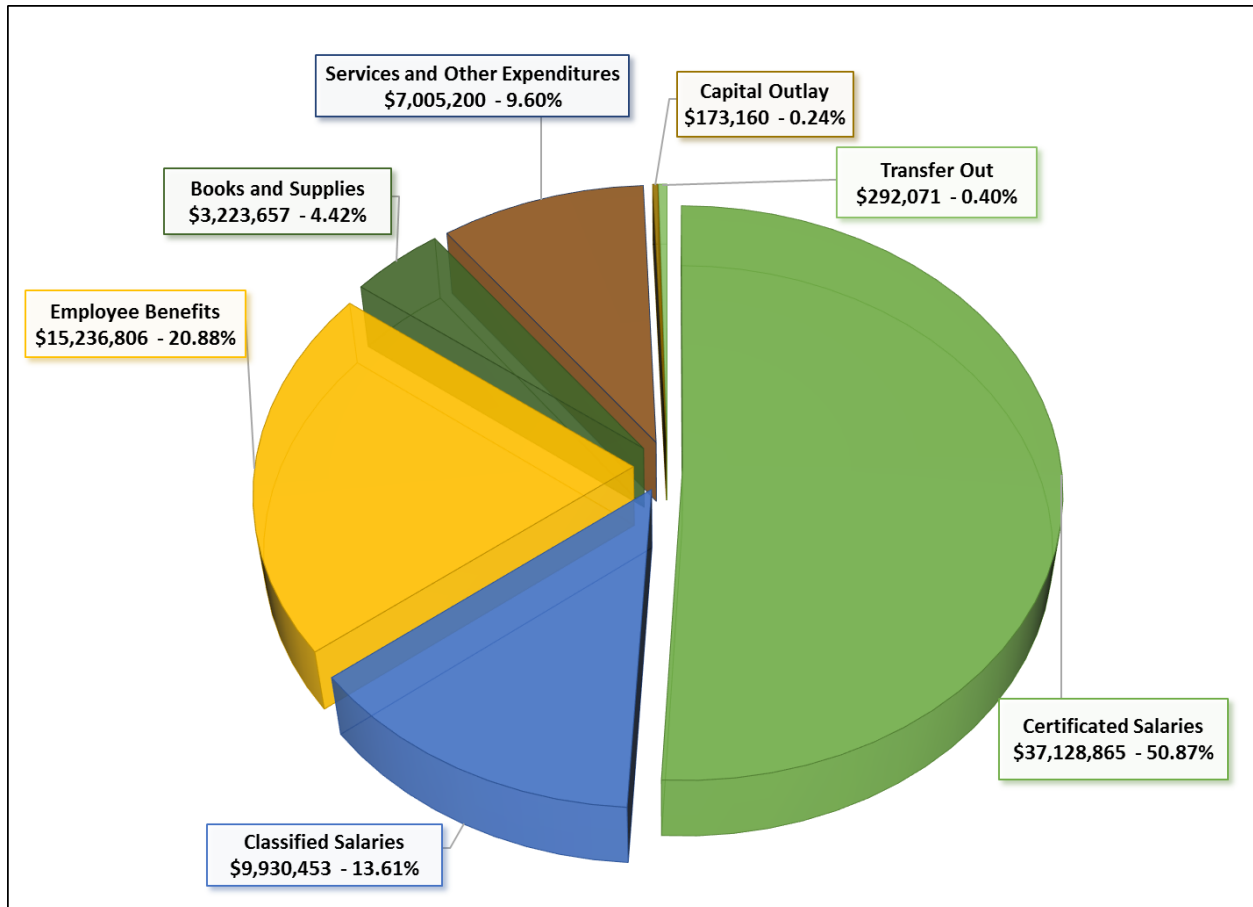
Capital Outlay are expenditures for items such as technology, equipment, and furniture with a purchase price over \$5,000. Other Outgo includes excess costs for special education regional programs.

Total expenditures decreased .43% from the First Interim due to the net effect of a decrease in projected salaries based on vacant positions and employees on a leave of absence and an increase in contractual obligations.

Total projected combined unrestricted and restricted expenditures at June 30, 2019 is \$106,965,071.

General Fund (01.0 and 01.1)	2018-2019 First Interim Budget Combined	2018-2019 Board Approved Budget	2018-2019 Second Interim Restricted	2018-2019 Second Interim Combined
Certificated Salaries	\$ 45,604,908	\$ 37,128,865	\$ 8,109,476	\$ 45,238,341
Classified Salaries	\$ 18,721,758	\$ 9,930,453	\$ 8,421,169	\$ 18,351,622
Benefits	\$ 20,979,678	\$ 15,236,806	\$ 5,821,676	\$ 21,058,482
STRS On-Behalf	\$ 3,221,386	\$ -	\$ 3,221,386	\$ 3,221,386
Books and Supplies	\$ 5,495,005	\$ 3,223,657	\$ 2,355,717	\$ 5,579,374
Services and Operating Expenses	\$ 10,250,671	\$ 7,005,200	\$ 3,417,214	\$ 10,422,414
Capital Outlay	\$ 1,389,247	\$ 173,160	\$ 1,217,690	\$ 1,390,850
Other Outgo-(excludes indirects)	\$ 1,783,957	\$ 551,293	\$ 1,173,742	\$ 1,725,035
Other Outgo-(indirects)	\$ (22,433)	\$ (259,222)	\$ 236,789	\$ (22,433)
<b>Total Expenditures</b>	<b>\$ 107,424,177</b>	<b>\$ 72,990,212</b>	<b>\$ 33,974,859</b>	<b>\$ 106,965,071</b>

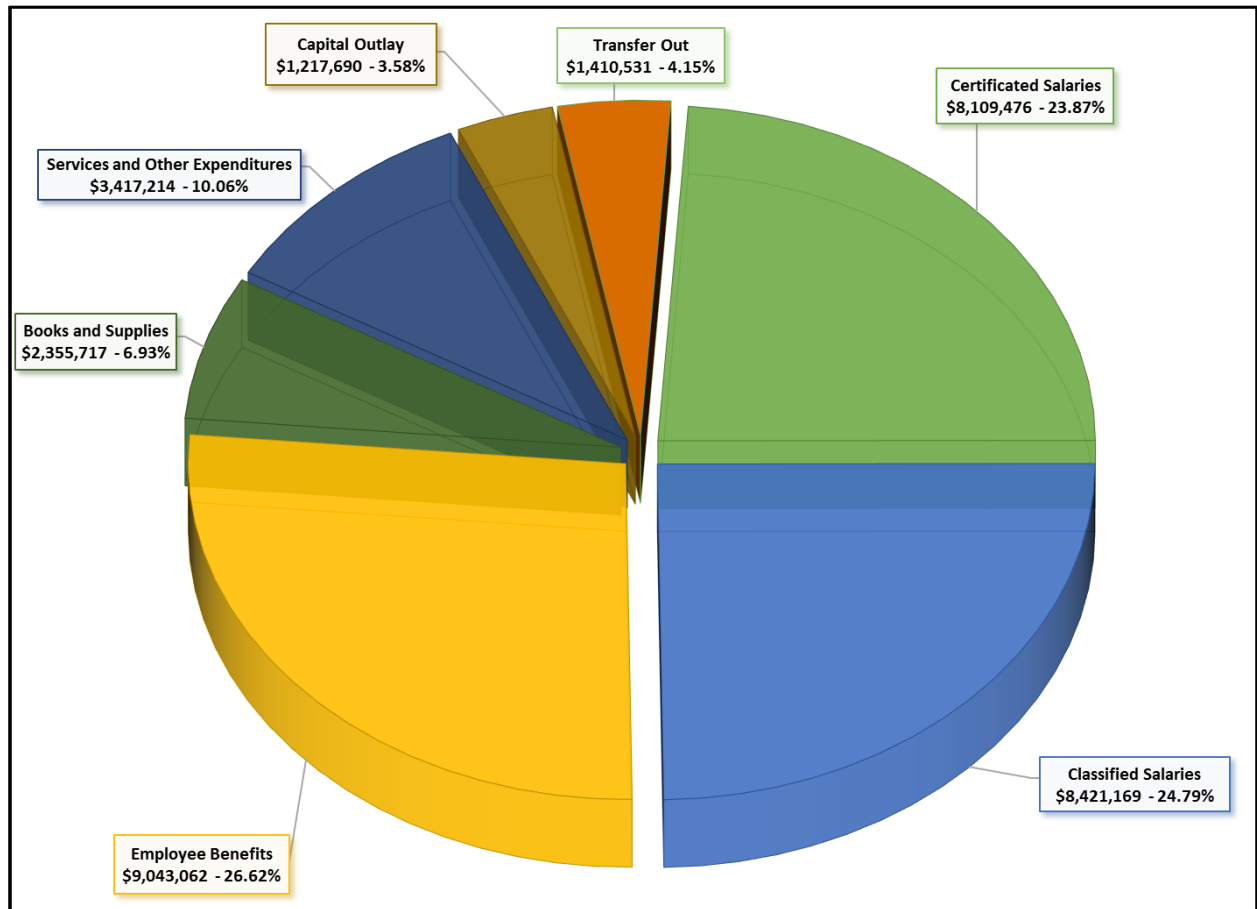
## Unrestricted Projected Expenditures



**Total Unrestricted Expenditures: \$72,990,212**

**85.36% of Expenditures Pays Employee Salaries  
and Benefits**

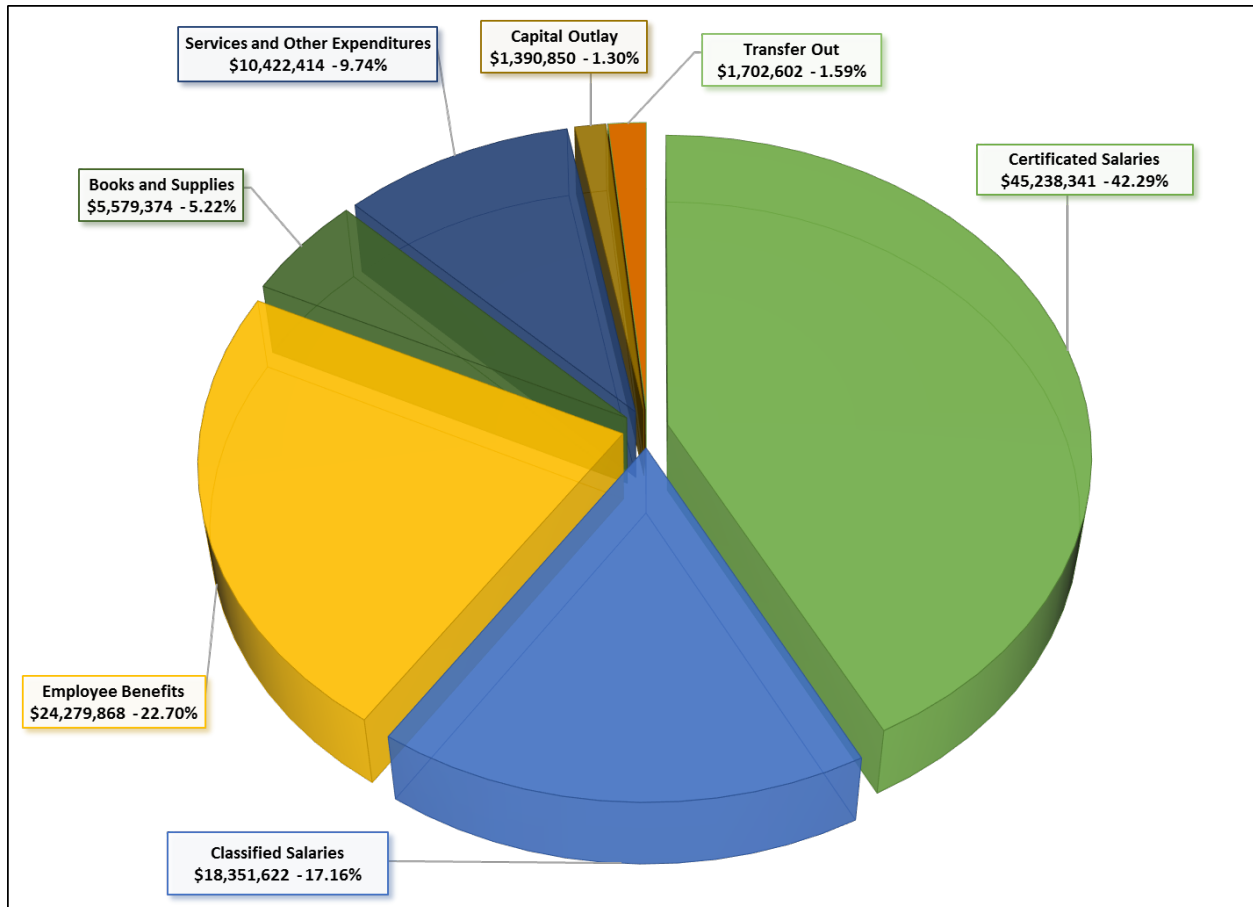
## Restricted Projected Expenditures



**Total Restricted Expenditures: \$34,105,201**

**75.28% of Expenditures Pays Employee Salaries  
and Benefits**

## Combined Projected Expenditures



**Total Combined Expenditures: \$106,965,071**

**82.15% of Expenditures Pays Employee Salaries and Benefits**

## Fund Balance and Reserve

The General Fund 01 combined beginning fund balance as of July 1, 2018 was \$13,419,651. The June 30, 2019 ending fund balance is projected to be \$9,447,944.

The unrestricted beginning fund balance as of July 1, 2018 was \$9,975,958. The June 30, 2019 Unrestricted ending fund balance is projected to be \$8,157,573.

The Restricted beginning fund balance as of July 1, 2018 was \$3,443,693. The June 30, 2019 Restricted ending fund balance is projected to be \$1,290,371. The projected ending fund balance includes two new block grants; Low-Performance Student Block Grant in the amount of \$411,013 and Classified School Employees Professional Development Block Grant in the amount of \$81,967.

The 2018-19 combined projected deficit of \$3,971,707 includes prior-years restricted carryover balances, included in expenditures, of \$1,490,885.

The State requires school districts to maintain a 3% reserve based on total combined expenditures. The 2018-2019 projected reserve requirement is \$3,208,951. The District is projected to meet the reserve obligation with a reserve of \$11,715,779 or 10.95% of expenditures. The District reserve includes Special Reserve Fund 17.0 in the amount of \$2,958,210. Fund 17.0 is being used to fund the increases in CalSTRS and CalPERS rates as they outpace revenues.

General Fund (01.0 and 01.1)	2018-2019 First Interim Budget Combined	2018-2019 Board Approved Budget	2018-2019 Second Interim Restricted	2018-2019 Second Interim Combined
<b>Subtotal Surplus/(Deficit)</b>	<b>\$ (4,800,456)</b>	<b>\$ (1,818,385)</b>	<b>\$ (2,153,322)</b>	<b>\$ (3,971,707)</b>
<b>Fund Balance</b>				
Beginning Fund Balance - July 1	13,419,651	9,975,958	3,443,693	13,419,651
Ending Fund Balance - June 30	8,619,195	8,157,573	1,290,371	9,447,944
Nonspendable	2,500	2,500	-	2,500
Restricted	941,478	-	1,290,371	1,290,371
Reserve - Fund 01	7,657,217	8,155,073	-	8,155,073
Reserve - Fund 17	2,958,210	-	-	2,958,210
<b>Unassigned Ending Fund Balance</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Available Reserves by Amount	10,615,427			11,113,283
<b>Total Available Reserves by Percent</b>	<b>9.88%</b>			<b>10.39%</b>

## Supplementary Information General Fund 01 – Breakdown of Ending Fund Balance

FUND 01 BEGINNING FUND BALANCE July 1, 2018	\$ 13,419,651
Other Restatements	\$ -
2018-19 Adjusted Beginning Fund Balance	<u>\$ 13,419,651</u>
Projected Increase/(Decrease) in Fund Balance	\$ (3,971,707)
Projected Fund 17-Reserve Ending Fund Balance	\$ 2,958,210
NET ESTIMATED ENDING FUND BALANCE JUNE 30, 2019	<u>\$ 12,406,154</u>
Projected Total Revenues/Transfers In Fund 01 and Fund 17	\$ 102,993,364
Projected Total Expenditures/Transfers Out Fund 01 and Fund 17	\$ 106,965,071
NET ESTIMATED ENDING FUND BALANCE - JUNE 30, 2019	<u><u>\$ 12,406,154</u></u>
<hr/>	
BREAKDOWN OF FUND 01 AND FUND 17 ENDING FUND BALANCE	
Restricted SELPA	\$ 570,988
Classified School Employee PD Block Grant	\$ 81,967
Low-Performing Students Block Grant	\$ 411,013
Other Restricted Local - Gifts and Donations	\$ 226,403
Revolving Cash	\$ 2,500
Reserve for Economic Uncertainties	\$ 11,113,283
NET ESTIMATED ENDING FUND BALANCE - JUNE 30, 2019	<u><u>\$ 12,406,154</u></u>



## Other Funds

Other Funds	July 1, 2018 Beginning Balance	2018-2019 Projected Revenues (+)	2018-2019 Projected Expenditures (-)	June 30, 2019 Projected Ending Balance
<b>SELPA Pass-Through (Fund 10)</b>	<b>7,173</b>	<b>37,304,332</b>	<b>37,304,332</b>	<b>7,173</b>
<b>Child Development Program (Fund 12)</b>	<b>53,062</b>	<b>456,598</b>	<b>496,685</b>	<b>12,975</b>
<b>Deferred Maintenance (Fund 14)</b>	<b>1,387,212</b>	<b>387,151</b>	<b>557,192</b>	<b>1,217,171</b>
<b>Special Reserve Other Than Capital Outlay Projects (Fund 17)</b>	<b>2,904,767</b>	<b>53,443</b>	<b>-</b>	<b>2,958,210</b>
<b>Building (Fund 21)</b>	<b>34,870,968</b>	<b>75,000</b>	<b>13,765,444</b>	<b>21,180,524</b>
<b>Capital Facilities (Fund 25)</b>	<b>12,277,608</b>	<b>3,777,057</b>	<b>6,320,000</b>	<b>9,734,665</b>
<b>Capital Project Blended Component Units (Fund 49)</b>	<b>29,128,420</b>	<b>1,679,750</b>	<b>6,787,453</b>	<b>24,020,717</b>
<b>Debt Services for Blended Component Units (Fund 52)</b>	<b>22,959,994</b>	<b>12,922,401</b>	<b>12,343,459</b>	<b>23,538,936</b>
<b>Debt Services (Fund 56)</b>	<b>12,792,434</b>	<b>1,310,019</b>	<b>800,000</b>	<b>13,302,453</b>
<b>Other Enterprise/Child Development Program (Fund 63) *</b>	<b>6,272,064</b>	<b>5,977,930</b>	<b>5,634,791</b>	<b>6,615,203</b>

*\*Ending Balance includes fixed assets of \$3.95MM and a reduction of \$2.67MM for net pension liability*

**FUND 10: SPECIAL EDUCATION PASS-THROUGH FUND:** The Saugus Union School District is the Administrative Unit (AU) for the Hart, Newhall, Sulphur Springs and Castaic school districts. This fund is for the AU to account for Special Education revenue passed through to the other member LEAs.

Revenues budgeted in this fund includes State special education apportionments, Federal local assistance under the Individuals with Disabilities Education Act, Federal preschool funding and State mental health funding. The 2018-19 projected Federal and State funding is \$8,842,471 and \$28,261,606, respectively. The 2018-19 ending balance is projected to be \$7,173 with all other funds being passed-through. Note: Special Education revenue that is not passed through to the other member LEAs is retained for use by the SELPA AU (Saugus is the administrative unit for the SELPA) in accordance with the local plan and is not accounted for in this fund; it is included in the General Fund 01.1.

**FUND 12: CHILD DEVELOPMENT FUND:** This fund is to account separately for State resources to operate Child Development Programs. The program includes three State Preschools located at Cedar creek, Rio Vista and Santa Clarita. Total revenues for the Child Development Programs are projected to be \$456,598 and total expenditures are projected at \$496,685. The projected ending balance of \$12,975 consists of a facilities grant.

**FUND 14: DEFERRED MAINTENANCE FUND:** This fund is to account separately for District contributions for deferred maintenance projects. Expenditures in this fund are for major building repairs such as HVAC, roofing, floor replacement, plumbing or other authorized replacements. The Deferred Maintenance account reflects no restricted revenue from State sources due to the State releasing the funding requirement and declaring those funds unrestricted. Due to implementation of the Local Control Funding Formula, funds are included in the base grant in the General Fund. The projected ending fund balance as

of June 30, 2019 is \$1,217,171. Total revenues includes projected interest in the amount of \$15,000 and \$372,151 transferred into Fund 14 from Fund 01. Expenditures include repairs and maintenance at the school sites based on a priority listing maintained by the District Maintenance & Operations department. Total projected expenditures for 2018-19 are \$557,192.

**FUND 17: SPECIAL RESERVE FOR OTHER THAN CAPITAL OUTLAY PROJECTS:** This fund is primarily to provide for the accumulation of general fund monies for general operating purposes other than for capital outlay. Transfers into Fund 17 from Fund 01 includes projected Santa Clarita Food Service revenue of \$18,443 and interest income of \$35,000. As a reserve fund there are no expenditures for 2017-18. The June 30, 2019 projected ending fund balance is \$2,958,210.

**FUND 21: BUILDING FUND:** Also known as the General Obligation Bond Fund. This fund exists primarily to account for proceeds from the sale of bonds and may not be expended for purposes other than those for which the bonds were issued. Current funds include the Lease Revenue bond, the Measure E bond, and Measure EE Bonds Series A and Series B. Total projected revenues for 2018-19 is \$75,000 in interest. Total projected expenditures for 2018-19 are \$13,765,444: This includes expenditures of \$11,575,444 for Measure EE Phase I and Phase II projects designated in the Measure EE Master Plan and administrative management costs; expenditures of \$935,000 from the Lease Revenue bond; and expenditures of \$1,255,000 from Measure E. The June 30, 2019 ending fund balance is projected to be \$21,180,524.

**FUND 25: CAPITAL FACILITY FUND:** Also known the Developer Fee Account, this fund is to account for monies received from fees levied on developers or other agencies as a condition of approving a development. The District currently receives Level II residential fees of \$2.52 per square foot of habitable space, Level III residential fees of \$5.04 per square foot of habitable space, and \$0.25 per square foot of commercial or industrial development. The interest earned in this fund is restricted to this fund. The expenditures in this fund are restricted to the purposes specified in agreements with the developer or specified in Government Code. Level I, Level II, Level III, Commercial fees, and interest for 2018-19 are projected at \$3,777,057. Expenditures for 2018-98, which includes building projects, overhead and administrative expenses, consulting fees for SFNA's, fair share mitigation analysis, and other related research and analysis, are projected at \$6,320,000. The balance sheet contains a liability of \$606,588 of Level III Developer Fees that will be refunded to developers when the State refunds the District for completed construction costs. The June 30, 2019 ending fund balance is projected to be \$9,734,665.

**FUND 49: CAPITAL PROJECT FUND FOR BLENDED COMPONENT UNITS:** This fund is to account for capital projects financed by Mello-Roos Community Facilities Districts. The Mello-Roos Community Facilities Act of 1982 allows the District to establish a CFD upon approval of 2/3 of the voters in the District. A CFD is for selling tax-exempt bonds to finance public improvements and services. Total revenues and expenditures are projected to be \$1,679,750 and \$6,787,453, respectively and account for the estimated June 30, 2019 ending fund balance of \$24,020,717.

**FUND 52: DEBT SERVICE FUND FOR BLENDED COMPONENT UNITS:** This fund is to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facility District. Total projected revenue of \$12,922,401 represents tax and interest income. Total projected expenditures of \$12,343,459 represents debt service payments and administrative expenses. The estimated June 30, 2019 ending fund balance is \$23,583,936.

**FUND 56: DEBT SERVICE:** This fund is to account for transfers authorized by the governing board from the General Fund and must be expended for capital outlay purposes. The use of the funds in this account are to support debt service payments for the Lease Revenue bond. Total projected revenue of \$1,310,019 represents interest income and funds transferred into the fund from various Mello-Roos Community Facility District Surplus School Facilities accounts. Total projected expenditures of \$800,000 represents debt service and administrative vendor payments. The estimated June 30, 2019 ending fund balance is \$13,302,453.

**FUND 63 OTHER ENTERPRISE FUND:** This fund is to account for any activity for which a fee is charged to external users for goods or services. The Child Development Programs (CDP) have been treated as an Enterprise Fund, because the programs are not subsidized by State or Federal funds and are operated with the intent of recovering the costs of the program through tuition charges and registration and other related fees. The Child Development Programs includes; preschool (1/2 day and full day), before school care, after school care, child-care for winter and spring breaks, and summer fun camp. Total projected revenues for 2018-19 are \$5,977,930. Total projected expenditures are \$5,634,791. The largest projected expenditures are certificated salaries, classified salaries, and employee benefits totaling \$4,160,619. The remaining expenditures includes operating fees, material and supplies, services, and other operating expenditures totaling \$1,238,215. In addition, \$235,957 is projected to be transferred from Fund 63 into Fund 01 for indirect costs, this represents 4% of gross revenue. The July 1, 2018 beginning balance is \$6,272,064, which includes: A 'paper only' adjustment to reflect the allocation of GASB 68 CalSTRS and CalPERS net pension liability and related deferred inflows/outflow that cumulatively reduces the beginning fund balance by \$2,691,236; and a reduction to the the beginning balance of \$278,043 due to fixed asset write-offs. The true beginning fund balance, excluding GASB 68, is \$8,963,300, which includes the value of the buildings and equipment (fixed assets) of \$3,959,511.

## Multi-Year Projections for General Fund – Fund 01

### Assumptions

The multi-year budget projections (MYP) for the First Interim Report utilizes the recommended assumptions published by the Los Angeles County Office of Education (LACOE). The multi-year revenue budget assumptions illustrate LCFF revenue fully funded, and an increase in enrollment with the understanding that some school sites are seeing growth while other school sites are experiencing declines. Expenditure projections include step and column increases for salaries, pension increases per CalSTRS and CalPERS, and CPI increases for non-salary related expenditures. The following are the budget assumptions used for the MYP:

Multi-Year Projection Assumptions	2018-2019 First Interim	2018-2019 Second Interim	2019-2020 Second Interim	2020-2021 Second Interim
LCFF GAP Funding %	100.00%	100.00%	100.00%	100.00%
Statutory COLA - LCFF	3.70%	3.70%	3.46%	2.86%
Statutory COLA - Other Programs	2.71%	2.71%	3.46%	2.86%
Enrollment (CALPADS October 3, 2018)	9,791	9,791	9,694	9,681
P2 ADA	9,491.72	9,492.88	9,397.86	9,385.26
Funded ADA (2018-2019 Funded on PY ADA)	9,646.67	9,646.67	9,492.88	9,397.86
Attendance Factor			96.95%	96.95%
Unduplicated Count % (3-year average)	27.84%	27.81%	27.81%	27.81%
MBG - One time funding (\$184/PY ADA)*	\$1,774,987	\$1,775,373	\$0	\$0
Lottery-Unrestricted; per ADA	\$151	\$151	\$151	\$151
Lottery-Restricted; per ADA	\$53	\$53	\$53	\$53
Certificated/Classified Step & Colum	1.00%	1.00%	1.00%	1.00%
Certificated Teacher FTEs	445.9	443.6	415.6	415.6
CalSTRS Employer Rate	16.28%	16.28%	18.13%	19.10%
CalPERS Employer Rate	18.062%	18.062%	20.70%	23.40%
CPI	3.66%	3.58%	3.18%	3.05%
Interest Rate for Ten-Year Treasuries	3.17%	2.87%	3.19%	3.19%

*\*There is no statutory guaranteed increase in funding in any given year until full implementation is reached. Therefore, LACOE states that if districts budget this increased revenue, they must have a contingency or alternative plan in place should these funds fail to materialize.*

## MYP Unrestricted Expenditures

	2018-2019 Second Interim Budget	2019-2020 Second Interim MYP	2020-2021 Second Interim MYP
<b>General Fund - Unrestricted</b>			
LCFF Revenue	81,751,682	83,382,115	84,716,636
Federal Revenue	342,900	-	-
State Revenue	3,655,601	1,833,163	1,823,750
Local Revenue	1,656,222	1,695,716	1,695,716
Transfers In	235,957	235,957	235,957
Contributions - SPED/Maint	(16,470,536)	(17,214,203)	(17,571,167)
<b>Total Revenue</b>	<b>71,171,826</b>	<b>69,932,748</b>	<b>70,900,892</b>
Certificated Salaries	37,128,865	35,140,774	35,484,802
Classified Salaries	9,930,453	10,029,757	10,130,055
Benefits	15,236,806	15,719,929	16,406,671
Books and Supplies	3,223,657	2,449,388	2,485,084
Services and Operating Expenses	7,005,200	7,241,485	7,475,317
Capital Outlay	173,160	173,160	173,160
Other Outgo-(excludes indirects)	551,263	551,263	551,263
Other Outgo-(indirects)	(259,223)	(259,223)	(259,223)
<b>Total Expenditure</b>	<b>72,990,181</b>	<b>71,046,533</b>	<b>72,447,129</b>
<b>Subtotal Surplus/(Deficit)</b>	<b>(1,818,355)</b>	<b>(1,113,785)</b>	<b>(1,546,237)</b>
<b>Fund Balance</b>			
Beginning Fund Balance - July 1	9,975,958	8,157,603	7,043,818
Ending Fund Balance - June 30	8,157,603	7,043,818	5,497,581
Nonspendable	2,500	2,500	2,500
Restricted	-	-	-
Reserve - Fund 01	8,155,103	7,041,318	5,495,081
<b>Unassigned Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## MYP Restricted Expenditures

	2018-2019 Second Interim Budget	2019-2020 Second Interim MYP	2020-2021 Second Interim MYP
<b>General Fund - Restriced</b>			
LCFF Revenue	-	-	-
Federal Revenue	3,300,606	3,242,502	3,242,502
State Revenue	4,947,848	4,829,346	4,430,186
Local Revenue	7,063,280	7,292,877	7,489,226
Transfers In	39,268	39,268	39,268
Contributions - SPED/Maint	16,470,536	17,214,203	17,571,167
<b>Total Revenue</b>	<b>31,821,538</b>	<b>32,618,196</b>	<b>32,772,349</b>
Certificated Salaries	8,109,476	8,189,743	8,270,812
Classified Salaries	8,421,169	8,504,214	8,588,090
Benefits	9,043,062	9,417,671	9,732,554
Books and Supplies	2,355,717	1,430,929	1,448,478
Services and Operating Expenses	3,417,214	3,288,868	3,312,008
Capital Outlay	1,217,690	72,000	72,000
Other Outgo-(excludes indirects)	1,173,742	1,199,519	1,199,519
Other Outgo-(indirects)	236,790	236,790	236,790
<b>Total Expenditure</b>	<b>33,974,860</b>	<b>32,339,734</b>	<b>32,860,251</b>
<b>Subtotal Surplus/(Deficit)</b>	<b>(2,153,322)</b>	<b>278,462</b>	<b>(87,902)</b>
<b>Fund Balance</b>			
Beginning Fund Balance - July 1	3,443,693	1,290,371	1,568,833
Ending Fund Balance - June 30	1,290,371	1,568,833	1,480,931
Nonspendable	-	-	-
Restricted	1,290,371	1,568,833	1,480,931
Reserve - Fund 01	-	-	-
<b>Unassigned Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## MYP Combined Expenditures

	2018-2019 Second Interim Budget	2019-2020 Second Interim MYP	2020-2021 Second Interim MYP
<b>General Fund - Combined</b>			
LCFF Revenue	81,751,682	83,382,115	84,716,636
Federal Revenue	3,643,506	3,242,502	3,242,502
State Revenue	8,603,449	6,662,509	6,253,936
Local Revenue	8,719,502	8,988,593	9,184,942
Transfers In	275,225	275,225	275,225
Contributions - SPED/Maint	-	-	-
<b>Total Revenue</b>	<b>102,993,364</b>	<b>102,550,944</b>	<b>103,673,241</b>
Certificated Salaries	45,238,341	43,330,517	43,755,614
Classified Salaries	18,351,622	18,533,971	18,718,145
Benefits	24,279,868	25,137,600	26,139,225
Books and Supplies	5,579,374	3,880,317	3,933,562
Services and Operating Expenses	10,422,414	10,530,353	10,787,325
Capital Outlay	1,390,850	245,160	245,160
Other Outgo-(excludes indirects)	1,725,005	1,750,782	1,750,782
Other Outgo-(indirects)	(22,433)	(22,433)	(22,433)
<b>Total Expenditure</b>	<b>106,965,041</b>	<b>103,386,267</b>	<b>105,307,380</b>
<b>Subtotal Surplus/(Deficit)</b>	<b>(3,971,677)</b>	<b>(835,323)</b>	<b>(1,634,139)</b>
<b>Fund Balance</b>			
Beginning Fund Balance - July 1	13,419,651	9,447,974	8,612,651
Ending Fund Balance - June 30	9,447,974	8,612,651	6,978,512
Nonspendable	2,500	2,500	2,500
Restricted	1,290,371	1,568,833	1,480,932
Reserve - Fund 01	8,155,103	7,041,318	5,495,080
Reserve - Fund 17	2,958,210	3,031,028	3,088,661
<b>Unassigned Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Available Reserves by Amount	11,113,313	10,072,346	8,583,741
<b>Total Available Reserves by Percent</b>	<b>10.39%</b>	<b>9.74%</b>	<b>8.15%</b>

## Appendix – Education Acronyms



### Acronyms

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AB	Assembly Bill
ACA	Assembly Concurrent Amendment or Affordable Care Act (also listed as PPACA)
ACR	Assembly Concurrent Resolution
ACSA	Association of California School Administrators
ADA	Average Daily Attendance
ADC	Actuarially Determined Contribution
AFSCME	American Federation of State, County, and Municipal Employees
AMO	Annual Measurable Objective
AMT	Alternative Minimum Tax
AP	Advanced Placement
API	Academic Performance Index
ARC	Annual Required Contribution
ASAM	Alternative Schools Accountability Model
ASCC	Activity Supervisor Clearance Certificate
ASES	After School Education and Safety Program
AU	Administrative Unit of a SELPA
AV	Assessed Value
AYP	Adequate Yearly Progress
BBA	Bipartisan Budget Act
BCLAD	Bilingual, Crosscultural, Language, and Academic Development
BCP	Budget Change Proposal
BIIG	Broadband Infrastructure Improvement Grant
BRL	Base Revenue Limit
BTSA	Beginning Teacher Support and Assessment
CAASPP	California Assessment of Student Performance and Progress
CADS	Consolidated Application Data System
CAHSEE	California High School Exit Examination
CALPADS	California Longitudinal Pupil Achievement Data System
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers' Retirement System
CALTIDES	California Longitudinal Teacher Integrated Data Education System
CalWORKs	California Work Opportunity and Responsibility to Kids
CAPA	California Alternate Performance Assessment
CARS	Consolidated Application and Reporting System
CASBO	California Association of School Business Officials
CASEMIS	California Special Education Management Information System
CASH	Coalition for Adequate School Housing
CBA	Collective Bargaining Agreement



CBEDS .....	California Basic Educational Data System
CBEST .....	California Basic Education Skills Test
CBIS .....	Course-based Independent Study
CCC.....	California Community Colleges
CCEE.....	California Collaborative for Educational Excellence
CCR.....	California Code of Regulations (Title 5) or Coordinated Compliance Review
CCSESA.....	California County Superintendents Educational Services Association
CCSS.....	Common Core State Standards
CDE .....	California Department of Education
CEA .....	Current Expense of Education
CEC .....	California Energy Commission
CELDT.....	California English Language Development Test
CEP .....	Community Eligibility Provision
CFR .....	Code of Federal Regulations
CFT.....	California Federation of Teachers
CHIP .....	Children’s Health Insurance Program
CLAD.....	Crosscultural, Language, and Academic Development
CMIS.....	Compliance Monitoring, Interventions, and Sanctions
CNIPS.....	Child Nutrition Information Payment System
COE.....	County Office of Education
COLA .....	Cost-of-Living Adjustment
COP.....	Certificate of Participation
CPI .....	Consumer Price Index
CPR .....	California Performance Review
CR .....	Continuing Resolution
CSAM .....	California School Accounting Manual
CSBA .....	California School Boards Association
CSEA.....	California School Employees Association
CSET .....	California Subject Examination for Teachers
CSFG.....	Charter School Facility Grant
CSFGP .....	Charter School Facility Grant Program
CSIS .....	California School Information Services
CSR .....	Class-Size Reduction or Comprehensive School Reform
CST .....	California Standards Test
CSTP .....	California Standards for the Teaching Profession
CTA .....	California Teachers Association
CTC .....	Commission on Teacher Credentialing
CTE .....	Career Technical Education
CTEIG.....	Career Technical Education Incentive Grant
CTO .....	Compensatory Time Off
DAC.....	District Advisory Committee

DACA ..... Deferred Action for Childhood Arrivals  
 DAIT ..... District Assistance and Intervention Team  
 DGS..... Department of General Services  
 DIR ..... Department of Industrial Relations  
 DIS ..... Designated Instruction and Services  
 DMP..... Deferred Maintenance Program  
 DOF ..... Department of Finance  
 DOJ ..... Department of Justice  
 DOL ..... Department of Labor  
 DSA ..... Division of the State Architect  
 DSS ..... Department of Social Services  
 EAAP..... Education Audit Appeals Panel  
 E.C..... Education Code  
 ECAA ..... Energy Conservation Assistance Act  
 ECE ..... Early Childhood Education  
 ED ..... U.S. Department of Education  
 EDGAR..... Education Department General Administrative Regulation  
 EEOC ..... Equal Employment Opportunity Commission  
 EERA..... Educational Employment Relations Act  
 EIA ..... Economic Impact Aid  
 EL..... English Learner or (ELL- English Language Learner)  
 ELA ..... English Language Arts  
 ELAC..... English Language Advisory Committee  
 ELAP ..... English Language Acquisition Program  
 ELPAC ..... English Language Proficiency Assessment for California  
 EPA ..... Education Protection Account  
 ERAF..... Education Revenue Augmentation Fund  
 ERP ..... Economic Recovery Payment or Emergency Repair Program  
 ERT ..... Economic Recovery Target  
 ESEA..... Elementary and Secondary Education Act  
 ESL..... English as a Second Language  
 ESSA..... Every Student Succeeds Act  
 ESY ..... Extended School Year  
 FAPE ..... Free and Appropriate Public Education  
 FCMAT ..... Fiscal Crisis & Management Assistance Team  
 FDPIR..... Food Distribution Program on Indian Reservations  
 FERPA ..... Family Educational Rights and Privacy Act  
 FLSA ..... Fair Labor Standards Act  
 FPM ..... Federal Program Monitoring  
 FRPM ..... Free and Reduced-Price Meals  
 FTE..... Full-Time Equivalent

GAAP .....	Generally Accepted Accounting Principles
GASB .....	Governmental Accounting Standards Board
GATE.....	Gifted and Talented Education
GDP.....	Gross Domestic Product
GF .....	General Fund
GSA.....	Grade Span Adjustment
GO.....	General Obligation (Bond)
GPA.....	Governor's Performance Award Program
HOUSSE .....	High Objective Uniform State Standard of Evaluation
HQT .....	Highly Qualified Teacher
HRA.....	Health Reimbursement Arrangement
HSA .....	Health Savings Account
IDEA .....	Individuals with Disabilities Education Act
IEP.....	Individualized Education Program
IHSS .....	In-Home Support Services
II/USP .....	Immediate Intervention/Underperforming Schools Program
IMFRP .....	Instructional Materials Funding Realignment Program
IRCA.....	Immigration Reform and Control Act
ISP.....	Identified Student Percentage
JLBC .....	Joint Legislative Budget Committee
JPA.....	Joint Powers Agreement or Joint Powers Authority
LAIF.....	Local Agency Investment Fund
LAO .....	Legislative Analyst's Office
LCAP.....	Local Control and Accountability Plan
LCFF .....	Local Control Funding Formula
LCI.....	Licensed Children's Institution (often used as a generic term to also encompass foster family homes and residential medical facilities)
LEA .....	Local Educational Agency
LEP.....	Limited English Proficient
LPP.....	Lease Purchase Program
LRE .....	Least Restrictive Environment
MAA .....	Medi-Cal Administrative Activities
MBG .....	Mandate Block Grant
MEP.....	Migrant Education Program
MOU .....	Memorandum of Understanding
MPP.....	Minimum Proportionality Percentage
MSA.....	Minimum State Aid
MTSS.....	Multi-Tiered Systems of Support
MYP.....	Multiyear Projection
NAEP.....	National Assessment of Educational Progress
NCES.....	National Center for Education Statistics

NCLB.....	No Child Left Behind
NOL .....	Net Operating Loss
NPS/A.....	Nonpublic School/Agency
NSLP .....	National School Lunch Program
NSS .....	Necessary Small School or Necessary Small SELPA
OAL .....	Office of Administrative Law
OMB .....	Office of Management and Budget
OPEB .....	Other Postemployment Benefits
OPSC .....	Office of Public School Construction
P-1.....	First Principal (Apportionment)
P-2.....	Second Principal (Apportionment)
PAR .....	Peer Assistance and Review
PARS.....	Public Agency Retirement Services
PCA .....	Project Cost Account
PEPRA .....	Public Employees' Pension Reform Act
PERB.....	Public Employment Relations Board
PI .....	Program Improvement
PIT.....	Personal Income Tax
PKS .....	Particular Kinds of Services
PL.....	Public Law (federal law)
PL 81-874.....	Public Law 81-874 (Federal Impact Aid)
PMIA.....	Pooled Money Investment Account
PMIB.....	Pooled Money Investment Board
PPACA .....	Patient Protection and Affordable Care Act
PPIC .....	Public Policy Institute of California
PRSP.....	Pension Rate Stabilization Plan
PSAA.....	Public Schools Accountability Act
PSSSA .....	Public School System Stabilization Account
PTA .....	Parent Teachers Association
QCR.....	Quality Control Review
QEIA.....	Quality Education Investment Act
QRIS.....	Quality Rating and Improvement Systems
QSCB .....	Qualified School Construction Bonds
QZAB .....	Qualified Zone Academy Bond
RDA.....	Redevelopment Agency
REU .....	Reserve for Economic Uncertainties
RFA .....	Request for Application
RMR .....	Regional Market Rate
ROC/P .....	Regional Occupational Center/Program
RRMA.....	Routine Restricted Maintenance Account
RROP .....	Regular Rate of Pay

RSDSS	Regional System of District and School Support
RS/PS	Regional Services/Program Specialist
RSP	Resource Specialist Program
RTI	Response to Intervention
S4	Statewide System of School Support
S/C	Supplemental and Concentration Grant
SAB	State Allocation Board
SACS	Standardized Account Code Structure
SAIT	School Assistance and Intervention Team
SALT	State and Local Taxes
SARB	School Attendance Review Board (County office level)
SART	School Attendance Review Team (School site level)
SARC	School Accountability Report Card
SAT-9	Stanford Achievement Test, Ninth Edition, Form T
SB	Senate Bill
SBAC	Smarter Balanced Assessment Consortium
SBE	State Board of Education
SCA	Senate Constitutional Amendment
SCE	State Compensatory Education
SCO	State Controller's Office
SCOTUS	Supreme Court of the United States
SCR	Senate Constitutional Resolution
SDC	Special Day Class
SEA	State Education Agency
SED	Severely Emotionally Disturbed
SEIU	Service Employees International Union
SELPA	Special Education Local Plan Area
SERAF	Supplemental Educational Revenue Augmentation Fund
SES	Socioeconomic Status or Supplemental Educational Services
SFA	School Food Authority
SFID	School Facility Improvement District
SFP	School Facility Program
SFSD	School Fiscal Services Division of CDE
SFSF	State Fiscal Stabilization Fund
SIG	School Improvement Grant
SIP	School Improvement Program
SLIBG	School and Library Improvement Block Grant
SMAA	School-Based Medi-Cal Administrative Activities
SNP	School Nutrition Program
SPI	State Superintendent of Public Instruction
SPSA	Single Plan for Student Achievement

SRR ..... Standard Reimbursement Rate  
SSI/SSP ..... Supplement Security Income/State Supplementary Payment  
SST ..... Student Study Team; also Student Success Team  
STAR ..... Standardized Testing and Reporting  
STEM ..... Science, Technology, Engineering, and Mathematics  
STR ..... Statewide Target Rate  
STRI ..... State Tax Research Institute  
SWD ..... Students with Disabilities  
SWP ..... Schoolwide Program  
TANF ..... Temporary Assistance for Needy Families  
TAS ..... Targeted Assistance School  
TIIG ..... Targeted Instructional Improvement Grant  
TK ..... Transitional Kindergarten  
TRANS ..... Tax and Revenue Anticipation Notes  
UCP ..... Uniform Complaint Procedure  
UP ..... Unduplicated Pupil  
UPP ..... Unduplicated Pupil Percentage