



SAN DIEGO COUNTY OFFICE OF EDUCATION

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Randolph E. Ward, Ed.D., Superintendent of Schools

**SUPERINTENDENT'S
OFFICE**

April 24, 2015

APR 23 2015

Mr. Phil Stover
Interim Superintendent
Sweetwater Union High School District
1130 Fifth Avenue
Chula Vista, CA 91911-2896

Subject: County Office Review of the 2014-15 Second Interim Report

Dear Mr. Stover:

In compliance with the provisions of Education Code Section 42130 et seq., our office has completed its review of the 2014-15 Second Interim report. The County Superintendent is required to review district financial reports to determine if the budget meets the criteria and standards for fiscal stability and allows the district to meet its financial obligations during the 2014-15 fiscal year and two subsequent years.

Our staff analyzed the report in the context of current law and any known budgetary changes proposed at the time of the review. **We concur with the positive certification** approved by the district's governing board.

Based upon our review, we did want to make special note of the following items:

No Deficit Spending

We note that the district projects that it will be able to meet 2014-15 operating expenses with current year revenue.

Multi-Year Projections

The district's multi-year projection incorporates the following key assumptions:

- LCFF gap funding estimated to be 32.19% for 2015-16 and 23.71% for 2016-17;
- LCFF ADA of 38,414 for 2015-16 and 38,380 for 2016-17;
- Unduplicated pupil count percentage of enrollment of 60.19% for 2015-16 and 59.4% for 2016-17;
- Routine Restricted Maintenance Account contribution at or above 3% beginning in 2015-16;
- Property taxes will increase/decrease by x% in 2015-16 and y% in 2016-17;
- STRS contribution will increase to 10.73% in 2015-16 and 12.58% in 2016-17; and
- PERS contribution will increase to 12.60% in 2015-16 and 15.00% in 2016-17.

We have reviewed the district's assumptions for the multi-year projection and they appear to be reasonable. Based upon these assumptions, the district will meet the required reserve percentages in 2015-16 and 2016-17.

Conclusion

We appreciate the district's efforts to ensure quality educational programs while preserving fiscal solvency. Should you have any questions concerning this review, please call me at (858) 292-3537.

Sincerely,



Brent Watson
Executive Director
District Financial Services

BW: SR

cc: Frank Tarantino, Board President, Sweetwater Union High School District
Karen Michel, Chief Financial Official, Sweetwater Union High School District