



Financial Statements
June 30, 2023

Saugus Union School District Community Facilities Districts

Independent Auditor's Report	1
Governmental Fund Financial Statements	
Balance Sheet – Governmental Fund	4
Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Fund	5
Fiduciary Fund Financial Statements	
Statement of Net Position – Fiduciary Funds	6
Statement of Change in Net Position – Fiduciary Funds.....	7
Notes to Financial Statements	8
Supplementary Information	
Combining Balance Sheet – Governmental Fund	17
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund.....	18
Combining Statement of Net Position – Fiduciary Funds	19
Combining Statement of Changes in Net Position – Fiduciary Funds.....	20
Notes to Supplementary Information.....	21
Independent Auditor's Report	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22
Schedule of Findings and Questioned Costs	
Financial Statement Findings	24
Summary Schedule of Prior Audit Findings.....	25



Independent Auditor's Report

The Governing Board
Saugus Union School District
Santa Clarita, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Saugus Union School District (the District) Capital Project Fund for Blended Component Units specific to the Community Facilities District (CFDs) No. 2000-1, 2002-1, 2004-1, 2005-1, 2006-1, 2006-2, 2015-1, and 2019-1, and the related Fiduciary Funds as of and for the year ended June 30, 2023, and the related notes to the 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 financial position of the Saugus Union School District Capital Project Fund for Blended Component Units specific to the Community Facilities Districts No. 2000-1, 2002-1, 2004-1, 2005-1, 2006-1, 2006-2, 2015-1, and 2019-1, and the related Fiduciary Funds, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Capital Project Fund for Blended Component Units and the related Fiduciary Funds are intended to present the financial position and the changes in financial position attributable to the transactions of those funds. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the District's Capital Project Fund for Blended Component Units and the related Fiduciary Funds. The combining statements as 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, combining statements as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024, on our consideration of the District's Capital Project Fund for Blended Component Units and the related Fiduciary Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Capital Project Fund for Blended Component Units and the related Fiduciary Funds internal control over financial reporting and compliance.

Rancho Cucamonga, California
February 5, 2024

Saugus Union School District
Community Facilities Districts
Balance Sheet – Governmental Fund
June 30, 2023

	<u>Capital Project Fund for Blended Component Units</u>
Assets	
Deposits and investments	\$ 23,124,819
Receivables	<u>113,582</u>
Total assets	<u><u>\$ 23,238,401</u></u>
Liabilities and Fund Balance	
Liabilities	
Overdrafts	\$ 127,858
Accounts payable	<u>740,404</u>
Total liabilities	<u>868,262</u>
Fund Balance	
Restricted for capital projects	<u>22,370,139</u>
Total liabilities and fund balance	<u><u>\$ 23,238,401</u></u>

Saugus Union School District
Community Facilities Districts
Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Fund
June 30, 2023

	<u>Capital Project Fund for Blended Component Units</u>
Revenues	
Other local sources	<u>\$ 4,441,955</u>
Expenditures	
Current	
Other outgo	15,134
Facility acquisition and construction	9,395,831
Debt service	
Interest and other	<u>1,066</u>
Total expenditures	<u>9,412,031</u>
Deficiency of Revenues over Expenditures	<u>(4,970,076)</u>
Other Financing Uses	
Transfers out	<u>(233,282)</u>
Net Change in Fund Balance	(5,203,358)
Fund Balance - Beginning	<u>27,573,497</u>
Fund Balance - Ending	<u><u>\$ 22,370,139</u></u>

Saugus Union School District
Community Facilities Districts
Statement of Net Position – Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
Assets	
Deposits and investments	\$ 24,004,286
Receivables	72,310
Other current assets	<u>12,902</u>
Total assets	<u><u>\$ 24,089,498</u></u>
Liabilities	
Accounts payable	<u>\$ 208,402</u>
Net Position	
Restricted for individuals, organizations, and other governments	<u><u>\$ 23,881,096</u></u>

Saugus Union School District
Community Facilities Districts
Statement of Change in Net Position – Fiduciary Funds
Year Ended June 30, 2023

	<u>Custodial Funds</u>
Additions	
Contributions	
Special tax assessments	\$ 13,670,180
Other local revenues	<u>141,015</u>
Total contributions	<u>13,811,195</u>
Investment earnings	
Interest	550,182
Unrealized loss on investments	<u>(89,095)</u>
Total investments earnings	<u>461,087</u>
Total additions	<u>14,272,282</u>
Deductions	
Payments to bondholders	14,719,796
Payments to other governments	<u>1,663,083</u>
Total deductions	<u>16,382,879</u>
Change in Fiduciary Net Position	(2,110,597)
Net Position - Beginning	<u>25,991,693</u>
Net Position - Ending	<u><u>\$ 23,881,096</u></u>

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Community Facilities District No. 2000-1, 2002-1, 2004-1, 2005-1, 2006-1, 2006-2, 2015-1, and 2019-1 (CFDs) of the Saugus Union School District (the District) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The financial statements include the Capital Project Fund for Blended Component Units and the related Fiduciary Funds specific to the Community Facilities District No. 2000-1, 2002-1, 2004-1, 2005-1, 2006-1, 2006-2, 2015-1, and 2019-1 of the Saugus Union School District. These funds are used to account for capital projects financed by Mello-Roos Community Facilities Districts and the receipt of special taxes for payment of debt required for the CFDs. These financial statements are not intended to present fairly the financial position and results of operations of the Saugus Union School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the CFDs are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The CFDs capital projects activity is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fiduciary funds account for the CFDs' receipt of special taxes and for the payment of debt using the flow of economic resources measurement focus and the accrual basis of accounting.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances lapse at June 30.

Overdrafts

The District reports a deficit position in the investment in county treasury as an overdraft for the amount demands on the country treasury exceed the amount of balance on which they can be drawn.

Fund Balance

As of June 30, 2023, fund balance of the Capital Project Fund for Blended Component Units is classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, voters or the laws or regulations of other governments.

Spending Order Policy

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 governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental fund	\$ 23,124,819
Fiduciary funds	<u>24,004,286</u>
Total deposits and investments	<u><u>\$ 47,129,105</u></u>

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

Cash with fiscal agent	\$ 30,998,347
Investments	<u>16,130,758</u>
Total deposits and investments	<u>\$ 47,129,105</u>

The Capital Project Fund for Blended Component Units ended the year with a negative balance in the Cash in County investment account of \$(127,858), which is presented as an overdraft.

Policies and Practices

The District is authorized under *California Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instrument; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

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

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Investment Pool and purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity in Days
Los Angeles County Treasury Investment Pool	\$ 13,921,176	933
First American Money Market Funds	<u>2,209,582</u>	20
Total	<u><u>\$ 16,130,758</u></u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Los Angeles County Treasury Investment Pool is not required to be rated, nor has it been rated as of June 30, 2023, and the First American Money Market Funds are rated AAA-mf by Moody's Investors Service.

Custodial Credit Risk - Deposits

This 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. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, the District's bank balance of \$30,748,347 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 3 - 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 data 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.

The District's fair value measurements are as follows at June 30, 2023:

Investment Type	Reported Amount	Fair Value Measurement Using Level 1 Inputs	Uncategorized
Los Angeles County Treasury Investment Pool	\$ 13,921,176	\$ -	\$ 13,921,176
First American Money Market Funds	2,209,582	2,209,582	-
Total	<u>\$ 16,130,758</u>	<u>\$ 2,209,582</u>	<u>\$ 13,921,176</u>

Note 4 - Receivables

Receivables for Governmental Funds at June 30, 2023, consisted of the following:

	Capital Project Fund for Blended Component Units						Total
	2000-1	2002-1	2006-1	2006-2	2015-1	2019-1	
Local Government Interest	\$ 42,601	\$ 6	\$ 294	\$ 1,412	\$ -	\$ 5,897	\$ 50,210
Other local sources	-	-	-	-	63,372	-	63,372
Total	<u>\$ 42,601</u>	<u>\$ 6</u>	<u>\$ 294</u>	<u>\$ 1,412</u>	<u>\$ 63,372</u>	<u>\$ 5,897</u>	<u>\$ 113,582</u>

Receivables for Fiduciary Funds at June 30, 2023, consisted of the following:

	Fiduciary Funds						Total
	2000-1	2002-1	2004-1	2005-1	2006-1	2006-2	
Local Government Interest	<u>\$ 14,572</u>	<u>\$ 6,930</u>	<u>\$ 1,659</u>	<u>\$ 8,347</u>	<u>\$ 26,106</u>	<u>\$ 12,534</u>	<u>\$ 72,310</u>

Note 5 - Accounts Payable

Accounts payable for Governmental Funds at June 30, 2023, consisted of the following:

	Capital Project Fund for Blended Component Units						Total
	2000-1	2005-1	2006-1	2006-2	2015-1	2019-1	
Other vendor payables	<u>\$ 60,688</u>	<u>\$ 8,024</u>	<u>\$ 65,522</u>	<u>\$ 23,540</u>	<u>\$ 58,174</u>	<u>\$ 524,456</u>	<u>\$ 740,404</u>

Accounts payable for Fiduciary Funds at June 30, 2023, consisted of the following:

	Fiduciary Funds						Total
	2000-1	2002-1	2004-1	2005-1	2006-1	2006-2	
Other vendor payables	<u>\$ 17,310</u>	<u>\$ 17,535</u>	<u>\$ 17,540</u>	<u>\$ 17,539</u>	<u>\$ 69,238</u>	<u>\$ 51,930</u>	<u>\$ 208,402</u>

Note 6 - Non-Obligatory Debt

Non-obligatory debt relates to debt issuances by the Community Facility Districts and the Saugus Union School District, as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the

Saugus Union School District
Community Facilities Districts
Notes to Financial Statements
June 30, 2023

bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and the bondholders and may initiate foreclosure proceedings. Special assessment debt of \$142,770,000 as of June 30, 2023, does not represent debt of the District and, as such, does not appear in the accompanying financial statements.

Non-Obligatory Debt Summary

The outstanding non-obligatory debt is as follows:

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue		
Special Tax Bonds						
2002-1 Series 2013	5/30/2013	2.00-7.00%	9/1/2033	\$ 13,585,000		
2006-1C Series 2013	8/22/2013	3.75-6.20%	9/1/2043	18,030,000		
2006-1 Series 2014 (Area 3) - Senior	8/27/2014	2.00-5.00%	9/1/2044	13,480,000		
2004-1 Series 2015 Refunding	6/18/2015	2.00-4.125%	9/1/2035	4,105,000		
2005-1 Series 2015 Refunding	6/18/2015	2.00-5.00%	9/1/2036	16,205,000		
2006-2 Series 2015 (Area 3)	8/20/2015	2.00-4.375%	9/1/2045	8,490,000		
2016 Special Tax Bonds (2006-1 Refunding)	2/18/2016	2.00-5.00%	9/1/2046	45,645,000		
2006-1 Series 2016 (Area 3)	3/1/2016	2.00-3.50%	9/1/2038	1,665,000		
2006-2 Series 2017 Refunding (Area 1)	7/26/2017	2.00-3.625%	9/1/2041	7,565,000		
2000-1 Series 2019 Refunding	12/3/2019	3.00-5.00%	9/1/2032	3,980,000		
2019-1 Series 2020	3/31/2020	2.88-4.00%	9/1/2049	9,275,000		
2006-1 / 2006-2 Series 2021A Refunding	2/25/2021	2.00-4.00%	9/1/2049	28,140,000		
2002-1 / 2006-1C Series 2023A Refunding	6/6/2023	4.00-5.00%	9/1/2043	20,475,000		
	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year	
Special Tax Bonds						
2002-1 Series 2013	\$ 10,615,000	\$ -	\$ (10,615,000)	\$ -	\$ -	
2006-1C Series 2013	15,410,000	-	(15,410,000)	-	-	
2006-1 Series 2014 (Area 3) - Senior	11,940,000	-	(250,000)	11,690,000	265,000	
2004-1 Series 2015 Refunding	3,385,000	-	(150,000)	3,235,000	165,000	
2005-1 Series 2015 Refunding	13,895,000	-	(525,000)	13,370,000	570,000	
2006-2 Series 2015 (Area 3)	7,475,000	-	(185,000)	7,290,000	190,000	
2016 Special Tax Bonds (2006-1 Refunding)	40,805,000	-	(1,010,000)	39,795,000	1,005,000	
2006-1 Series 2016 (Area 3)	1,360,000	-	(70,000)	1,290,000	65,000	
2006-2 Series 2017 Refunding (Area 1)	6,660,000	-	(295,000)	6,365,000	250,000	
2000-1 Series 2019 Refunding	3,435,000	-	(270,000)	3,165,000	275,000	
2019-1 Series 2020	9,225,000	-	(70,000)	9,155,000	80,000	
2006-1 / 2006-2 Series 2021A Refunding	27,525,000	-	(585,000)	26,940,000	605,000	
2002-1 / 2006-1C Series 2023A Refunding	-	20,475,000	-	20,475,000	530,000	
Total	\$ 151,730,000	\$ 20,475,000	\$ (29,435,000)	\$ 142,770,000	\$ 4,000,000	

Saugus Union School District
Community Facilities Districts
Notes to Financial Statements
June 30, 2023

Future payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2024	\$ 4,000,000	\$ 5,859,562	\$ 9,859,562
2025	4,580,000	5,924,182	10,504,182
2026	4,840,000	5,715,996	10,555,996
2027	5,115,000	5,498,714	10,613,714
2028	5,390,000	5,274,529	10,664,529
2029-2033	31,410,000	22,530,688	53,940,688
2034-2038	31,440,000	15,423,754	46,863,754
2039-2043	30,255,000	8,923,045	39,178,045
2044-2048	23,120,000	2,522,863	25,642,863
2049-2050	<u>2,620,000</u>	<u>104,650</u>	<u>2,724,650</u>
Total	<u>\$ 142,770,000</u>	<u>\$ 77,777,983</u>	<u>\$ 220,547,983</u>

Note 7 - Contingencies

Litigation

The District is not currently party to any legal proceedings related to the Community Facilities District.



Supplementary Information
June 30, 2023

Saugus Union School District

Saugus Union School District
Community Facilities Districts
Combining Balance Sheet – Governmental Fund
June 30, 2023

	CFD 2000-1	CFD 2002-1	CFD 2004-1	CFD 2005-1	CFD 2006-1	CFD 2006-2	CFD 2015-1	CFD 2019-1	Total Capital Project Fund for Blended Component Units
Assets									
Deposits and investments	\$ 3,957,118	\$ 615	\$ 59	\$ 229,242	\$ 8,603,090	\$ 9,016,663	\$ -	\$ 1,318,032	\$ 23,124,819
Receivables	42,601	6	-	-	294	1,412	63,372	5,897	113,582
Total assets	<u>\$ 3,999,719</u>	<u>\$ 621</u>	<u>\$ 59</u>	<u>\$ 229,242</u>	<u>\$ 8,603,384</u>	<u>\$ 9,018,075</u>	<u>\$ 63,372</u>	<u>\$ 1,323,929</u>	<u>\$ 23,238,401</u>
Liabilities and Fund Balance									
Liabilities									
Overdrafts	\$ -	\$ -	\$ -	\$ 43,488	\$ 79,333	\$ -	\$ 5,037	\$ -	\$ 127,858
Accounts payable	60,688	-	-	8,024	65,522	23,540	58,174	524,456	740,404
Total liabilities	<u>60,688</u>	<u>-</u>	<u>-</u>	<u>51,512</u>	<u>144,855</u>	<u>23,540</u>	<u>63,211</u>	<u>524,456</u>	<u>868,262</u>
Fund Balance									
Restricted	<u>3,939,031</u>	<u>621</u>	<u>59</u>	<u>177,730</u>	<u>8,458,529</u>	<u>8,994,535</u>	<u>161</u>	<u>799,473</u>	<u>22,370,139</u>
Total liabilities and fund balance	<u>\$ 3,999,719</u>	<u>\$ 621</u>	<u>\$ 59</u>	<u>\$ 229,242</u>	<u>\$ 8,603,384</u>	<u>\$ 9,018,075</u>	<u>\$ 63,372</u>	<u>\$ 1,323,929</u>	<u>\$ 23,238,401</u>

Saugus Union School District
Community Facilities Districts

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

	CFD 2000-1	CFD 2002-1	CFD 2004-1	CFD 2005-1	CFD 2006-1	CFD 2006-2	CFD 2015-1	CFD 2019-1	Total Capital Project Fund for Blended Component Units
Revenues									
Other local sources	<u>\$ 119,584</u>	<u>\$ 150,982</u>	<u>\$ 21,175</u>	<u>\$ 419,138</u>	<u>\$ 619,022</u>	<u>\$ 802,029</u>	<u>\$ 2,238,918</u>	<u>\$ 71,107</u>	<u>\$ 4,441,955</u>
Expenditures									
Current									
Other outgo	-	-	-	-	-	-	-	15,134	15,134
Facility acquisition and construction	414,776	158,732	21,213	730,016	1,349,656	1,966,225	2,238,918	2,516,295	9,395,831
Debt service									
Interest and other	<u>182</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>186</u>	<u>419</u>	<u>-</u>	<u>106</u>	<u>1,066</u>
Total expenditures	<u>414,958</u>	<u>158,732</u>	<u>21,213</u>	<u>730,189</u>	<u>1,349,842</u>	<u>1,966,644</u>	<u>2,238,918</u>	<u>2,531,535</u>	<u>9,412,031</u>
Deficiency of Revenues over Expenditures	<u>(295,374)</u>	<u>(7,750)</u>	<u>(38)</u>	<u>(311,051)</u>	<u>(730,820)</u>	<u>(1,164,615)</u>	<u>-</u>	<u>(2,460,428)</u>	<u>(4,970,076)</u>
Other Financing Uses									
Transfers out	<u>(233,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,282)</u>
Net Change in Fund Balance	(528,656)	(7,750)	(38)	(311,051)	(730,820)	(1,164,615)	-	(2,460,428)	(5,203,358)
Fund Balance - Beginning	<u>4,467,687</u>	<u>8,371</u>	<u>97</u>	<u>488,781</u>	<u>9,189,349</u>	<u>10,159,150</u>	<u>161</u>	<u>3,259,901</u>	<u>27,573,497</u>
Fund Balance - Ending	<u>\$ 3,939,031</u>	<u>\$ 621</u>	<u>\$ 59</u>	<u>\$ 177,730</u>	<u>\$ 8,458,529</u>	<u>\$ 8,994,535</u>	<u>\$ 161</u>	<u>\$ 799,473</u>	<u>\$ 22,370,139</u>

Saugus Union School District
Community Facilities Districts
Combining Statement of Net Position – Fiduciary Funds
Year Ended June 30, 2023

	CFD 2000-1	CFD 2002-1	CFD 2004-1	CFD 2005-1	CFD 2006-1	CFD 2006-2	CFD 2019-1	Total Custodial Funds
Assets								
Deposits and investments	\$ 2,376,546	\$ 888,562	\$ 728,748	\$ 3,155,488	\$ 8,905,002	\$ 3,610,679	\$ 4,339,261	\$ 24,004,286
Receivables	14,572	6,930	1,659	8,347	26,106	12,534	2,162	72,310
Other current assets	1,008	-	-	-	7,375	2,250	2,269	12,902
Total assets	<u>\$ 2,392,126</u>	<u>\$ 895,492</u>	<u>\$ 730,407</u>	<u>\$ 3,163,835</u>	<u>\$ 8,938,483</u>	<u>\$ 3,625,463</u>	<u>\$ 4,343,692</u>	<u>\$ 24,089,498</u>
Liabilities								
Accounts payable	\$ 17,310	\$ 17,535	\$ 17,540	\$ 17,539	\$ 69,238	\$ 51,930	\$ 17,310	\$ 208,402
Net Position								
Restricted for individuals, organizations, and other governments	<u>\$ 2,374,816</u>	<u>\$ 877,957</u>	<u>\$ 712,867</u>	<u>\$ 3,146,296</u>	<u>\$ 8,869,245</u>	<u>\$ 3,573,533</u>	<u>\$ 4,326,382</u>	<u>\$ 23,881,096</u>

Saugus Union School District
Community Facilities Districts
Combining Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2023

	CFD 2000-1	CFD 2002-1	CFD 2004-1	CFD 2005-1	CFD 2006-1	CFD 2006-2	CFD 2019-1	Total Custodial Funds
Additions								
Contributions								
Special tax assessments	\$ 666,661	\$ 1,355,083	\$ 355,275	\$ 1,705,814	\$ 6,296,398	\$ 2,786,946	\$ 504,003	\$ 13,670,180
Other local revenues	-	-	-	-	115,792	10,089	15,134	141,015
Total contributions	666,661	1,355,083	355,275	1,705,814	6,412,190	2,797,035	519,137	13,811,195
Investment earnings								
Interest	62,073	48,288	13,028	55,953	184,860	60,978	125,002	550,182
Unrealized loss on investments	(13,825)	(9,731)	(2,584)	(12,300)	(30,062)	(15,997)	(4,596)	(89,095)
Total investment earnings	48,248	38,557	10,444	43,653	154,798	44,981	120,406	461,087
Total additions	714,909	1,393,640	365,719	1,749,467	6,566,988	2,842,016	639,543	14,272,282
Deductions								
Payments to bondholders	431,917	2,893,740	300,532	1,161,846	7,411,989	2,066,947	452,825	14,719,796
Payments to other governments	-	150,958	21,174	411,163	467,196	612,248	344	1,663,083
Total deductions	431,917	3,044,698	321,706	1,573,009	7,879,185	2,679,195	453,169	16,382,879
Change In Fiduciary Net Position	282,992	(1,651,058)	44,013	176,458	(1,312,197)	162,821	186,374	(2,110,597)
Net Position - Beginning	2,091,824	2,529,015	668,854	2,969,838	10,181,442	3,410,712	4,140,008	25,991,693
Net Position Ending	<u>\$ 2,374,816</u>	<u>\$ 877,957</u>	<u>\$ 712,867</u>	<u>\$ 3,146,296</u>	<u>\$ 8,869,245</u>	<u>\$ 3,573,533</u>	<u>\$ 4,326,382</u>	<u>\$ 23,881,096</u>

Note 1 - Purpose of Schedules

Combining Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

The Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances are included to provide information regarding the individual CFDs that have been included in the Governmental Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Combining Statement of Net Position and Statement of Changes in Net Position

The Combining Statement of Net Position and Statement of Changes in Net Position is included to provide information regarding the individual CFDs that have been included in the Fiduciary Funds Statement of Net Position and Statement of Changes in Net Position.



Independent Auditor's Report
June 30, 2023

Saugus Union School District



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

To the Governing Board
Saugus Union School District
Santa Clarita, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Saugus Union School District (the District) Capital Project Fund for Blended Component Units and the related Fiduciary Funds, as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated February 5, 2024.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Capital Project Fund for Blended Component Units and the related Fiduciary Funds are intended to present the financial position and the changes in financial position attributable to the transactions of those funds. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

Report on Compliance and Other Matters

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California
February 5, 2024



Schedule of Findings and Questioned Costs
June 30, 2023

Saugus Union School District

None reported.

None reported.