Santee School District

Transforming Tomorrow Today

2015-16
Adopted Budget
User Friendly Version

SANTEE SCHOOL DISTRICT

2015-16 User Friendly Budget

Board of Education

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Board President's Message

Without a doubt, one of the most important actions taken by the Santee School District Board of Education is the adoption of the District's annual budget. The budget sets direction for educational programs and services which support the District's Vision and Mission. Continued implementation of the Common Core State Standards (CCSS) and the Smarter Balanced Assessment (SBAC) system will require dedicated financial resources and significant staff development. We must be cognizant of our needs in tandem with the financial effects of these demands in the upcoming fiscal year.

California uses a funding distribution system, called the Local Control Funding Formula (LCFF), to allocate revenue to Districts. The LCFF requires Districts to develop and adopt a Local Control Accountability Plan (LCAP). The LCAP consists of goals to address the State's eight priorities along with specific actions designed to increase and/or improve services for students. The LCAP development process includes strategic and widespread efforts to collect input from stakeholders and the community. Annually in June, the LCAP is adopted at the same time as the budget, thereby linking resources with actions to improve academic achievement.

At the heart of Santee's LCAP is a 1:1 Digital Learning Program. The District has embarked on an exciting multi-year journey to give every student a digital device to enhance their learning. Providing digital resources of this magnitude requires a significant investment in support staff, infrastructure, professional development, devices, on-line educational resources, and an on-going replacement/refreshment plan. The Board of Education and Administration believe the Digital Learning Initiative will transform student learning and accelerate improvement in academic achievement for all students.

As always, we sincerely appreciate the help and support of the Santee community in assuring all Santee School District students are well prepared for the future.

Please visit the District web site at www.santeesd.net to obtain the latest information on the District's budget.

Dustin Burns
President, Board of Education

Superintendent's Message

Santee School District has a long-standing history of providing a high-quality education for all of our students. Through the astute allocation of financial resources, strong and effective educational programs are implemented. Proudly, all of the Santee District schools are considered by the State of California as high-performing. Clearly, student learning is the Board of Education's primary focus when developing a budget for the upcoming school year.

The State of California's funding method for Districts is called the Local Control Funding Formula (LCFF). Now in its third year, the LCFF requires every District to develop and adopt a Local Control Accountability Plan (LCAP). The LCAP development process reaches out to all stakeholders for input on addressing the Eight State Priorities. The final LCAP contains specific action steps and services designed to improve student learning, along with the costs associated with each step. The LCAP is adopted in June at the same time the District's budget is approved.

Santee School District's LCAP goals, action steps, and services are designed to provide a high-quality 21st Century education for all students, empower all students to attain academic excellence, and for the District to remain an innovative educational leader. At the heart of our LCAP is the Digital Learning Initiative, which is a comprehensive plan to improve learning through the strategic and purposeful use of technology. In 2014-15, the LCAP designated District funds to purchase a device for every student in grades 3-5 and a host of cutting-edge online programs. In 2015-16, students in grades 6-8 will receive their device and then in 2016-17 students in K-2 are scheduled to have their device. When fully implemented, every student in the Santee School District will have their own digital device, such as an iPad, to use as a tool for learning both on and off campus. To enhance and advance learning, teachers will participate in on-going professional development, digital instructional materials will be selected, and the technology infrastructure will be upgraded. Santee School District believes in the power of every student having a device and providing access to the world while learning. We believe our 1:1 Digital Learning Program will enhance learning and help prepare your children for success in high school, college, and career.

Adoption of the District's budget requires completion of a lengthy document called the Standardized Account Code Structure (SACS) Form, which is submitted to the San Diego County Office of Education and the California State Department of Education for approval. Although this form is the "official budget," it is cumbersome and not very "user-friendly." Therefore, this "user-friendly" version was developed for the Governing Board to share the financial condition of the District with the community and staff. The complete SACS document is on file in the Business Office at 9625 Cuyamaca Street, Santee, CA, copies of which are available upon request.

Dr. Cathy Pierce
Superintendent

Fiscal Philosophy

The District's philosophy of managing its finances and expending its resources is encapsulated in the charts on the next two pages. The first chart depicts the fact that the District must use its limited funds to purchase the following resources at the best prices:

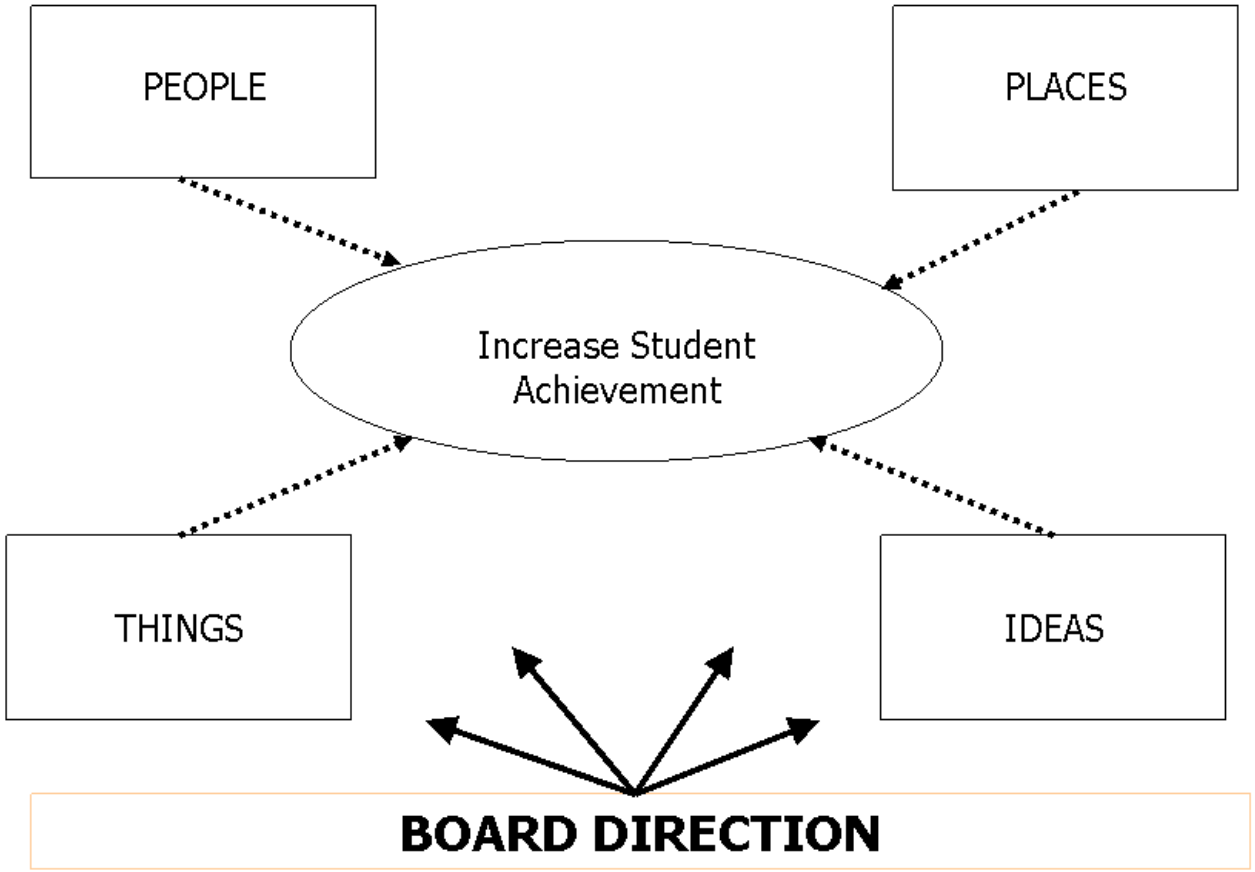
- ✓ **People** – Quality staff who are appreciated and paid justly and fairly
- ✓ **Places** – Facilities maintained in good repair and working order
- ✓ **Things** - Computers, printers, copiers, pencils, paper, textbooks, office supplies, and instructional supplies
- ✓ **Ideas** - Software, curriculum, and innovate teaching strategies

These resources are then focused on one over-arching goal: **increasing student achievement**. A public school district will never have enough funds to pay for everything wanted and needed. Therefore, the Board of Education gives direction to administration, through the Budget document, as to its funding priorities and where the resources should be focused. At times, because of limited resources, these priorities are developed from a series of choices or trade-offs such as "do we increase salary for our People to attract and retain the best, or do we buy more Things like computers to increase the use of instructional technology?" The Annual Adopted Budget then can be viewed as a tool by which the Board communicates its values and priorities for that year to staff and the community.

The second Fiscal Philosophy Chart depicts the way the District chooses to make the choices that it must regarding its finances. At the center is the Financial Purpose proclaiming that the District is proactive and takes its fiscal responsibility very seriously. To that end, the District's culture reflects certain values that drive decision-making. Specifically, District administration and the Board believe in accurately accounting for every dollar and fully disclosing information to stakeholders as it becomes available through constant monitoring and evaluation of data.

With these values as the foundation, the District then uses certain strategies to manage its finances and promote fiscal health. These strategies are divided into two categories: independent and dependent. The independent strategies are those that do not depend on other strategies for success. In other words, the District can actively **Maximize Revenues**, AND/OR **Minimize Costs**, AND/OR **Protect Assets** and be successful at any one or all of them. However, to be able to **Promote Flexibility** and give the District some choices in spending, **Focus Resources** in the areas of most importance, and **Reward Employees** with fair and just compensation, it must first be successful at doing all of the independent strategies. In other words, the District will find it difficult to have flexibility in spending to focus resources and reward employees if it doesn't first maximize revenues, minimize costs, and protect its assets.

THE TARGET:


PEOPLE
PLACES
Increase Student Achievement
THINGS
IDEAS
BOARD DIRECTION

- - -CORE VALUES - - -

Accurate Accounting	Full Disclosure	Constant Monitoring	Honest Evaluation

Financial Purpose:
With integrity and honor, we proactively manage the finances of the District to promote fiscal health; considering every dollar precious in maximizing educational benefits to children consistent with the District's goals and objectives.

- - -STRATEGIES - - -

Independent:	Maximize Revenues	Control Costs	Protect Assets
Dependent:	Promote Flexibility	Focus Resources	Reward Employees

Budget Assumptions

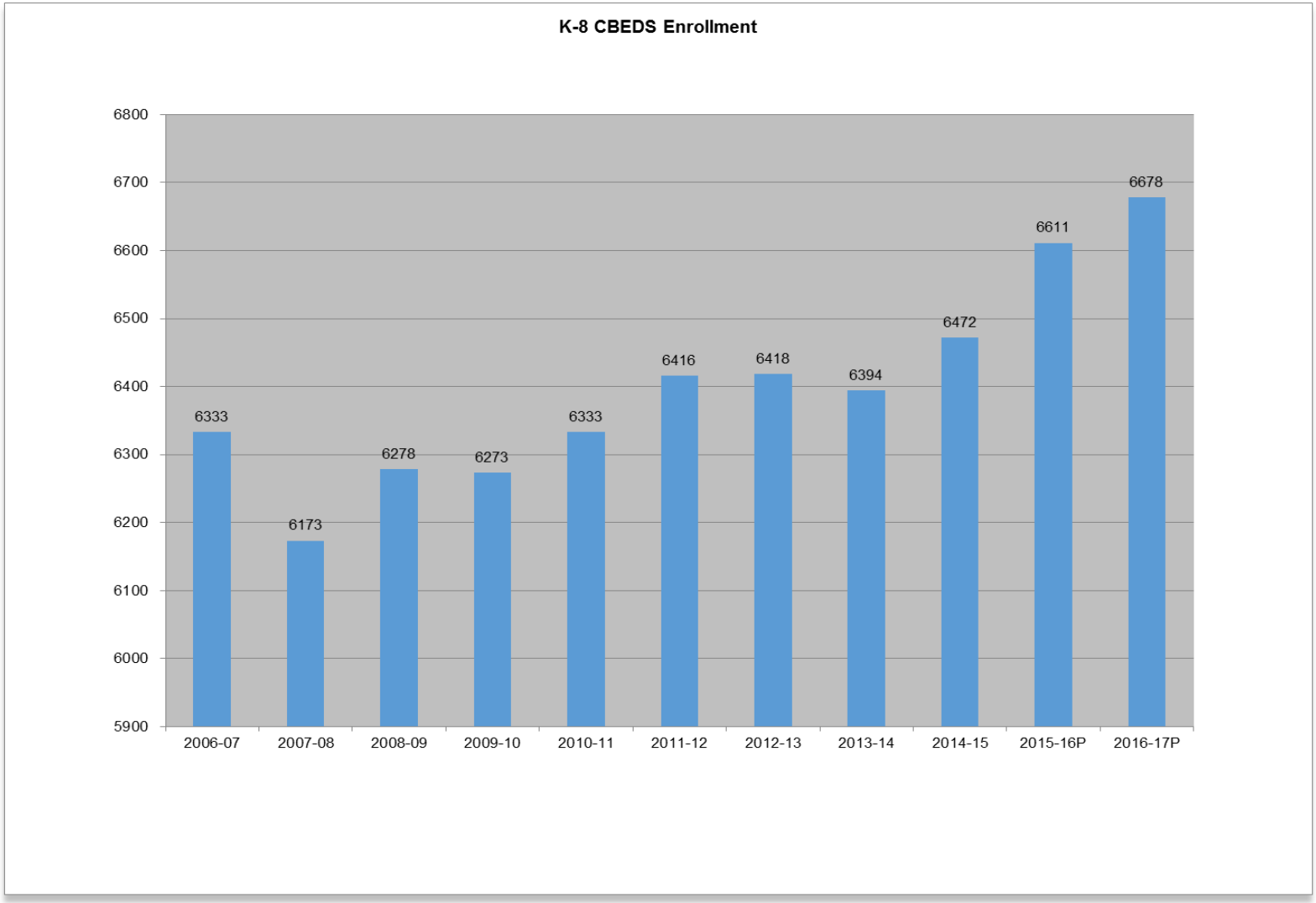
The District's budget is developed each year using a set of assumptions. These assumptions represent the best-known information at the time of development and reflect the latest projections of funding from the State of California and the Federal Government. 40% or more of the State's General Fund budget goes toward funding for public education so the District's budget is based almost entirely on what is reported at the State level. Unfortunately, the adoption of the District's budget in June rarely coincides with the adoption of the State's budget. The District's Adopted Budget then is based on the latest report from the State outlining its intentions for the following year; otherwise known as the "May Revise."

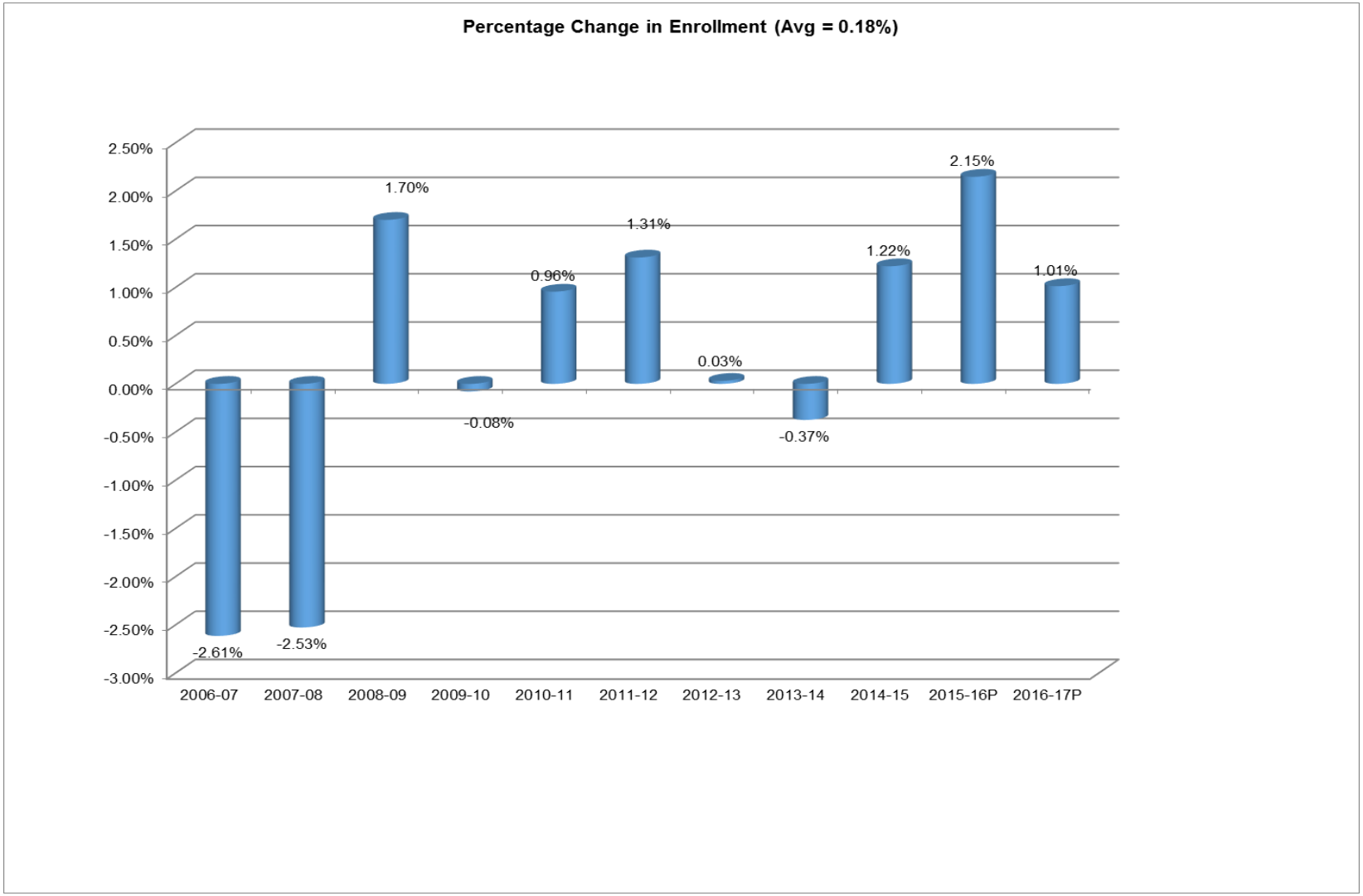
While the May Revise generally reflects the final funding levels that will appear in the State's Adopted Budget, some changes do occur. Therefore, the District's Adopted Budget should be viewed as a preliminary snapshot of projected revenues and expenditures for the coming year, which may change when the State's final budget is approved. These changes are made using a series of budget revisions that are taken to the Board for approval throughout the year as more accurate information becomes available. The remainder of this User Friendly Budget document contains references to many of the most significant budget assumptions.

Enrollment and ADA Trends

The interplay between the number of students enrolled in the District and the average number that actually attend on any given day can have serious consequences to the District's revenue. Over half of the revenue received in the District pertains directly to the actual attendance of students. Furthermore, the District only receives money for a student's attendance, NOT for their enrollment. Therefore, the District monitors attendance trends and enrollment very closely. The following charts depict some historical trends related to enrollment and ADA (average daily attendance):

1) Total Enrollment as of the first week of October (CBEDS day or California Basic Education Data System) for previous years and projections for the budget year and two subsequent years.
2) Percentage Change in enrollment from year to year.
3) Enrollment by Grade Level for previous years and the projected budget year.
4) Enrollment and ADA for previous years and the projected budget year.


K-8 CBEDS Enrollment
6800
6700
6600
6500
6400
6300
6200
6100
6000
5900
6333
6173
6278
6273
6333
6416
6418
6394
6472
6611
6678
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16P
2016-17P


Percentage Change in Enrollment (Avg = 0.18%)
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
-0.50%
-1.00%
-1.50%
-2.00%
-2.50%
-3.00%
-2.61%
-2.53%
1.70%
-0.08%
0.96%
1.31%
0.03%
-0.37%
1.22%
2.15%
1.01%
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16P
2016-17P

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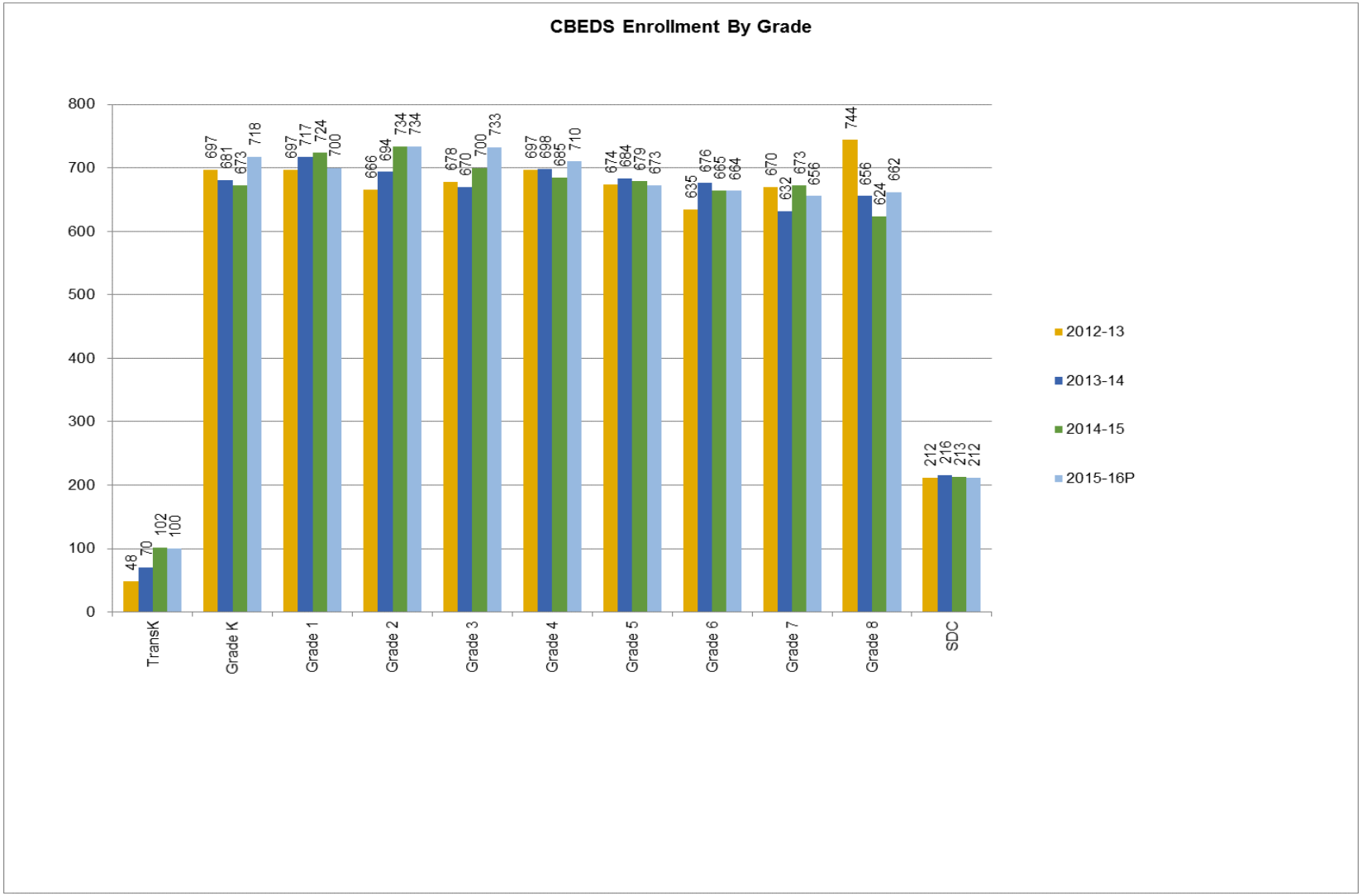

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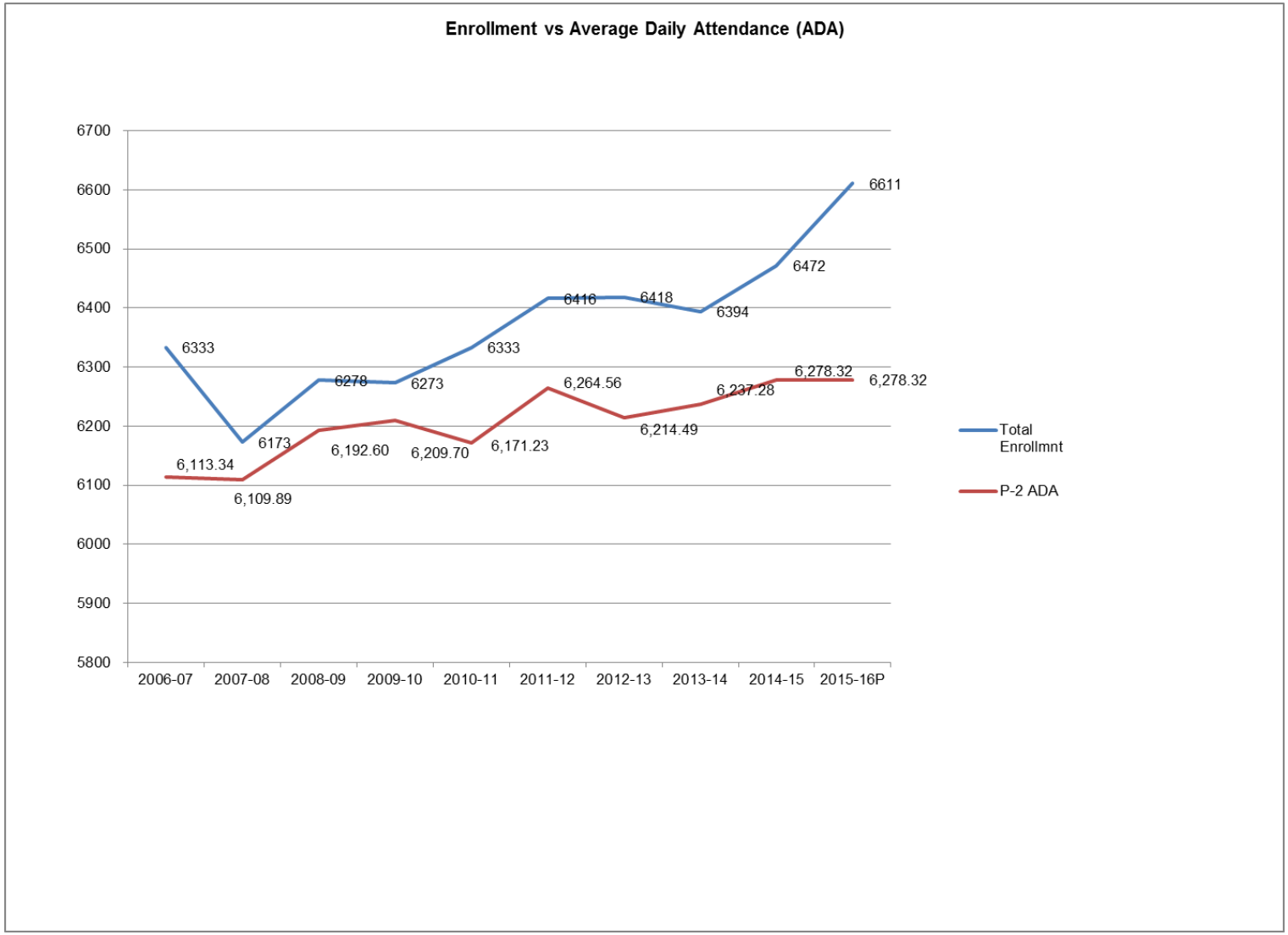

Fund Accounting

The District uses Fund Accounting methods, governed by the Governmental Accounting Standards Board (GASB), whereby funds are divided into separate "accounting entities," each designating a separate and unique purpose for the monies accounted for within the fund. The funds currently maintained by the District and reported in the Adopted Budget are listed below:

Fund Number	Fund Description	Fund Purpose
3 and 6	General Fund	Reports the revenues and expenditures associated with the District's general operations. This fund is sub-divided into Unrestricted (Fund 3) and Restricted (Fund 6) sources and uses.
12	CDC/State Preschool Fund	Reports the revenues and expenditures associated with the District's Federal and State funded child development and preschool program.
13	Cafeteria Fund	Reports the revenues and expenditures associated with the District's Federal and State funded program for feeding students breakfast, lunch, and snacks.
14	Deferred Maintenance Fund	Reports the revenues and expenditures associated with the District's contribution and the State's match for performing major repairs and maintenance of facilities.
17	Special Reserve Other Than for Capital Outlay	Reports the revenues and expenditures associated with funds set aside by the Governing Board for economic uncertainties above the 3% required by law.
21	Building Fund	Reports the revenues and expenditures associated with General Obligation Bond proceeds.
25	Capital Facilities Fund	Reports the revenues and expenditures associated with the collection and use of Developer Fees and Redevelopment Agency Funds.
35	County School Facilities Fund	Reports the revenues and expenditures associated with monies received from the State School Facility Program for constructing and modernizing schools.
40	Special Reserve for Capital Outlay	Reports the revenues and expenditures associated with the District's solar initiative and technology reserve.
63	Enterprise Fund	Reports the revenues and expenditures associated with funds received from participants in the District's Out of Schooltime Programs.

Projected Revenues, Expenditures, and Changes To Fund Balance For All District Funds

The tables on the next two pages are a snapshot of all District funds and the projected income, outgo, and change to the fund balance of each. Income includes funds received from outside sources (such as the Federal or State Government) as well as those received from other funds within the District. Outgo includes expenditures for salaries, benefits, books, equipment, debt service, and transfers to other funds within the District. It also includes indirect/direct costs credited to the Unrestricted General Fund and charged to other funds. This is usually done by calculating a percentage of the total expenditures of a special fund or restricted revenue source (this percentage is determined by the State and changes each year) and transferring these amounts to the Unrestricted General Fund. This essentially reimburses the Unrestricted General Fund (reduces its expenditures) for the administrative overhead costs incurred for the operation of the other funds or restricted revenue sources.

Outgo also includes a line item called “Contributions To Restricted Programs” which represents the amount the Unrestricted General Fund must supplement a Restricted Funding source in order for its revenue to equal its expenditures. Most programs within the District are required to be self-supporting (i.e. to make enough revenue to support their expenditures) but a few are not. These include Special Education and Routine Restricted Maintenance.

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Description	General Fund Unrest	General Fund Rest	General Fund Ttl	Child Dev Fund	Cafeteria Fund	Deferred Maint Fund	Special Reserve Fund 17	Special Reserve Fund 40
INCOME:								
LCFF Sources	47,155,393	238,471	47,393,864	0	0	0		
Federal Revenue	80,883	2,258,724	2,339,607	0	1,467,989	0		50,773
Other State Revenue	4,433,076	576,751	5,009,827	232,923	107,574	0		
Other Local Revenue	206,076	3,465,111	3,671,187	100	727,638	1,083	11,642	95,940
Interfund Transfers In	20,170	0	20,170	0	0	535,000		1,439,236
Other Sources	0	0	0	0	0			
Total Income	**51,895,598**	**6,539,058**	**58,434,655**	**233,023**	**2,303,201**	**536,083**	**11,642**	**1,585,949**
OUTGO:								
Certificated Salaries	22,757,597	4,609,765	27,367,362	67,418				
Classified Salaries	5,311,490	2,591,795	7,903,285	92,650	878,444			
Employee Benefits	6,825,750	1,832,006	8,657,756	36,213	206,108			
Books and Supplies	3,179,513	948,180	4,127,693	21,613	1,085,277			
Services, Other Operating Expenses	2,841,956	1,349,651	4,191,607	5,500	90,017	568,077		33,330
Capital Outlay	677,143	129,784	806,927	0	15,000	69,831		
Other Outgo	1,051,267	0	1,051,267	0				244,385
Transfers of Indirect/Direct Costs	-579,296	472,269	-107,027	9,629	97,399			
Interfund Transfers Out	849,236	0	849,236				590,000	
Other Uses	0	0	0					
Contributions to Restricted Programs	5,380,219	-5,380,219	0	0	0			
Total Outgo	**48,294,875**	**6,553,231**	**54,848,106**	**233,023**	**2,372,245**	**637,908**	**590,000**	**277,715**
Change in Fund Balance	**3,600,723**	**-14,174**	**3,586,549**	**0**	**-69,044**	**-101,825**	**-578,358**	**1,308,234**
Projected Beginning Fund Balance	7,049,438	175,271	7,224,709	0	488,313	101,825	3,475,713	438,047
Projected Ending Fund Balance	**10,650,161**	**161,098**	**10,811,259**	**0**	**419,269**	**0**	**2,897,355**	**1,746,281**
Committed Fund Balance	0	0	0			0		
Non-Spendable Fund Balance	444,213		444,213					
Restricted Fund Balance	0	161,098	161,098	0	419,269			1,746,281
Assigned Fund Balance	224,718		224,718					
Unassigned - Economic Uncertainty	1,645,443	0	1,645,443				2,897,355	
Remaining Unassigned	**8,335,787**	**0**	**8,335,787**	**0**	**0**	**0**	**0**	**0**

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Description	Building Fund	Capital Facilities Fund	School Facilities Fund	Enterprise Fund 63	Yale	Project SAFE
INCOME:						
LCFF Sources						
Federal Revenue						
Other State Revenue						
Other Local Revenue	0	550,250	500	2,719,997	796,172	1,923,825
Interfund Transfers In	0			0	0	0
Other Sources						
Total Income	**0**	**550,250**	**500**	**2,719,997**	**796,172**	**1,923,825**
OUTGO:						
Certificated Salaries				0		0
Classified Salaries				1,687,115	527,982	1,159,133
Employee Benefits				470,361	144,536	325,825
Books and Supplies	0			158,067	53,530	104,537
Services, Other Operating Expenses	0			191,533	55,639	135,894
Capital Outlay	0	2,552,467	905,649			
Other Outgo		242,585				
Transfers of Indirect/Direct Costs						
Interfund Transfers Out				20,170		20,170
Other Uses				0	0	0
Contributions to Restricted Programs						
Total Outgo	**0**	**2,795,052**	**905,649**	**2,527,246**	**781,687**	**1,745,559**
Change in Fund Balance	**0**	**-2,244,802**	**-905,149**	**192,751**	**14,485**	**178,266**
Projected Beginning Fund Balance	0	5,738,999	905,149	469,864	133,727	336,136
Projected Ending Fund Balance	**0**	**3,494,197**	**0**	**662,615**	**148,212**	**514,402**
Committed Fund Balance						
Non-Spendable Fund Balance						
Restricted Fund Balance	0	3,494,197	0	662,615	148,212	514,402
Assigned Fund Balance						
Unassigned - Economic Uncertainty						
Remaining Unassigned	**0**	**0**	**0**	**0**	**0**	**0**

Projected Ending General Fund Balance

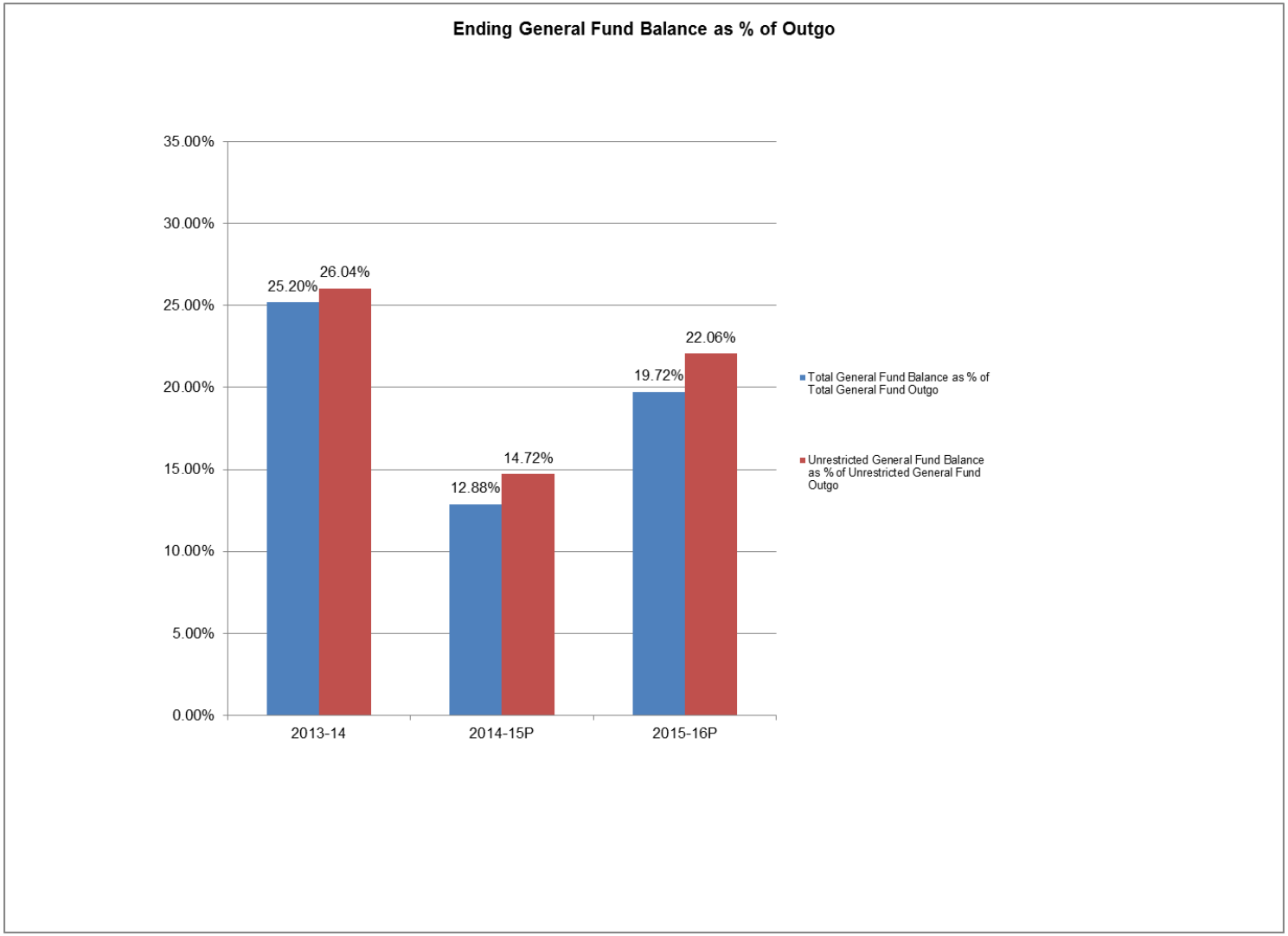
The projected ending fund balance is the accumulation of the differences between revenues and expenditures in previous years, the current year, and the budget year. Since the current year is not closed prior to development of the Adopted Budget, the ending fund balance for the current year is estimated based on the latest financial data and becomes the basis for the beginning fund balance in the budget year. Therefore, this balance is subject to change once the books are closed for the year.

A good indicator of financial health is the percentage of expenditures the District maintains in its ending fund balance. The higher this percentage, the more "cushion" the District has to guard against unexpected fluctuations in revenues or expenditures. Some portions of the ending funding balance must be reserved for specific purposes and are therefore considered non-discretionary. An analysis of Ending Fund Balances and components of it are presented in the following two pages:

1. Total Ending General Fund Balance as a Percentage of Total General Fund Outgo/Expenditures
2. Unrestricted General Fund Balance as a Percentage of Total Unrestricted General Fund Outgo/Expenditures
3. Analysis of Components of General Fund Balances

On March 11, 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 which takes effect for financial statements for fiscal years issued after June 15, 2010. The purpose of this new accounting requirement is to enhance the usefulness of fund balance information by providing clearer classifications. GASB 54 incorporates the following five categories of fund balance:

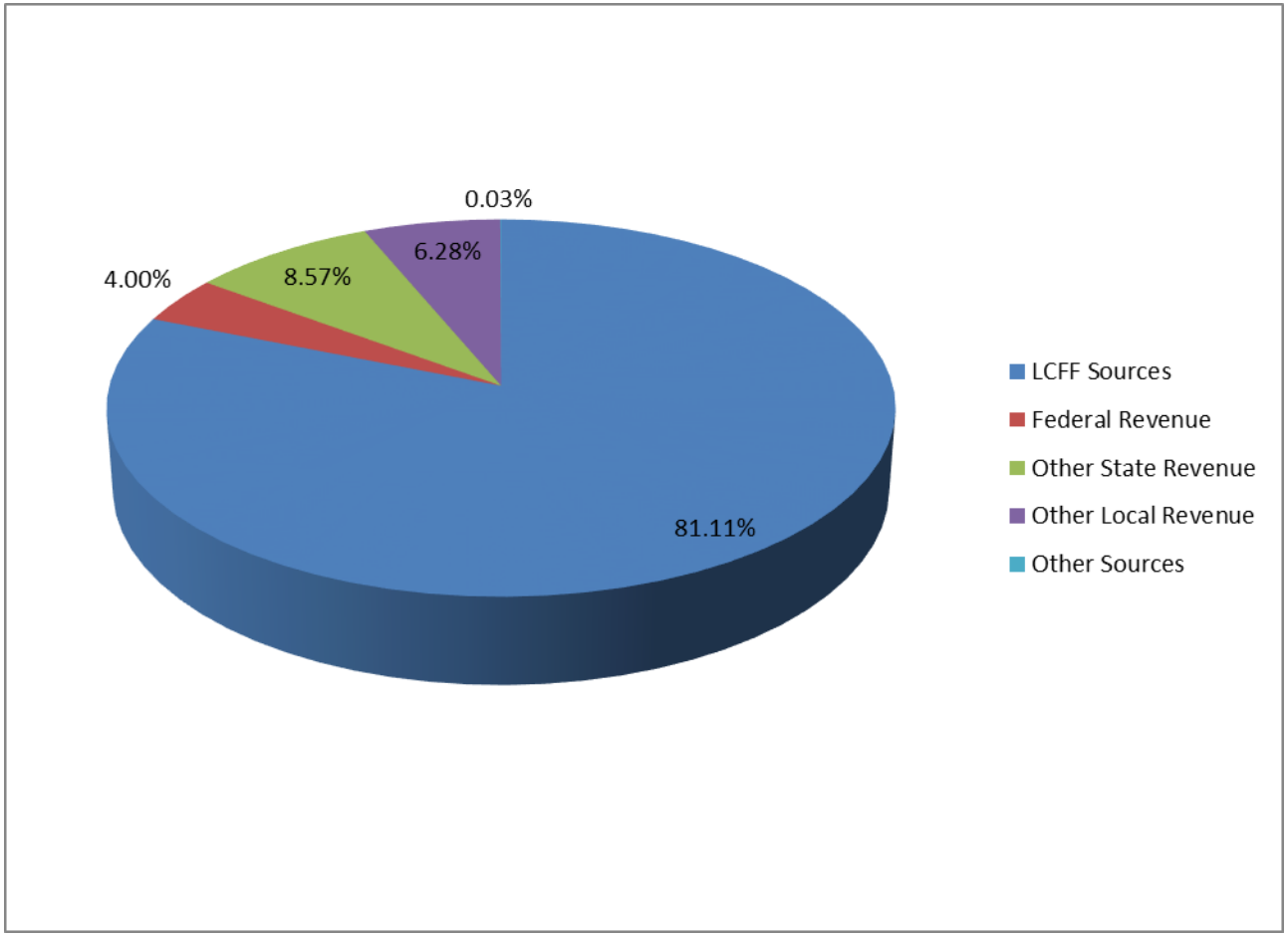
- **Non-Spendable Fund Balance** - Amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory, pre-paid expenses, and revolving cash fund amounts.
- **Restricted Fund Balance** – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors), or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- **Committed Fund Balance** - Amounts subject to internal constraints self-imposed by the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Education taking the same formal action that imposed the constraint originally.
- **Assigned Fund Balance** – Amounts the District intends to use for a specific purpose. Assignments may be established by the governing board or by a designee of the Board. Examples include site carry-overs and accrued vacation.
- **Unassigned Fund Balance** – Amounts representing the residual balance in the General Fund that has not been assigned to other funds and that are not in the other classifications. The Reserve For Economic Uncertainty falls into this classification.


Ending General Fund Balance as % of Outgo
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
25.20%
26.04%
12.88%
14.72%
19.72%
22.06%
2013-14
2014-15P
2015-16P
Total General Fund Balance as % of Total General Fund Outgo
Unrestricted General Fund Balance as % of Unrestricted General Fund Outgo

Components of Ending General Fund Balance and Other Reserves

		2015-16P		2014-15P		2013-14	
Description	**Discretionary?**	**% of Outgo**	**$ Amt**	**% of Outgo**	**$ Amt**	**% of Outgo**	**$ Amt**
Economic Uncertainty Reserve	No	3.00%	1,645,443	3.00%	1,683,406	3.00%	1,405,655
Non-Spendable	No	0.81%	444,213	0.80%	444,213	0.95%	444,213
Committed	No	0.00%	0	0.00%	0	0.00%	0
Restricted/Categorical Carry-Overs	No	0.30%	161,098	0.32%	175,271	2.89%	1,350,410
Assigned for Vacation Carry-over	No	0.41%	224,718	0.41%	224,718	0.48%	224,718
Assigned for School Budget Carryovers	No	0.00%	0	0.00%	0	0.97%	451,403
Fund 17 Reserve	Yes	5.29%	2,897,355	6.20%	3,475,713	6.13%	2,871,964
Unassigned/Unappropriated	Yes	15.20%	8,335,787	8.38%	4,697,101	16.93%	7,930,566
Total Fund Balances and Reserves		**25.00%**	**13,708,614**	**19.07%**	**10,700,422**	**31.33%**	**14,678,928**

General Fund Sources Of Money



The adjacent chart depicts the relative amounts of the various sources of funds available for use in the General Fund for the budget year. These sources are:

1. **LCFF Sources** – those monies received for the attendance of students through the Local Control Funding Formula. This money is derived from a dollar amount, which is adjusted each year, multiplied by average daily attendance or ADA (the average number of students in attendance on any one day) and is funded by local property taxes and State income taxes, corporate taxes, and sales taxes.
2. **Federal Revenue** – those monies received from the Federal Government.
3. **Other State Revenue** – non-LCFF monies received from the State for other programs commonly referred to as Categorical Programs.
4. **Other Local Revenue** – non-revenue limit monies received from local sources.
5. **Other Sources** – those monies received from sources other than those listed above.

Revenue Categories

The table on the next page depicts the categorization of the various revenues to be received in the General Fund based on their allowed use and their expected duration. Unrestricted revenue sources are those that the District has discretion over using for any expenditure allowed by law. Restricted revenues are those that are designated to be used only for specific purposes or only on a designated population, as stipulated by the grantor or donor. On-going monies are those that can reasonably be expected to continue at about the same level or higher in future years. One-time monies are designated as such for one of four reasons:

- The funds are only given once by the grantor or donor with no obligation or commitment to continue the funding.
- The funds are subject to such volatility that their amount from year to year is relatively uncertain.
- The funding stream is expected to end in the near future.
- The funds are only released as the result of a competitive grant for which an application must be submitted and approved.

In general, it is not financially prudent to use one-time monies to fund on-going expenditures, such as salaries and benefits, unless the positions that are funded by the source will end at the same time the revenue stream ends.

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Q1: Unrestricted/On-Going Revenue		Q2: Unrestricted/One-Time Revenue		Q3: Restricted/On-Going Revenue		Q4: Restricted/One-Time Revenue	
Description	**Amount**	**Description**	**Amount**	**Description**	**Amount**	**Description**	**Amount**
State Aid LCFF	35,272,731	Other Local Revenue	0	Title I	417,991	Title II Educ Tech	0
Prop Taxes LCFF	11,882,662			IDEA Lcl Ent PI94-142	1,093,171	Home Start	0
M&O PL 81-879	80,883			IDEA Preschl	88,616	HIPPY Corp Initiative	0
MAA	0			IDEA Preschl Loc Ent	149,964	Title II Pt A Admin Training	0
Lottery	841,877			IDEA Prschl Staff Dev	609	Science Grant	7,195
STAR Testing	0			Drug Free Schls	0	Santee Empow erment	130,737
Mandated Cost Block Grant	175,793			Title II Tchr Quality	165,201	Prop 39 Energy Efficiency	135,379
Mandated Cost Reimbursement	3,415,406			Title III Imm Ed	0		
Transfer In from Fund 63	20,170			Title III LEP	49,500		
Other Local Revenue	206,076			Prop 20 Lottery	223,624		
				Special Education From SELPA	3,210,962		
				Special Education Prop Taxes	238,471		
				Special Ed- Low Incidence	12,868		
				Special Ed Personnel Staff Devel.	0		
				Special Ed Prop 98 Mental Health	179,198		
				Special Ed Federal Mental Health	71,642		
				ASES from SDCOE Consortium	241,281		
				ASES Parent Fees	0		
				Tobacco Use Prevention	38,552		
				Medi-CAL Reimbursement	84,098		
Total Quadrant 1 Revenue	**51,895,598**	**Total Quadrant 2 Revenue**	**0**	**Total Quadrant 3 Revenue**	**6,265,748**	**Total Quadrant 4 Revenue**	**273,311**
		Total Unrestricted Revenue:	**51,895,598**			**Total Restricted Revenue:**	**6,539,059**

Local Control Funding Formula

Starting in 2013-14, the State implemented a new funding distribution system for K-12 public education. The previous system used a calculation of the Revenue Limit, which was a school district's major source of Unrestricted revenue stemming from student attendance, and various Categorical Programs, the funding for which was to be spent on specified types of expenditures or populations of students. Over time, according to the Governor, the system became complex, inequitable, and too reliant upon State direction over the use of school district resources. To remedy this situation, the Governor and Legislature combined Revenue Limit funding and most Categorical Programs into one funding stream called the Local Control Funding Formula or LCFF.

The LCFF distributes funds to school districts based on a calculation of Base Grants, which vary by grade span; Supplemental Grants for the unduplicated count of English Language Learners, students qualifying for free or reduced priced meals, or Foster Youth students; and Concentration Grants for school districts with populations of Supplemental students exceeding 55% of total enrollment. For those districts that previously received funding for Transportation and Targeted Instructional Improvement Grants, these amounts became separate add-ons to the LCFF formula.

The LCFF establishes a target funding level to reach in 2020-21 based on the foregoing calculation and then compares that amount to the amount of funding a school district received in the prior year. The difference is to be funded in annual increments to the extent of additional available State General Funds each year. For 2015-16, the increment is estimated at 53.08%.

Use of LCFF funds is governed by a document called the Local Control Accountability Plan (LCAP). The LCAP is essentially a strategic planning document which links financial resources to a district's goals and objectives. School districts are required to adopt an LCAP once every three years and to update it annually. The LCAP development process involves a significant amount of stakeholder input to help inform decision-making for the formation of Goals and Action Steps to increase or improve services for all students. Supplemental funds from the LCFF are to be targeted to specific sub-groups to demonstrate an increase or improvement of services over and above that provided for all students.

The District's LCAP can be accessed on the home page of its website at www.santeesd.net.

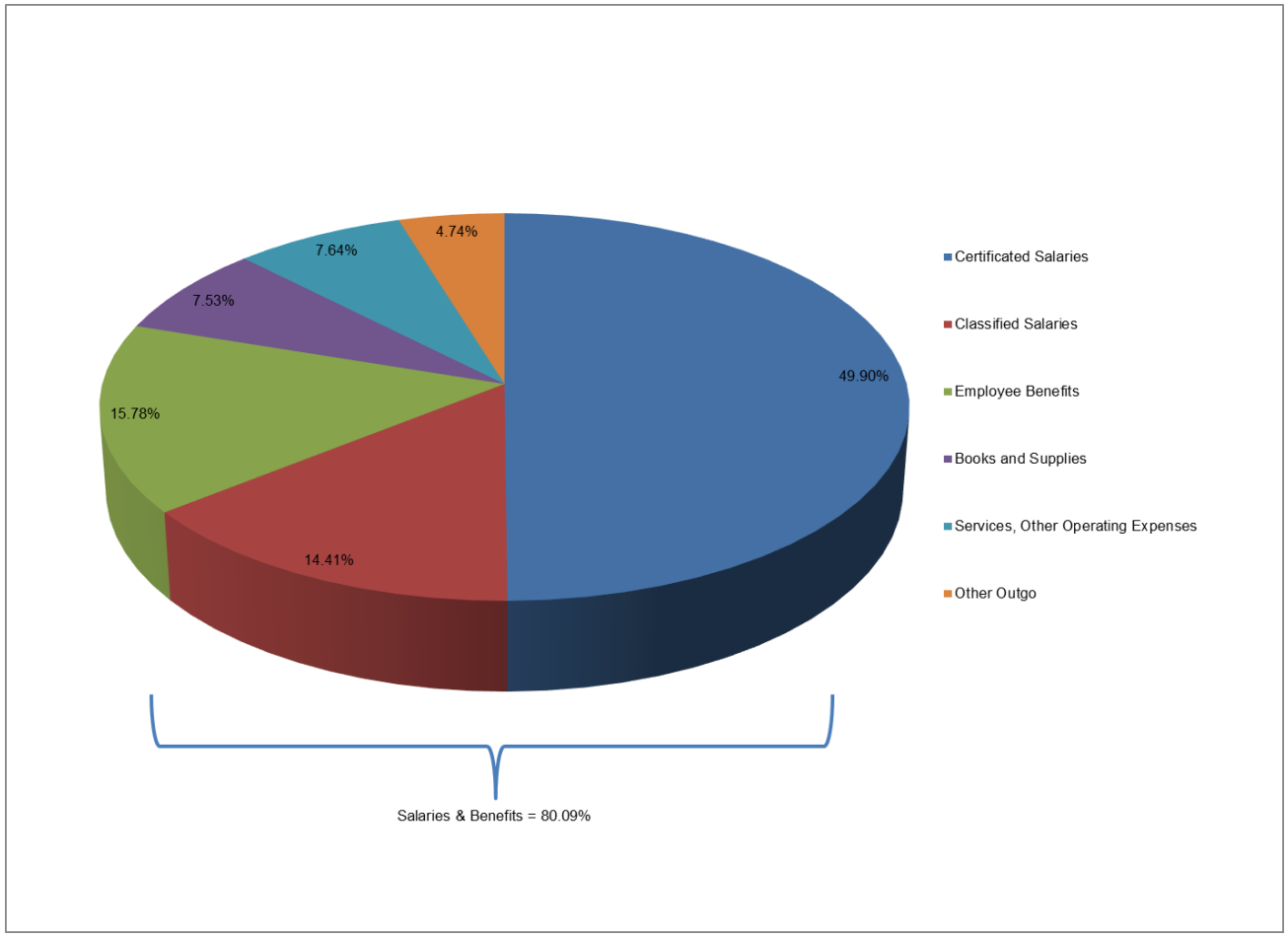
The table on the following page contains the details of the LCFF calculation and estimated funding for the budget year:

SANTEE SCHOOL DISTRICT

2015-16 User Friendly Budget

2015-16					
		Grade Spans			
Factor	**Component**	**K-3**	**4-6**	**7-8**	**Total**
Base Grant	Prior Year Base Grant	$7,011.00	$7,116.00	$7,328.00	
	COLA	1.02000%	1.02000%	1.02000%	
	Adjusted	$7,083.00	$7,189.00	$7,403.00	
Augmentations	K-3 CSR	$737.00			10.40%
Supplemental	EL Student Counts CBEDs				550
	F/R Student Counts CBEDs				2,522
	EL not F/R Counts CBEDs				128
	Total Estimated Unduplicated Count for Supplemental				2,650
	Current Year CBEDs Enrollment				6,472
	Estimated % of Population for Supplemental				41.81%
	Supplement to Base Amount per Student	$1,564.00	$1,437.80	$1,480.60	20.00%
	Supplement to Base Weighted for District	$653.84	$601.08	$618.97	
Concentration	Per Student Increase for Concentration Factor	$3,910.00	$3,595.00	$3,702.00	50.00%
	Estimated Supplemental student count over 55% of population				0
Total	Per Student Grant	$8,473.84	$7,790.08	$8,021.97	
ADA	Total	2,931.67	2,050.61	1,296.04	6,278.32
Entitlement Funding	Base Grant	20,765,019	14,741,835	9,594,584	45,101,438
	Supplemental	1,916,836	1,232,579	802,212	3,951,627
	Concentration	0	0	0	0
	K-3 CSR (2020-21 Target = 24:1)	2,160,641			2,160,641
	Sub-Total	24,842,495	15,974,414	10,396,796	51,213,705
Add-Ons	Home to School Transportation				358,105
	TIIG				576,547
	Adjustment				(517)
Total	**Total Estimated 2020-21 Target**		**Per ADA:**	**$8,306.02**	**52,147,840**
Current Funding	Prior Year LCFF Funding (Adjusted for ADA changes)		Per ADA:	$6,792.86	42,647,740
	Difference		Per ADA:	$1,513.16	9,500,100
	Adjustment				0
53.08%	Estimated 2015-16 LCFF Funding Increase	Check:	Per ADA:	$803.19	5,042,653
	Estimated 2015-16 Total LCFF Funding		(40)	$7,596.05	47,690,393
	Estimated Change in Total State Funding w/in LCFF			11.82%	5,042,653
	Estimated Change in Per ADA State Funding w/in LCFF			11.82%	5,009,721

General Fund Uses Of Money



The adjacent chart depicts the relative amounts of the various uses of funds in the General Fund for the budget year. These uses are:

1. **Certificated Salaries** – payments to employees whose jobs require State certification or credentials.
2. **Classified Salaries** – payments to employees whose jobs do not require State certification or credentials.
3. **Employee Benefits** – payments for benefits required by law or voluntarily provided by the District. This includes contributions to retirement programs, social security and medicare, State unemployment insurance, worker's compensation for work-related injuries, and health and wellness programs.
4. **Books and Supplies** – payments to vendors for the purchase of textbooks, library books, and supplies used for instruction or in offices.
5. **Services, Other Operating Expenses** – payments to vendors for professional or contracted services, utilities, phones, and insurance.
6. **Capital Outlay** – payments to vendors for the purchase of equipment, facilities, or facility upgrades costing $5,000 or more per item.
7. **Other Outgo** – payments for debt service or transfers to other funds.

SANTEE SCHOOL DISTRICT

2015-16 User Friendly Budget

Certificated Staffing

The table below depicts the projected certificated staffing levels for the budget year:

	General Education							2014-15 Special Education				2015-16 Special Education				
				2015-16 Budget												
School	2014-15 Gen Ed Staffing#	2015-16 Gen Ed Projection	Buffer	Gen Ed#	Diff	EAK	LA Spec	SDC	RSP	LSH	Other*	SDC	RSP	LSH	Other*	Changes
Cajon Park	35.00	35.00	0.00	35.00	**0.00**		1.00	5.00	2.00	2.00	1.00	5.00	2.00	2.00	1.00	
Carlton Hills	20.00	19.00	2.00	21.00	**1.00**	1.00	1.00	3.00	1.00	1.00	0.50	3.00	1.00	1.00	0.50	+1 Gen Ed
Carlton Oaks	27.00	26.00	1.00	27.00	**0.00**		1.00	4.00	2.00	1.00	3.00	4.00	2.00	1.00	3.00	
Chet Harritt	21.00	21.00	0.00	21.00	**0.00**	1.00	1.00	0.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	
Hill Creek	27.00	27.00	1.00	28.00	**1.00**	1.00	1.00	2.00	2.00	0.00	0.00	2.00	2.00	0.00	0.00	+1 Gen Ed
Pepper Dr	30.00	30.00	1.00	31.00	**1.00**		1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	0.00	+1 Gen Ed
PRIDE	21.00	21.00		21.00	**0.00**	1.00	1.00	0.00	2.00	0.00	3.00	0.00	1.00	0.00	3.00	-1 RSP
Rio Seco	34.00	34.00		34.00	**0.00**		1.00	4.00	1.00	1.00	0.00	4.00	1.00	1.00	0.00	
Sycamore Canyon	13.00	13.00		13.00	**0.00**	1.00	1.00	3.00	1.00	3.00	0.00	3.50	1.00	3.00	0.00	+0.5 SDC for Preschool
Sub-Total	**228.00**	**226.00**	**5.00**	**231.00**	**3.00**	**5.00**	**9.00**	**22.00**	**13.00**	**10.00**	**8.50**	**22.50**	**12.00**	**10.00**	**8.50**	
Santee Success Program	1.00	1.00		1.00	**0.00**											
Alternative Education	1.51	1.51		1.51	**0.00**											
Supt^	1.00	1.00		1.00	**0.00**											
HR^	2.00	2.00		2.00	**0.00**											
ERC^	8.00	8.00		8.00	**0.00**						8.50				8.50	
Grand-Total	**241.51**	**239.51**	**5.00**	**244.51**	**3.00**	**5.00**	**9.00**	**22.00**	**13.00**	**10.00**	**17.00**	**22.50**	**12.00**	**10.00**	**17.00**	
														District Total Certificated FTE:	**320.01**	

= Includes TK

^ = Supt, Asst Supts, Directors, Coordinators, Teachers on Special Assignment

* = Mobility, VI, APE, Preschl, Nurse, Psychologists, Couns/Social Wrkrs, Program Spec, Director

Statutory Benefit Rates

Salary and benefit costs are the largest portion of the District's expenditures. In addition to health and welfare benefits, the District is required to contribute to various entities, as a percentage of payroll, for benefits set in law. These are called Statutory Benefits. Below are the projected rates (as a percentage of salary) for the prior year, the budget year, and estimates for the subsequent years of the Multi-Year Projection:

Statutory Benefit	2014-15	2015-16	2016-17	2017-18
STRS (State Teachers Retirement System)	8.8800%	10.7300%	12.5800%	14.4300%
PERS (Public Employees Retirement System)	11.77100%	11.8470%	13.0470%	14.1470%
FICA (Social Security)	6.2000%	6.2000%	6.2000%	6.2000%
ARS (Alternative Retirement System to Social Security)	1.3000%	1.3000%	1.3000%	1.3000%
MEDI (Medicare)	1.4500%	1.4500%	1.4500%	1.4500%
SUI (State Unemployment Insurance)	0.0500%	0.0500%	0.2771%	0.4157%
W/Comp (Workers Compensation Insurance)	1.9900%	1.9593%	2.0964%	2.2432%

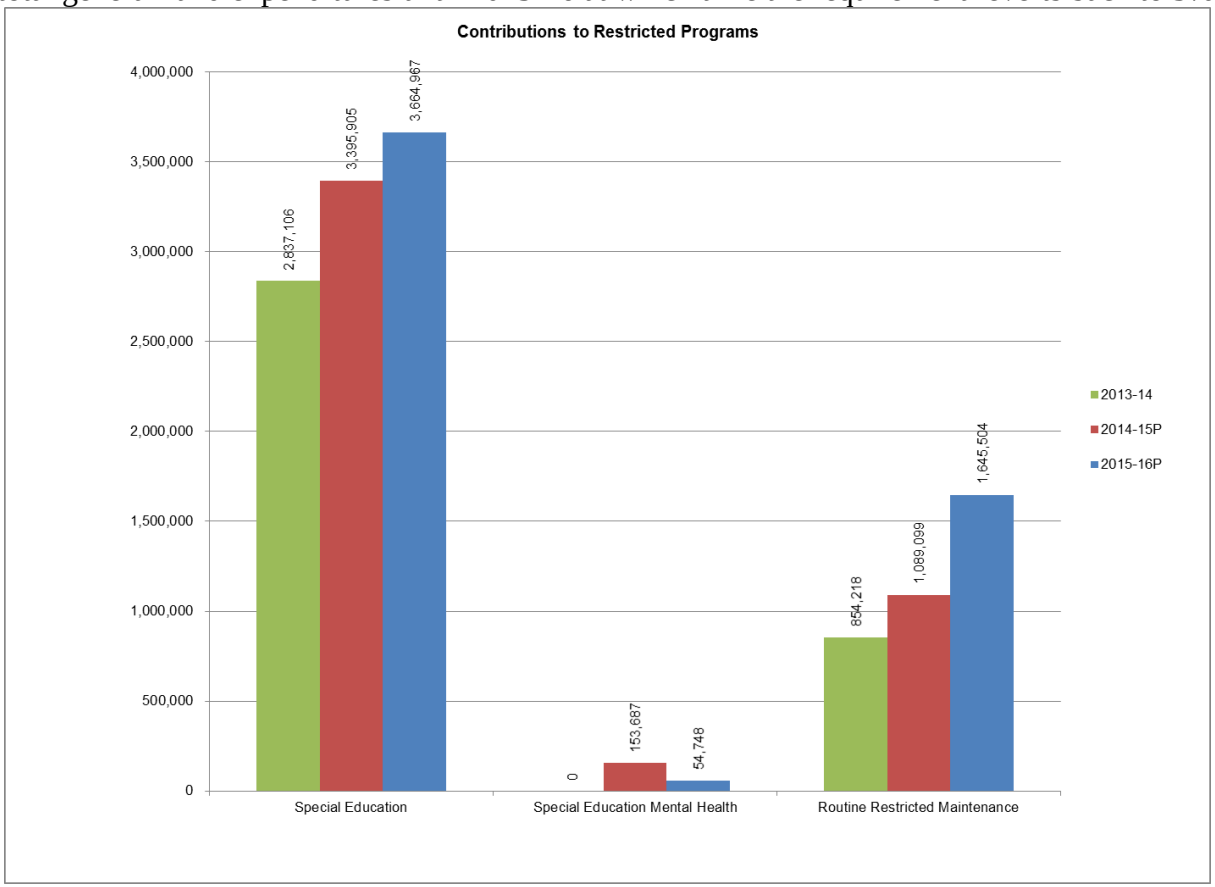
Significant Budget Revisions

The table below summarizes the significant augmentations to the District's expenditure budget, as compared to the previous year, for implementation of strategic initiatives, LCAP action steps, or outside entity action:

Description	Total Amt Budgeted	Duration	Included in LCAP?
New County Office Financial Information Software System	125,674	One-Time	N
Summer Bridge Program	6,300	On-Going	Y
Continue Algebra 1 zero period classes	29,177	On-Going	N
Network Equipment Upgrade/Replacement	188,227	One-Time	Y
Replace voice communication system	296,469	One-Time	N
Digital Devices for Students Grades K - 2	1,081,756	One-Time	Y
Instructional Materials (Safari Montage, Dreambox, Learning Management System, Student Assessment System, Student Data Management System, Digital Reading Program, Intervention Materials, Ebooks, Textbooks)	1,138,037	Mixture	Y
Professional Development for Common Core and SBAC implementation	235,379	Mixture	Y
Increase to employer rate for STRS contributions	662,339	On-Going	N
Additional school budget allocations for PE equipment	30,000	One-Time	Y
Classroom renovations at Pepper Drive	96,000	One-Time	N
Increase transfer to Routine Restricted Maintenance Account	308,819	On-Going	Y
Increase annual deposit to Technology Reserve fund for replenishment/replacement of technology devices from $590,000 to $720,000	130,000	On-Going	Y
Replace Special Education Bus	135,000	One-Time	N
Total Significant Budget Augmentations	**4,463,177**		

Contributions To Restricted Programs By The Unrestricted General Fund

The programs, or restricted funds, that do not receive enough revenue from sources outside of the District to pay all of their expenditures are depicted on the chart below. The difference between revenue received for these programs and total expenditures is paid from the Unrestricted General Fund and is sometimes referred to as "Contributions to Restricted Programs." In the case of Routine Restricted Maintenance, this contribution is required by law to be at least 1% of total general fund expenditures until 2015-16 at which time the requirement reverts back to 3% under current law.



School Budget Allocations

The table below depicts budget allocations to schools from various sources. The LCFF allotment uses a similar calculation as the district level Local Control Funding Formula allocating proportionately more funds to schools with higher populations of low socio-economic, English Learner, and Foster Youth students. Title 1 is a federal program to serve disadvantaged students. Prop 20 Lottery funds can only be used for instructional materials. PE is a one-time allotment for schools to purchase additional PE equipment:

School	LCFF	Title 1 3010	Prop 20 Lottery 6300	PE	Total Funding 2015-16
Pepper Drive	61,882	85,728	19,933	3,867	**171,410**
Carlton Hills	38,262	45,363	13,626	2,644	**99,895**
Sycamore Canyon	19,122	0	7,920	1,537	**28,579**
PRIDE Academy	44,704	66,570	13,770	2,672	**127,716**
Cajon Park	63,518	0	24,699	4,792	**93,010**
Chet F Harritt	39,336	48,314	13,433	2,606	**103,689**
Carlton Oaks	46,526	0	19,620	3,807	**69,952**
Rio Seco	60,174	0	23,592	4,577	**88,344**
Hill Creek	48,004	0	18,031	3,498	**69,533**
Total	**421,529**	**245,975**	**154,624**	**30,000**	**852,128**

Multi-Year Projection

The District analyzes the effects of its decisions on the budget year and the subsequent two years in order to anticipate adjustments to revenues and expenditures that must be made before the budget year begins. These affects are derived by taking the budget year and projecting revenues and expenditures based on projected COLAs (Cost of Living Allowance), step & column increases for employees (those resulting from employees moving up on the salary schedule), negotiated salary increases, inflation, and other known or anticipated factors. Although this process is fraught with uncertainty, the method used helps the District to understand the ramifications of financial decisions on subsequent years. For example, negotiated salary increases not only affect the year in which the increase is made, it also compounds into future years. These factors must be considered in order to maintain financial health and flexibility.

It is important to note that the Multi-Year Projection is just that, ***a projection*** based on a set of assumptions known or anticipated at the time the projection is formulated. Therefore, it is not a forecast predicting future outcomes.

In addition to providing a Multi-Year Projection, Interim Reports also require one of three certifications:

- POSITIVE: The District CAN meet its financial obligations for the entire Multi-Year Projection period.
- QUALIFIED: The District MAY NOT be able to meet its financial obligations for the entire Multi-Year Projection period.
- NEGATIVE: The District WILL NOT be able to meet its financial obligations for the entire Multi-Year Projection period absent a State loan and intervention.

Although the District certifies one of the above, the County Office of Education, under Assembly Bill (AB) 1200 requirements, maintains fiscal oversight and may change a district's certification, if they deem it appropriate.

The table on the next page displays the best estimates available of the expected condition of the General Fund for the budget year and two subsequent years based on known factors and assumptions outlined in this User Friendly Budget document.

SANTEE SCHOOL DISTRICT

2015-16 User Friendly Budget

General Fund Multi-Year Projection

Item	2014-15 Unrestricted	2014-15 Restricted	2015-16 Unrestricted	2015-16 Restricted	2016-17 Unrestricted	2016-17 Restricted	2017-18 Unrestricted	2017-18 Restricted
Beginning Fund Balance	10,456,554	1,350,410	$7,049,438	$175,271	$10,650,161	$161,098	$11,934,589	$84,098
Audit Adjustments	0							
Total Income	$44,509,529	$7,021,754	$51,895,598	$6,539,058	$49,777,964	$6,544,940	$51,125,230	$6,557,941
Total Outgo	$47,916,645	$8,196,893	$48,294,875	$6,553,231	$48,493,536	$6,621,940	$50,121,893	$6,557,940
Change in Fund Balance	**($3,407,116)**	**($1,175,139)**	**$3,600,723**	**($14,174)**	**$1,284,428**	**($77,000)**	**$1,003,337**	**$0**
Ending Fund Balance	$7,049,438	$175,271	$10,650,161	$161,098	$11,934,589	$84,098	$12,937,926	$84,098
Undesignated/Unappropriated	$4,697,101	$0	$8,335,787	$0	$9,608,500	$0	$10,561,170	$0
Economic Uncertainty Reserve	$1,683,406		$1,645,443		$1,653,464		$1,700,395	
Fund 17 Reserve	$2,885,713		$2,897,355		$2,908,944		$2,920,580	
Total Reserves	$9,266,220		$12,878,585		$14,170,908		$15,182,145	
Reserve as % of Expenditures	**16.51%**		**23.48%**		**25.71%**		**26.79%**	

	Amount	Value	Amount	Value	Amount	Value
Assumed LCFF Rev Increase (w/ ADA changes):	**11.82%**	**$5,042,653**	**2.72%**	**$1,297,742**	**2.75%**	**$1,347,279**
Assumed LCFF [Base Only] Rev Increase (w/ ADA changes):	**8.64%**	**$3,685,154**	**2.10%**	**$1,002,573**	**2.23%**	**$1,091,472**
Resulting Estimated Structural Surplus(Deficit):	$2,915,402		$2,333,428		$1,813,337	
GAP Funding:	53.08%	**D:Moderate**	25.00%		26.00%	

Long-Term Debt

Long-term debt is defined as those financial obligations that will not be paid in one year. These include General Obligation Bonds, Certificates of Participation, leases, and other term loans. The chart below depicts the District's outstanding long-term debt and the amount of funds needed to satisfy principal and interest payments for the budget year:

Description	Beginning Balance	Payments	Principal	Interest	Ending Balance
Series A GO Bonds - 5-1-1997	17,325,000	1,014,838	190,000	824,838	17,135,000
Series B GO Bonds - 8-20-2008	12,026,364	740,543	85,131	655,411	11,941,233
Series C GO Bonds - 8-20-2008	3,699,912	135,000	103,321	31,679	3,596,591
Series D GO Bonds - 8-20-2008	11,133,436	0	0	0	11,133,436
Series E GO Bonds - 5-1-2011	4,557,918	0	0	0	4,557,918
Total GO Bonds	**48,742,630**	**1,890,380**	**378,452**	**1,511,928**	**48,364,178**
CREBs 6-2-10	1,565,000	244,385	145,000	99,385	1,420,000
2008 COPS - 10-7-2008	23,918,776	1,293,853	75,000	1,218,853	23,861,280
Total COPS	**25,483,776**	**1,538,238**	**220,000**	**1,318,238**	**25,281,280**
Total Property Indebtedness	**74,226,406**	**3,428,618**	**598,452**	**2,830,165**	**73,645,458**
QZAB (Due Nov 2020)	5,000,000	0	0	0	5,000,000
Retirement Incentives	0	0	0	0	0
Premium on GO Bonds	1,331,204				1,331,204
Vacation Carry-Over	224,718	0	0	0	224,718
Capital Lease	0	0	0	0	0
Total Other	**9,008,851**	**885,724**	**885,724**	**0**	**9,366,791**
Total Long-Term Debt	**83,235,257**	**4,314,342**	**1,484,176**	**2,830,165**	**83,012,248**

Cash Flow

The District projects and monitors the flow of cash into and out of its General Fund in order to ensure that there is an adequate cash balance in any given month to pay its bills when they become due. This task becomes even more crucial when the State defers revenue payments owed to school districts into future months, and in some cases into the subsequent fiscal year. The largest outflow of cash is for payroll expenditures paid at the end of each month and because the timing of cash receipts is often misaligned with cash disbursement schedules, the District must plan ahead and may need to use temporary borrowing mechanisms in months when cash balances are insufficient.

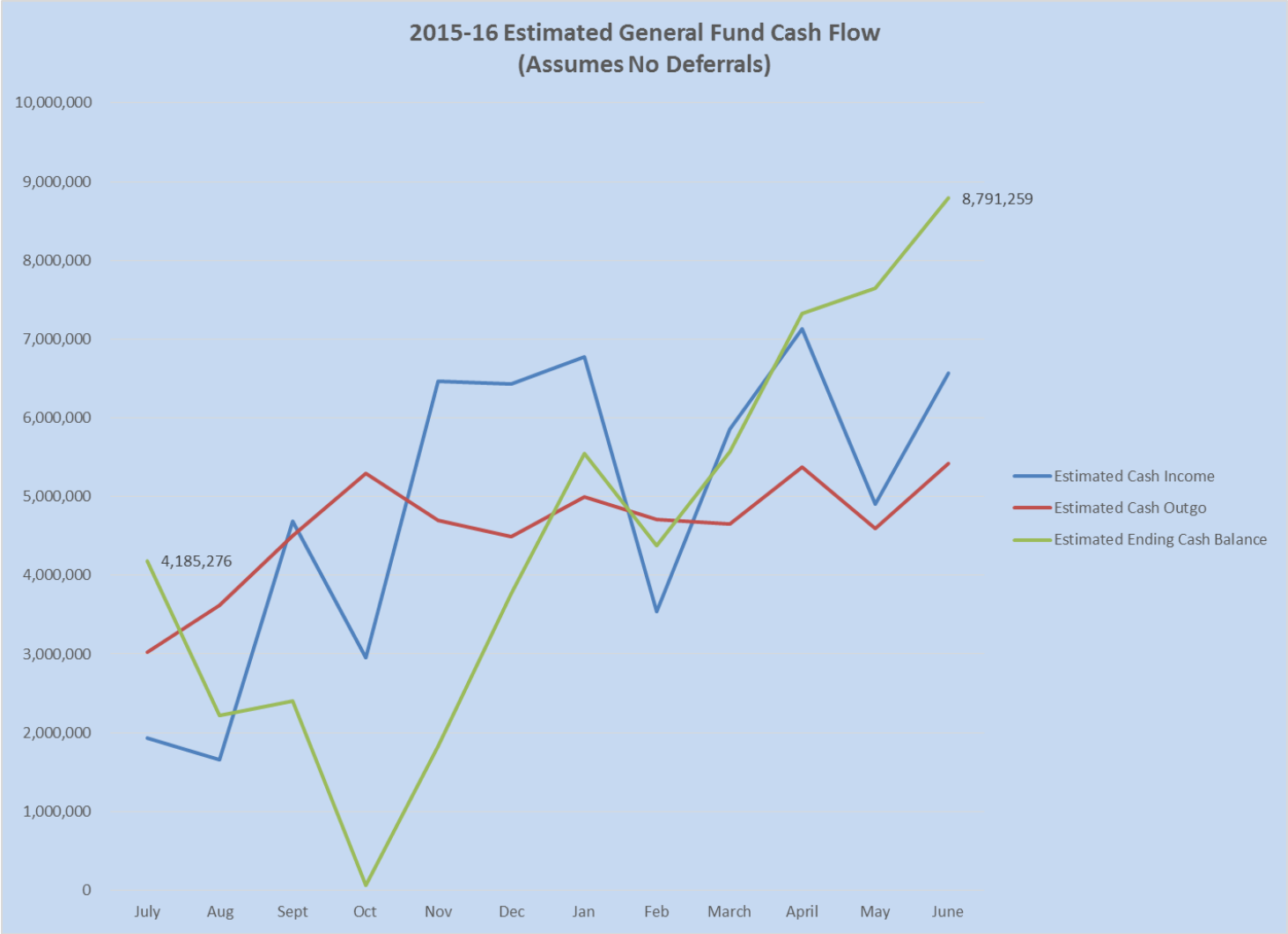
The District has four available methods for short-term cash borrowing:

1) **Internal Borrowing:** The District can borrow monies from certain of its other funds for temporary transfer into the General Fund. If the transfer occurs 120 or more days from the end of the fiscal year (June 30), then the amount borrowed must be repaid to the lending fund on or before June 30. If the transfer occurs less than 120 days from the end of the fiscal year, then the amount borrowed must be repaid before the end of the subsequent fiscal year. Except for amounts borrowed from General Obligation Bond funds, Internal Borrowing requires no payment of interest.
2) **Tax Revenue Anticipation Note (TRAN):** The District can issue a particular type of short-term debt instrument, called a TRANs, at the beginning of a fiscal year under very stringent IRS rules. There are additional costs for issuance and payment of interest. To be considered a tax exempt instrument, the District must re-pay the notes on or before the last day of the same fiscal year in which the notes are issued. In some limited cases, the District can issue TRANs to cross fiscal years but the borrowing costs are much higher.
3) **County Office of Education Loan:** The District can borrow from the County Office of Education to the extent that they have available funds. However, since County Offices typically face the same type of revenue restrictions and declines as school districts, it is rare for them to have available cash to lend. There are additional costs for interest.
4) **County Treasury Loan:** The District can borrow from the County Treasury to the extent of available funds and typically only up to 85% of expected future tax receipts. Generally, the debt must be repaid before the end of the same fiscal year in which the funds are borrowed. However, in recent years the County Treasury has developed a program for Inter-Year borrowing so that the amount borrowed can be paid back in the subsequent fiscal year. There are additional costs for interest.

The chart on the following page depicts the projected Cash Flows in the General Fund for the budget year:

SANTEE SCHOOL DISTRICT

2015-16 User Friendly Budget



Reserves

Current law requires the District to maintain a minimum budget reserve level to cushion against unforeseen circumstances and conditions. This reserve, called the Economic Uncertainty Reserve, is essentially a savings account and is expressed as a percentage of total General Fund outgo. Depending on the size of a District, the required percentage can range from 1% to 5%. Specific required budget reserve percentages are as follows:

Percentage Level	District ADA
Greater of 5% or $62,000	0 to 300
Greater of 4% or $62,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and over

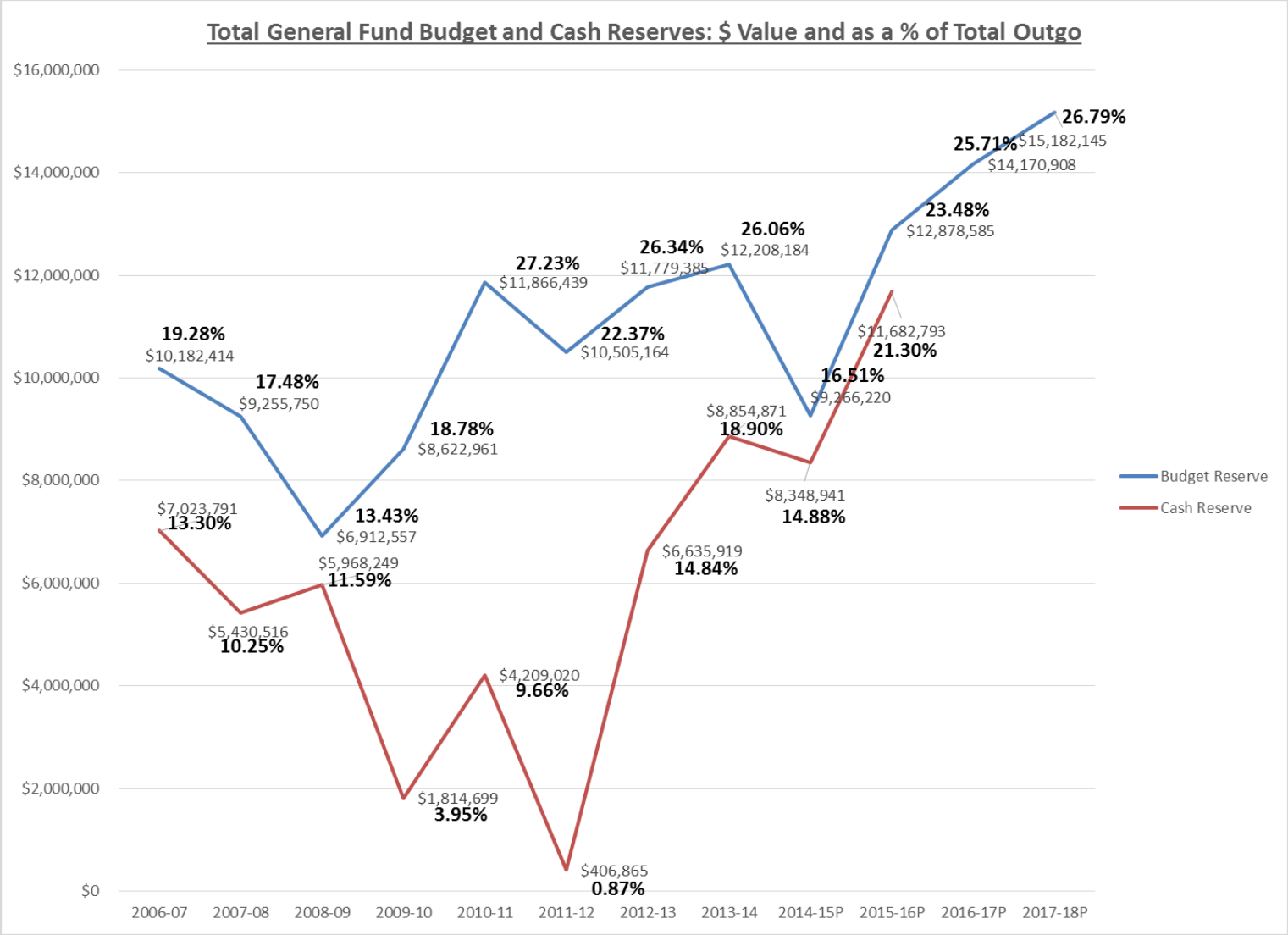
The amount of projected budget reserves for the District is shown on page 33 in the Multi-Year Projection. The District expects to meet the minimum required reserve level of 3% for the 3-year Multi-Projection period under current assumptions.

It is important to note that a *budget reserve* is not a *cash reserv*e since the calculation incorporates cash and other current assets such as Accounts Receivable. Therefore, it is possible, and in fact likely, that a district could maintain the minimum budget reserve and still run out of cash. This is because a portion of the ending budget reserve in any given year is made up of Accounts Receivable; amounts owed but not yet paid. The amount of cash supporting the budget reserve declines when the State relies on deferrals: a budget balancing technique in which apportionment payments to school districts are deferred to subsequent months and into the subsequent fiscal year. In the last three years, the State has been making efforts to reduce the amount of deferrals and the Governor's latest proposal includes provisions to completely eliminate deferrals in 2014-15.

The chart on the next page depicts the budget and cash reserve, expressed as both dollar amounts and as a percent of total outgo, for prior years and the 3-year period of the Multi-Year projection (cash reserves are only projected through the budget year):

SANTEE SCHOOL DISTRICT

2015-16 User Friendly Budget



6 Keys To Analyzing Fiscal Health

1. **Is there deficit spending (i.e. do expenditures exceed revenues)? –** This can be determined by referencing line 22 of the table on Page 16. If this amount is negative, it reveals deficit spending. If this amount is positive, it reveals surplus spending. Deficit spending can be expected on the Restricted side of the General Fund, since schools and departments often carry-over categorical funding into the next year and combine it with revenue for that year in order to make larger purchases. However, deficit spending on the Unrestricted side can have serious consequences, since this requires the District to dip into reserves (accumulations of the excess of revenues over expenditures in past years) to meets its obligations and cannot be continued if fiscal health is to be maintained.

2. **What programs are encroaching on the Unrestricted General Fund and by how much?** – This can be determined by analyzing the chart on page 30.

3. **Have reserves been established for unfunded liabilities and funds to be used for specific purposes?** – This can be determined by referencing Lines 25 through Line 30 of the table on page 16.

4. **Have sufficient reserves been established for Economic Uncertainties?** – This can be determined by referencing the Multi-year Projection on page 33. Pursuant to State requirements, this amount must be at least 3% of the total General Fund expenditures.

5. **Are one-time monies, or fluctuating monies, being used to fund recurring expenditures? –** This can be partially determined by comparing the total Unrestricted/On-Going Revenues reported on page 23 to the total Unrestricted/On-Going Salaries and Benefits, Supplies, Services, Debt Service and Contributions to Restricted Programs reported on Lines 10, 11, 12, 13, 14, 16 and 20 of the table on page 16 in the Unrestricted column. If the expenditures from this analysis exceed the revenues, this can indicate that one-time monies are being used to fund recurring expenditures. This same analysis can be done with the Restricted/On-Going Revenues and Restricted Salaries and Benefits. However, there are times when one-time monies from Restricted sources will be used to pay for salaries and benefits that are expected to end when the program funding ends.

6. **Do multi-year projections indicate that the District will be able to meet its obligations for the budget year and the subsequent 2 years?** This can be determined by referencing the graph on Page 38. If the Reserve as a % of Total General Fund Outgo exceeds the greater of 3% or the projected cash need, this indicates the District can meet its obligations for that period. If Undesignated/Unappropriated Fund Balance is negative or the Reserve is less than the greater of 3% or the projected cash need, it indicates that the District will either have to increase revenues or reduce expenditures in those years to meet its financial obligations.

Reading The Standardized Account Code Structure (SACS) Forms

Reading and understanding a school district's budget document can be cumbersome and confusing. The State of California mandates the forms and methods to be used when adopting and reporting budget information at the following intervals:

- Adopted Budget – June for the subsequent budget year
- First Interim Report – December as of October 31st
- Second Interim Report – March as of January 31st
- Third Interim Report – June as of April 30th (only required if Second Interim is "Qualified" or "Negative")
- Unaudited Actuals – September as of June 30th

The following information should help the reader of these documents to identify the important numbers that summarize a school district's financial condition:

1. **Form 01 – General Fund**
   a. ***Check Line D1a on page 1***. Are there large transfers in that are supporting operations?
   b. ***Check Line D1b on page 1***. Are there large transfers out indicating the General Fund's support of other funds or programs?
   c. ***Check Line D3 on page 1***. Are contributions to other programs excessive? Are they growing or declining?
   d. ***Check Line E on page 2***. Is there a surplus (more received than spent) or a deficit (more spent than received)?
   e. ***Check Line F2e on page 2***. Is at least the minimum required for the District (3% of total General Fund outgo) reserved? Are there other appropriate amounts reserved that have been specified for particular purposes?
   f. **Check Line F2e on page 2**. Is the Undesignated/Unreserved Fund balance positive and sufficient to absorb other unforeseen circumstances?
2. **Form 12 – Child Development Fund**
   a. ***Check Line D1a on page 1***. Are there large transfers in indicating support from other funds?
   b. ***Check Line D1b on page 1***. Are there large transfers out? Why?
   c. ***Check Line E on page 2***. Is there a surplus (more received than spent) or a deficit (more spent than received)?
   d. ***Check Line F2 on page 2***. Is the fund balance zero or positive?
3. **Form 13 – Cafeteria Fund**
   a. ***Check Line D1a on page 1***. Are there large transfers in indicating support from other funds?
   b. ***Check Line D1b on page 1***. Are there large transfers out? Why?
   c. ***Check Line E on page 2***. Is there a surplus (more received than spent) or a deficit (more spent than received)?
   d. ***Check Line F2 on page 2***. Is the fund balance sufficient to support on-going operations, including equipment replacement?

4. **Other Funds**
    a. ***Check Line E on page 2***. Is there a surplus (more received than spent) or a deficit (more spent than received)? Is the surplus too large indicating that not enough funds are being spent?
    b. ***Check Line F2 on page 2***. Is the fund balance sufficiently positive but not too large?
5. ***Form A***. Is the District's ADA increasing or declining?
6. **<u>Adopted Budget and Unaudited Actuals ONLY</u>**
    a. ***Form DEBT*** – How much long term debt does the District have?
    b. ***Form NCMOE*** – Did the District meet its Maintenance of Effort requirement for No Child Left Behind?
    c. ***Report SEMA*** – Are the Special Ed expenditures paid from state and local sources higher than previous year in total or per capita?
    d. ***Report SEMB*** **-** Are the Special Ed expenditures paid from state and local sources higher than previous year in total or per capita?
    e. ***Report GSNA*** – Are the District's net assets (Total Assets minus Total Liabilities) positive or negative? Are net assets growing or declining?
7. ***Technical Review Checks/Standards & Criteria*** – Are tests Passed or Failed? For failed tests, are explanations reasonable and accurate?

Glossary Of Terms

1. **ADA** – Average daily attendance determined by taking the total of number of days students are present at school and dividing by the number of school days in the period measured. This figure is used to determine a school district's Revenue Limit income, the single largest source of revenue in the General Fund.
2. **CBEDS** – California Basic Educational Data System. Refers to a count of enrollment as of the first school day in October.
3. **COLA** – Cost of living allowance calculated each year by the State of California that measures the change in the cost of operating a public agency. The measurement includes changes in all costs including utilities, insurance, Health & Welfare, statutory benefits, supplies, and salaries.
4. **COPS** – Certificates of Participation issued by a public entity as debt to be paid back from a designated revenue stream.
5. **CPI** – Consumer Price Index which measures the increased cost of goods and services to an employee over a period of time.
6. **Deficit Spending** – Outgo (expenditures) exceeding Income (revenue) in a particular year. This reduces ending fund balance.
7. **Fund Balance** – The accumulation of income in excess of outgo since inception of the fund.
8. **GO Bonds** – General obligation bonds issued by a public entity to be paid back over time from property tax revenue.
9. **LCAP** – Local Control Accountability Plan: the strategic planning document that governs expenditure of Local Control Funding Formula funds.
10. **LCFF** – Local Control Funding Formula: the primary mechanism used by the State of California (starting in 2013-14) to distribute State funds to K-12 school districts. The formula includes a Base Grant for funding core programs and increasing or improving services for all students; Grade Span Adjustments for implementing K-3 Class Size Reduction and 9-12 Career Technical Education; Supplemental Funds for increasing or improving services for unduplicated count students (those qualifying for free/reduced lunch, categorized as English Learners, or designated as Foster Youth); Concentration Grant Funds for districts with an unduplicated count population of 55% or more; and fixed add-ons for a few prior Categorical Programs.
11. **Lottery** – Funding received by school districts from the State of California from earnings from all Lottery games. 50% of the amount of Lottery Revenue received goes to school districts in 2 forms: UNRESTRICTED which can be used for any purpose and, RESTRICTED which must be used only for instructional materials.
12. **One-Time Revenue** – Funds that are only expected to be received in one year or that fluctuate enough from year to year that amounts are uncertain.
13. **On-Going Revenue** – Funds that are expected to be received in multiple years at a fairly steady and known rate.
14. **Proposition 98** – A 1988 voter-approved amendment establishing the minimum amount of funding for K-14 education in the State.
15. **Restricted Revenue** – Funds received from sources that stipulate how the funds must be used.

GLOSSARY OF TERMS (cont)

16. **Step & Column** – Automatic increases in salaries for employees as a result of moving up and over on the salary schedule. Step increases are automatic every year for completing another year of service. Column increases occur as a result of an employee obtaining sufficient units or credits at a college or university.
17. **Structural Deficit** – On-going Outgo (expenditures) exceeding on-going Income (revenue).
18. **Structural Surplus** – On-going Income (revenue) exceeding on-going Outgo (expenditures)
19. **Surplus Spending** – Income (revenue) exceeding Outgo (expenditures) in a particular year. This increases ending fund balance.
20. **Unrestricted Revenue** – Funds received from sources that do not require the funds to be spent on a particular purpose. In general, these funds can be spent for any lawful purpose and typically go toward the payment of salaries and benefits for teachers, office staff, and administrators; as well as for most operational expenses such as utilities, insurance, etc.