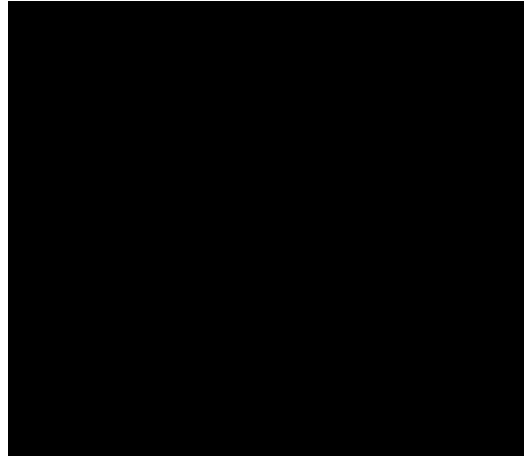


El Monte Union High School District



2015-2016 Adopted Budget

Presented to the Board of Trustees

For Review on June 24, 2015

Executive Summary

Overview

The Executive Summary is an overview of the financial data reported in the SACS (Standardized Account Code Structure) Report. It is provided to assist the reader in understanding the information being reported on the SACS forms.

Two Interim Financial Reports are routinely required by the California Department of Education each year. Districts must submit the completed reports for review to the County Office of Education who, in turn, submits them to the State.

California school district revenues and expenditures are subject to constant change. School district budgets are not static documents, but instead are constantly being revised to respond to decisions at the State and Federal levels, as well as to the expenditure needs of the local agency. The Estimated Actuals are the financial projections updated to reflect new information received and board action taken since the original 2014-15 budget adoption on June 18, 2014.

With each budget report the District is asked to project the general fund financial status through year-end, June 30, 2015. A multi-year projection is also required to determine if the District will be financially solvent for two subsequent years.

The Estimated Actuals Report also includes supporting reports such as the Local Control Funding calculation, Average Daily Attendance estimates, and the Criteria and Standards report.

The 2015-2016 Proposed Annual Budget incorporates the Governors May Revise assumptions as well as additional expenditures resulting from the Local Control Accountability Plan.

ADOPTED BUDGET REPORT ASSUMPTIONS

On January 15, 2015, Governor Brown introduced his 2015-16 State Budget Proposal. The cornerstone of the Governor's Budget Proposal is to continue the appropriation of the Local Control Funding Formula (LCFF), which reforms the K-12 education funding system. The LCFF allocates resources to schools through a base grant based on grade spans (i.e., K-3, 4-6, 5-7, 9-12) with additional supplemental funding allocated to local educational agencies based on their proportion of English Learners, Free and Reduced Price Meal (FRPM) recipients and foster youth students.

The LCFF requires a paradigm shift relating to governance and planning, as local districts will no longer be subject to the compliance model. Under LCFF, local districts will plan their programs based on input from a variety district stakeholders including students, parents, teachers, staff and administration

Priority 6 School Climate	The degree to which students feel safe and connected to school
Priority 7 Course Access	Students are enrolled in a broad course of study
Priority 8 Other Pupil Outcomes	English learner reclassification rate, pass rate on advanced placement exams, student outcomes in all core curriculum areas
Priority 9 and 10 – For County Offices only – Assess the coordination of instruction of expelled students and services to foster youth	

The LCAP Template groups these 10 State Priorities in the following categories:

Conditions of Learning – Priorities 1, 2, 7, 9, 10

Pupil Outcomes – Priorities 4, 8

Engagement – Priorities 3, 5, 6

The LCAP Template is comprised of three sections, in5f230787.36 491799e,fepts th4dAP Template groups these 10 St[6

EMUHSD Cash Flow

Due to a combination of deferrals being paid down by the State, an increase in funding due to LCFF funding, and budget reductions in prior years, the District will not experience cash flow shortages through the end of the Fiscal Year.

General Fund – Unrestricted vs. Restricted

The General Fund is the general operating fund of the District. It is used to account for the day-to-day operations of the District. It is used for all financial resources except those required to be accounted for in another fund. The fund is divided into two sections, unrestricted and restricted. Unrestricted funds may be expended for any purpose. Restricted funds are monies received by the District that are categorical in nature and can only be used for the specific purposes allowed by the funding agency.

Restricted revenue funding is recognized in two different ways. For funding subject to deferred revenue, the revenue is only recognized once it is spent. This means that any funds received and not spent, with carryover provisions, are deferred into the next fiscal year. For funding subject to ending fund balance, the revenue is recognized in the year received and any funds remain

Revenue and Expenditure Summary

The projections reflected in the Estimated Actuals Report are a result of the analysis of year-to-date revenues and expenditures against the adopted budget. This includes a review of expenditure trends for all major categories within the budget. Major changes from Second Interim include:

Increase in Contributions- Special Education and Routine Restricted Maintenance
Increase in Other State - Lottery Unrestricted
Decrease in Contribution to Special Education – Due to changes in SELPA Funding for Out of Home Care

Unrestricted Ending Fund Balance

The District's 2015-16 projected unrestricted ending fund balance is \$ 17,152,729. This balance has certain required funding designations including the State required designation for economic uncertainty (equal to 3% of general fund expenditures). See detail of Designations¹ below.

Category	Unrestricted	Restricted	Total
Nonspendable:			
Revolving Cash	30,000		30,000
Restricted			
Unassigned			
Reserve for Economic Uncertainties	12,865,922		12,865,922
Assigned Designations	4,256,807		4,256,807
Total Designations	17,152,729		17,152,729

It is important to distinguish between the restricted and unrestricted programs since restricted funds can only be used for certain specified purposes.

State Criteria and Standards

EC Section 42130 requires that each district superintendent review their Report in accordance with state-adopted Criteria and Standards. As provided in EC Section 33127, the Criteria and Standards are to be used by districts in the development of annual budgets and the management of subsequent expenditures from the budgets, as well as for the monitoring of the district's fiscal stability.

The certification shall be classified as positive, qualified, or negative, defined as follows:

Positive: A school district that, based on current projections, will meet its financial obligations for the current fiscal year and two subsequent fiscal years.

Qualified: A school district that, based on current projections, may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.

SSC School District and Charter School Financial Projection Dashboard 2015-16 May Revision

This version of SSC's Financial Projection Dashboard is based on the 2015-16 May Revision. We have updated the cost-of-living adjustment (COLA), Consumer Pr
iaA-t.2(r).723 0 Td (220.8Tw 0<T

California

School