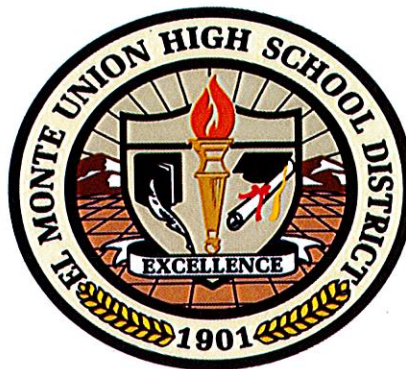


El Monte Union High School District

First Interim
Fiscal Year 2015-16

Executive Summary



Board of Trustees

Maria Morgan
Ricardo Padilla
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Maria-Elena Talamantes
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Administration

Dr. Irella S. Perez, Superintendent
Cynthia Shieh, Chief Business Official
Dr. Sergio Flores, Assistant Superintendent of Education Services
Eddie Zuniga, Assistant Superintendent of Human Resources

December 9, 2015

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El Monte Union High School District

Budget Calendar

FY 2015-16

June	Board adopts FY 2015-16 Budget.
July/August	Business Office Staff works on Year-end Closing (FY 2014-15)
August	Within 45 days, the District revises its budget to reflect significant changes in the State's approved budget.
September	Unaudited Actuals submitted for approval.
October	First Interim for Fiscal Year 2015-16 ends on October 31, 2015.
November	Preparation of First Interim.
December	Submission of First Interim on or before December 15, 2015. Release of Auditor's Report for prior fiscal year (2014-15).
January	Governor releases State budget proposal for the next fiscal year (2016-17); Second Interim ends January 31, 2016.
February	School Board conducts a budget study session (based on the Governor's Budget proposal)
March	District submits the Second Interim on or before March 15, 2016.
April	P-2 ADA cut-off
May	Release of Governor's May Revise (FY 2016-17).
June	Board conducts the public hearing and adopts 2016-17 Budget.

EXECUTIVE SUMMARY

El Monte Union High School District First Interim for FY 2015-16

Located in the heart of the San Gabriel Valley, the El Monte Union High School District, established in 1901, includes Arroyo, El Monte, Mountain View, Rosemead, South El Monte and Fernando R. Ledesma High School in addition to two El Monte-Rosemead Adult Centers, one of California's largest and most respected adult programs. The District employs about 680 certificated employees and 678 classified employees. The professional staff provides educational programs for over 9,000 students in grades 9 through 12 and 13,000 in adult education.

Just minutes from the hub of the Los Angeles Metropolitan Civic Center, with the Pomona, San Bernardino and 605 freeways traversing the areas, the district boasts many comfortable and residential neighborhoods in addition to providing sites for a myriad of business and industrial facilities.

The population studies show that approximately 200,000 people reside in our attendance boundaries. The area that the District serves represents a cross section on interests, professions, and groups. The majority of income for people in this area is broadly grouped into industrial and factory worked and retail sales. The families who live in this area include many in the middle to lower income economic groups.

The District philosophy of education calls for the school, the home and the community to work cooperatively toward the achievement of its educational goals.

The El Monte Union High School District is an Equal Opportunity/Affirmative Action/ Disabled/Title IX employer. The El Monte Union High School District provides equal employment opportunities for men and women and does not discriminate in educational programs and activities or in the employment of personnel and the process therein on the basis of sex.

With a commitment to excellence underlying all goals, the Board of Trustees constantly strives to provide outstanding educational services to the youth and adults of the community.

A Mission Statement is what we do/provide in order to bring our Vision into reality.

MISSION

Mission Statement

The El Monte Union High School District will:

- Advocate, nurture and sustain a positive school culture through a challenging and rigorous, standards-based curriculum that promotes achievement for all students;
- Ensure management of the organization, operations and resources for a safe, efficient and effective learning environment that is conducive to student learning and staff professional growth;
- Collaborate with families and community members, respond to diverse community interests and needs, and mobilize community resources;
- Model a personal and institutional code of ethics and develop professional leadership capacity

BELIEVE IN THE POWER OF EDUCATION!

CREAMOS EN EL PODER DE LA EDUCACION!

相信教育的力量!

Tin vào sức mạnh của giáo dục!

VISION

The VISION of the El Monte Union High School District is to cultivate and empower our students to be ethical, productive, successful and contributing members of our global society.

District Administration

Dr. Irella S. Perez, Superintendent

Cynthia Shieh, Chief Business Official

Dr. Sergio Flores, Assistant Superintendent of Education Services

Eddie Zuniga, Assistant Superintendent of Human Resources

School Site Administration

Arroyo HS:	Angelita Gonzales-Hernandez, Principal Jose Gallegos, Assistant Principal - Instruction Joaquin Valdez, Assistant Principal - Student Services Oscar Gomez, Assistant Principal - Activities
El Monte HS:	Robin Torres, Principal Gabriel Flores, Assistant Principal - Instruction Jorge Morales, Assistant Principal - Student Services Nicole Price, Assistant Principal - Activities
Mountain View HS:	Larry Cecil, Principal Jose Marquez, Assistant Principal - Instruction Alejandro Leon, Assistant Principal - Student Services Allende Palma-Saracho, Assistant Principal - Activities
Rosemead HS:	Dr. Brian Bristol, Principal Jose Banas, Assistant Principal - Instruction Maria Alfaro, Assistant Principal - Student Services James Eder, Assistant Principal - Activities
South El Monte HS:	Dr. Amy Avina, Principal Michael Daly, Assistant Principal - Instruction Olga Lopez, Assistant Principal - Student Services Angelica De La Rosa, Assistant Principal - Activities
Fernando R. Ledesma HS:	Freddy Arteaga, Principal Monica Sanchez, Assistant Principal – Instruction Lorena Casillas, Assistant Principal - Student Services
El Monte-Rosemead: Adult School	Deborah Kerr, Principal Sara Shapiro, Assistant Principal

Introduction:

The Local Control Funding Formula (LCFF) establishes a base with supplemental and concentration add-ons for English Learners (EL), free and reduced-price meal eligible students and foster youth students, and provides additional funding for Grades 9-12, Home-to-School Transportation and the Targeted Instructional Improvement Grant (TIIG).

The Base Grant rates for 2015-16 are as follows:

Grade Level	2014-15 Base Grant per ADA	COLA 1.02%	Augmentation	2015-16 Base Grant per ADA
9-12	\$8,491	\$87	\$223	\$8,801
Alternate Gap Funding Scenarios				
1	Total LCFF Entitlement/Target			\$ 108,669,951
2	2015-16 Hold Harmless LCFF Funding (including Base, Augmentation, Supplemental & Concentration add-on, Transportation & TIIG)			\$ 88,450,297
3	Difference between Total LCFF Target and Current Year Hold Harmless(GAP)			\$ 20,219,654
4	Gap Funding % (51.52% per BAS) or (District Entry)			51.52%
5	Gap Funding Amount (3 x 4)			\$10,417,166
	Alternate Current Year Funding (2 + 5)			\$ 98,867,462

COLAs and Gap Funding Amounts

The Base Grant rates are increased annually by the statutory COLA. The statutory COLA for 2015-16 is 1.02 percent. The estimated COLA for 2016-17 is 1.60 percent, and 2.48 percent for 2017-18. It is important to note that the *COLA affects only the calculation of the LCFF Target, and does not describe the net increase in funding for each district.*

The \$6.0 billion provided in 2015-16 to continue to implement the LCFF will fund each district's Gap by 51.52 percent. The Department of Finance projects that enough additional funds will be provided to fund the Gap by 35.55 percent in 2016-17 and by 35.11 percent in 2017-18. This does not mean that each district will receive increases equal to these amounts, but that each district's Gap (the difference between the prior year Hold Harmless amount and their current year calculated Target amount) will be funded by those percentages.

Based on our calculations of Los Angeles County school districts' LCFF revenues, the increases from 2014-15 to 2015-16 range from just above 7 percent to just below 19 percent per ADA. This wide range indicates that each district must understand the unique impact of the LCFF funding on their district.

The Governor and the Administration continue to anticipate the transition to fully fund LCFF will take eight years, with full funding in 2020-21. Until then, increases in funding will be as the State budget appropriates funding for that purpose. There is no statutory guaranteed increase in any given year until full implementation is reached. Expiration of some temporary tax increases in 2016 and 2018, and uncertainty regarding the continued recovery of the State's economy, results in uncertainty regarding future years' increases in LCFF funding.

District's Funds and Budget:

Accounting is the fiscal information system for business. The District's accounting, referred to as Governmental Accounting, is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

In FY 2015-16, there are currently ten funds in the District accounting system. The District's funds include:

General Fund (Fund 01)
Adult Education Fund (Fund 11)
Child Development Fund (Fund 12)
Cafeteria Special Revenue Fund (Fund 13)
Deferred Maintenance Fund (Fund 14)
Special Reserve Fund – Post Employment Benefits (Fund 20)
Building Fund (Fund 21)
Capital Facilities Fund (Fund 25)
County School Facilities Fund (Fund 35)
Special Reserve Fund for Capital Outlay Projects (Fund 40)

Multi-Year Assumptions:

The multi-year projection for the First Interim utilizes the recommended assumptions published by Los Angeles County Office of Education. Expenditure projections include step and column increases for salaries, as well as those expenditures addressed in the Local Control Accountability Plan (LCAP). Additional amounts have also been included to address the increase in CalSTRS and CalPERS employer rates. It is anticipated that the District's enrollment will remain relatively decline slightly over the next two years.

Assumptions for the First Interim for FY 2015-16 include:

- Funding for the LCAP
- Funding to address the needs of unduplicated counts of pupils which include English Learners, Free and Reduced Price Eligible Students, and Foster Youth via the proportionality calculation
- Steps and columns for employees effective July 1, 2015

Multi-year projections for the two subsequent years, FY 2016-17 and FY 2017-18, include:

- Continued LCFF funding model.
- Increased funding for unduplicated counts of pupils based on the proportionality calculation.
- Steps and columns for employees. No salary improvement has been built into the multi-year projections.
- New Projected STRS and PERS rates.
- Due to last payment for PARS in 2015-16 of \$474,654 (All Certificated and Classified Retirees), we have no more payment going forward.
- Increased contributions to restricted maintenance equivalent to 3% of general fund expenditures in 2016-17 and 2017-18.
- Additional 5% increase thru multi-years for all utilities, Health & Benefits, Property & Liability.
- Inter-fund transfer to fund 14, \$710,000 every year.

The following table shows major assumptions used in the First Interim:

El Monte Union High School District MYP Budget Assumptions			
Factor	2015-16	2016/17	2017/18
Statutory COLA	1.02%	1.60%	2.48%
GAP Funding	51.52%	35.55%	35.11%
Projected Enrollment	9,109	8,920	8,859
P-2 ADA	8,745	8,563	8,505
Funded ADA	8,964	8,759	8,577
Unduplicated Counts of Pupils	8,226	8,021	7,817
3-Year Average % of Enrollment Eligible for Supplemental Add-on	91.78%	90.93%	89.50%
\$ Per Pupil - Site Budget	\$ 80.00	\$ 80.00	\$ 80.00
\$ Per Pupil - Discretionary Fund	\$ 39.00	\$ 39.00	\$ 39.00
\$ Per Pupil - Athletic Transportation	\$ 45.00	\$ 45.00	\$ 45.00
California CPI	2.20%	2.40%	2.60%
Lottery - Unrestricted (Base)	\$ 140	\$ 140	\$ 140
Lottery - Restricted	\$ 41	\$ 41	\$ 41
CalPERS Employer Rate	11.847%	13.050%	16.600%
CalSTRS Employer Rate (+1.85 per year)	10.730%	12.580%	14.430%
Interfund Transfers To Fund 14	\$ 710,000	\$ 710,000	\$ 710,000
Interfund Transfers To Fund 40*	\$ 3,500,000	-	-
* \$2M Mt. View HS Special Project, \$1.5M 5 years Buses Replacement			

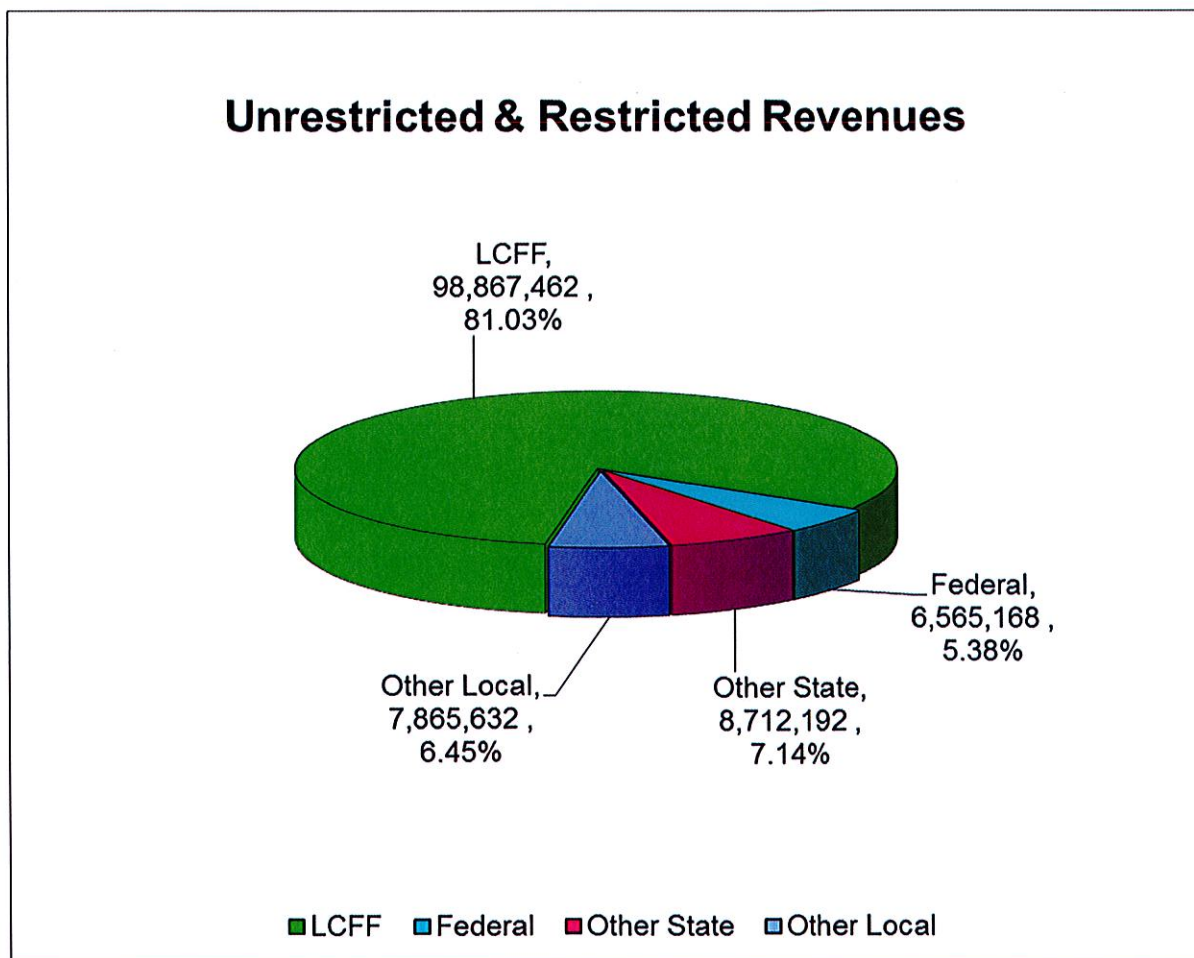
GENERAL FUND (Fund 01): This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those required or permitted by law to be in another fund are accounted for in this fund. In the General Fund, there are General Fund Unrestricted and General Fund Restricted.

General Fund Unrestricted: Unrestricted funds are monies received that are not restricted in their use. The district can spend unrestricted monies on whatever programs it chooses. To help us cope with reduced funding, the state has eliminated the restrictions on some previously restricted funding sources- allowing districts the flexibility to determine locally the best use of the funds.

General Fund Restricted: This is to account for those projects and activities that are funded by external revenue sources that are legally restricted or restricted by the donor to specific purposes. For example, special education funds are restricted. They can only be spent on students with identified special needs and in the manner outlined in state and federal law.

General Fund Revenues: \$122,010,454 (Unrestricted \$98,438,455; Restricted \$23,571,999)

The following chart illustrates the funding source of the total General Fund revenues.



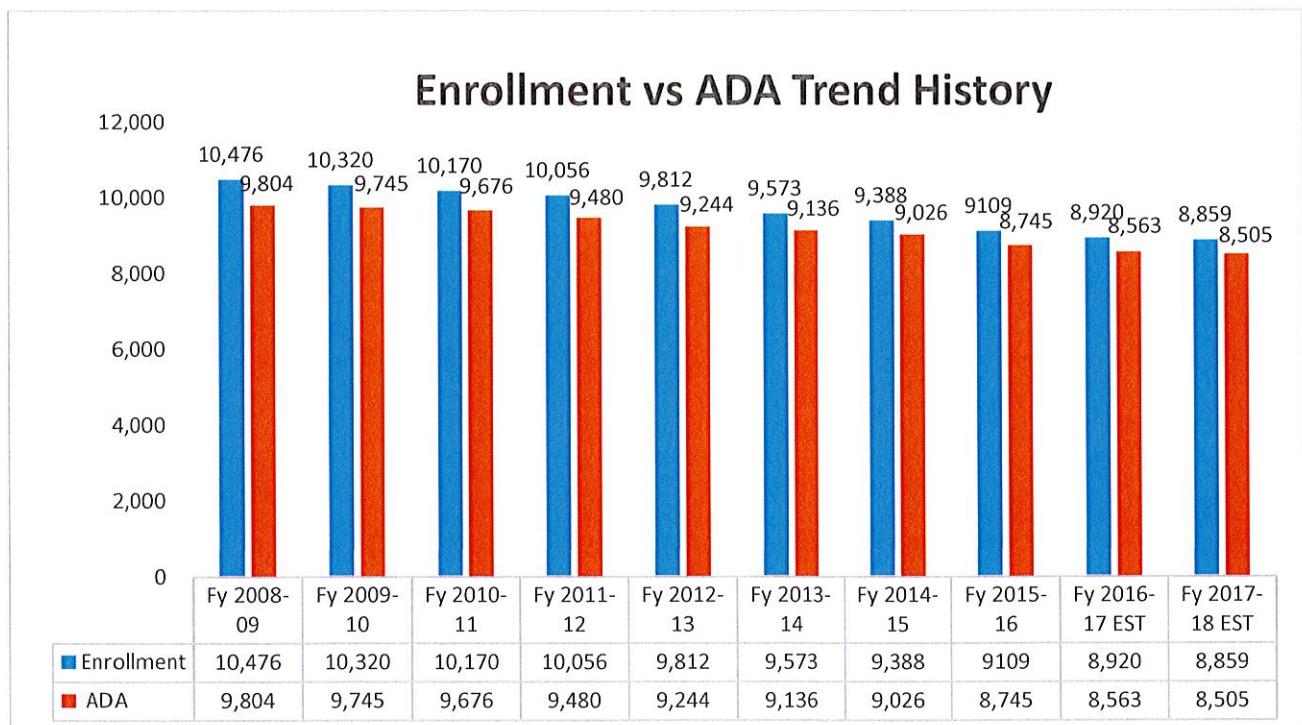
LCFF Source (Object 8010-8099): \$98,867,462 (Unrestricted \$98,867,462, Restricted \$0)

This represented 81.03% of the total general fund revenues. It is the primary revenue component of the District's total revenue source.

The unrestricted portions represented in the LCFF funding include the Principal Apportionment (P2 ADA), Education Protection Account, and Property Taxes. EC Section 42238.5(a)(1) allows districts with declining attendance to continue to receive funding based on the greater of prior year or current year actual attendance. This provides, in effect, a one-year cushion for the loss of revenue due to declining enrollment/attendance. Because the District is in declining enrollment, the State will use prior year P2 ADA, (9,026) to calculate the District's LCFF funding.

The following chart shows annual enrollment (based on the informational date which is the first Wednesday of October each year) and P-2 Average Daily Attendance (ADA). Each school agency reports its attendance three times during a school year. The First Principal apportionment ADA, called the P-1 ADA or the P-1 count, is counted from July 1 through the last school month ending on or before December 31 of a school year. The Second Principal apportionment ADA, called the P-2 ADA, is counted from July 1 through the last school month ending on or before April 15 of a school year. The final recalculation of the apportionment is based on a school agency's P-2 ADA.

The following chart illustrates the ten-year trend analysis between enrollment and P-2 ADA.



Blue = Enrollment Orange = P-2 ADA

Note: The table represents a snapshot on CalPads date which is the 1st Wednesday of October.

Federal Revenue (Object 8100-8299): \$6,565,168 (Restricted)

This represents 5.38% of the total general fund revenues. The restricted amount includes IDEA Local Assistance, Federal Mental Health, Migrant Education, Carl Perkins Vocational Education and No Child Left Behind (NCLB) including Title I, Title II, and Title III.

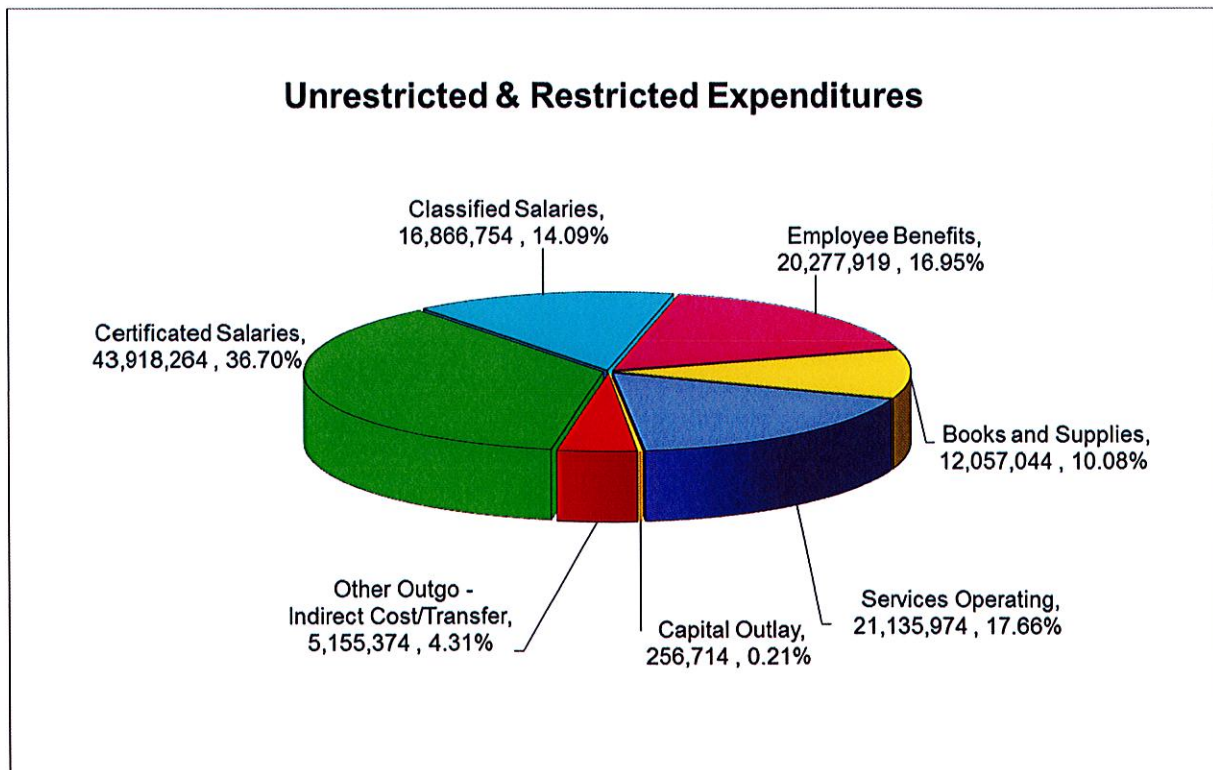
**Other State Revenue (Object 8300-8599): \$8,712,192
(Unrestricted \$6,621,459; Restricted \$2,090,733)**

This is the second largest revenue source for the District; it represents 7.14% of the total general fund revenues. The unrestricted portion includes Lottery, Advance placement reimbursement, and Mandated Cost Reimbursement deferral payment one-time \$4,766,245 and Mandated Cost Block Grant ongoing. The restricted portions includes Emergency repair, Educator Effectiveness, Lottery, State Mental Health, Workability, and California Partnership Academy grants.

**Other Local Revenue (Object 8600-8799): \$7,865,632
(Unrestricted \$2,199,317; Restricted \$5,666,315)**

This represents 6.45% of the total general fund revenues. The unrestricted portions include Rental Leases, ROP, RDA, Student fees for Advance Placement, other districts transportation income, recycle and interest income. The restricted portions include SELPA allocation for Special Ed, donations grants, E-Rate rebate, Safety Credit, Nutrition Education Obesity Prevention (NEOP), lab fees, transcript, use of facilities, and District contribution for Instructional Materials.

General Fund Expenditures: \$119,668,043 (Unrestricted \$94,903,201; Restricted: \$24,764,842)



Certificated Salaries (Object 1000-1999): \$43,918,264 (Unrestricted: \$ 37,689,980; Restricted \$6,228,284)

Certificated salaries are salaries for positions that require a credential or permit issued by the Commission on Teacher Credentialing. Total district general education staffing for 2015-16 is projected to be 504 full-time equivalents (FTE). It represents 36.70% of the total general fund expenditures.

Classified Salaries (Object 2000-2999): \$16,866,754 (Unrestricted: \$14,010,703; Restricted \$2,856,051)

This classification represents the salaries paid for the positions that do not require a credential or permit issued by the Commission on Teacher Credentialing. The positions in this classification are office manager, administrative clerk, clerical assistant, receptionist, secretary, health clerk, district office staff, instructional aides, student workers, campus security and maintenance and operation staff. For 2015-16 is projected to be 426 full-time equivalents (FTE). It is about 14.09% of the total general fund expenditures.

Employee Benefits (Object 3000-3999): \$20,277,919 (Unrestricted: \$17,350,960; Restricted \$2,926,959)

This classification is to account for employers' contributions to retirement plans (State Teachers' Retirement System, and Public Employees' Retirement System), alternative retirement plans, early retirement incentive programs, health and welfare benefits, and the payroll related statutory costs such as Workers' Compensation, State Unemployment Insurance, FICA, and Medicare. It is about 16.95% of the total general fund expenditures.

Books and Supplies (Object 4000-4999): \$12,057,044 (Unrestricted \$7,365,868; Restricted \$4,691,176)

This is to account for expenditures for Textbooks, Classroom instructional materials, technology supplies, office supplies, custodial supplies, food supplies and non-capitalized equipment. It represents about 10.08% of the total expenditures. Only the school site budget are subject to carryover.

Services and Other Operation Expenditures (Object 5000-5999): \$21,135,974 (Unrestricted \$14,896,281; Restricted \$6,239,693)

This is to account for expenditures for services, rentals, leases, repairs, maintenance contracts, dues, travel, insurance, utilities, Consultant/Contract services, and other operating expenditures. It is about 17.66% of the total expenditures.

Capital Outlay (Object 6000-6999): \$256,714 (Unrestricted \$15,035; Restricted \$241,679)

This is to account for expenditures capitalized intangible capital assets above \$5,000. It represents less than 0.21% of the total expenditures. Turt Vacuum Sweeper, E-Rate Rebate- Network Equipments and IT computers.

Other Outgo (Object 7100-7499): \$945,374 (Unrestricted -\$635,626, Restricted \$1,581,000)

This represents special education tuition and excess costs to other agencies, district-referred students enrolled in LACOE and OCDE community school and Specialized Secondary School programs and lease and interest payments on District copiers. It represents just over 4.31% of the District's total expenditures.

Unrestricted Ending Balance:

One of the key fiscal indicators for fiscal health risk analysis is the Reserve for Economic Uncertainty. Progress toward the 8-year goal set by the Governor and Legislature is measured by how much of a year over year dollar increase is provided by subsequent Administrations and Legislatures over the next few years and beyond.

	Fy 2015-16	Fy 2016-17	Fy 2017-18
Unrestricted			
Total Revenues	\$ 107,688,127	\$ 104,096,319	\$ 105,349,603
Transfers In	\$ 111		
Total Expenditures	\$ 90,693,201	\$ 91,452,268	\$ 93,853,895
Transfers Out	\$ 4,210,000	\$ 710,000	\$ 710,000
Contributions	\$ (9,249,783)	\$ (9,731,039)	\$ (10,185,254)
Net	\$ 3,535,254	\$ 2,203,012	\$ 600,454
Beginning Balance	\$ 16,666,141	\$ 20,201,395	\$ 22,404,407
Ending Balance	\$ 20,201,395	\$ 22,404,407	\$ 23,004,861
Restricted			
Total Revenues	\$ 14,322,216	\$ 12,238,399	\$ 12,506,984
Total Expenditures	\$ 24,764,842	\$ 22,241,984	\$ 22,692,238
Contributions	\$ 9,249,783	\$ 9,731,039	\$ 10,185,254
Net	\$ (1,192,843)	\$ (272,546)	\$ -
Beginning Balance	\$ 1,465,389	\$ 272,546	\$ 0
Ending Balance	\$ 272,546	\$ 0	\$ 0
Combined (Unrestricted & Restricted)			
Total Revenues	\$ 122,010,454	\$ 116,334,718	\$ 117,856,587
Total Expenditures	\$ 115,458,043	\$ 113,694,252	\$ 116,546,133
Transfers Out	\$ 4,210,000	\$ 710,000	\$ 710,000
Contributions	\$ -	\$ -	\$ -
Net	\$ 2,342,411	\$ 1,930,466	\$ 600,454
Beginning Balance	\$ 18,131,530	\$ 20,473,941	\$ 22,404,407
Ending Balance	\$ 20,473,941	\$ 22,404,407	\$ 23,004,861
Required Reserve %	11%	11%	11%
Required Reserve Bal	\$ 13,163,485	\$ 12,584,468	\$ 12,898,175

OTHER FUNDS

ADULT EDUCATION FUND: This fund is used to account separately for federal, state, and local revenues for Adult Education programs. The main revenue for Fund 11 of \$8,754,148 are from Adult Education Block Entitlement \$8,669,460, and other state revenue of \$84,688 (Calworks). Federal revenues of \$1,331,999 are from Carl Perkins Adult Vocational Education \$123,516, Adult Basic Education & ESL \$885,015, Adult Education Secondary & GED \$315,198, and English Literacy & Civics Ed \$8,270. Other local revenues of \$1,190,465 are from Rio Hondo Consortium \$933,865 and interest, fees, and other revenue \$256,600. Grand total revenues of \$11,276,612. The total expenditures are \$12,763,188, this amount includes \$1,746,987 for Adult Ed. Construction. The beginning fund balance for this fund was \$10,813,609 and ending fund balance is projected at \$9,285,287 as at June 30, 2016.

CHILD DEVELOPMENT FUND (Fund 12): This fund is used to account separately for federal, state, and local resources to operate Child Development Programs. The programs include one State Preschools located at Adult Center in El Monte. Total revenues of \$308,880 are from Los Angeles Universal Preschool (LAUP) \$308,880, and inter-fund transfer of \$41,745 from Adult Ed. to cover deficit balance due to no longer collecting parent fees. The total expenditures are \$395,486. The beginning fund balance for this fund was \$44,861 and ending fund balance is projected at \$0.00, the program will be ended at June 30, 2016.

CAFETERIA SPECIAL REVENUE FUND (Fund 13): This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* sections 38090–38093). Total revenues for the Cafeteria Special Fund were \$5,138,457 which includes \$4,379,238 from Federal (Child Nutrition Programs), \$430,969 from the State (Child Nutrition Program), \$313,250 from paid meals, local revenue \$5,000 and interest \$10,000. Cafeteria fund has an unspent carryover balance of \$463,865 (Child Nutrition Program) waiting for approval from the state before we can spend, per state requirements we must reserve three months operating expenses. The total expenditures were \$5,570,893. The beginning fund balance for this fund was \$1,713,388 and ending fund balance is projected at \$1,280,952 as at June 30, 2016.

DEFERRED MAINTENANCE FUND (Fund 14): This fund is used to account separately for state apportionments and the LEA's contributions for deferred maintenance purposes (*Education Code* sections 17582-17587). The only revenue for this fund was interest earned \$10,657 and inter-fund transfer from General Fund \$710,000. The total expenditures were \$710,000. The beginning fund balance for this fund was \$1,529,065 and ending fund balance is projected at \$1,539,722 as at June 30, 2015.

SPECIAL RESERVE FUND FOR POSTEMPLOYMENT BENEFITS (Fund 20): This fund was established to reserve funds for postemployment benefits. This fund may be used pursuant to *Education Code* Section 42840 to account for amounts the LEA has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the postemployment benefit plan. Amounts accumulated in this fund must be transferred back to the general fund for expenditure (*Education Code* Section 42842). The only revenue for the year is the interest in Other Local Revenue a total of \$18,888. There were no expenditures for the year. The beginning fund balance for this fund was \$2,808,069 and ending fund balance is projected at \$2,826,957 as at June 30, 2016.

BUILDING FUND (Fund 21): It is known as G.O. Bond Fund. This fund exists primarily to account for proceeds from the sale of bonds and may not be used for any purposes other than those for which the bonds were issued. This represents 2005 & 2008 (refunding) outstanding General Obligation Bonds. The District received \$135,143 in interest and reimbursement of \$9,152,079 from Fund 35.0 - construction costs for Arroyo CTE, Rosemead CTE and Rosemead HS Growth. Expenditures include salary and benefit amounts paid to the Director of Facilities and Construction Account Technician III in the amount of \$214,867 and \$6,980,064 for facility repairs, improvements, architect fees, construction management fees, and other construction costs. The beginning fund balance for this fund was \$9,104,322 and ending fund balance is projected at \$11,196,613 as at June 30, 2016.

CAPITAL FACILITY FUND (Fund 25): It is known as Developer Fees money. This fund is used to account for monies received from fees levied on developers or other agencies as a condition of approving a development. The interest earned in this fund is restricted to this fund. The expenditures in this fund are restricted to the purposes specified in agreements with the developer or specified in Government Code. The revenue in the amount of \$319,830 of which \$17,453 represents interest income and \$302,377 from developer fees collected. The total expenditures of \$1,151,526 are for building improvements, legal and administrative costs, justification reports preparation and the Districtwide needs assessment. The beginning fund balance for this fund is \$2,783,208 and ending fund balance is projected at \$1,951,512 as at June 30, 2016.

COUNTY SCHOOL FACILITIES FUND (Fund 35): This fund is used primarily to account separately for state apportionments for the State School Facilities Fund. There are no activities for this fund except reimbursement by state of \$9,152,079 to Fund 21 for construction costs at Arroyo CTE, Rosemead CTE and Rosemead HS Growth. Currently all the state projects are closed. The beginning fund balance for this fund was \$9,152,079 and ending fund balance is projected at \$0 as at June 30, 2016.

SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS (Fund 40): This fund exists to provide for the accumulation of general fund monies for capital outlay purposes. This fund may also be used to account for any other revenues specifically for capital projects. The only revenues for this fund were interest income \$14,900, California Clean Energy \$421,851, Mt View Fire reimbursement projected at \$386,040 and inter-fund transfer of \$3,500,000 from General Fund for Mt View special projects of \$2,000,000 and Bus replacement plan of \$1,500,000 for 5 years spending. Total expenditures are \$1,198,295. The beginning fund balance for this fund was \$2,370,834 and ending fund balance is projected at \$5,495,330 as at June 30, 2016.

Final note:

Considering all outlined above, District staff recommends to the Board to adopt a positive certification for the current financial statements. This certification reflects the fact that the District is projected to meet its financial obligations for the current fiscal year and two subsequent fiscal years.

Next Steps

In this interim report, the District staff has summarized the changes that have occurred to the Adopted Budget from July 1 through October 31, 2015, and additionally included in the projected actuals those revenues and expenditures that might occur between October 31, 2015 and June 30, 2016. These projections are likely to change, at least to a degree, by conscious decisions and by influences beyond the District's control.

By January 8th, 2016, the Governor will unveil his proposed budget for fiscal year 2016-17. Any updates from Governor Proposal, either positive or negative to the current year budget will be analyzed and reported to the Board of Education at the earliest possible moment, and incorporated into the Second Interim Report.

By mid-May, 2016, the Governor will update his proposed budget for fiscal year 2016-17 with what is called the May Revision. The revision will also potentially address any changes positive or negative that might impact the 2016-17 year budget which will also be analyzed and reported to the Board of Education at the earliest possible moment and incorporated into the Estimated Actuals that accompany the Proposed District Budget for fiscal year 2016-17.