

September 15, 2023

Linda Row
Loleta Union School District
PO Box 547
Loleta, CA 95551-0547

SUBJECT: 2023-2024 BUDGET REVIEW

Dear Linda Row:

In accordance with Education Code sections 52070 and 42127, the Humboldt County Office of Education has reviewed your 2023-24 Local Control and Accountability Plan (LCAP) and adopted budget of the Loleta Union School District for fiscal year 2023-24. By statute, the adopted budget review must be completed by September 15 of each year, and the LCAP review must be completed by October 8. Based on our review, the 2023-24 LCAP and adopted budget of the Loleta Union School District have been **approved**.

With regard to our review of the district's LCAP, Education Code 52070 requires the county superintendent to approve the plan for each school district after determining all of the following:

- **Adherence to State Board of Education Template** - The LCAP adheres to the template adopted by the state board pursuant to Section 52064 and follows any instructions or directions for completing the template that are adopted by the State Board of Education (SBE).
- **Sufficient Expenditures in Budget to Implement LCAP** - The budget for the applicable fiscal year adopted by the governing board of the school district includes expenditures sufficient to implement the specific actions and strategies included in the LCAP adopted by the governing board of the school district.
- **Adherence to State Board of Education (SBE) Expenditure Regulations** - The LCAP adheres to the expenditure requirements adopted pursuant to Section 42238.07 for funds apportioned on the basis of the number and concentration of unduplicated pupils pursuant to Sections 42238.02 and 42238.03.
- **Calculation and Implementation of Carryover** - The LCAP includes the required calculations to determine whether there is a carryover requirement pursuant to Education Code Sections 42238.07 and 52064 and, if applicable, includes a description of the planned uses of the specified funds and a description of how the planned uses of those funds satisfy the requirements for specific funds and a description of how the planned uses of those funds satisfy the requirements for specific actions to be considered as contributing toward meeting the increased or improved services requirement (Education Code Section 52070(d)(4)).

Based on our review of your district's LCAP for 2023-24 we have determined that the district is in compliance with the above criteria.

With regard to the district's adopted budget, Education Code 42127 requires the county superintendent to approve, conditionally approve, or disapprove the adopted budget for each school district after a review that includes the following:

- Determine whether the adopted budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.
- Examine the adopted budget to determine whether it complies with the standards and criteria established pursuant to Section 33127, and identify any technical corrections needed to bring the budget into compliance with those standards and criteria.
- Determine whether the adopted budget will allow the district to meet its financial obligations during the current fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments.

Based on our review of your district's 2023-24 adopted budget and multiyear projection we have determined that the district is in compliance with the above criteria.

The attached review and approval form document communicates our observations and/or concerns with regard to your district's budget. The last page provides detailed information under the Description of Recommendations and Technical Corrections section.

We want to acknowledge and express our appreciation to your district's staff, the governing board, and the community for their continued diligence and hard work. We recognize the challenges around developing a budget and financial plan that provides for ongoing fiscal stability and advancing the goals and activities contained within your district's LCAP.

If you have any questions or concerns regarding our review process, please feel free to contact me.

Sincerely,



[Michael Davies-Hughes \(Sep 18, 2023 15:55 PDT\)](#)

County Superintendent
Humboldt County Office of Education

cc: Board of Education, Loleta Union SD
Corey Weber, Assistant Superintendent of Business Services, HCOE

REVIEW AND APPROVAL OF FISCAL YEAR 2023-2024 FINAL ADOPTED BUDGET

TO THE GOVERNING BOARD: Loleta Union Elementary School District
FROM: Michael Davies-Hughes., Humboldt County Superintendent of Schools

In accordance with the provisions of Education Code (E.C.) Section 42127, we have completed our review of the final adopted budget for your district. A report on that review follows.

AN ITEM MARKED WITH AN ASTERISK (*) REQUIRES THE DISTRICT SUPERINTENDENT AND GOVERNING BOARD TO DO THE FOLLOWING BY OCTOBER 8:

- Review the comments, recommendations and/or technical corrections at a public meeting of the board, and
- Provide a written response communicating any actions taken and, if required, submit a revised budget.

1. TYPE OF APPROVAL

- The adopted budget has been approved.
- * The adopted budget has been conditionally approved. Board action and response to HCOE is required before OCTOBER 8. (See Section 8 for details).
- * The adopted budget has not been approved. (See Section 8 for details).

2. STANDARDS AND CRITERIA (E.C. 33127 and 33129)

- We accept your school district Criteria and Standards Review as complete and narrative(s) as reasonable.
- * We have made recalculations based upon updated information for the prior fiscal year. (See Section 8 for details).

3. OTHER INFORMATION (E.C. 42127(c)(2))

We are required to review and consider studies, reports, evaluations or audits that may contain information relative to the fiscal stability or distress of a school district. You have provided all such information to us and based upon our review:

- The information does not indicate other evidence of fiscal distress.
- * The information does indicate some evidence of fiscal distress. (See Section 8 for details).

4. RECOMMENDATIONS AND TECHNICAL CORRECTIONS

A. Revenue and Expenditures

- * The revenue appears to be overstated (see Section 8 for details).
- * The total expenditures appear to be understated. (See Section 8 for details).
- There appears to be a structural deficit in the general fund.
- Total available reserves appear adequate to offset this condition.
- * Total available reserves do not appear adequate to offset this condition. (See Section 8 for details).

B. Average Daily Attendance (ADA): We recommend budgeting funding guaranteed by the state based on prior year ADA. The district ADA upon which this budget is based is 92.67.

- This represents the state guaranteed level of ADA funding.
- With our prior concurrence, this level of ADA is above the state guaranteed level of funding by ___ADA (actual ADA should be monitored closely).
- * This exceeds the state guaranteed level of ADA funding by ___ ADA (See Section 8 for details).

C. Other Recommendations

- See Section 8 for details.
- * See Section 8 for details.

D. Technical Corrections

- * Other technical corrections have been made to your final adopted budget (See Section 8 for details).

5. **SPECIAL RESERVES**

We have completed a preliminary review of the ending unrestricted reserves for the prior year based on information available at this time as well as the unrestricted reserves for the budget year and two subsequent years. They:

- Appear to meet the state required reserves.
- * Are projected or recalculated to be below the state recommended minimum reserves as of June 30, _____. (See Section 8 for details).

6. **CASH BALANCE**

- Appears adequate.
- * Cash shortage appears possible in one or more months of the budget year.

7. **MULTI-YEAR FINANCIAL PLAN (E.C. 42127(c)(2))**

We have reviewed your board adopted multi-year budgets and found that they were based upon the following assumptions:

1st Subsequent Fiscal Year


2nd Subsequent Fiscal Year

	<u>1st Subsequent Fiscal Year</u>	<u>2nd Subsequent Fiscal Year</u>
Staffing Changes:		
Certificated	No FTE Change	No FTE Change
Classified	No FTE Change	No FTE Change
Enrollment	97	97
ADA	87.27	87.27
Unduplicated %	92.95%	92.78%
COLA %	3.94%	3.29%
GAP %	100%	100%

8. DESCRIPTION OF RECOMMENDATIONS AND TECHNICAL CORRECTIONS

SECTION NUMBER	DESCRIPTION
* ITEM REQUIRES SPECIFIC BOARD ACTION	
4C	<p><u>Cafeteria</u> We also noted that the Cafeteria Fund projects a deficit of \$43,855 representing 55.72% of the total annual revenue generated by the fund. Every effort should be made to mitigate the deficit as quickly as possible so that the impact on the unrestricted resources will be minimized.</p> <p><u>Enrollment</u> First week enrollment data is coming in 20 students less than what was projected at budget adoption. Since the district was projected to be funded on three-year prior average in 2023-24 this should not affect the LCFF funding in the budget year. However, this will result in lower revenue guarantees for 2024-25 and 2025-26.</p>

EXAMINED BY COUNTY SUPERINTENDENT OF SCHOOLS:

BY: 
Michael Davies-Hughes (Sep 18, 2023 15:55 PDT)
 Michael Davies-Hughes
 Superintendent

DATE: Sep 18, 2023

MDH:cm

c: Board President
 District Superintendent and Business Office
 County Business Office

LOLETA UNION ELEMENTARY SCHOOL DISTRICT

9/15/2023

ALL FUNDS BUDGET ADOPTION WORKING BUDGET FISCAL YEAR 2023-24	General Fund/TRANs			----- SPECIAL REVENUE FUNDS -----			----- OTHER FUND TYPES -----			Student Activity	Total All Funds
	Unrestricted	Restricted	Total	Cafeteria Fund	Special Reserves	Bond Construction	State School Facilities	Capital Outlay	Retiree Fund		
A. REVENUES											
Local Control Funding Formula	\$ 1,436,387	\$	\$ 1,436,387	\$	\$	\$	\$	\$	\$	\$	\$ 1,436,387
Federal Sources	216,385	127,412	343,797	68,230							412,027
Other State Sources	18,649	396,141	414,790	9,978							424,768
Other Local Sources	42,405	137,583	179,988	500	598		180	75			181,341
Total Revenue	1,713,826	661,136	2,374,962	78,708	598		180	75			2,454,523
B. EXPENDITURES											
Certificated Salaries	502,594	161,013	663,607								663,607
Classified Salaries	150,304	321,785	472,089	36,342							508,431
Employee Benefits	271,864	291,898	563,762	26,302							590,064
Supplies	54,591	39,262	93,853	51,929							145,782
Services & Other Operating	312,900	127,426	440,326	7,990							448,316
Capital Outlay	24,982		24,982								24,982
Other Outgo	13,500	96,881	110,381								110,381
Support Costs	(3,445)	3,445									
Total Expenditures	1,327,290	1,041,710	2,369,000	122,563							2,491,563
C. EXCESS REVENUES (EXPENDITURES)	386,536	(380,574)	5,962	(43,855)	598		180	75			(37,040)
D. OTHER FINANCING SOURCES/USES											
Interfund Transfers In				35,000							35,000
Interfund Transfers Out	(35,000)		(35,000)								(35,000)
Other Sources											
Other Uses											
Contributions	(361,003)	361,003									
Total Other Sources (Uses)	(396,003)	361,003	(35,000)	35,000							
E. FUND BALANCE INCREASE (DECREASE)	(9,467)	(19,571)	(29,038)	(8,855)	598		180	75			(37,040)
F. ADJUSTED BEGINNING BALANCE	129,899	696,639	826,538	44,196	372,506		10,550	4,432		12,308	1,270,530
G. ENDING BALANCE	\$ 120,432	\$ 677,068	\$ 797,500	\$ 35,341	\$ 373,104		\$ 10,730	\$ 4,507		\$ 12,308	\$ 1,233,490

District Reserve of 15.56% includes:

Total General Fund Expenditures, Transfers out and Uses \$2,404,000
Recommended Minimum Reserve Calculation at 5%: **\$120,200**
Budgeted Reserve Level: 15.56%

General Fund Designated for Economic Uncertainty: \$ 1,053
Special Reserve Fund Ending Balance: \$ 373,104
TOTAL: \$ 374,157

MULTI-YEAR BUDGET PROJECTION

LOLETA UNION ELEMENTARY SCHOOL DISTRICT											9/15/2023
ALL FUNDS	General Fund/TRANS			SPECIAL REVENUE FUNDS			OTHER FUND TYPES				
BUDGET ADOPTION MULTI-YEAR PROJECTIO	Unrestricted	Restricted	Total	Cafeteria Fund	Special Reserves	Bond Construction	State School Facilities	Capital Outlay	Retiree Fund	Student Activity	Total All Funds
FISCAL YEAR 2024-25											
A. REVENUES											
Local Control Funding Formula	\$ 1,441,400	\$	\$ 1,441,400	\$	\$	\$	\$	\$	\$	\$	\$ 1,441,400
Federal Sources	216,385	127,412	343,797	68,230							412,027
Other State Sources	18,649	396,141	414,790	9,978							424,768
Other Local Sources	42,405	137,583	179,988	500	598		180	75			181,341
Total Revenue	1,718,839	661,136	2,379,975	78,708	598		180	75			2,459,536
B. EXPENDITURES											
Certificated Salaries	504,234	161,103	665,337								665,337
Classified Salaries	152,766	324,660	477,426	36,949							514,375
Employee Benefits	275,288	296,825	572,113	26,873							598,986
Supplies	49,670	39,025	88,695	51,929							140,624
Services & Other Operating	331,581	105,137	436,718	7,990							444,708
Capital Outlay	24,982		24,982								24,982
Other Outgo	13,500	96,881	110,381								110,381
Support Costs	(3,445)	3,445									
Total Expenditures	1,348,576	1,027,076	2,375,652	123,741							2,499,393
C. EXCESS REVENUES (EXPENDITURES)	370,263	(365,940)	4,323	(45,033)	598		180	75			(39,857)
D. OTHER FINANCING SOURCES/USES											
Interfund Transfers In	31,922		31,922	41,260							73,182
Interfund Transfers Out	(41,260)		(41,260)		(31,922)						(73,182)
Other Sources											
Other Uses											
Contributions	(364,524)	364,524									
Total Other Sources (Uses)	(373,862)	364,524	(9,338)	41,260	(31,922)						
E. FUND BALANCE INCREASE (DECREASE)	(3,599)	(1,416)	(5,015)	(3,773)	(31,324)		180	75			(39,857)
F. ADJUSTED BEGINNING BALANCE	120,432	677,068	797,500	35,341	373,104		10,730	4,507		12,308	1,233,490
G. ENDING BALANCE	\$ 116,833	\$ 675,652	\$ 792,485	\$ 31,568	\$ 341,780		\$ 10,910	\$ 4,582		\$ 12,308	\$ 1,193,633

<i>Total General Fund Expenditures, Transfers out and Uses</i>	\$2,416,912	<i>District Reserve of 14.14% includes:</i>	
Recommended Minimum Reserve Calculation at 5%:	\$120,846	<i>General Fund Designated for Economic Uncertainty:</i>	\$ 32
<i>Budgeted Reserve Level: 14.14%</i>		<i>Special Reserve Fund Ending Balance:</i>	\$ 341,780
		TOTAL:	\$ 341,812

MULTI-YEAR BUDGET PROJECTION

LOLETA UNION ELEMENTARY SCHOOL DISTRICT											9/15/2023
ALL FUNDS	General			----- SPECIAL REVENUE FUNDS -----			----- OTHER FUND TYPES -----				
BUDGET ADOPTION MULTI-YEAR PROJECTIO	Fund/TRANS	Fund/TRANS	Fund/TRANS	Cafeteria	Special	Bond	State School	Capital	Retiree	Student	Total
FISCAL YEAR 2025-26	Unrestricted	Restricted	Total	Fund	Reserves	Construction	Facilities	Outlay	Fund	Activity	All Funds
A. REVENUES											
Local Control Funding Formula	\$ 1,447,587	\$	\$ 1,447,587	\$	\$	\$	\$	\$	\$	\$	\$ 1,447,587
Federal Sources	216,385	127,412	343,797	68,230							412,027
Other State Sources	18,649	396,141	414,790	9,978							424,768
Other Local Sources	42,405	137,583	179,988	500	598		180	75			181,341
Total Revenue	1,725,026	661,136	2,386,162	78,708	598		180	75			2,465,723
B. EXPENDITURES											
Certificated Salaries	505,874	81,827	587,701								587,701
Classified Salaries	155,201	327,641	482,842	37,333							520,175
Employee Benefits	277,511	267,476	544,987	27,243							572,230
Supplies	51,401	32,298	83,699	51,929							135,628
Services & Other Operating	334,134	99,896	434,030	7,990							442,020
Capital Outlay	24,982		24,982								24,982
Other Outgo	13,500	96,881	110,381								110,381
Support Costs	(3,445)	3,445									
Total Expenditures	1,359,158	909,464	2,268,622	124,495							2,393,117
C. EXCESS REVENUES (EXPENDITURES)	365,868	(248,328)	117,540	(45,787)	598		180	75			72,606
D. OTHER FINANCING SOURCES/USES											
Interfund Transfers In	48,308		48,308	46,000							94,308
Interfund Transfers Out	(46,000)		(46,000)		(48,308)						(94,308)
Other Sources											
Other Uses											
Contributions	(368,208)	368,208									
Total Other Sources (Uses)	(365,900)	368,208	2,308	46,000	(48,308)						
E. FUND BALANCE INCREASE (DECREASE)	(32)	119,880	119,848	213	(47,710)		180	75			72,606
F. ADJUSTED BEGINNING BALANCE	116,833	675,652	792,485	31,568	341,780		10,910	4,582		12,308	1,193,633
G. ENDING BALANCE	\$ 116,801	\$ 795,532	\$ 912,333	\$ 31,781	\$ 294,070		\$ 11,090	\$ 4,657		\$ 12,308	\$ 1,266,239

<i>Total General Fund Expenditures, Transfers out and Uses</i>	\$2,314,622	<i>District Reserve of 12.7% includes:</i>	
Recommended Minimum Reserve Calculation at 5%:	\$115,731	<i>General Fund Designated for Economic Uncertainty:</i>	
<i>Budgeted Reserve Level:</i>	<i>12.70%</i>	<i>Special Reserve Fund Ending Balance:</i>	\$ 294,070
		TOTAL:	\$ 294,070

**LOLETA UNION ELEMENTARY SCHOOL DISTRICT
CASH FLOW WORKSHEET -- GENERAL FUND (INCLUDES RESERVE)
2023-2024**

	0	1	2	3	4	5	6	7	8	9	10	11	12	
Actuals through the month of:	Before FY start	July	August	September	October	November	December	January	February	March	April	May	June	Accruals
Beginning Cash	863,320	862,382	846,321	706,953	571,503	510,180	804,044	859,241	769,636	758,062	790,708	914,782		
Local Control Funding Formula	35,809	35,809	134,681	64,456	64,456	300,116	65,927	68,544	138,769	68,544	231,153	228,124	-	-
Federal Revenues	-	-	-	-	2,500	132,393	-	4,754	3,667	108,193	20,534	13,543	58,215	-
State Revenues	-	-	-	5,273	21,878	13,961	1,584	-	21,350	5,273	-	313,574	31,897	-
Local Revenues	9,866	10,102	16,018	17,744	16,015	17,701	16,714	21,574	12,382	12,382	13,661	15,528	900	-
Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	32,640	89,124	-	-	4,954	7	157,430	-	21,453	-	0	-	-	-
1000	10,799	25,099	70,092	66,429	63,482	66,846	70,324	64,982	68,473	54,312	43,213	59,556	-	-
2000	20,748	23,297	48,655	46,101	44,569	42,995	42,700	42,931	39,695	38,490	33,996	47,910	-	-
3000	16,375	24,071	54,815	51,201	57,309	52,104	48,451	53,218	52,539	47,552	40,226	65,901	-	-
4000	3,149	36,535	20,759	9,365	1,254	3,807	-	1,011	-	3,717	7,128	7,128	-	-
5000	28,181	42,094	95,746	24,793	4,512	4,560	-	22,334	48,489	17,674	16,711	135,232	-	-
6000	-	-	-	-	-	-	24,982	-	-	-	-	-	-	-
7000	-	-	-	25,033	-	-	-	-	-	-	-	-	85,348	-
TF in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TF out	-	-	-	-	-	-	-	-	-	-	-	-	35,000	-
Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS Note Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Balance	862,382	846,321	706,953	571,503	510,180	804,044	859,241	769,636	758,062	790,708	914,782	1,049,475		

Total Projected Receivables (including deferred appropriations if any): 91,012
Final Projected Cash Balance General/Charter Fund, TRANS, Reserve: **\$1,049,475**





28 Loleta - 23-24 Adopted Budget Approval LCAP

Final Audit Report

2023-09-18

Created:	2023-09-18
By:	Chelsey Morris (CMorris@HCOE.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAE_C-OUj8QCMdSIZBZ8C7BtUJHE_mvzhn

"28 Loleta - 23-24 Adopted Budget Approval LCAP" History

-  Document created by Chelsey Morris (CMorris@HCOE.org)
2023-09-18 - 9:14:13 PM GMT
-  Document emailed to Michael Davies-Hughes (superintendent@hcoe.org) for signature
2023-09-18 - 9:14:36 PM GMT
-  Document e-signed by Michael Davies-Hughes (superintendent@hcoe.org)
Signature Date: 2023-09-18 - 10:55:12 PM GMT - Time Source: server
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