



Lowell Joint School District

Tradition of Academic Excellence Since 1906

“Home of Scholars and Champions”

Unaudited Actuals Financial Report as of June 30, 2017

Presented to the Board of Trustees
September 11, 2017



Revenue

2016/17 General Fund

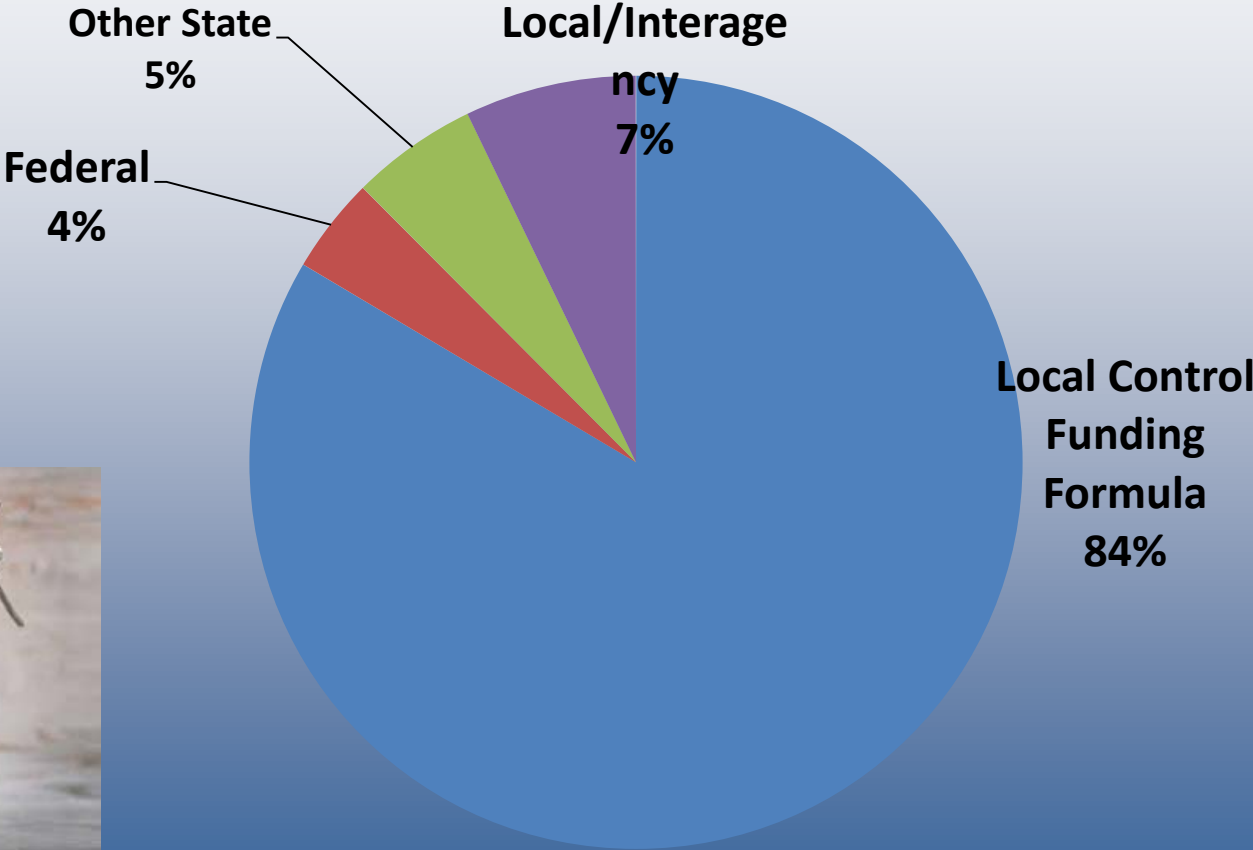


| | Estimated Actuals | Unaudited Actuals | Change |
|-----------------------|----------------------|----------------------|--------------------|
| Local Control F.F. | \$ 24,403,068 | \$ 24,448,666 | \$ 45,598 |
| Federal Income | \$ 1,471,231 | \$ 1,173,770 | \$ (297,461) |
| Other State Income | \$ 1,541,128 | \$ 1,546,741 | \$ 5,613 |
| Other Local Income | \$ 1,907,155 | \$ 2,098,153 | \$ 190,998 |
| Sub Total | \$ 29,322,582 | \$ 29,267,330 | \$ (55,252) |
| Interfund Transfer In | \$ 0 | \$ 0 | \$ 0 |
| Total | \$ 29,322,582 | \$ 29,267,330 | \$ (55,252) |



Revenue Percentages

2016/17 General Fund



Summary of Revenue

2016/17 General Fund



- **All revenue sources decreased \$55,252 from budget estimates**

- ✓ Local Control Funding Formula (LCFF) increase of \$45,598 (\$22,000 CY LCFF, \$23,000 PY EPA)
- ✓ Federal revenue decrease of \$332,000 due to unspent dollars (will be recognized when spent)
- ✓ Federal revenue increase of \$35,000 for MAA and Medi-Cal (one time payments)
- ✓ State revenue difference is insignificant at \$5,613



Summary of Revenue

2016/17 General Fund



- Local revenue increased \$190,998:
 - ✓ \$81,000 Additional school site donations
 - ✓ \$71,000 Insurance Claim \$44,000;
\$19,000 ERATE reimbursements (new accounting); \$5,100 LACOE&OCDE mini grants
 - ✓ \$34,000 Interest Income
 - ✓ \$12,000 Special education revenue



Expenses

2016/17 General Fund



| | Estimated Actuals | Unaudited Actuals | Change |
|--|----------------------|----------------------|-----------------------|
| Certificated Salaries | \$ 13,891,137 | \$ 13,605,436 | \$ (285,701) |
| Classified Salaries | \$ 4,013,129 | \$ 3,908,532 | \$ (104,597) |
| Employee Benefits | \$ 6,509,218 | \$ 6,370,136 | \$ (139,082) |
| Books & Supplies | \$ 2,316,130 | \$ 1,827,097 | \$ (489,033) |
| Services/Operating Exp. | \$ 2,472,187 | \$ 2,181,190 | \$ (290,997) |
| Other Outgoing | \$ 663,838 | \$ 643,274 | \$ (20,564) |
| Sub Total | \$ 29,865,639 | \$ 28,535,665 | \$ (1,329,974) |
| Interfund Transfer Out | \$ 250 | \$ 1,147 | \$ 897 |
| Total | \$ 29,865,889 | \$ 28,536,812 | \$ (1,329,077) |
| Legally Restricted Categorical Carryover | | | \$77,554 |
| Board Restricted School Site Carryover | | | \$311,803 |
| Total Restricted Carryover | | | \$389,357 |

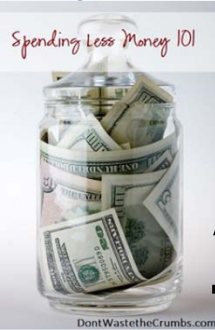
Summary of Expenditures



2016/17 General Fund

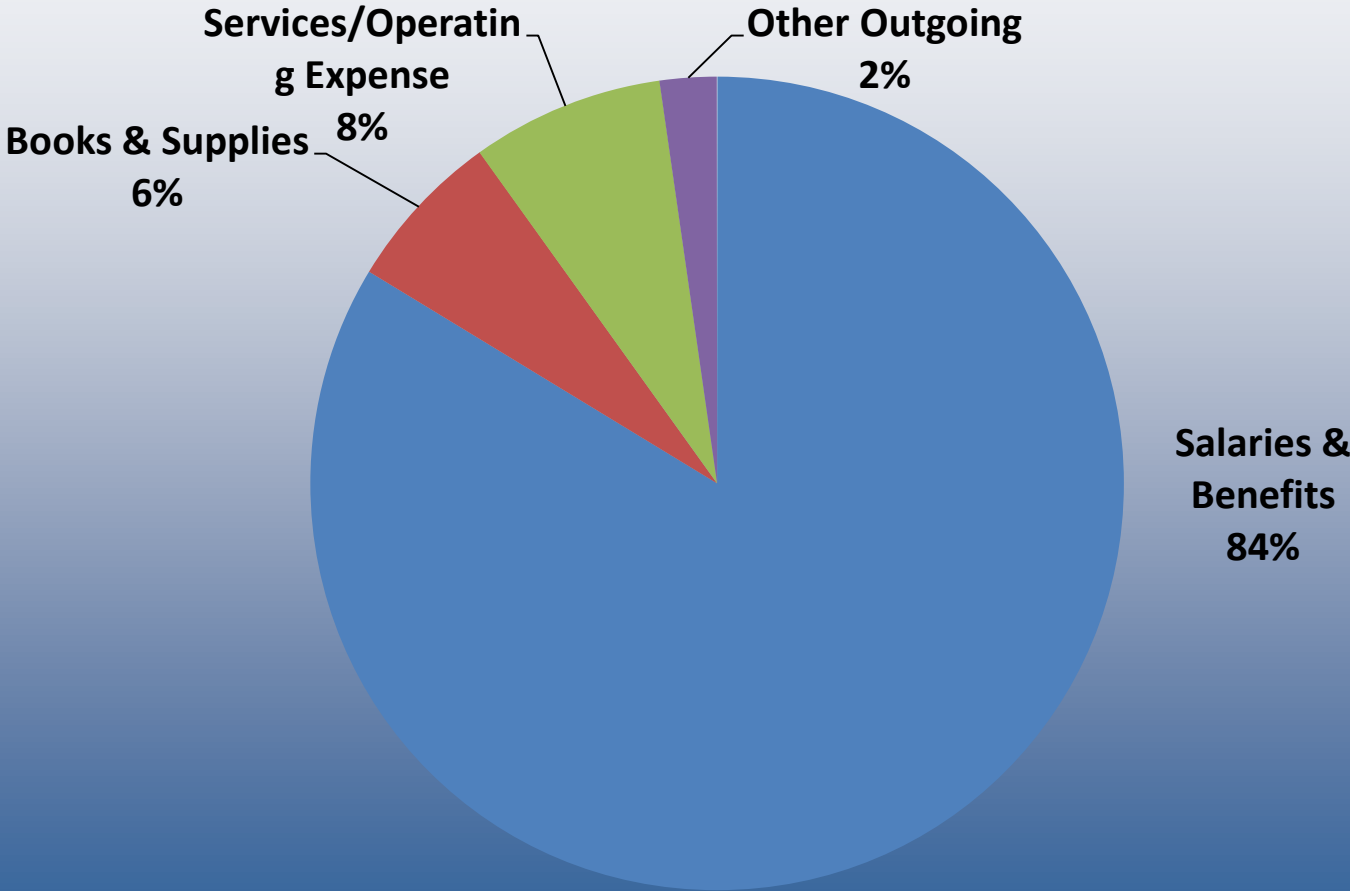
Actual expenses were \$1,329,974 less than budgeted

- ✓ \$312,000 School Site Budgets unspent
- ✓ \$188,000 Supplemental Funds unspent
- ✓ \$332,000 Federal Funds unspent (does not affect fb)
- ✓ \$120,000 Contribution to IDEA not necessary
- ✓ \$78,000 Unspent Grant Funds (restricted balance)
- ✓ \$24,000 Unspent Chromebook Initiative
- ✓ \$213,000 Unspent unrestricted salaries and benefits
- ✓ \$74,000 Unspent legal fees
- ✓ \$63,000 Unspent utilities (primarily electricity)



Expenditure Percentages

2016/17 General Fund



2016/17 Fund Balance



Actual unrestricted ending balance is \$1,019,233 more than projected at Estimated Actuals

- ✓ \$312,000 School Site Budgets unspent
- ✓ \$188,000 Supplemental Funds unspent
- ✓ \$120,000 All contributions to Title 1 not necessary
- ✓ \$24,000 Unspent Chromebook Initiative
- ✓ \$213,000 Unspent unrestricted salaries and benefits
- ✓ \$74,000 Unspent legal fees
- ✓ \$63,000 Unspent utilities (primarily electricity)



Technology Chromebook Initiative Funds



- Initiative began in 2015/16 - 1,015 chromebooks
- 2016/17 - 980 chromebooks
- 2017/18 - 270 chromebooks full implementation 3rd-8th
- One-time mandated cost reimbursement revenues have been dedicated to fund this initiative
- \$1.6 million mandate reimbursement received in 2015/16 - \$1.3 million has been set aside
- \$0.6 million mandate reimbursement in 2016/17 is also dedicated to this initiative



Technology Chromebook Initiative Funds



- Combined amounts allow for implementation and one round of replacement
- Infrastructure demands have been addressed on a limited basis
- \$193,550 has been spent since 2013/14 to allow wireless access at all sites for phases 1 and 2
- More permanent cabling should be provided for system integrity; no plans as of yet to address





Financial Report Observations

Good News

- ✓ We're not declining in enrollment!
- ✓ Two small residential projects have added students to Meadow Green, Olita and Rancho for 16/17 yr. Meadow Green -10, Olita - 8, and Rancho - 1. This is a “one-time” bump.





Financial Report Observations

Cautions:

- ✓ Enrollment is essentially flat compared to 2016/17.
- ✓ Four teachers added in hopes of need for growth. Instead, teachers reduced class sizes grades TK-3 in compliance with contract class size language. These four additional teachers cost \$289,000, \$235,000 was in the adopted budget.





Financial Report Observations

District-wide Class size information:

➤ TK-3 Currently ranges between 23.2-24.0

➤ 4th-6th Currently ranges between 30-39

➤ 7th-8th Currently class size average is 28:1



Financial Report Observations



Reminders:

- The 2017/18 budget contains one-time expenses for textbook adoption (\$600,000) and Chromebook Initiative (\$258,000)
- Actual seat attendance will be critical in 2017/18
- A critical goal is that the multiyear projection at First Interim will support a positive certification





Next Certification of District's financial condition will be on December 11, 2017
(First Interim)

Board Member Questions

