

The documents included in this file were provided, as is, to the California Department of Education (CDE) by the following county offices of education:

- **Fresno County Superintendent of Schools on behalf of Alvina Elementary**
- **Fresno County Superintendent of Schools on behalf of Kingsburg Elementary Charter**
- **Kings County Office of Education on behalf of Island Union Elementary**
- **Kings County Office of Education on behalf of Kings River-Hardwick Union Elementary**
- **Kings County Office of Education on behalf of Pioneer Union Elementary**
- **Placer County Office of Education on behalf of Ackerman Charter**
- **Stanislaus County Superintendent of Schools on behalf of Hickman Community Charter**

This document is posted to the CDE website to meet the legal requirements of California *Education Code* Section 33009.5. Minor formatting changes may have occurred during document remediation.

For more information regarding the content of this material, please contact the Charter Schools Division by phone at 916-322-6029 or by email at charters@cde.ca.gov.

Attachment 1

Districtwide Charters Fiscal Condition – Second Interim Certifications 2022–23

Table of Contents

Alvina Elementary Positive Certification	2
Kingsburg Elementary Charter Positive Certification	7
Island Union Elementary Positive Certification	13
Kings-River Hardwick Union Elementary Positive Certification.....	17
Pioneer Union Elementary Positive Certification	21
Ackerman Charter Positive Certification	25
Hickman Community Charter Positive Certification	28

Alvina Elementary Positive Certification



fresno county
superintendent of schools

Dr. Michele Cantwell-Copher, Superintendent

September 25, 2023

Mr. David Hill
Board President
Alvina Elementary School District
295 W. Saginaw
Caruthers, CA 93609

Subject: 2022-23 Second Interim Report Certification

Dear Mr. Hill:

The Fresno County Superintendent of Schools' (County Superintendent's) District Financial Services Department has reviewed the Alvina Elementary School District's (District's) 2022-23 *Second Interim Report* in accordance with State Criteria and Standards and has reported its findings to the County Superintendent. Based upon this review, the County Superintendent has concurred with the District's **POSITIVE CERTIFICATION**¹ and has reported her findings to the California Department of Education and the State Controller's Office. A "Positive Certification" indicates that, based on current projections, the District "will meet its financial obligations for the current fiscal year and subsequent two fiscal years" (Education Code Section [ECS] 42131(a)(1)). The County Superintendent's concurrence with the District's Positive Certification is based on the information available at the time the District certified its Second Interim Report and may not be indicative of the District's current fiscal position.

Additional information regarding 2022-23 Budgets, Local Control and Accountability Plans, cash management, non-voter-approved debt, and collective bargaining is provided below.

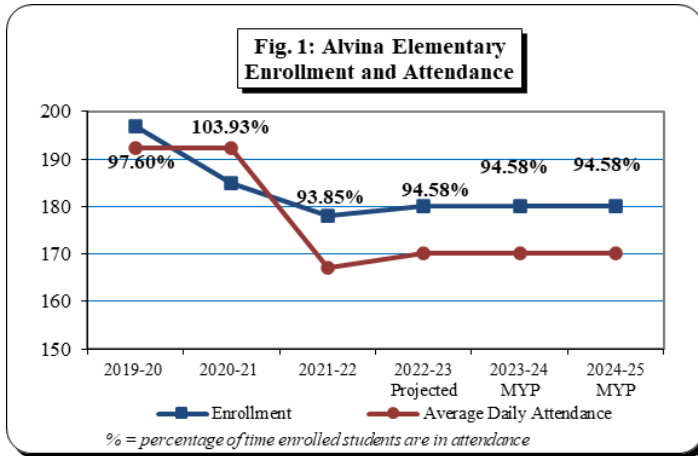
I. ALVINA ELEMENTARY SCHOOL DISTRICT'S FISCAL POSITION AS OF JANUARY 31, 2023

The District's financial position has improved dramatically from projections provided during the 2020-21 fiscal year. At that point in time, the district was preparing to possibly run out of cash by the end of the 2022-23 year. Instead, the district is on strong, healthy footing with projected reserves as of June 30, 2023 of 16.76%. While this is welcome news, the position of the state's revenue collections shows dark clouds on the horizon and the district should take this opportunity to have plans for steps to be taken if the economic picture does eventually sour.

¹ A "Positive" certification indicates that a district will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A "Qualified" certification indicates that a district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A "Negative" certification will be assigned to any district that will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year (ECS 42131(a)(1)).

Mr. David Hill
September 25, 2023
Page 2

A. Enrollment and ADA



School district funding is driven primarily by its enrollment and corresponding Average Daily Attendance (ADA). As shown on the Enrollment and Attendance graph, (Fig 1) the District’s enrollment has started to show growth and projections remain flat in the subsequent years. The District’s Second Interim Report states the District’s enrollment has increased from 178 to 181 in the current year. The average daily attendance (ADA) increased from 167.05 to 170.25 respectively, and is showing signs of leveling off from the declines in the recent past.

II. 2023-24 BUDGETS – REMINDER REGARDING DISCLOSURE REQUIREMENTS AT BUDGET PUBLIC HEARING

Senate Bill 858 (June 2014) included language that affects annual disclosure of district reserves greater than the minimum standard and also requires caps on reserves the year after the state makes a deposit into the state school reserve established by Proposition 2. Senate Bill 751 (October 2017) amended the law to activate the reserve cap in the fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues. **This law remains triggered for the 2023-24 fiscal year**, which means every district with ADA greater than 2,500, must limit their Assigned/Unassigned Reserves to no more than 10%. Additionally, the requirement to disclose information regarding reserves greater than the minimum standard remains in effect for the 2023-24 budget adoption hearings. Education Code section 42127(a)(2)(B) states that:

*Commencing with budgets adopted for the 2015–16 fiscal year, the governing board of a school district that proposes to adopt a budget, or revise a budget pursuant to subdivision (e), that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, shall, **at the public hearing held** pursuant to paragraph (1), provide all of the following for public review and discussion:*

- (i) The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.*
- (ii) The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.*
- (iii) A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended*

Mr. David Hill
September 25, 2023
Page 3

reserve for economic uncertainties for each fiscal year that the school district identifies an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as identified pursuant to clause (ii).

We have posted a “Sample Template for Statement of Reasons for Excess Reserves” form on our website (<http://dfs.fcoe.org/resources>) **for your use in making the necessary disclosures at your budget adoption public hearing**, if applicable. Please contact your District Financial Services Supervisor at (559) 265-3021 if you have any questions about these new disclosure requirements.

We will provide additional information related to 2023-24 budget development once the Governor’s May Revision becomes available in mid-May.

III. 2023-24 LOCAL CONTROL AND ACCOUNTABILITY PLANS

School district budgets have always reflected a district’s goals and priorities, but implementation of the Local Control Funding Formula (LCFF) formalized the alignment of a spending plan and resources to support that plan through development of Local Control and Accountability Plans (LCAPs). As you work on your 2023-24 LCAP, we encourage you to review the County Superintendent’s LCAP website (<http://lcap.fcoe.org/>), the current “Common Message” (<http://dfs.fcoe.org/resources>), and CDE’s LCAP page (<http://www.cde.ca.gov/re/lc/>) as needed for support. You may also contact Marvin Baker, Director of LCAP & Compliance, at (559) 265-4045 or mbaker@fcoe.org.

IV. CASH MANAGEMENT

Cash management is a critical component of financial planning in a school district. With the influx of federal relief dollars cash flow has remained favorable for school districts, despite the effects of the global pandemic. However, districts with healthy fund balances and reserves may experience periodic operating cash shortages. The District should monitor its cash flow continually and plan for short-term interfund or other borrowing options if necessary, to meet operational needs. The District should also ensure that any temporary interfund loans are repaid in accordance with ECS 42603.

V. NON-VOTER APPROVED DEBT

Pursuant to ECS 17150.1, school districts must disclose information related to non-voter approved debt when that debt is secured by real property. The disclosure must be made to the County Superintendent and the County Auditor at least 30 days prior to Board approval of the debt.

The County Superintendent has prepared a “Disclosure of Non-Voter Approved Debt” form to assist you in meeting the disclosure requirements. The “Disclosure” form, as well as an Excel workbook prepared by the Fiscal Crisis & Management Assistance Team (FCMAT), have been posted here: <http://dfs.fcoe.org/resources>. If your District plans to issue non-voter approved debt (including Bond-Anticipation Notes or “BANs”), please submit the County Superintendent’s disclosure form to this Office and to the County Auditor. (The FCMAT worksheet may be helpful to you, but is optional.)

Mr. David Hill
September 25, 2023
Page 4

VI. COLLECTIVE BARGAINING

Government Code Section [GCS] 3547.5 requires public disclosure of fiscal information related to a collective bargaining agreement, **before a district enters into the agreement**. This disclosure includes, but is not limited to, **the costs that would be incurred by the district under the agreement for the current and subsequent fiscal years**. This requirement applies whether a district is negotiating for salary and benefit increases or concessions.

GCS 3547.5 also requires the district superintendent and the chief business officer to certify that the costs incurred by the district can be met during the complete term of the agreement. The certification must include any budget revisions necessary to meet the cost of the agreement in each year of its term. The code further specifies that if the budget revisions are not made, the County Superintendent is required to declare the district as qualified or negative at the next interim reporting period.

Per ECS 42142, within 45 days of adopting a collective bargaining agreement, the superintendent of the school district shall forward to the county superintendent of schools any revisions to the district's current year budget that are necessary to fulfill the terms of that agreement. Any additional costs that may result from the agreement must also be reflected in the district's interim fiscal reports and multiyear fiscal projections.

If you have settled with your bargaining units since the Second Interim reporting period, please submit the Disclosure of Collective Bargaining Agreement worksheet (available for download at <http://dfs.fcoe.org/resources>) to our office, along with supporting documents (e.g., copies of Board approval documents showing key terms of the agreement(s) or similar documents) that can be used in our analysis of the fiscal impact of the agreements. Any necessary budget revisions should also be submitted.

VII. CHARTER OVERSIGHT

If your district has authorized charter schools to operate within your district boundaries, you are obligated by Education Code Section 47604.32 to, among other things, monitor the charter school's fiscal condition, and promptly notify the CDE and County Office of any change in its status.

Thank you for your consideration of this information. Please feel free to contact the District Financial Services team at (559) 265-3021 if you have any questions regarding this letter or if we may assist you with any finance-related matter.

Sincerely,

Gabriel Halls

Gabriel Halls, Senior Director
District Financial Services

c: Dr. Michele Cantwell-Copher, Superintendent, FCSS
Kevin Otto, Deputy Superintendent/CFO, FCSS
Mike Iribarren, Superintendent, AESD
Kathy Bagwell, Finance Officer, AESD

Kingsburg Elementary Charter Positive Certification



fresno county
superintendent of schools

Dr. Michele Cantwell-Copher, Superintendent

September 25, 2023

Ms. Karyll Smith Quinn
Board President
Kingsburg Elementary Charter School District
1310 Stroud Avenue
Kingsburg, CA 93631

Subject: 2022-23 Second Interim Report Certification

Dear Ms. Smith Quinn:

The Fresno County Superintendent of Schools' (County Superintendent's) District Financial Services Department has reviewed the Kingsburg Elementary Charter School District's (District's) 2022-23 *Second Interim Report* in accordance with State Criteria and Standards and has reported its findings to the County Superintendent. Based upon this review, the County Superintendent has concurred with the District's **POSITIVE CERTIFICATION**¹ and has reported her findings to the California Department of Education and the State Controller's Office. A "Positive Certification" indicates that, based on current projections, the District "will meet its financial obligations for the current fiscal year and subsequent two fiscal years" (Education Code Section [ECS] 42131(a)(1)). The County Superintendent's concurrence with the District's Positive Certification is based on the information available at the time the District certified its Second Interim Report and may not be indicative of the District's current fiscal position.

Additional information regarding 2022-23 Budgets, Local Control and Accountability Plans, cash management, non-voter-approved debt, and collective bargaining is provided below.

I. KINGSBURG ELEMENTARY CHARTER DISTRICT'S FISCAL POSITION AS OF JANUARY 31, 2023

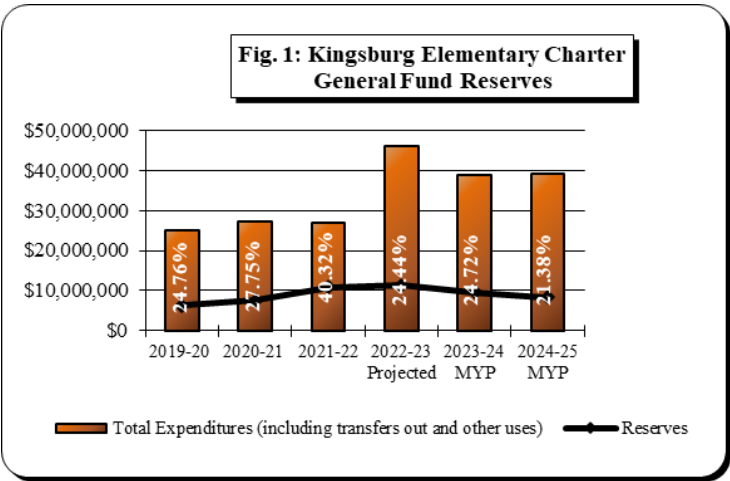
The district is on strong, healthy footing with projected reserves as of June 30, 2023 of 24.44%. While this is welcome news, the position of the state's revenue collections shows dark clouds on the horizon and the district should take this opportunity to have plans for steps to be taken if the economic picture does eventually sour. In the two subsequent years (2023-24 and 2024-25) the restricted side of the budget appears to increasingly encroach on the general fund, possibly due to the loss of one-time federal revenues, and the district may need to take steps to align the salaries and benefits with the reduced ongoing revenues.

¹ A "Positive" certification indicates that a district will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A "Qualified" certification indicates that a district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A "Negative" certification will be assigned to any district that will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year (ECS 42131(a)(1)).

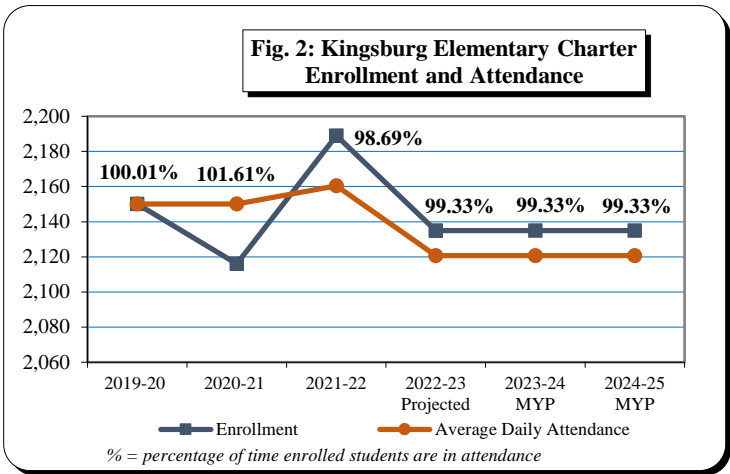
Ms. Karyll Smith Quinn
September 25, 2023
Page 2

A. RESERVES

The District certified its Second Interim Report as “Positive”, based on its anticipated ability to meet its financial obligations and the minimum 3% Reserve for Economic Uncertainties (Reserve) standard in the current and subsequent two years. As shown on the General Fund Reserves graph (Fig. 1), the District’s reserve levels are projected to be 24.44% (June 30, 2023), 24.72% (June 30, 2024) and 21.38% (June 30, 2025).



B. ENROLLMENT AND ADA



The District’s actual enrollment and ADA should be closely monitored. After a strong increase in enrollment in the 2021-22 year, the district declined again in the current year (see Fig 2). While the projections are for flat enrollment in the future years, the district has experienced some fluctuations in recent years and should remain cautious in making any plans for attendance growth.

II. 2023-24 BUDGETS – REMINDER REGARDING DISCLOSURE REQUIREMENTS AT BUDGET PUBLIC HEARING

Senate Bill 858 (June 2014) included language that affects annual disclosure of district reserves greater than the minimum standard and also requires caps on reserves the year after the state makes a deposit into the state school reserve established by Proposition 2. Senate Bill 751 (October 2017) amended the law to activate the reserve cap in the fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues. **This law remains triggered for the 2023-24 fiscal year**, which means every district with ADA greater than 2,500, must limit their Assigned/Unassigned Reserves to no more than 10%.

Ms. Karyll Smith Quinn
September 25, 2023
Page 3

Additionally, the requirement to disclose information regarding reserves greater than the minimum standard remains in effect for the 2023-24 budget adoption hearings. Education Code section 42127(a)(2)(B) states that:

*Commencing with budgets adopted for the 2015–16 fiscal year, the governing board of a school district that proposes to adopt a budget, or revise a budget pursuant to subdivision (e), that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, shall, **at the public hearing held** pursuant to paragraph (1), provide all of the following for public review and discussion:*

(i) The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(ii) The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

(iii) A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties for each fiscal year that the school district identifies an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as identified pursuant to clause (ii).

We have posted a “Sample Template for Statement of Reasons for Excess Reserves” form on our website (<http://dfs.fcoe.org/resources>) **for your use in making the necessary disclosures at your budget adoption public hearing**, if applicable. Please contact your District Financial Services Supervisor at (559) 265-3021 if you have any questions about these new disclosure requirements.

We will provide additional information related to 2023-24 budget development once the Governor’s May Revision becomes available in mid-May.

III. 2023-24 LOCAL CONTROL AND ACCOUNTABILITY PLANS

School district budgets have always reflected a district’s goals and priorities, but implementation of the Local Control Funding Formula (LCFF) formalized the alignment of a spending plan and resources to support that plan through development of Local Control and Accountability Plans (LCAPs). As you work on your 2023-24 LCAP, we encourage you to review the County Superintendent’s LCAP website (<http://lcap.fcoe.org/>), the current “Common Message” (<http://dfs.fcoe.org/resources>), and CDE’s LCAP page (<http://www.cde.ca.gov/re/lc/>) as needed for support. You may also contact Marvin Baker, Director of LCAP & Compliance, at (559) 265-4045 or mbaker@fcoe.org.

IV. CASH MANAGEMENT

Cash management is a critical component of financial planning in a school district. With the influx of federal relief dollars cash flow has remained favorable for school districts, despite the effects of the global pandemic. However, districts with healthy fund balances and reserves may experience periodic operating

Ms. Karyll Smith Quinn
September 25, 2023
Page 4

cash shortages. The District should monitor its cash flow continually and plan for short-term interfund or other borrowing options if necessary, to meet operational needs. The District should also ensure that any temporary interfund loans are repaid in accordance with ECS 42603.

V. NON-VOTER APPROVED DEBT

Pursuant to ECS 17150.1, school districts must disclose information related to non-voter approved debt when that debt is secured by real property. The disclosure must be made to the County Superintendent and the County Auditor at least 30 days prior to Board approval of the debt.

The County Superintendent has prepared a “Disclosure of Non-Voter Approved Debt” form to assist you in meeting the disclosure requirements. The “Disclosure” form, as well as an Excel workbook prepared by the Fiscal Crisis & Management Assistance Team (FCMAT), have been posted here: <http://dfs.fcoe.org/resources>. If your District plans to issue non-voter approved debt (including Bond-Anticipation Notes or “BANs”), please submit the County Superintendent’s disclosure form to this Office and to the County Auditor. (The FCMAT worksheet may be helpful to you, but is optional.)

VI. COLLECTIVE BARGAINING

Government Code Section [GCS] 3547.5 requires public disclosure of fiscal information related to a collective bargaining agreement, **before a district enters into the agreement**. This disclosure includes, but is not limited to, the costs that would be incurred by the district under the agreement for the current and subsequent fiscal years. This requirement applies whether a district is negotiating for salary and benefit increases or concessions.

GCS 3547.5 also requires the district superintendent and the chief business officer to certify that the costs incurred by the district can be met during the complete term of the agreement. The certification must include any budget revisions necessary to meet the cost of the agreement in each year of its term. The code further specifies that if the budget revisions are not made, the County Superintendent is required to declare the district as qualified or negative at the next interim reporting period.

Per ECS 42142, within 45 days of adopting a collective bargaining agreement, the superintendent of the school district shall forward to the county superintendent of schools any revisions to the district’s current year budget that are necessary to fulfill the terms of that agreement. Any additional costs that may result from the agreement must also be reflected in the district’s interim fiscal reports and multiyear fiscal projections.

If you have settled with your bargaining units since the Second Interim reporting period, please submit the Disclosure of Collective Bargaining Agreement worksheet (available for download at <http://dfs.fcoe.org/resources>) to our office, along with supporting documents (e.g., copies of Board approval documents showing key terms of the agreement(s) or similar documents) that can be used in our analysis of the fiscal impact of the agreements. Any necessary budget revisions should also be submitted.

VII. CHARTER OVERSIGHT

Ms. Karyll Smith Quinn
September 25, 2023
Page 5

If your district has authorized charter schools to operate within your district boundaries, you are obligated by Education Code Section 47604.32 to, among other things, monitor the charter school’s fiscal condition, and promptly notify the CDE and County Office of any change in its status.

Thank you for your consideration of this information. Please feel free to contact the District Financial Services team at (559) 265-3021 if you have any questions regarding this letter or if we may assist you with any finance-related matter.

Sincerely,

Gabriel Halls

Gabriel Halls, Senior Director
District Financial Services

c: Dr. Michele Cantwell-Copher, Superintendent, FCSS
Kevin Otto, Deputy Superintendent/CFO, FCSS
Wesley Sever, Ed.D., Superintendent, KECS
Bobby Rodriguez, CBO, KECS

Island Union Elementary Positive Certification



1144 West Lacey Boulevard, Hanford, CA 93230

Telephone: 559.589.1441 Fax: 559.589.7000

April 14, 2023

Carey Alves, Board President
Island Elementary School District
7799 21st Avenue
Lemoore, CA 93245

Dear Carey Alves,

Reporting Requirements

Pursuant to the reports required by Section 42130, the governing board of each school district shall certify, in writing, within 45 days after the close of the period being reported, whether or not the school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. These certifications shall be based upon the board's assessment, on the basis of standards and criteria for fiscal stability adopted by the State Board of Education pursuant to Section 33127, of the district budget, as revised to reflect current information regarding the adopted state budget, district property tax revenues pursuant to Sections 95 to 100, inclusive, of the Revenue and Taxation Code, and ending balances for the preceding fiscal year as reported pursuant to Section 42100. The certifications shall be classified as positive, qualified, or negative, as prescribed by the Superintendent of Public Instruction for the purposes of determining subsequent actions by the Superintendent of Public Instruction, the Controller, or the County Superintendent of Schools.

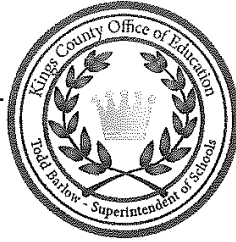
Within 75 days after the close of each reporting period, each county superintendent of schools shall report to the Controller and the Superintendent of Public Instruction as to whether the governing board of each of the school districts under his or her jurisdiction has submitted the certification. That report shall indicate the type of certification filed by each district.

Analysis of District's Fiscal Position

The Kings County Office of Education has reviewed the Second Interim Financial Report submitted by the Island Elementary School District for the period ending January 31, 2023. Our review included an analysis of the district's estimated average daily attendance (ADA), projected revenues, expenditures, fund balance, cashflow and multiyear financial projections. *The following are our notes:*

- **ADA Estimations:** Due to statewide declines in enrollment, the Local Control Funding Formula (LCFF) was restructured to provide districts with additional ADA relief. In addition to this permanent restructure, the State also implemented a one-time ADA mitigation to allow districts to recoup lost ADA as a result of poor attendance rates. With these protections in place, the impacts from declining enrollment and lost attendance is softened over a period of multiple years. We recommend districts closely monitor enrollment and attendance projections and prepare to make necessary adjustments to staffing and budgets as needed.

1144 West Lacey Boulevard, Hanford, CA 93230



Telephone: 559.589.1441 Fax: 559.589.7000

- **Revenue/Expenditure Projections:** Based on the general fund unrestricted/restricted multi-year projection, the district is projecting changes in the ending fund balances in the current and next two years as shown below:
 - 2022-23 INCREASE \$653,979.67
 - 2023-24 DECREASE \$61,176.16
 - 2024-25 INCREASE \$11,199.84

Anticipated deficit spending should be for one-time, non-recurring expenditures to avoid depletion of the district's ongoing reserves.

- **Cashflow:** Although district are experience healthy cash flow balances as a result of Covid-19 relief and newly introduced categorical funds, cash flow projections should continue to be monitored regularly to ensure the fiscal health of the district.
- **Impact of Negotiations:** The district has indicated that negotiations have been finalized with both the certificated and classified bargaining units as of the Second Interim reporting period. Negotiations with the classified bargaining unit have not been finalized as of Second Interim.
- **Multi-year Projections:** With respect to the two subsequent fiscal years 2023-24 and 2024-25 it is important that the district's governing board and administration closely monitor and manage the district's financial resources to assure maintenance of a positive financial condition. It remains essential for each school district to maintain the required state minimum unrestricted reserves throughout the current fiscal year and to budget at least the state minimum required reserves in each future year due to the uncertainty of ongoing funding levels at the state or federal levels.

Conclusion

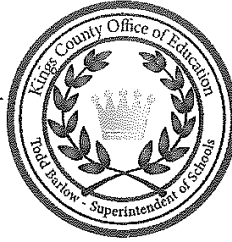
Based on our analysis, the data provided supports the board's **positive certification** of the district's financial condition and ability to meet its financial obligations. The district's unrestricted reserve balances meet the minimum state criteria and standards of 4% for the current and two subsequent years.

This certification is not a guarantee of future positive certifications. Circumstances do change and this opinion does not guarantee financial stability for the next two years. Your financial position is the result of management decisions and other issues, such as attendance, state and federal revenue funding, bargaining unit pressures, and price inflators for supplies and services.

Future Concerns

The Governor's Budget for 2023-24 anticipates a budget shortfall of \$22.5 billion, however the governor proposes to preserve its commitment to maintain educational programs and fully fund COLA. Districts are experiencing increased costs due to inflation as well as potential loss in ADA funding. These factors should be taken into consideration during future negotiations and budget projections.

1144 West Lacey Boulevard, Hanford, CA 93230



Telephone: 559.589.1441 Fax: 559.589.7000

Also of note is the growing emphasis on accountability measures as outlined in each district's Local Control Accountability Plan (LCAP), as 2023-24 represents the third year of a three-year LCAP cycle. LCFF continues to be fully funded and districts must ensure they are meeting their minimum proportionality requirement (MPP) as calculated under Title 5, California Code of Regulations, Section 15496(a). During the 2022-23 LCAP development it is critical that districts not only budget to meet the MPP requirement, but also respond to the performance data released by the California School Dashboard to develop goals and actions that are meeting the needs of each district's diverse student population.

Finally, please be advised of the following requirements resulting from the enactment of AB2756 (June 21, 2004):

- 1) AB2756 requires the district to update and certify multiyear financial projections reflecting the impact of any salary negotiations on the current and two subsequent fiscal years prior to board approval. As negotiations are settled, the Disclosure of Collective Bargaining Agreement (DCBA), including the multiyear projection should be sent to the County Office ten (10) days prior to board action.

- 2) AB2756 expanded the responsibilities of the county superintendent in reviewing school district budgets and in monitoring fiscal solvency. Education Code Section 42127.6 (a)(1) now states, "A school district shall provide the county superintendent of schools with a copy of a study, report, evaluation, or audit that was commissioned by the district, the county superintendent, the Superintendent of Public Instruction, and state control agencies and that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Section 42127.8." If the district commissions such a study, please submit a copy to our office to the attention of Maria Contreras.

If you have any questions concerning the review of the district's 2022-23 Second Interim Financial Report, please contact the undersigned.

Sincerely,

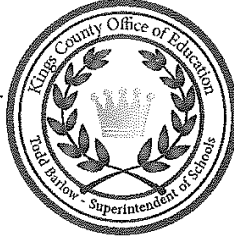
A handwritten signature in cursive script that reads "Jamie Dial".

Jamie Dial

Assistant Superintendent, Business Services

cc: Island Elementary School District; Charlotte Hines, Diane Augusto
KCOE: Todd Barlow, Maria Contreras

Kings-River Hardwick Union Elementary Positive Certification



1144 West Lacey Boulevard, Hanford, CA 93230

Telephone: 559.589.1441 Fax: 559.589.7000

April 14, 2023

Donna Sheldon, Board President
Kings River-Hardwick School District
10300 Excelsior Avenue
Hanford, CA 93230

Dear Donna Sheldon,

Reporting Requirements

Pursuant to the reports required by Section 42130, the governing board of each school district shall certify, in writing, within 45 days after the close of the period being reported, whether or not the school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. These certifications shall be based upon the board's assessment, on the basis of standards and criteria for fiscal stability adopted by the State Board of Education pursuant to Section 33127, of the district budget, as revised to reflect current information regarding the adopted state budget, district property tax revenues pursuant to Sections 95 to 100, inclusive, of the Revenue and Taxation Code, and ending balances for the preceding fiscal year as reported pursuant to Section 42100. The certifications shall be classified as positive, qualified, or negative, as prescribed by the Superintendent of Public Instruction for the purposes of determining subsequent actions by the Superintendent of Public Instruction, the Controller, or the County Superintendent of Schools.

Within 75 days after the close of each reporting period, each county superintendent of schools shall report to the Controller and the Superintendent of Public Instruction as to whether the governing board of each of the school districts under his or her jurisdiction has submitted the certification. That report shall indicate the type of certification filed by each district.

Analysis of District's Fiscal Position

The Kings County Office of Education has reviewed the Second Interim Financial Report submitted by the Kings River-Hardwick School District for the period ending January 31, 2023. Our review included an analysis of the district's estimated average daily attendance (ADA), projected revenues, expenditures, fund balance, cashflow and multiyear financial projections. *The following are our notes:*

- **ADA Estimations:** Due to statewide declines in enrollment, the Local Control Funding Formula (LCFF) was restructured to provide districts with additional ADA relief. In addition to this permanent restructure, the State also implemented a one-time ADA mitigation to allow districts to recoup lost ADA as a result of poor attendance rates. With these protections in place, the impacts from declining enrollment and lost attendance is softened over a period of multiple years. We recommend districts closely monitor enrollment and attendance projections and prepare to make necessary adjustments to staffing and budgets as needed.



1144 West Lacey Boulevard, Hanford, CA 93230

Telephone: 559.589.1441 Fax: 559.589.7000

- **Revenue/Expenditure Projections:** Based on the general fund unrestricted/restricted multi-year projection, the district is projecting changes in the ending fund balances in the current and next two years as shown below:
 - 2022-23 INCREASE \$558,463.21
 - 2023-24 INCREASE \$148,192.31
 - 2024-25 INCREASE \$277,333.31

Anticipated deficit spending should be for one-time, non-recurring expenditures to avoid depletion of the district's ongoing reserves.

- **Cashflow:** Although district are experience healthy cash flow balances as a result of Covid-19 relief and newly introduced categorical funds, cash flow projections should continue to be monitored regularly to ensure the fiscal health of the district.
- **Impact of Negotiations:** The district has indicated that negotiations have been finalized with the certificated bargaining unit as of the Second Interim reporting period.
- **Multi-year Projections:** With respect to the two subsequent fiscal years 2023-24 and 2024-25 it is important that the district's governing board and administration closely monitor and manage the district's financial resources to assure maintenance of a positive financial condition. It remains essential for each school district to maintain the required state minimum unrestricted reserves throughout the current fiscal year and to budget at least the state minimum required reserves in each future year due to the uncertainty of ongoing funding levels at the state or federal levels.

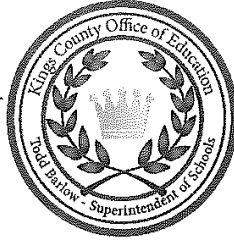
Conclusion

Based on our analysis, the data provided supports the board's **positive certification** of the district's financial condition and ability to meet its financial obligations. The district's unrestricted reserve balances meet the minimum state criteria and standards of 4% for the current and two subsequent years.

This certification is not a guarantee of future positive certifications. Circumstances do change and this opinion does not guarantee financial stability for the next two years. Your financial position is the result of management decisions and other issues, such as attendance, state and federal revenue funding, bargaining unit pressures, and price inflators for supplies and services.

Future Concerns

The Governor's Budget for 2023-24 anticipates a budget shortfall of \$22.5 billion, however the governor proposes to preserve its commitment to maintain educational programs and fully fund COLA. Districts are experiencing increased costs due to inflation as well as potential loss in ADA funding. These factors should be taken into consideration during future negotiations and budget projections.



1144 West Lacey Boulevard, Hanford, CA 93230

Telephone: 559.589.1441 Fax: 559.589.7000

Also of note is the growing emphasis on accountability measures as outlined in each district's Local Control Accountability Plan (LCAP), as 2023-24 represents the third year of a three-year LCAP cycle. LCFF continues to be fully funded and districts must ensure they are meeting their minimum proportionality requirement (MPP) as calculated under Title 5, California Code of Regulations, Section 15496(a). During the 2022-23 LCAP development it is critical that districts not only budget to meet the MPP requirement, but also respond to the performance data released by the California School Dashboard to develop goals and actions that are meeting the needs of each district's diverse student population.

Finally, please be advised of the following requirements resulting from the enactment of AB2756 (June 21, 2004):

- 1) AB2756 requires the district to update and certify multiyear financial projections reflecting the impact of any salary negotiations on the current and two subsequent fiscal years prior to board approval. As negotiations are settled, the Disclosure of Collective Bargaining Agreement (DCBA), including the multiyear projection should be sent to the County Office ten (10) days prior to board action.
- 2) AB2756 expanded the responsibilities of the county superintendent in reviewing school district budgets and in monitoring fiscal solvency. Education Code Section 42127.6 (a)(1) now states, "A school district shall provide the county superintendent of schools with a copy of a study, report, evaluation, or audit that was commissioned by the district, the county superintendent, the Superintendent of Public Instruction, and state control agencies and that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Section 42127.8." If the district commissions such a study, please submit a copy to our office to the attention of Maria Contreras.

If you have any questions concerning the review of the district's 2022-23 Second Interim Financial Report, please contact the undersigned.

Sincerely,

Jamie Dial
Assistant Superintendent, Business Services

cc: Kings River-Hardwick School District; Cathlene Anderson, Trish Singh
KCOE: Todd Barlow, Maria Contreras

Pioneer Union Elementary Positive Certification



1144 West Lacey Boulevard, Hanford, CA 93230

Telephone: 559.589.1441 Fax: 559.589.7000

April 14, 2023

Danielle Darpli, Board President
Pioneer Union Elementary School District
1888 N. Mustang Drive
Hanford, CA 93230

Dear Danielle Darpli,

Reporting Requirements

Pursuant to the reports required by Section 42130, the governing board of each school district shall certify, in writing, within 45 days after the close of the period being reported, whether or not the school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. These certifications shall be based upon the board's assessment, on the basis of standards and criteria for fiscal stability adopted by the State Board of Education pursuant to Section 33127, of the district budget, as revised to reflect current information regarding the adopted state budget, district property tax revenues pursuant to Sections 95 to 100, inclusive, of the Revenue and Taxation Code, and ending balances for the preceding fiscal year as reported pursuant to Section 42100. The certifications shall be classified as positive, qualified, or negative, as prescribed by the Superintendent of Public Instruction for the purposes of determining subsequent actions by the Superintendent of Public Instruction, the Controller, or the County Superintendent of Schools.

Within 75 days after the close of each reporting period, each county superintendent of schools shall report to the Controller and the Superintendent of Public Instruction as to whether the governing board of each of the school districts under his or her jurisdiction has submitted the certification. That report shall indicate the type of certification filed by each district.

Analysis of District's Fiscal Position

The Kings County Office of Education has reviewed the Second Interim Financial Report submitted by the Pioneer Union Elementary School District for the period ending January 31, 2023. Our review included an analysis of the district's estimated average daily attendance (ADA), projected revenues, expenditures, fund balance, cashflow and multiyear financial projections. *The following are our notes:*

- **ADA Estimations:** Due to statewide declines in enrollment, the Local Control Funding Formula (LCFF) was restructured to provide districts with additional ADA relief. In addition to this permanent restructure, the State also implemented a one-time ADA mitigation to allow districts to recoup lost ADA as a result of poor attendance rates. With these protections in place, the impacts from declining enrollment and lost attendance is softened over a period of multiple years. We recommend districts closely monitor enrollment and attendance projections and prepare to make necessary adjustments to staffing and budgets as needed.

1144 West Lacey Boulevard, Hanford, CA 93230



Telephone: 559.589.1441 Fax: 559.589.7000

- **Revenue/Expenditure Projections:** Based on the general fund unrestricted/restricted multi-year projection, the district is projecting changes in the ending fund balances in the current and next two years as shown below:
 - 2022-23 INCREASE \$1,726,711.94
 - 2023-24 INCREASE \$263,624.71
 - 2024-25 DECREASE \$1,200,381.29

Anticipated deficit spending should be for one-time, non-recurring expenditures to avoid depletion of the district's ongoing reserves.

- **Cashflow:** Although district are experience healthy cash flow balances as a result of Covid-19 relief and newly introduced categorical funds, cash flow projections should continue to be monitored regularly to ensure the fiscal health of the district.
- **Impact of Negotiations:** The district has indicated that negotiations have been finalized with both the certificated and classified bargaining units as of the Second Interim reporting period.
- **Multi-year Projections:** With respect to the two subsequent fiscal years 2023-24 and 2024-25 it is important that the district's governing board and administration closely monitor and manage the district's financial resources to assure maintenance of a positive financial condition. It remains essential for each school district to maintain the required state minimum unrestricted reserves throughout the current fiscal year and to budget at least the state minimum required reserves in each future year due to the uncertainty of ongoing funding levels at the state or federal levels.

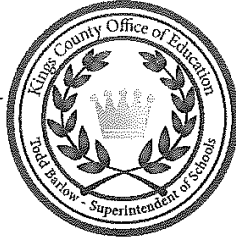
Conclusion

Based on our analysis, the data provided supports the board's **positive certification** of the district's financial condition and ability to meet its financial obligations. The district's unrestricted reserve balances meet the minimum state criteria and standards of 3% for the current and two subsequent years.

This certification is not a guarantee of future positive certifications. Circumstances do change and this opinion does not guarantee financial stability for the next two years. Your financial position is the result of management decisions and other issues, such as attendance, state and federal revenue funding, bargaining unit pressures, and price inflators for supplies and services.

Future Concerns

The Governor's Budget for 2023-24 anticipates a budget shortfall of \$22.5 billion, however the governor proposes to preserve its commitment to maintain educational programs and fully fund COLA. Districts are experiencing increased costs due to inflation as well as potential loss in ADA funding. These factors should be taken into consideration during future negotiations and budget projections.



1144 West Lacey Boulevard, Hanford, CA 93230

Telephone: 559.589.1441 Fax: 559.589.7000

Also of note is the growing emphasis on accountability measures as outlined in each district's Local Control Accountability Plan (LCAP), as 2023-24 represents the third year of a three-year LCAP cycle. LCFE continues to be fully funded and districts must ensure they are meeting their minimum proportionality requirement (MPP) as calculated under Title 5, California Code of Regulations, Section 15496(a). During the 2022-23 LCAP development it is critical that districts not only budget to meet the MPP requirement, but also respond to the performance data released by the California School Dashboard to develop goals and actions that are meeting the needs of each district's diverse student population.

Finally, please be advised of the following requirements resulting from the enactment of AB2756 (June 21, 2004):

- 1) AB2756 requires the district to update and certify multiyear financial projections reflecting the impact of any salary negotiations on the current and two subsequent fiscal years prior to board approval. As negotiations are settled, the Disclosure of Collective Bargaining Agreement (DCBA), including the multiyear projection should be sent to the County Office ten (10) days prior to board action.
- 2) AB2756 expanded the responsibilities of the county superintendent in reviewing school district budgets and in monitoring fiscal solvency. Education Code Section 42127.6 (a)(1) now states, "A school district shall provide the county superintendent of schools with a copy of a study, report, evaluation, or audit that was commissioned by the district, the county superintendent, the Superintendent of Public Instruction, and state control agencies and that contains evidence that the school district is showing fiscal distress under the standards and criteria adopted in Section 33127, or a report on the school district by the County Office Fiscal Crisis and Management Assistance Team or any regional team created pursuant to subdivision (i) of Section 42127.8." If the district commissions such a study, please submit a copy to our office to the attention of Maria Contreras.

If you have any questions concerning the review of the district's 2022-23 Second Interim Financial Report, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Jamie Dial".

Jamie Dial

Assistant Superintendent, Business Services

cc: Pioneer Union Elementary School District; Paul van Loon, Shelley Leal
KCOE: Todd Barlow, Maria Contreras

Ackerman Charter Positive Certification



Gayle Garbolino-Mojica
County Superintendent of Schools

Board of Education

April 14, 2023

Sergey Terebkov
Area 1

Andrew Tagg
Area 2

David Patterson, Ed.D.
Area 3

R. Jan Pinney
Area 4

Kelli Gnile
Area 5

Renee Regacho-Anaclerio, Ed.D.
Area 6

Lynn Oliver
Area 7

Mr. Michael Belles, President
Ackerman Charter District Board of Trustees
13895 Pear Hill Lane
Auburn, CA 95603

RE: Fiscal Year 2022-2023 Second Interim

Dear Mr. Belles,

In accordance with the provisions of Education Code Section 42131, a review of the Ackerman Charter District's Second Interim Report for fiscal year 2022-23 has been completed by the Placer County Office of Education (PCOE). The District filed a Second Interim Report with a positive certification. Our analysis of the data provided indicates the District should be able to meet its financial obligations for the current and two subsequent years. We therefore concur with the District's positive certification and offer the following comments:

Superintendent's Cabinet

Phillip J. Williams
Deputy Superintendent

Martin Fregoso
*Associate Superintendent
Business Services*

Susan Connolly
*Assistant Superintendent
Student Services*

Jennifer Hicks
*Assistant Superintendent
Educational Services*

Colleen Slattery, Ed.D.
*Assistant Superintendent
Human Resources*

Troy Tickle
*Assistant Superintendent
SELPA*

Michelle Eklund
*Chief Communications Officer
Superintendent's Office*

Current and Multi Year Expenditures Exceed Income (Deficit Spending)

The District is projecting unrestricted deficit spending of (\$512,015) in FY 2022-23, (\$201,746) in FY 2023-24 and (\$67,528) in FY 2024-25. We recommend the District continue to monitor its budget deficit and adjust its future spending plans to maintain positive fund balances and adequate reserves.

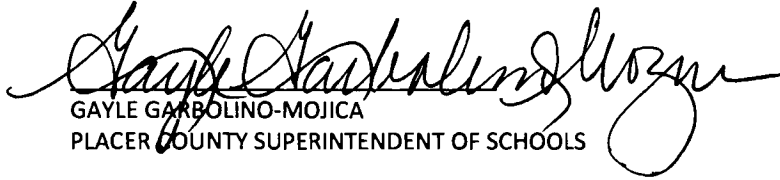
Negotiations

According to the information provided in the District's second interim budget, certificated and classified labor contract negotiations for FY 2022-23 remain unsettled and potential increases have been incorporated into budgeted salary and benefit expenditures. Because labor costs make up a large portion of the District's budget, any salary and benefit increases paid from reserves or other one-time resources could adversely impact the fiscal condition of the District. This letter is a reminder that the Criteria and Standards specify that, upon settlement of a labor contract, the District must provide the county office of education with a disclosure of the settlement including its current and ongoing fiscal impact on the District.

Mr. Michael Belles
April 14, 2023
Page 2

We appreciate the efforts of the District staff in preparing and submitting the Second Interim Report. A duplicate original of this letter is being sent to the Superintendent. Please feel free to contact me or Martin Fregoso at (530) 889-5920 should you have any questions or concerns about PCOE's review of the District's interim report.

Yours in education,



GAYLE GARBOLINO-MOJICA
PLACER COUNTY SUPERINTENDENT OF SCHOOLS

GGM/jk
C: Ann Corcoran

Hickman Community Charter Positive Certification



Scott Kuykendall, Superintendent

1100 H Street • Modesto, CA 95354 • (209) 238-1700 • FAX (209) 238-4201

03/30/2023

Hickman Community Charter Board of Trustees
C/o Hickman Community Charter School District
13306-A 4th Street
Hickman, CA 95323

Dear Board of Trustees:

In accordance with the provisions of Education Code (E.C.) Section 42131, a review of the Hickman Community Charter Board of Trustees (District) Second Interim Report for fiscal year 2022-23 has been completed by the Stanislaus County Superintendent of Schools (County Superintendent). Based on the financial statements, multiyear projections and assumptions provided by the District, with data current as of January 31, 2023, it appears that the District should be able to meet its financial obligations for the current and two subsequent fiscal years.

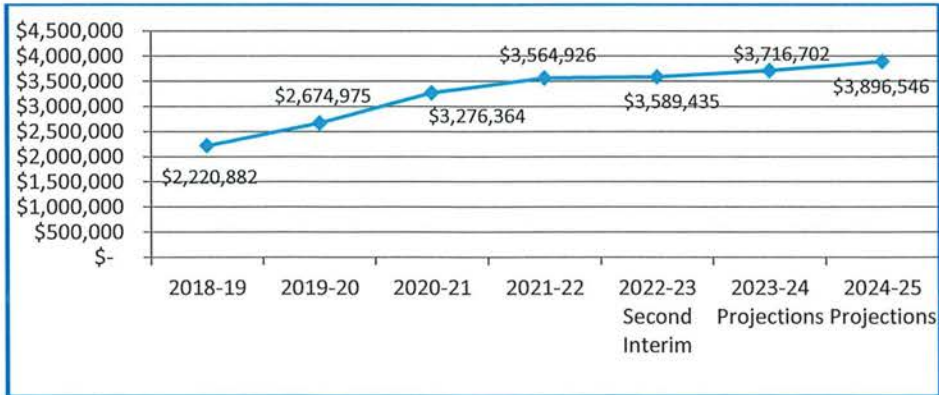
We therefore concur with the District's positive certification with the following comments.

County Office staff reviewed several components of the District's 2022-23 Second Interim Report and corresponding supplemental information provided by the District. These issues include reserves and multiyear projections, change in fund balance, and status of labor negotiations.

Change in Fund Balance

We note, the Unrestricted General Fund is projecting an increase of \$24,509. This increases the projected ending fund balance to \$3,589,435 or 25.24% of the total General Fund's budgeted expenditures and transfers out.

The following chart depicts the District's historical and projected unrestricted ending fund balances.



Reserves and Multiyear Projections

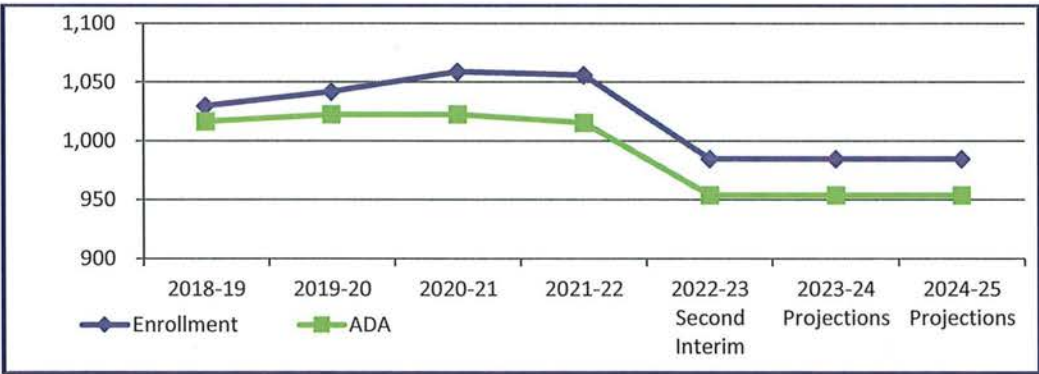
The minimum reserve level under the State Criteria and Standards is 4%. Review of the District’s multiyear projections, inclusive of Fund 17 and after assignments, indicates reserve levels of 25.21% for 2022-23, 28.11% for 2023-24, and 26.68% for 2024-25.

Deposits into the Public School System Stabilization Account were made in 2020-21 and 2021-22 and the sum of these two deposits were sufficient to trigger the reserve cap for school districts beginning in 2022-23—and it appears that the reserve cap law will be in effect at least through 2024-25. The district reserve cap requires that non-exempt LEAs must limit their unassigned and assigned reserves in Funds 01 and 17 to a limit of no more than 10%. Small (less than 2,501 ADA) and basic aid districts are exempt from this cap.

Enrollment and ADA

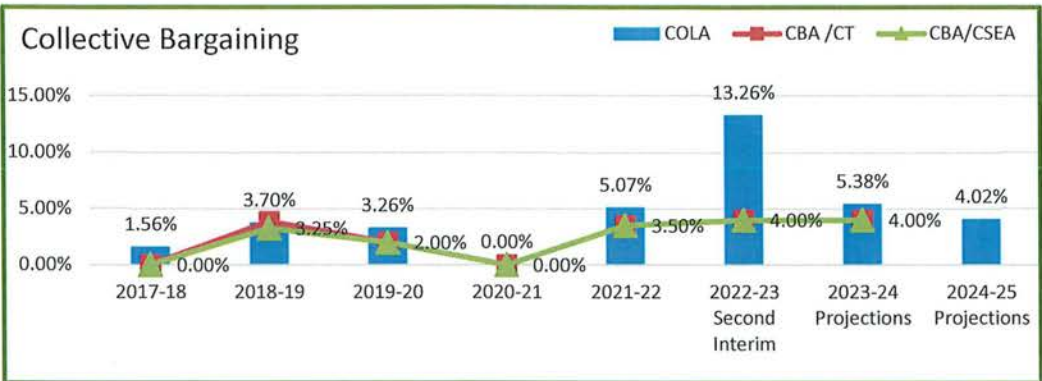
The following charts depict the District CBEDS enrollment, ADA historical trends and estimated projections.

Enrollment & ADA			
Year	Enrollment	ADA	%
2018-19	1,030	1,016.88	98.73%
2019-20	1,042	1,022.73	98.15%
2020-21	1,059	1,022.73	96.58%
2021-22	1,056	1,015.67	96.18%
2022-23 Second Interim	985	954.12	96.86%
2023-24 Projections	985	954.12	96.86%
2024-25 Projections	985	954.12	96.86%



Status of Labor Negotiations and Pension Expenditures

Information reflected in the District's interim report shows that certificated and classified labor negotiation for 2022-23 are settled; however, **our office has not yet received signed disclosures pursuant to Education Code Section 42142 or Government Code 3547.5.** Please provide our office with the required disclosures at your earliest convenience.



Debt Issuance

This letter also serves as a reminder of the statutory requirements placed on debt issuance by school districts with qualified interim report certifications. These requirements are specifically addressed by E.C. Section 42133(a).

Submission of Studies, Reports, Evaluations and/or Audits

The annual 2021-22 audit submission has been received and reviewed by our office. We congratulate the District on a clean audit.

We remind the District that E.C. Sections 42127 and 42127.6 require the County Office be sent copies of any studies, reports, evaluations, or audits performed of the district that contain evidence that the district is showing fiscal distress.

Conclusion

We are aware that the information provided reflects the District's financial position and assumptions to date, and that further adjustments will be made during the year as additional data becomes available. We hope that these comments will be helpful to the District administration and board as you plan for the remainder of 2022-23 and develop your projections for 2023-24 and beyond.

We wish to express our appreciation to Ms. Purto and her staff for their cooperation during the preparation and review of the District's Second Interim report for fiscal year 2022-23. If our office can be of further assistance, please contact me at (209) 238-1937.

Sincerely,

Nathalie Wells
Senior Director, External Business Services
Stanislaus County Office of Education

Cc: Ms. Trish Anderson, Superintendent, Hickman Community Charter
Ms. Terrie Purto, Business Manager, Hickman Community Charter School District
Ms. Kathleen Young, Director II, Business Services, Stanislaus County Office of Ed