

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

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

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 email at charters@cde.ca.gov.

California Department of Education
October 2025

**Financial Condition of California
State Board of Education-Authorized
Districtwide Charters – 2024–25 Second
Interim**

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Ackerman Charter



April 15, 2025

Board of Education

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

Amber Johnson
Area 7

Ms. Kristin Wells, Superintendent
Ackerman Charter District
13777 Bowman Road
Auburn, CA 95603

RE: Fiscal Year 2024-2025 Second Interim

Dear Superintendent Wells,

In accordance with the provisions of Education Code Section 42131, a review of the Ackerman Charter District's Second Interim Report for fiscal year 2024-25 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 County Superintendent

Susan Connolly-Fox
Associate Superintendent
Student Services

Martin Fregoso
Associate Superintendent
Business Services

Jennifer Hicks
Associate 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 (\$567,088) in FY 2024-25, (\$262,218) in FY 2025-26, and (\$105,166) in FY 2026-27. The District has indicated that the current year deficit includes the planned spend down of assigned fund balances for a solar project. The District should continue to monitor its budget deficit and adjust its future spending plans in order to maintain positive fund balances and adequate reserves.

Enrollment and Attendance

The District's enrollment has increased 0.5% from FY 2023-24 to FY 2024-25 and is expected to remain flat in the second and third year of the projection. Additionally, the District projects an increase in the ADA-to-enrollment rate from 94.81% in FY 2023-24 to nearly 96% in the current and subsequent years. Staff has indicated that this change in benchmark is due to the implementation of specific initiatives to increase attendance. We recommend that the District continues to closely monitor its enrollment and attendance rates in the event that the actual rates fall short of projections.

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 Board President. 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

Placer County Office of Education 1400 W. Stanford Ranch Rd, Rocklin, CA 95765
P 530.889.8020 • F 866.840.2941 • www.placercoe.org

Alvina Elementary



Fresno County Superintendent of Schools

Dr. Michele Cantwell-Copher, Superintendent

April 25, 2025

Mr. Richard Gonzales
Board President
Alvina Elementary School District
295 W. Saginaw
Caruthers, CA 93609

Subject: 2024-25 Second Interim Report Certification

Dear Mr. Gonzales:

The Fresno County Superintendent of Schools' (County Superintendent's) District Financial Services Department has reviewed the Alvina Elementary School District's (District's) 2024-25 *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 2025-26 Budgets, Local Control and Accountability Plans, cash management, non-voter-approved debt, and collective bargaining is provided below.

I. 2025-26 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 money in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues. **This law is NOT in effect for the 2025-26 fiscal year.** However, the requirement to disclose information regarding reserves greater than the minimum standard remains in effect for the 2025-26 budget adoption hearings. ECS 42127(a)(2)(B) states that:

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)).

*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.

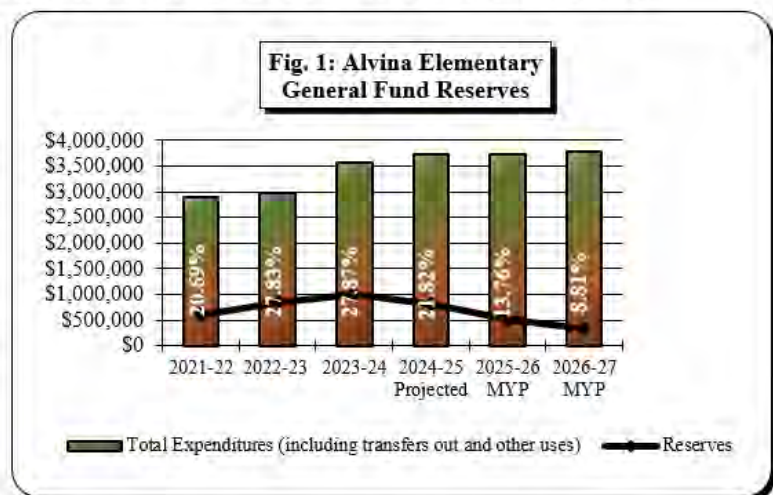
We will provide additional information related to 2025-26 budget development once the Governor’s May Revision becomes available in mid-May.

II. ALVINA ELEMENTARY CHARTER DISTRICT’S FISCAL POSITION AS OF JANUARY 31, 2025

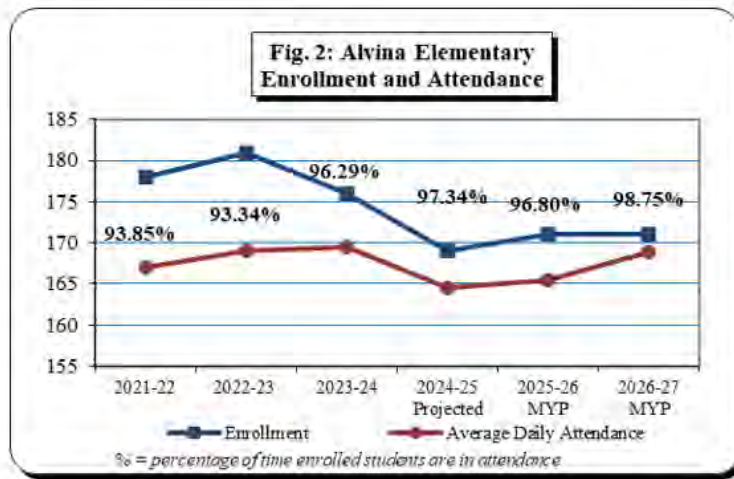
A. General Fund Reserves

The district is projecting healthy reserves as of June 30, 2025, at 21.82%, and is expected to maintain adequate reserve levels in the following years, with 2025-26 at 15.62% and 2026-27 at 11.44%.

While these projections remain above the state minimum, the district must continue to be mindful of the challenges associated with the state’s current budgetary constraints. In the two subsequent years, restricted contributions are projected to rise slightly, indicating a continued reliance on the general fund to support restricted programs. These increases are relatively consistent and in line with expected trends, without any notable discrepancies or unexpected fluctuations.



B. Enrollment and ADA



District enrollment has declined from 176 in 2023-24 to 169 in 2024-25 and is projected to increase to 171 through 2026-27. Similarly, Average Daily Attendance (ADA) decreased from 169.47 in 2023-24 to 164.51 in 2024-25, with anticipated slight increases in the two subsequent years. These declines in both enrollment and ADA can have a direct impact on funding and highlight the importance of continued monitoring and strategic planning to mitigate the financial implications associated with declining student attendance.

III. 2025-26 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 2025-26 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. As the federal relief dollars expire cash flow monitoring will become more critical for school districts. 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.)

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.

Sincerely,

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

Hickman Community Charter



Scott Kuykendall, Superintendent

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

April 7, 2025

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.) 42131, a review of the Hickman Community Charter Board of Trustees (District) Second Interim Report for fiscal year 2024-25 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, 2025, 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.**

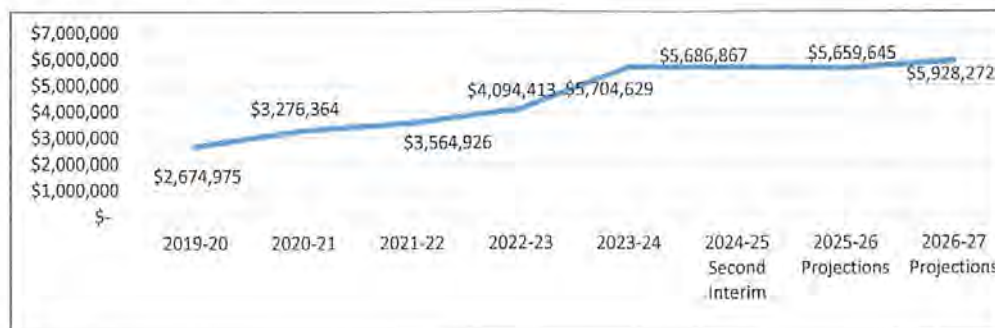
County Office staff review several components of the District's 2024-25 Second Interim Report and corresponding supplemental information provided by the District. These issues include reserves and multiyear projections, change in fund balance, and status of labor negotiations.

Change in Fund Balance

We note, the Unrestricted General Fund is projecting a decrease of -\$17,762. This decreases the projected ending fund balance to \$5,686,867 or 35.67% of the total General Fund's budgeted expenditures and transfers out.

Fiscal Year	Unrestricted FB Increase/Decrease	Unrestricted Expenditures	Deficit Spending Level
2024-25	-\$17,762	\$12,193,057	-0.1%
2025-26	-\$27,222	\$12,477,892	-0.2%
2026-27	\$268,627	\$12,539,208	N/A

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



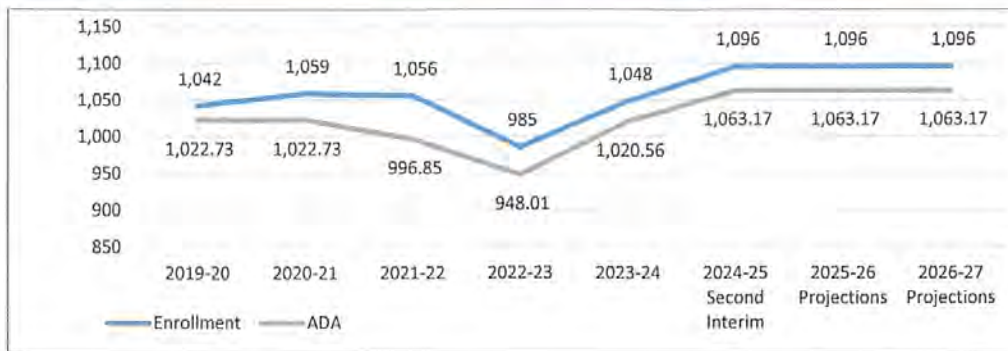
Reserves and Multiyear Projections

The minimum reserve level under the State Criteria and Standards is 3%. Review of the District's multiyear projections, inclusive of Fund 17 and after assignments, indicates reserve levels of 27.47% for 2024-25, 29.34% for 2025-26, and 25.73% for 2026-27.

Enrollment and ADA

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

Year	Enrollment	ADA	%
2019-20	1,042	1,022.73	98.15%
2020-21	1,059	1,022.73	96.58%
2021-22	1,056	996.85	94.40%
2022-23	985	948.01	96.24%
2023-24	1,048	1,020.56	97.38%
2024-25 Second Interim	1,096	1,063.17	97.00%
2025-26 Projections	1,096	1,063.17	97.00%
2026-27 Projections	1,096	1,063.17	97.00%



Status of Labor Negotiations and Pension Expenditures

Information reflected in the District's interim report shows that certificated and classified labor negotiations for 2024-25 are settled. Thank you for your timely submission of the required disclosures.



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

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 2024-25 and develop your projections for 2025-26 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 2024-25. 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
Ms. Kathleen Young, Director II, Business Services, Stanislaus County Office of Ed

Island Union Elementary

1144 West Lacey Boulevard, Hanford, CA 93230



Telephone: 559.584.1441 Fax: 559.589.7000

April 15, 2025

Travis Lopes, Board President
Island Union Elementary School District
7799 21st Avenue
Lemoore, CA 93245

Dear Travis Lopes,

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 Union Elementary School District for the period ending January 31, 2025. 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:** As districts are realizing declining enrollment statewide, we recommend districts closely monitor enrollment and attendance projections and be prepared to make necessary adjustments to staffing and budgets. The district projections as of Second Interim are shown below.
 - 24/25 ADA 370.00
 - 25/26 ADA 346.75
 - 26/27 ADA 335.35

Note: ADA projections listed are for district regular ADA only. Totals for NPS, community school, county operated programs and charter are not included.

- **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:

- 2024-25 Decrease \$159,569.23
- 2025-26 Decrease \$483,690.61
- 2026-27 Decrease \$403,178.00

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

- **Cashflow:** For 2024-25, districts will be subject to a cash deferral of approximately half of the June 2025 apportionment from June to July. It is important that districts continuously monitor its cash flow projections to ensure the fiscal health of the district.
- **Impact of Negotiations:** The status of labor negotiations with bargaining units is as shown below. Note: negotiations are considered settled if they are approved in a meeting prior to Second Interim approval.
 - *Classified* – Not Settled
 - *Certificated* - Settled
- **Multi-year Projections:** With respect to the two subsequent fiscal years 2025-26 and 2026-27 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 4.0% 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 2025-26 projected a budget surplus of \$17 billion and healthy reserves. The governor proposed to fully fund COLA at 2.43% and provide additional one-time dollars for new and existing programs. Risks to the state budget include the stock market volatility, extreme weather events, delayed tax deadlines, federal policy uncertainty, and elevated interest rates. The Governor's Budget was developed prior to the California fires and the commencement of the Trump administration and it is unknown how these events may impact the budget. Districts should take this into consideration along with potential impacts due to inflation and declining enrollment when negotiating and calculating budget projections.

Fiscal year 2025-26 marks the second year of the three-year Local Control Accountability Plan (LCAP). As the district is preparing the LCAP for this second year, it is important that districts include any new reporting requirements within the plan. This is an opportune time for the districts to evaluate prior year goals and actions for effectiveness and make any necessary changes for the new year to ensure that the district is meeting the needs of all of its diverse student population. The districts must also continue to effectively plan for and fully budget its minimum proportionality percentage (MPP) as calculated under Title 5, California Code of Regulations, Section 15496(a).

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 2024-25 Second Interim Financial Report, please contact the undersigned.

Sincerely,



Jamie Dial
Assistant Superintendent, Business Services

cc: Island Union Elementar School District; Loretta Black, Diane Augusto
KCOE: Todd Barlow, Maria Contreras

Kings River-Hardwick Union Elementary

1144 West Lacey Boulevard, Hanford, CA 93230



Telephone: 559.584.1441 Fax: 559.589.7000

April 15, 2025

Kylee Henderson, Board President
Kings River-Hardwick Union Elementary School District
10300 Excelsior Avenue
Hanford, CA 93230

Dear Kylee Henderson,

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 Union Elementary School District for the period ending January 31, 2025. 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:** As districts are realizing declining enrollment statewide, we recommend districts closely monitor enrollment and attendance projections and be prepared to make necessary adjustments to staffing and budgets. The district projections as of Second Interim are shown below.
 - 24/25 ADA 815.00
 - 25/26 ADA 833.00
 - 26/27 ADA 833.00

Note: ADA projections listed are for district regular ADA only. Totals for NPS, community school, county operated programs and charter are not included.

- **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:

- 2024-25 Decrease \$3,924,405.94
- 2025-26 Decrease \$1,094,954.25
- 2026-27 Decrease \$244,881.25

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

The district's multi-year projection (MYP) is showing the district will deficit spend a total of \$5.2 million in the general fund (unrestricted and restricted) over the MYP period of the current and two subsequent years. The deficit spending is attributed to building project expenditures in the current and next fiscal year. This is a substantial reduction to the districts reserves which should be taken into consideration as the 2025-26 budget and staffing needs are being developed. Continued deficit spending may not be sustainable beyond the MYP period.

- **Cashflow:** For 2024-25, districts will be subject to a cash deferral of approximately half of the June 2025 apportionment from June to July. It is important that districts continuously monitor its cash flow projections to ensure the fiscal health of the district.
- **Impact of Negotiations:** The status of labor negotiations with bargaining units is as shown below. Note: negotiations are considered settled if they are approved in a meeting prior to Second Interim approval.
 - *Classified* – Settled
 - *Certificated* – Settled
- **Multi-year Projections:** With respect to the two subsequent fiscal years 2025-26 and 2026-27 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 4.0% 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 2025-26 projected a budget surplus of \$17 billion and healthy reserves. The governor proposed to fully fund COLA at 2.43% and provide additional one-time dollars for new and existing programs. Risks to the state budget include the stock market volatility, extreme weather events, delayed tax deadlines, federal policy uncertainty, and elevated interest rates. The Governor's Budget was developed prior to the California fires and the commencement of the Trump administration and it is unknown how these events may impact the budget. Districts should take this into consideration along with potential impacts due to inflation and declining enrollment when negotiating and calculating budget projections.

Fiscal year 2025-26 marks the second year of the three-year Local Control Accountability Plan (LCAP). As the district is preparing the LCAP for this second year, it is important that districts include any new reporting requirements within the plan. This is an opportune time for the districts to evaluate prior year goals and actions for effectiveness and make any necessary changes for the new year to ensure that the district is meeting the needs of all of its diverse student population. The districts must also continue to effectively plan for and fully budget its minimum proportionality percentage (MPP) as calculated under Title 5, California Code of Regulations, Section 15496(a).

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 2024-25 Second Interim Financial Report, please contact the undersigned.

Sincerely,



Jamie Dial

Assistant Superintendent, Business Services

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

Kingsburg Elementary Charter



Fresno County Superintendent of Schools

Dr. Michele Cantwell-Copher, Superintendent

April 25, 2025

Ms. Constance Lunde
Board President
Kingsburg Elementary Charter School District
1310 Stroud Avenue
Kingsburg, CA 93631

Subject: 2024-25 Second Interim Report Certification

Dear Ms. Lunde:

The Fresno County Superintendent of Schools' (County Superintendent's) District Financial Services Department has reviewed the Kingsburg Elementary Charter School District's (District's) 2024-25 *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 2025-26 Budgets, Local Control and Accountability Plans, cash management, non-voter-approved debt, and collective bargaining is provided below.

I. 2025-26 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 money in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues. **This law is NOT in effect for the 2025-26 fiscal year.** However, the requirement to disclose information regarding reserves greater than the minimum standard remains in effect for the 2025-26 budget adoption hearings. ECS 42127(a)(2)(B) states that:

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)).

*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).

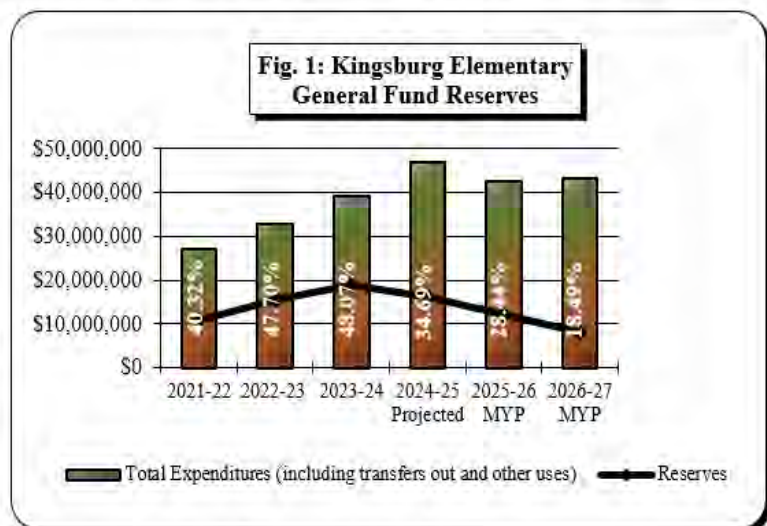
We have posted a “Sample Template for Statement of Reasons for Excess Reserves” form on our website (<http://dfs.fcoe.org/resources>) **for your use in making the necessary disclosures at your budget adoption public hearing**, if applicable. Please contact your District Financial Services Supervisor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

We will provide additional information related to 2025-26 budget development once the Governor’s May Revision becomes available in mid-May.

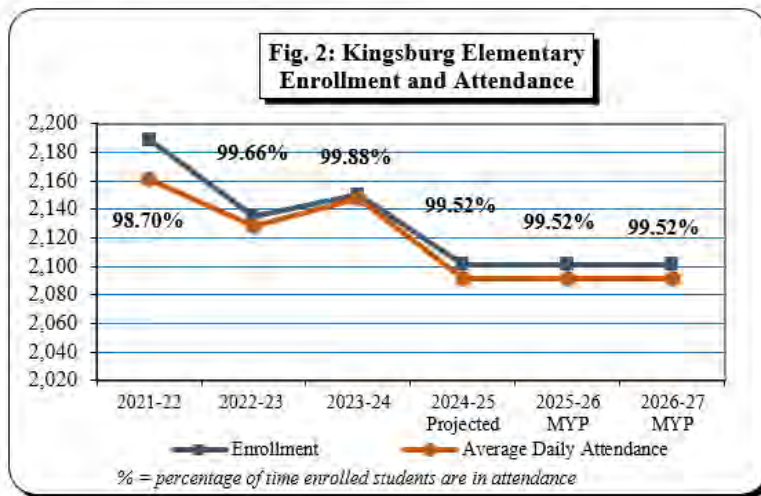
II. KINGSBURG ELEMENTARY CHARTER DISTRICT’S FISCAL POSITION AS OF JANUARY 31, 2025

A. General Fund Reserves

The district is projecting healthy reserves as of June 30, 2025, at 34.69%, and is expected to maintain healthy reserve levels in the following years, with 2025-26 at 28.44% and 2026-27 at 18.49%. While these projections are encouraging, the district must continue to be mindful of the challenges associated with the state’s current budgetary constraints. In the two subsequent years (2025-26 and 2026-27), restricted contributions are projected to double from current year levels, which significantly increases their impact on the general fund.



B. Enrollment and ADA



District enrollment has declined from 2,150 in 2023-24 to 2,101 in 2024-25 and is projected to remain flat through 2026-27. Similarly, Average Daily Attendance (ADA) decreased from 2,147.32 in 2023-24 to 2,090.90 in 2024-25, with no anticipated change in the two subsequent years. These declines in both enrollment and ADA can have a direct impact on funding and highlight the importance of continued monitoring and strategic planning to mitigate the financial implications associated with declining student attendance.

III. 2025-26 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 2025-26 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. As the federal relief dollars expire cash flow monitoring will become more critical for school districts. 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.)

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.

Sincerely,

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, KECSD
Bobby Rodriguez, CBO, KECSD

Pioneer Union Elementary

1144 West Lacey Boulevard, Hanford, CA 93230



Telephone: 559.584.1441 Fax: 559.589.7000

April 15, 2025

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

Dear Balea Avila,

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, 2025. 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:** As districts are realizing declining enrollment statewide, we recommend districts closely monitor enrollment and attendance projections and be prepared to make necessary adjustments to staffing and budgets. The district projections as of Second Interim are shown below.
 - 24/25 ADA 1,612.97
 - 25/26 ADA 1,613.97
 - 26/27 ADA 1,614.97
- Note: ADA projections listed are for district regular ADA only. Totals for NPS, community school, county operated programs and charter are not included.*

- **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:

- 2024-25 Decrease \$936,368.23
- 2025-26 Decrease \$1,010,487.39
- 2026-27 Decrease \$544,702.48

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

- **Cashflow:** For 2024-25, districts will be subject to a cash deferral of approximately half of the June 2025 apportionment from June to July. It is important that districts continuously monitor its cash flow projections to ensure the fiscal health of the district.
- **Impact of Negotiations:** The status of labor negotiations with bargaining units is as shown below. Note: negotiations are considered settled if they are approved in a meeting prior to Second Interim approval.
 - *Classified* – Settled
 - *Certificated* – Settled
- **Multi-year Projections:** With respect to the two subsequent fiscal years 2025-26 and 2026-27 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 3.0% 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 2025-26 projected a budget surplus of \$17 billion and healthy reserves. The governor proposed to fully fund COLA at 2.43% and provide additional one-time dollars for new and existing programs. Risks to the state budget include the stock market volatility, extreme weather events, delayed tax deadlines, federal policy uncertainty, and elevated interest rates. The Governor's Budget was developed prior to the California fires and the commencement of the Trump administration and it is unknown how these events may impact the budget. Districts should take this into consideration along with potential impacts due to inflation and declining enrollment when negotiating and calculating budget projections.

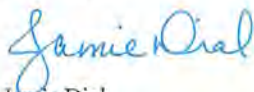
Fiscal year 2025-26 marks the second year of the three-year Local Control Accountability Plan (LCAP). As the district is preparing the LCAP for this second year, it is important that districts include any new reporting requirements within the plan. This is an opportune time for the districts to evaluate prior year goals and actions for effectiveness and make any necessary changes for the new year to ensure that the district is meeting the needs of all of its diverse student population. The districts must also continue to effectively plan for and fully budget its minimum proportionality percentage (MPP) as calculated under Title 5, California Code of Regulations, Section 15496(a).

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.
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Sincerely,



Jamie Dial

Assistant Superintendent, Business Services

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