

FISCAL CRISIS  
& MANAGEMENT ASSISTANCE TEAM

# **Golden Plains Unified School District**

## **Management Review**

January 31, 2007

FISCAL CRISIS  
& MANAGEMENT ASSISTANCE TEAM



*Administrative Agent*  
**Larry E. Reider**  
Kern County  
Superintendent of Schools

*Chief Executive Officer*  
**Joel D. Montero**



# FCMAT

FISCAL CRISIS  
& MANAGEMENT  
ASSISTANCE  
TEAM



Administrative Agent  
Larry E. Reider  
Office of Kern County  
Superintendent of School

Chief Executive Officer  
Joel D. Montero

1300 17th Street – CITY CENTER  
Bakersfield, CA 93301-4533  
Telephone .....661-636-46  
Fax.....661-636-4647  
Web site .....www.fcmat.org

422 Petaluma Blvd. North, Suite C  
Petaluma, CA 94952  
Telephone .....707-775-2850  
Fax.....707-775-2854

January 31, 2007

Ms. Joann E. S. Evans, Superintendent  
Golden Plains Unified School District  
22000 Nevada Street  
San Joaquin, CA 93660

Dear Superintendent Evans:

In June 2006, the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the Golden Plains Unified School District for a study that would perform the following:

1. Review and validate the 2006-07 adopted budgets of all of the district's funds and the 2005-06 unaudited SACS report in order to prepare an independent multi-year financial forecast of the district's general fund. The forecast will identify the financial condition of the general fund in 2007-08 and 2008-09 if ongoing revenue and expenditure trends continue without new sources of revenue or expenditure reductions.
2. Conduct a Fiscal Health Analysis of the district's general fund using the 18 factors included in the FCMAT Fiscal Health Risk Analysis model. Identify the district's risk rating and provide recommendations for improvements, as necessary.

FCMAT visited the district on October 25 and 26, 2006, to collect data, conduct interviews and review documents. This report is the result of that effort.

We have appreciated the opportunity to serve you, and we extend our thanks to all the staff of the Golden Plains Unified School District.

Sincerely,

Joel D. Montero  
Chief Executive Officer



# Table of Contents

Foreword .....iii

Introduction ..... I

Executive Summary ..... 3

Findings and Recommendations ..... 7

*Multiyear Financial Projection*..... 7

*Fiscal Risk Health Analysis*..... 19

Appendices ..... 35



# Foreword

## FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that local educational agencies throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district’s progress on the improvement plans

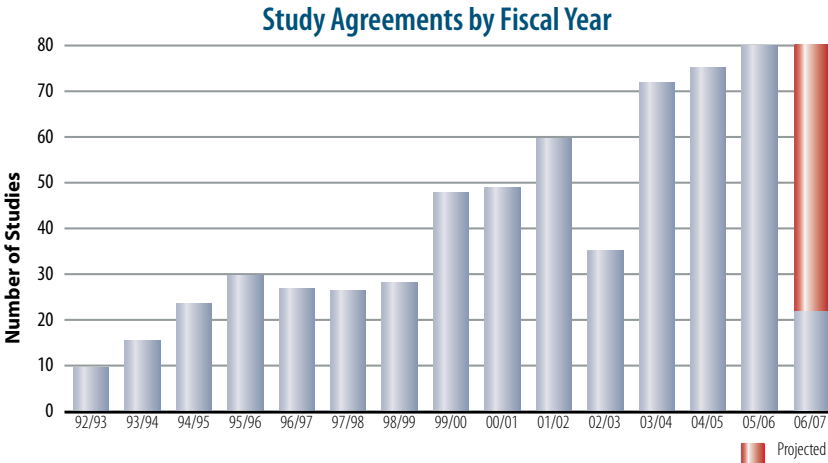
Since 1992, FCMAT has been engaged to perform more than 600 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

**Total Number of Studies ..... 604**  
**Total Number of Districts in CA..... 982**

Management Assistance.....	555	(91.89%)
Fiscal Crisis/Emergency .....	42	(6.95%)
Emergency Loan.....	7	(1.16%)

Note: Some districts had multiple studies

(Rev. 9/21/06)







# Introduction

## Background

Located in the western portion of Fresno County, the Golden Plains Unified School District has a Governing Board consisting of seven elected representatives. The district was established in 1991 through a unification process and includes the rural communities of Cantua, Helm, San Joaquin and Tranquility. The district serves approximately 1,859 students in four K-8 elementary schools, one comprehensive high school and a continuation high school and has experienced flat and declining enrollment over the last several years.

In June 2006, the Fiscal Crisis and Management Assistance Team (FCMAT) received a request for management assistance. The study agreement specifies that FCMAT will perform the following:

1. Review and validate the 2006-07 adopted budgets of all of the district's funds and the 2005-06 unaudited SACS report in order to prepare an independent multiyear financial forecast of the district's general fund. The forecast will identify the financial condition of the general fund in 2007-08 and 2008-09 if ongoing revenue and expenditure trends continue without new sources of revenue or expenditure reductions.
2. Conduct a Fiscal Health Analysis of the district's general fund using the 18 factors included in the FCMAT Fiscal Health Risk Analysis model. Identify the district's risk rating and provide recommendations for improvements, as necessary.

## Study Team

The FCMAT study team was composed of the following members:

Diane Branham  
FCMAT Fiscal Intervention Specialist  
Tehachapi, California

Margaret Rosales  
FCMAT Consultant  
Kingsburg, CA

Leonel Martínez  
FCMAT Public Information Specialist  
Bakersfield, California

## Study Guidelines

FCMAT visited the district on October 25 and 26, 2006, to conduct interviews, collect data and review documentation. On November 27, 2006, FCMAT met with district and county office representatives to review budget questions and obtain some additional budget reports. At the meeting, FCMAT was requested to use the November 14, 2006, board-approved budget as the base year for the multiyear projections. This update was necessary to include the district's most current budget assumptions in the subsequent analysis. Because this change required another analysis of some of the budget data, it was necessary to extend the draft report submittal time line.

This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Multiyear Financial Projection
- III. FCMAT Fiscal Health Risk Analysis
- IV. Appendices

# Executive Summary

During the current and past four years, the Golden Plains Unified School District's student enrollment has declined by 98 students and the average daily attendance (ADA) has declined by approximately 78 ADA. The available reserves have decreased from 16.85% in 2002-03 to a projected reserve level of less than 3% for 2006-07. As reflected in the following table, the district has also been in a deficit spending pattern from 2003-04 to present.

<b>Combined General Fund</b>					<b>1st Interim</b>
	<b>2002-03*</b>	<b>2003-04*</b>	<b>2004-05*</b>	<b>2005-06*</b>	<b>2006-07**</b>
Total Revenues	\$18,264,374	\$17,741,339	\$18,126,224	\$18,418,864	\$18,437,988
Total Expenditures	\$19,689,066	\$19,456,713	\$18,184,270	\$19,586,226	\$19,357,020
Total Other Financing Sources/Uses	\$1,884,093	\$386,778	(\$237,749)	\$229,250	(\$78,282)
Increase (Decrease) in Fund Balance	\$459,401	(\$1,328,596)	(\$295,795)	(\$938,112)	(\$997,314)
Beginning Fund Balance	\$3,749,535	\$4,208,936	\$2,880,340	\$2,584,545	\$1,646,433
Ending Fund Balance	\$4,208,936	\$2,880,340	\$2,584,545	\$1,646,433	\$649,119
<b>Available Reserves</b>	<b>\$3,328,681</b>	<b>\$2,258,514</b>	<b>\$1,856,599</b>	<b>\$747,994</b>	<b>\$486,222</b>
<b>Available Reserves %</b>	<b>16.85%</b>	<b>11.61%</b>	<b>10.08%</b>	<b>3.81%</b>	<b>2.50%</b>

\*Source: Annual Independent Audit  
 \*\*Includes 2005-06 Audit Adjustment

The district's 2006-07 adopted budget was *conditionally approved* by the Fresno County Office of Education on August 15, 2006. The district submitted a revised budget on September 29, 2006, showing a shortfall of \$152,381.45 toward meeting the required 3% reserve. The 2006-07 revised budget was subsequently *disapproved* by the Fresno County Office of Education. The district's 2006-07 budget was revised again on November 14, 2006 and was *approved* by the county office in a letter dated November 20, 2006, which also cited "significant reservations regarding the District's multi-year fiscal solvency." On December 14, 2006 the board approved the district's first interim report. The first interim report falls short of meeting the 3% reserve requirement in the current fiscal year and does not include the negative audit adjustment reflected in the 2005-06 independent audit report, which further reduces the general fund ending balance by \$88,052.

Assembly Bill 1200 requires the district to meet specific criteria and certify that it will meet its financial obligations for the current and two subsequent fiscal years. Based on the current spending pattern and multiyear budget assumptions, the district *will not* meet the 3% required reserve level in the current and two subsequent fiscal years without a detailed plan to reduce expenditures and cease deficit spending. The board, administration and community will need to continue the process of identifying potential areas of reduction to eliminate deficit spending and sustain fiscal solvency. Otherwise, the district may require outside financial assistance and may face the loss of local governance and decision-making authority.

Several issues have contributed to the district's current budget situation, including a net decline in enrollment over the past five years, significantly low average class sizes in grades 4-12, deficit spending, and considerable turnover and lengthy periods of vacancy in the district's position of Chief Business Official.

In school districts experiencing flat or declining enrollment, such as Golden Plains, the district must exercise extreme caution regarding budgetary issues such as negotiating, maintaining realistic staffing levels and controlling deficit spending to help ensure fiscal solvency. Because state funding is based on average daily attendance (ADA), it is imperative that the district prepare and monitor enrollment projections on an ongoing basis to aid in revenue projections and expenditure planning as there is little room for error for the district to meet its recommended reserve for economic uncertainties. This will help the district make timely, planned adjustments to expenditure and staffing patterns relative to enrollment needs. The district should consider strategies to increase student attendance. Increasing the percentage of average daily attendance would increase the district's revenue limit funding and would not require any increases in staffing.

An additional issue of concern is the impact of future collective bargaining agreements. The district has not resolved salary compensation issues for the 2006-07 fiscal year. While it is critical to maintain competitive salaries and benefits to retain staff, the district must also measure its ability to support the impact of increases to total compensation, especially during a time of declining or flat enrollment. Unless the district reduces staffing or programs proportionately to the loss of revenue from declining enrollment, it may be difficult to keep pace with comparable districts.

In developing and implementing the Multiyear Financial Projection (MYFP), the district's primary objectives are to achieve and sustain a balanced budget, improve academic achievement and maintain local governance. The district is confronted by substantial fiscal challenges that require difficult decisions to be made and implemented. The MYFP's goal of sustaining a balanced budget will be extremely difficult because of projected flat enrollment and future demands for salary and benefit compensation.

As previously mentioned, FCMAT's multiyear financial projection shows that the district **will not** meet its 3% reserve requirement in the current and two subsequent fiscal years. The following summary depicts FCMAT's multiyear financial projection for the unrestricted general fund. The projection uses the governor's budget proposal presented in July 2006 and the Financial Dashboard as outlined by School Services of California. The projection does not include any annual cost-of-living adjustments for employee compensation or increases in the district's contribution toward health and welfare benefits in the current or two subsequent fiscal years as these items are considered during the local collective bargaining process.

**Multiyear Financial Projection Summary  
General Fund  
Unrestricted Resources Only**

Description	Base Year 2006-07	Year 1 2007-08	Year 2 2008-09
Total Revenues	\$12,838,603	\$13,151,560	\$13,475,553
Total Expenditures	\$12,193,765	\$12,469,797	\$12,659,151
Excess (Deficiency) of Revenues Over Expenditures	\$644,838	\$681,763	\$816,402
Total Other Financing Sources/Uses	-\$895,837	-\$970,117	-\$983,328
Net Increase (Decrease) in Fund Balance	-\$250,999	-\$288,354	-\$166,926
Beginning Balance	\$822,694	\$483,643	\$195,289
Audit Adjustments	-\$88,052	\$0	\$0
Total Ending Balance	\$483,643	\$195,289	\$28,363
Undesignated/Unappropriated	\$0	\$0	\$0
Components of Ending Fund Balance			
Revolving Cash	\$3,000	\$3,000	\$3,000
3% Reserve Requirement	\$574,101	\$552,479	\$560,693
<b>Negative Shortfall</b>	<b>-\$93,458</b>	<b>-\$360,190</b>	<b>-\$535,330</b>

The district's Fiscal Health Risk Analysis score of 12 "no" responses, placing it in the extremely high range, and should be reviewed each fiscal year. The key areas of concern are: deficit spending, fund balance, reserve for economic uncertainty, enrollment, unrestricted fund balance, bargaining agreements, encroachment, management information systems, position control, budget monitoring, leadership/stability, and the audit report. The district should carefully consider the analysis and recommendations for each of these areas of concern with an immediate goal of reducing the current level of risk to the district's fiscal health.



# Findings and Recommendations

## Multiyear Financial Projection

Multiyear financial projections (MYFP) are required by AB 1200 and AB 2756 and are a part of the budget and interim reports. They should be produced accurately and timely and contain the most current fiscal information available. These projections allow the district and the county to project revenues and expenditures and help ensure that the district will be able to meet its financial obligations in the current and two subsequent fiscal years.

If a district is unable to meet its financial obligations for the current or two subsequent fiscal years, or has a qualified or negative budget certification, the county Superintendent of Schools must notify the Governing Board of the district and the Superintendent of Public Instruction (SPI). The county office must follow Education Code 42127.6 when assisting a school district in this situation. Assistance may include assigning a fiscal expert to advise the district on financial issues, conducting a study of the district's financial and budgetary conditions and requiring the district to submit a proposal for addressing its fiscal condition. In the case of a district that does not meet its required reserve levels, the MYFP becomes a tool used by the county office and district to formulate a plan to regain fiscal solvency and restore the required ending balance.

The district's 2006-07 adopted budget was *conditionally approved* by the Fresno County Office of Education on August 15, 2006. The district submitted a revised budget on September 29, 2006, showing a shortfall of \$152,381.45 toward meeting the required 3% reserve. The 2006-07 revised budget was subsequently *disapproved* by the Fresno County Office of Education. The district's 2006-07 budget was revised again on November 14, 2006 and was *approved* by the county office in a letter dated November 20, 2006 which also cited "significant reservations regarding the District's multi-year fiscal solvency." On December 14, 2006 the board approved the district's first interim report. The report falls short of meeting the 3% reserve requirement by approximately \$8,800 in the current year and does not include other components of the ending fund balance or the audit adjustment of \$88,052 reflected in the 2005-06 independent audit report.

The district has been deficit spending, and an unrestricted reserve that was 16.85% in 2002-03 is quickly eroding. Declining enrollment, low class sizes and a rural farming environment are listed as some of the fiscal challenges that the district is facing. As a result of numerous personnel changes in the Chief Business Official (CBO) position, there has been a lack of fiscal direction and analysis to develop and monitor the district's budget. The district has recently filled the CBO position and that individual is working with district staff and utilizing the resources of the county office of education to identify and address budget concerns.

### *Multiyear Forecast Assumptions*

California school districts and county offices use many different methods and software products to prepare multiyear financial projections. The FCMAT projections were prepared using FCMAT's Budget Explorer multiyear projection software, a Web-based forecasting tool that is available at no cost to all California school districts.

When developing and implementing the multiyear financial projection (MYFP), the district's primary objectives are to achieve and sustain a balanced budget, improve academic achievement and maintain local governance. The district is confronted by substantial fiscal challenges that require difficult decisions to be made and implemented. The MYFP is a tool to identify specific planning milestones that will assist the district in the decision-making process.

There are inherent limitations with any forecast of financial data. These limitations include issues such as unanticipated changes in the enrollment trends and changing economic conditions at the state, federal and local levels. *Therefore, the budget forecasting model should be evaluated as a trend based on certain criteria and assumptions rather than a prediction of exact numbers. The projection should be updated at least at each interim financial reporting period and before settling negotiations in an effort to maintain the most accurate data.*

To evaluate the multiyear projection, much attention is focused on the bottom line, which demonstrates the district's undesignated, unappropriated fund balance. For example, if the bottom line demonstrates a positive unappropriated fund balance, this amount may be used by the board and/or Superintendent to improve educational programs, increase employee compensation or spend in other categories. However, if the unappropriated fund balance is negative, the deficit balance is the amount by which the budget must be reduced to sustain the recommended reserve levels under AB 1200 guidelines. The projection must be viewed comprehensively, and the district must determine what compounding effects using any or all of the unappropriated fund balance will have on the projection in the current and future years.

FCMAT reviewed district records, interviewed staff members and examined financial reports to gather the information needed for the multiyear financial projection. The initial review included the district's 2005-06 unaudited actuals, 2006-07 adopted budget and the November 14, 2006 revised budget. The review included a fiscal analysis of the projected revenues, expenditures, transfers and components of the ending fund balance for the general fund. FCMAT's multiyear analysis utilizes the district's November 14, 2006 revised budget as the baseline for the MYFP. FCMAT reviewed the district's budget assumptions to validate the 2006-07 adopted budget report and multiyear financial projections for the two subsequent years.

FCMAT budget assumptions depict conservative economic factors and estimates



addressed in the governor's budget proposal presented in July 2006 and outlined by School Services of California in its Financial Dashboard. *FCMAT's MYFP does not include any annual cost-of-living adjustments (COLA) for employee compensation or increases in the district's contribution toward health and welfare benefits in the current or two subsequent fiscal years since these items are considered during the local collective bargaining process.* FCMAT included a COLA for the revenue limit and state funding sources, adjustments for step and column costs and statutory benefit increases.

The MYFP developed for this report reflects that the district will **not** be able to meet its required reserve of 3% in the current and two subsequent fiscal years without a detailed plan to reduce expenditures and cease deficit spending. The board, administration and community will need to continue identifying potential areas of reduction to eliminate deficit spending and sustain fiscal solvency. Otherwise, the district may need outside financial assistance and may face the loss of local governance and decision-making authority.

The district has experienced flat and declining enrollment for the past several years which has contributed to the significant financial challenges the district faces. The enrollment is projected to remain flat for the current and two subsequent fiscal years. The district's budget projections have not included necessary adjustments to staffing commensurate with the enrollment decline. Proper enrollment tracking and ADA analysis are essential for providing a good foundation for budget planning. When enrollment and ADA are flat or declining, the district must exercise extreme caution regarding budgetary issues such as negotiations, staffing levels and deficit spending to help ensure fiscal solvency. Diligent planning can enable the district to better understand its financial objectives and sustain financial solvency. The district must continuously update the budget as new information becomes available from within the district or from outside funding and regulatory agencies.

### ***2006-07 Unrestricted Projected Ending Balances***

There are differences between the projected revenues and expenditures determined by the district in the revised budget submitted on November 14, 2006 and the projected revenue and expenditures determined by FCMAT as shown in Table 1.

Table 1: 2006-07 Projected Budget as Determined by the District and by FCMAT

<b>Unrestricted General Fund</b>	<b>District (Revised Budget)</b>	<b>FCMAT</b>	<b>Increase/Decrease</b>
<b>Revenues</b>			
Revenue Limit Sources	11,689,903	11,689,903	-
Federal Revenues	21,985	9,985	(12,000)
State Revenues	929,598	1,028,715	99,117
Local Revenues	167,000	110,000	(57,000)
<b>Total Revenues</b>	<b>12,808,486</b>	<b>12,838,603</b>	<b>30,117</b>
<b>Expenditures</b>			
Certificated Salaries	6,425,706	6,474,195	48,489
Classified Salaries	1,427,446	1,429,289	1,843
Employee Benefits	2,741,690	2,655,236	(86,453)
Books / Supplies	194,180	277,816	83,636
Services, Other Operating Expense	1,393,334	1,433,334	40,000
Capital Outlay	36,118	36,118	-
Other Outgo	17,234	30,613	13,379
Direct/Indirect Cost	(116,377)	(142,836)	(26,459)
<b>Total Expenditures</b>	<b>12,119,330</b>	<b>12,193,765</b>	<b>(74,435)</b>
<b>Other Financing Sources</b>			
<b>Transfers</b>			
Transfers Out	(78,282)	-	78,282
<b>Contributions</b>	<b>(853,281)</b>	<b>(895,837)</b>	<b>(42,556)</b>
<b>Total, Other Financing Sources</b>	<b>(931,563)</b>	<b>(895,837)</b>	<b>35,726</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>(242,407)</b>	<b>(250,999)</b>	
<b>Beginning Balance</b>	<b>822,695</b>	<b>822,695</b>	
<b>Audit Adjustment</b>		<b>(88,052)</b>	<b>(88,052)</b>
<b>Unrestricted - Ending Balance</b>	<b>580,288</b>	<b>483,643</b>	

The following items account for the differences in the increase/decrease of the budget line items in the unrestricted budget:

#### Revenues

- Federal revenues were decreased by \$12,000 to actual dollars received to date;
- State revenues were increased by \$99,117 to increase the K-3 Class Size Reduction revenues anticipated and actual revenues received for onetime payments of prior year Mandated reimbursement claims;
- Local revenues were reduced by \$57,000 for interest earnings to reflect the reduced cash balances and current interest earning trend.

#### Expenditures

- Certificated salaries were increased by \$48,489 based on year-to-date expenditure trends for substitute costs, extra hours and current staffing;
- Classified salaries were increased by \$1,843 as the net result of the reclassification of library aides to the restricted library grant and adjusting

- the custodial budget to the current level of staffing to be paid from the unrestricted rather than the routine restricted maintenance budget;
- Employee benefits were decreased \$86,453 to reflect the proper statutory percentage for each benefit category and adjusted to follow the previously mentioned salary changes;
  - Books and supplies were increased by \$83,636 based on the current level of spending and historical trends;
  - Other services were adjusted by \$40,000 to increase the budget for utilities based on historical trends;
  - Other outgo was increased by \$13,379 to match the actual year-to-date activity;
  - Direct/indirect cost was increased by \$26,459 to capture allowed cost and reduce the current unrestricted expenditures by charging the restricted resources, School Based Coordination Program and School/Library Improvement Block Grant, the approved indirect cost rate;
  - Transfers out show a savings of \$78,282 to the unrestricted fund balance by making the required one-half of 1% of total general fund expenditures transfer from the restricted routine restricted maintenance resource to the deferred maintenance fund;
  - Contributions to restricted resources reflect an increase of \$42,556 to account for adjustments in special education, agricultural vocational incentive, home-to-school transportation and Peer Assistance and Review. FCMAT’s projected unrestricted contributions to restricted resources are as follows:

Table 2: Contributions to Restricted Resources

Special Education	\$190,594
Agricultural Vocational Incentive Grant	\$16,795
Home to School Transportation	\$129,470
Professional Development Block Grant	(\$8,968)
Ongoing & Major Maintenance – Required 3%	\$567,946

- FCMAT’s projection also includes the negative audit adjustment of \$88,052 as reflected in the 2005-06 independent audit report.

In FCMAT’s multiyear projection, budgets for restricted resources were adjusted in the current fiscal year to reflect the most current revenues and expenditures. Where possible, expenditures were reduced in the restricted resources to cover any projected shortfalls rather than reflect an additional encroachment on the general fund. However, this action also affects programs by reducing the amounts budgeted for supplies, services and capital outlay. No carryover or deferred revenues were allowed with the exception of Continuation Education, Teacher Quality, Gifted and Talented Education and ongoing major maintenance - routine restricted maintenance (RRM). All other restricted resources were fully expended in the current year, and future expenditures were adjusted to the future funding level.

The following restricted resources were adjusted in the current year:

- 2200 – Continuation education
- 3010 – Title I, Part A, basic grants
- 3310 – Special education – IDEA, Basic Local Assistance Entitlement
- 3710 – Drug Free Schools
- 4035 – Teacher quality
- 4110 – Innovative education strategies
- 4124 – 21<sup>st</sup> Century Community Centers Learning Program
- 4201 – Immigrant Education Program
- 4203 – Limited English Proficiency (LEP) Student Program
- 6500 – Special education
- 6660 – Tobacco-Use Prevention Education
- 7230 – Home-to-school transportation
- 7258 – High-priority school grants
- 7250 – School Based Coordination Program
- 7395 – School and Library Improvement Grant
- 8150 – Ongoing major maintenance – RRM
- 9010 – Other local programs

Table 3: Multiyear Financial Projection Summary

General Fund/School Service Fund -Unrestricted Resources Only  
Revenues, Expenditures and Changes in Fund Balance

Name	Object Code	Historical Year 2005 - 06	Base Year 2006 - 07	Year 1 2007 - 08	Year 2 2008 - 09
<b>Revenues</b>					
Revenue Limit Sources	8010 - 8099	\$11,373,406.96	\$11,689,903.14	\$12,156,773.30	\$12,426,737.54
Federal Revenues	8100 - 8299	\$3,268.99	\$9,985.00	\$0.00	\$0.00
Other State Revenues	8300 - 8599	\$701,584.24	\$1,028,715.00	\$880,811.50	\$930,497.50
Other Local Revenues	8600 - 8799	\$182,282.05	\$110,000.00	\$113,975.00	\$118,318.63
<b>Total Revenues</b>		<b>\$12,260,542.24</b>	<b>\$12,838,603.14</b>	<b>\$13,151,559.80</b>	<b>\$13,475,553.67</b>
<b>Expenditures</b>					
Certificated Salaries	1000 - 1999	\$6,337,294.75	\$6,474,195.00	\$6,590,030.50	\$6,690,098.81
Classified Salaries	2000 - 2999	\$1,208,429.65	\$1,429,289.00	\$1,450,005.93	\$1,471,033.59
Employee Benefits	3000 - 3999	\$2,577,881.61	\$2,655,236.36	\$2,676,772.70	\$2,696,089.17
Books and Supplies	4000 - 4999	\$429,489.59	\$277,815.96	\$307,208.12	\$315,502.73
Services and Other Operating Expenditures	5000 - 5999	\$1,219,138.20	\$1,433,334.44	\$1,484,157.24	\$1,524,121.47
Capital Outlay	6000 - 6900	\$86,210.61	\$36,118.22	\$47,667.05	\$48,350.48
Other Outgo	7000 - 7299	\$0.00	\$0.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	(\$75,170.72)	(\$142,836.54)	(\$116,658.00)	(\$116,658.00)
Debt Service	7430 - 7439	\$323,940.82	\$30,613.00	\$30,613.00	\$30,613.00
<b>Total Expenditures</b>		<b>\$12,107,214.51</b>	<b>\$12,193,765.44</b>	<b>\$12,469,796.54</b>	<b>\$12,659,151.25</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		<b>\$153,327.73</b>	<b>\$644,837.70</b>	<b>\$681,763.26</b>	<b>\$816,402.42</b>
<b>Other Financing Sources/Uses</b>					
Interfund Transfers In	8910 - 8929	\$72,479.56	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$67,074.00	\$0.00	\$0.00	\$0.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00	\$0.00

Contributions	8980 - 8999	(\$1,195,637.97)	(\$895,836.85)	(\$970,117.78)	(\$983,328.45)
<b>Total Other Financing Sources/Uses</b>		<b>(\$1,190,232.41)</b>	<b>(\$895,836.85)</b>	<b>(\$970,117.78)</b>	<b>(\$983,328.45)</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$1,036,904.68)</b>	<b>(\$250,999.15)</b>	<b>(\$288,354.52)</b>	<b>(\$166,926.03)</b>
<b>Fund Balance</b>					
Beginning Fund Balance (as of July 1 - Unaudited)	9791	\$1,846,893.31	\$822,694.63	\$483,643.48	\$195,288.96
Audit Adjustments	9793	\$12,706.00	(\$88,052.00)	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$1,859,599.31	\$734,642.63	\$483,643.48	\$195,288.96
Ending Fund Balance		\$822,694.63	\$483,643.48	\$195,288.96	\$28,362.93
<b>Components of Ending Fund Balance</b>					
Fund Balance, Reserved	9700 - 9709	\$0.00	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Stores	9712	\$0.00	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00	\$0.00
Other Reserves	9719	\$0.00	\$0.00	\$0.00	\$0.00
General Reserve	9730 - 9739	\$0.00	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$0.00	\$0.00	\$0.00	\$0.00
Economic Uncertainties Percentage		3%	3%	3%	3%
Designated for Economic Uncertainties	9770 - 9774	\$569,655.20	\$574,101.29	\$552,479.04	\$560,692.82
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$0.00	\$0.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$250,039.43	\$0.00	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	(\$93,457.81)	(\$360,190.08)	(\$535,329.89)

**Multiyear Forecast Assumptions**

FCMAT has focused attention on the unrestricted portion of the district’s general fund budget including the impact of general fund contributions to special education, transportation and the 3% required routine restricted maintenance contribution. FCMAT’s projection expended the district’s restricted ending fund balance where appropriate in the future years with the exception of continuation education, NCLB Title II, Part A, teacher quality, GATE and routine restricted maintenance. These resources were allowed to carry over the ending fund balance in the current and subsequent years to allow for budget flexibility and planned expenditures.

**Enrollment and Average Daily Attendance**

The FCMAT study team reviewed the enrollment and average daily attendance (ADA) trends of the district for the years 2002-03 through 2006-07. The review compared the October CBEDS student enrollment count to the April P-2 ADA data. Revenues earned by the district through the revenue limit calculations are based on either the current or prior year P-2 data, whichever is higher. With the exception of a small increase of 14 students in the current fiscal year, the district enrollment has been declining with a net enrollment loss of 98 students since 2002-03. FCMAT has projected no change in the enrollment in its multiyear projection using historical CBEDS data, cohort survival classroom progression and the rate of county births.

FCMAT's projected CBEDS and ADA are shown in Table 4.

	2002-03	2003-04	2004-05	2005-06	2006-07*	2007-08*	2008-09 *
CBEDS	1,957	1,911	1,921	1,845	1,859	1,859	1,859
P-2 ADA	1,801.40	1,814.80	1,775.02	1,723.65	1,723.65	1,730.54	1,730.54
CBEDS/ADA %	92.04%	94.97%	92.40%	93.42%	92.72%	93.09%	93.09%

*\*Estimated*

The district's ratio of enrollment to ADA is low when compared to the average range for school districts. Keeping students in school for more days each year would increase the district's revenue limit funding by increasing the number of ADA used in the calculation and would require no staffing increases. During the current fiscal year, the district will be funded at the current year level if the P-2 ADA yields an increase due to the increase of 14 students in the CBEDS enrollment count. Improvements to the ratio will be realized in the funding when the district experiences a growth in current year ADA above the prior year level. An increase of one percent in the attendance of currently enrolled students above last year's P-2 level could bring an additional \$120,000 in revenue limit funding to the district.

### **Staffing**

FCMAT's analysis revealed that the district is maintaining small class sizes throughout all grade levels. However, the audit report for 2004-05 revealed that the district used the incorrect assumption in qualifying for K-3 Class Size Reduction, using a pupil-to-teacher ratio of 22.4 to one in that fiscal year. The funding rules are based on keeping class sizes at an average of no greater than 20.44 to one in grade levels kindergarten through third grade, with the exception of districts that have only one school serving K-3 students. Since this is not the case for Golden Plains, a penalty was incurred in the 2004-05 fiscal year. The net result was the loss of funding for 63 students for a total loss of revenue of \$58,464.

A more in-depth review of staffing is suggested to evaluate classes offered, master schedules and appropriate grade level staffing. See Table 5, which follows, for a summary of the current year enrollment and staffing.

Table 5: 2006-07 CBEDS Enrollment and Teacher Staffing by School Site

	Tranquility HS	Rio Del Rey Cont HS	Tranquility Elem	San Joaquin Elem	Cantua Elem	Helm Elem	District Total
<b>Enrollment</b>							
<b>K</b>			23	110	24	8	<b>165</b>
<b>1</b>			22	100	26	9	<b>157</b>
<b>2</b>			22	81	25	5	<b>133</b>
<b>3</b>			36	87	24	7	<b>154</b>
<b>Total Grades K-3</b>			<b>103</b>	<b>378</b>	<b>99</b>	<b>29</b>	<b>609</b>
<b>4</b>			31	93	13	8	<b>145</b>
<b>5</b>			30	80	24	9	<b>143</b>
<b>6</b>			31	63	30	13	<b>137</b>
<b>7</b>			33	95	15	8	<b>151</b>
<b>8</b>			31	134	21	6	<b>192</b>
<b>9</b>	97	2					<b>99</b>
<b>10</b>	140	3					<b>143</b>
<b>11</b>	116	10					<b>126</b>
<b>12</b>	96	18					<b>114</b>
<b>Total Grades 4 - 12</b>	<b>449</b>	<b>33</b>	<b>156</b>	<b>465</b>	<b>103</b>	<b>44</b>	<b>1,250</b>
<b>District Total</b>	<b>449</b>	<b>33</b>	<b>259</b>	<b>843</b>	<b>202</b>	<b>73</b>	<b>1,859</b>
<b>Staffing Formula</b>							
K-3 CSR 20:1			5.2	18.9	5.0	1.5	30.5
Grades 4 - 12 30:1	15.0	1.1	5.2	15.5	3.4	1.5	41.7
<b>Staffing Ratios</b>	<b>15.0</b>	<b>1.1</b>	<b>10.4</b>	<b>34.4</b>	<b>8.4</b>	<b>2.9</b>	<b>72.2</b>
<b>Actual Staffing</b>							
<b>Grades K - 12</b>	<b>26.5</b>	<b>3.0</b>	<b>12.2</b>	<b>37.2</b>	<b>10.2</b>	<b>5.2</b>	<b>94.3</b>
<b>(Over)/Under Staffing</b>	<b>(11.5)</b>	<b>(1.9)</b>	<b>(1.8)</b>	<b>(2.8)</b>	<b>(1.8)</b>	<b>(2.3)</b>	<b>(22.1)</b>

All calculations subject to rounding

**Revenues**

Revenue Limit Sources - FCMAT calculated the district’s revenue limit for 2006-07 using the state budget information from the July 2006 California School Finance and Management Conference and factors from the Final Budget Version 2006 School Services of California Dartboard. These factors include the estimated statutory COLA of 4.7% for 2007-08 and 2.8% for 2008-09, elimination of the deficit, and lottery rates for the current and projected fiscal years. Following FCMAT’s completion of the multiyear projections, the Governor’s Budget Proposal for 2007-08 was announced and includes a 4.04% estimated COLA for 2007-08. The district should consider this most current information in future MYFP’s.

The district is currently being funded using prior year ADA until the actual P-2 ADA is known. This calculation has affected the anticipated amount of revenues the district will receive; however, an enhanced COLA and a fully funded deficit factor help mitigate the loss of revenue limit funding in the projection years. The district’s revenue limit sources are made up of a combination of state aid and local tax revenues in the calculation.

FCMAT did not increase the level of district property taxes in the calculation as they do not affect the total funding level, only the proportion of state aid to property taxes.

Federal Revenues - The current revenue was decreased by \$12,000 based on prior history, and FCMAT did not budget for any federal revenues in the unrestricted resources in the future years. Federal revenues were also not projected to grow in future years in the restricted resources.

State Revenues - FCMAT increased the current year mandated cost reimbursement revenue to match the actual revenues received to date and did not budget for this revenue source in the future years. The district should review the mandated cost amounts collected and determine if any of the funds are still subject to audit. If some of the funds collected to date are subject to the audit timeline, the district should consider reserving that amount in the ending fund balance until such time as the audit period has expired. K-3 CSR revenues were adjusted for COLA and increased to reflect the anticipated K-3 per pupil enrollment times a 90% participation factor. The home-to-school transportation revenue budget was increased to match the revenue as reflected by the California Department of Education.

The MYFP does not include the onetime site and district discretionary block grant funding. The district should determine how these onetime funding sources may best be used to help alleviate deficit spending in the current year and budget them accordingly.

Local Revenues - Anticipated interest was reduced to reflect anticipated cash flow trends.

### ***Expenditures***

Certificated Salaries - The FCMAT multiyear projection includes the impact of step-and-column salary movement at 1.5%, but does not include any increase for salary compensation as these are determined through local negotiations.

Classified Salaries – As previously noted, FCMAT included the ongoing impact of step movement at 1.5%, but did not include any increase for salary compensation in the projection years.

Employee Benefits - FCMAT increased statutory benefits in proportion to certificated and classified salary changes in the projection years, but did not factor an increase in employer health contributions in fiscal years 2007-08 and 2008-09 as this item is subject to negotiations.

Books and Supplies - FCMAT adjusted the budget for materials and supplies using the consumer price index (CPI) inflation factor from the SSC Dartboard. An additional increase was included in the 2007-08 projection for unrestricted resources to adjust for the onetime reductions in the current year budget.



Services and other Operating Expenditures - Utilities and outside contracts were increased based on prior-year history, and all other expenditures in the 5000 object series were adjusted using CPI.

Capital Outlay - The equipment budget was increased by CPI. An additional increase was included in the 2007-08 projection for unrestricted resources to adjust for the onetime reductions in the current-year budget.

Direct Support/Indirect Costs - Direct and indirect costs have been adjusted based on the changes in categorical budgets in the projection years.

***Other Financing Sources/Uses***

Transfers Out - The transfer out in 2006-07 is the required contribution of one-half of 1% of the total general fund adopted budget expenditures to the deferred maintenance fund. The transfer was moved from the unrestricted general fund to the restricted routine restricted maintenance program.

Contributions to Restricted Programs - The district is projected to contribute to the following restricted resources in the budget year: special education, Agricultural Vocational Incentive Grant, home-to-school transportation and routine restricted maintenance.

Audit Adjustment - A negative amount of \$88,052 was posted to adjust the ending fund balance for an adjustment to accounts receivable that was documented in the 2005-06 independent audit report.

Net Increase/Decrease in Fund Balance - The difference in the 2006-07 budgeted unrestricted revenues and expenditures, taking into account the necessary contribution to restricted programs is a negative \$250,999 leaving a fund balance of \$483,643. The district's required 3% reserve for economic uncertainties is \$574,101 leaving a shortfall of \$93,458 (which includes the required reserve for revolving cash) in maintaining the required minimum reserve.

Reserve Level - The FCMAT projection indicates that the district *will not* meet the 3% minimum required reserve level in the fiscal years 2006-07; 2007-08, and 2008-09. The district should be aware that the balance of \$27,363 in fund 17 (source: 2005-06 unaudited actuals) may be used to help meet the 3% required reserve level if the funds have not already been committed elsewhere.

Table 6: FCMAT Projected Reserve Level

<b>Unrestricted General Fund</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Projected Ending Balance</b>	\$483,643.00	\$195,289.00	\$28,363.00
<b>Projected Reserve Level</b>	2.53%	1.06%	0.15%



## Fiscal Health Risk Analysis

FCMAT developed the Fiscal Health Risk Analysis in 2005 as a tool for local educational agencies to evaluate the fiscal impact of past trends in their district. The analysis includes 18 operational areas. While any one of these areas in isolation might not be considered vital to fiscal solvency, when evaluated as a group, these areas form the core of a district’s financial condition and provide a clear checklist for establishing and maintaining fiscal solvency.

At the request of the district, FCMAT conducted a comprehensive independent assessment of the district’s 2006-07 fiscal status in accordance with existing legal and professional standards applicable to California public school districts using FCMAT’s Fiscal Health Risk Analysis.

To complete the analysis for the district, the study team requested a comprehensive list of financial reports, enrollment and ADA data as well as supplemental documents. The team also met with the Superintendent, Chief Business Official and several key staff members in the business, special projects and facilities departments.

The focus of the Fiscal Health Risk Analysis is the district’s unrestricted general fund. The unrestricted general fund is not tied to a restricted categorical program, but rather represents funding sources that allow the district discretion in how they are used. The analysis includes FCMAT’s assessment of the district’s current level of risk as well as recommendations offered to assist the district in improving its fiscal solvency score.

### Key Survival Questions

**1. Deficit Spending • Is this area acceptable? ..... No**

Is the district spending within their budget in the current year? **No**  
*As shown in the following chart, the district’s 2005-06 and 2006-07 financial statements indicate that the district is not controlling deficit spending. The Fresno County Office of Education disapproved the district’s 2006-07 budget and on November 20, 2006, approved the district’s revised 2006-07 budget with cautionary language regarding deficit spending. On December 14, 2006 the Board approved the district’s first interim report.*

<b>Unrestricted General Fund (District)</b>		
	<b>Unaudited Actuals</b>	<b>1st Interim</b>
	<b>2005-06*</b>	<b>2006-07</b>
Total Revenues	\$12,260,542.00	\$12,791,480.00
Total Expenditures	\$12,107,214.00	\$12,001,976.00
Total Other Financing Sources/Uses	(\$1,190,232.00)	(\$1,037,925.00)
<b>Increase (Decrease) in Fund Balance</b>	<b>(\$1,036,904.00)</b>	<b>(\$248,421.00)</b>
Beginning Fund Balance	\$1,859,599.00	\$734,643.00
Audit Adjustment	(\$88,052.00)	
Ending Fund Balance	\$734,643.00	\$486,222.00

Has the district controlled deficit spending over multiple years? **No**  
*The district's 2003-04, 2004-05 and 2005-06 financial statements reflect deficit spending in the general fund.*

Is the deficit spending addressed by fund balance, ongoing revenues, or expenditure reductions? **No**  
*The district is aware of the need to make budget reductions based on the discussions with staff, but the district has taken only minimal action to date to correct the operational deficit in the unrestricted general fund. The district cannot meet AB 1200 requirements if current expenditure trends continue. Before the 2006-07 fiscal year, deficit spending was absorbed by the fund balance.*

**2. Fund Balance • Is this area acceptable? ..... No**

Is the district's fund balance consistently increasing? **No**  
*As shown in the following chart, the district's fund balance has declined since 2002-03. The fund balance has continued to support the required 3% minimum reserve level before 2006-07. The district's projected ending balance for 2006-07 may be overly optimistic.*

Is the fund balance increasing due to ongoing revenues and/or expenditure reductions? **No**

<b>Combined General Fund</b>	
	<b>Ending Fund Balance</b>
2002-2003	\$4,208,936.00
2003-2004	\$2,880,340.00
2004-2005	\$2,584,545.00
2005-2006	\$1,646,433.00
2006-2007 (1st Interim)*	\$649,119.00
<i>Source: Annual independent audit</i>	
<i>*Source: 1st Interim (includes 2005-06 audit adjustment)</i>	

**3. Reserve for Economic Uncertainty • Is this area acceptable? ..... No**

Is the district able to maintain its reserve for economic uncertainty in the current and two subsequent years based on current revenue and expenditure trends? **No**

*Based on the district's 2006-07 first interim budget (board approved 12-14-06), the district falls short by approximately \$8,800 in meeting its 3% reserve in the current fiscal year. (The report also did not include the 2005-06 negative audit adjustment of \$88,052). FCMAT's multiyear projection reflects that the district will not maintain its reserve for economic uncertainty in the current and two subsequent years.*

Was the district able to maintain its reserve in 2003-04, 2004-05 without using the state flexibility? **Yes**

Is the district aware that the reserves must be restored with the 2005-06 budget? **N/A**

Is there a plan to restore the 2005-06 reserve for economic uncertainty? **N/A**

**4. Enrollment • Is this area acceptable? ..... No**

Has the district's enrollment been increasing or stable for multiple years?

**No**

*Based on CBEDS data, enrollment has reflected an overall decline in the past several years. However, the district's current-year data reflects an increase of 14 in student enrollment, and the FCMAT enrollment projections indicate that enrollment will be flat for the next two years.*

Enrollment								
	CBEDS	CBEDS	CBEDS	CBEDS	CBEDS	CBEDS	Projection	Projection
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2008/09	2008/09
<b>K-12 Enrollment</b>	1914	1957	1911	1921	1845	1859	1859	1859
<b>Gains/Losses</b>	-94	43	-46	10	-76	14	0	0
<i>CBEDS data obtained from the CDE Dataquest Web site</i>								
<i>Birth rates obtained from the California Dept of Health Services Web site</i>								

Is the district's enrollment projection updated at least semiannually? **No**

*Due to the significant turnover in the Chief Business Official position, the district was not able to provide any data regarding enrollment projections. FCMAT utilized a modified cohort survival technique with adjustments for county birth rate data to project enrollment and average daily attendance for the two subsequent years.*

**Methodology**

*The cohort survival technique is the most frequently used method of preparing school enrollment forecasts. The basic premise is that percentages are calculated from the historical enrollment data to determine a reliable percentage of increase or decrease in enrollment between any two grades. For example, if 100 students enrolled in first grade in 2005-06 and increased to 104 students in second grade in 2006-07, the percentage of survival would have be 104%. Such ratios are calculated between each pair of grades or years in school over several years. The ratios used are key factors in the reliability of the projections, given the validity of the data at the starting point. The strength of the ratios lies in the fact that each ratio encompasses collectively the variables that could possibly account for an increase or decrease in the size of a grade cohort as it moves on to the next grade. Each ratio represents the cumulative effect of factors such as the following:*

- 1. Migration patterns in/out of schools*
- 2. Retention in the same grade*
- 3. Changes in school program*
- 4. Dropouts, interdistrict transfers, etc.*
- 5. Birth rates*
- 6. Residential housing starts*
- 7. Charter/private school enrollments*

*Based on a reasonable set of assumptions for each of these factors, ratios must be indicative of present/future trends and are determined for each pair of grades or years. To project for the future, the ratios thus selected are applied to the present enrollment statistics for a predetermined number of years. If any of these assumptions need to be altered in the future, it is critical that the projection be updated. This provides an opportunity for the district to plan adequately for any changes that might occur over time.*

Are staffing adjustments consistent with the enrollment trends? **No**

*Although enrollment has declined over the past several years, staffing reductions have not been commensurate with the enrollment decline. The current staffing levels for grades K-3 are 20.0:1; 4-8 are 21.6:1; grades 9-12 are 17.0:1. While small class sizes are admirable, they are having a negative effect on the district's general fund budget.*

Does the district analyze enrollment and average daily attendance (ADA) data? **Yes**

*The Chief Business Official states that the district is now analyzing this data. In school districts experiencing enrollment growth, it is possible to more easily recover from inaccurate enrollment projections. However, in school districts experiencing declining and static enrollment, such as Golden Plains, there is little room for error in determining student*

*enrollment and ADA projections. For the district to manage and sustain the recommended reserve for economic uncertainties, a significant amount of attention will need to be focused on the enrollment and ADA projections.*

Does the district track historical data to establish future trends between P-1 and P-2 for projection purposes? **Yes**  
*The Chief Business Official states that the district is now analyzing this data.*

**5. Unrestricted or Undesignated Balance • Is this area acceptable? ..... No**

Is the district’s unrestricted or free balance maintained throughout the year? **No**

*Like most districts, the Golden Plains general fund budget estimated ending balance varies during the year due to such items as the state-adopted budget and negotiation settlements. The original adopted budget for 2005-06 projected an unrestricted general fund balance of \$1,992,172; the unaudited actuals reflect an unrestricted ending fund balance of \$822,695 (This total does not include the 2005-06 negative audit adjustment of \$88,052).*

Does the district consistently have fund balance above the required reserve? **No**

*Before the current fiscal year, the district had maintained the required reserve.*

**6. Interfund Borrowing • Is this area acceptable? ..... Yes**

Can the district manage its cash flow without interfund borrowing? **Yes**

Is the district repaying the funds within the statutory period? **No**

*The district’s independent audit report reflects there are some instances of borrowing between funds that have been carried on the books for several years.*

**7. Bargaining Agreements • Is this area acceptable? ..... No**

Has the district settled bargaining agreements at or under COLA during the past three years? **No**

*The following table reflects the increase to the salary schedule in each year, but does not include the percentage for total compensation costs as the information was not available from the district. An area of concern is the impact of future collective bargaining agreements on the district’s ability to remain fiscally solvent. The FCMAT fiscal health and risk analysis and the MYFP do not include additional compensation for the 2007-08 and 2008-09 fiscal years. While it is critical to maintain competitive salaries and benefits to retain staff, the district must also*

*measure its “ability to pay,” especially during a time of declining or stagnant enrollment. Unless the district reduces staffing or programs proportionately to the loss of revenue from declining enrollment, it may be difficult to keep pace with comparable districts in the current and two subsequent fiscal years.*

	2003/04	2004/05	2005/06
<b>Statutory COLA</b>	1.86%	2.41%	4.23%
<b>Funded COLA</b>	-1.20%	2.41%	4.23%
<b>Salary Increase</b>	0.00%	1.50%	2.00%
<i>Source information for statutory/funded COLA: School Services of California</i>			
<i>Source information for salary increase: district</i>			

Did the district conduct a presettlement analysis identifying an ongoing revenue source to support the agreement? **Yes**  
 (Analysis provided for 2005-06 only)

Did the district correctly identify the related costs above the COLA? **No**

Did the district address budget reductions necessary to sustain the total compensation increase? **No**

Did the Superintendent and CBO certify the agreement prior to ratification? **Yes**

Is the governing board’s action consistent with the superintendent’s/CBO’s certification? **Yes**

**8. General Fund • Is this area acceptable? ..... Yes**

Is the percentage of the district’s general fund unrestricted budget allocated to salaries and benefits at or under the statewide average? **Yes**

*The district’s percentage of salaries and benefits equals approximately 88.07 % of the total unrestricted expenditures and is currently less than the statewide average for a district of this type. Per School Services of California data, the statewide averages (2004-05) for unrestricted salaries and benefits as a percentage of the unrestricted budget are as follows:*

<i>Elementary districts</i>	<i>90.30%</i>
<i>High school districts</i>	<i>88.64%</i>
<i>Unified districts</i>	<i>92.03%</i>

*Due to deficit spending and declining/flat enrollment, the district will need to monitor this issue closely to maintain fiscal solvency.*



Is the district making sure that only authorized restricted dollars pay for permanent staff? **Yes**

*However, based on information in the independent audit report, the district needs to more carefully monitor staff funded through categorical programs to ensure the required certification forms are completed each year.*

**9. Encroachment • Is this area acceptable? ..... No**

Is the district aware of the “Contributions to Restricted Programs” in the current year? (Identify cost, programs and funds) **No**

*Based on the district’s November 14, 2006 revised budget, the primary programs that are encroaching on the general fund are special education (\$210,335), Peer Assistance and Review (\$75,000) and routine restricted maintenance (\$567,946 which is a state-required contribution). Based on this same report, additional programs are projected to encroach on the general fund; however, the encroachment was not reflected in the unrestricted resources (for example, Title IV (\$42,116), agricultural vocational education (\$16,795), home-to-school transportation (\$260,207) and high-priority school grant (\$77,691)). It is essential that the district budget the estimated encroachment amount for all restricted programs that are anticipated to encroach on the unrestricted general fund to have a clear picture of the unrestricted ending balance throughout the year.*

Does the district have a reasonable plan to address increased encroachment trends? **No**

Does the district manage its encroachment from other funds such as special education, adult, cafeteria, child development, etc.? **Yes**

*There is no encroachment reflected in 2005-06 or 2006-07 by the adult education or cafeteria funds. The district does not have a child development fund.*

**10. Management Information Systems • Is this area acceptable? ..... No**

Is the district data accurate and timely? **No**

*Given the turnover in the Chief Business Official position in the past several years, the budget has not been revised in a timely fashion. Budget revisions should be made monthly to ensure the district’s financial position is always up to date. A sample budget development guide and calendar are included in the appendices of this report.*

Are the county and state reports filed in a timely manner? **No**

*The 2005-06 budget was not adopted by the board until July 13, 2005. The state requires that the budget be adopted by July 1 each year.*

Are key fiscal reports readily available and understandable? **Yes**  
*The district reports that it has recently begun providing budget information to the board monthly. This year the district formed a budget committee, made up of various district stakeholders, in which budget information is shared and discussed.*

*In the interest of providing a complete presentation of the budget and all assumptions used to build the revenue and expenditure allocations, FCMAT recommends that the district consider using the User Friendly Budget Software, available from School Services of California at no cost to its clients. This software provides a general template that can be modified with specific district information. The Web sites of other school districts may also provide some good examples of thorough budget presentations including enrollment, ADA and staffing information.*

Is the district on the same financial system as the county? **Yes**

**11. Position Control • Is this area acceptable? ..... No**

Is position control integrated with payroll? **No**  
*The district does not have a position control system. One of the most critical elements in budgeting for expenditures is accurately projecting employee salary and benefit costs, which account for approximately 88% of the district's 2006-07 unrestricted general fund budget. A reliable position control system establishes authorized positions by site or department and ensures that staffing levels conform to district formulas and standards, helping prevent overstaffing. For the district to maintain accurate budget projections, employee demographic data and salary and benefit information should be maintained in a position control system that is integrated with payroll and budget modules and used to update the budget at each reporting period. To maintain proper internal control, this task is normally shared between the Business and Personnel departments. The district's implementation and utilization of a position control system, along with proper internal controls for hiring, will enhance the district's ability to adequately project and monitor salary and benefit costs.*

Does the district control unauthorized hiring? **Yes**  
*The district utilizes a "Request for Job Posting" form that requires approval from the Superintendent before a position is posted. The form should also require a signature from the Business Department to confirm that available funding is in place before posting the position. The district does not have staffing formulas in place. Staffing formulas should be developed and reviewed regularly to ensure that the district is maintaining the appropriate staffing levels for all positions.*

**12. Budget Monitoring • Is this area acceptable? ..... No**

Is there sufficient consideration to the budget, related to long-term bargaining agreements? **No**

*The presettlement analysis for bargaining agreements does not include total compensation costs. The analysis reflects only the increased salary schedule cost.*

Are budget revisions completed in a timely manner? **No**

*Budget revisions should be completed monthly and reported to the board, especially when a district is in financial distress, experiencing declining enrollment, etc. Communication is essential in keeping the board, staff and the community informed regarding the district's budget. A budget calendar should be adopted that clearly specifies time lines, duties and the individual responsible for each budget function. This is a helpful tool for communicating the budget process to all involved and keeping everyone proceeding smoothly with the budget cycle.*

*Regardless of the school district's financial condition, the budget process includes checkpoints for budget analysis and revisions. The first of these may come in July or August, following the adoption of the California state budget provisions for K-12 education as school districts are required to report material budget revisions to the county office within 45 days of the governor's signing of the state budget.*

*Budget revisions are next needed following the closing of the prior-year financial records. Changes in the beginning fund balance may result in a revised bottom line that is either more or less than was expected when the Governing Board adopted the budget in June. If this is the case, adjustments to the expenditure allocations may be needed. Also at this time, the closing of federal and state special projects will have identified the carryover amount for grants and entitlements. To provide school sites with information about their categorical funding for the new year, these carryover balances should be posted to the budget by late September. All beginning balances for restricted resources should be updated in the budget at this time.*

*During the first interim and second interim reporting periods, budget revisions should be completed for both unrestricted and restricted programs, and other funds should be reviewed and revised as needed. Budget revisions should also occur following the settlement of negotiations and throughout the year when significant new information becomes available.*

*The budget should reflect the district's goals and objectives that are developed annually and approved by the Governing Board. A check-and-balance process regarding the budget and the budget assumptions*

*should routinely take place. In a district of less than 5,000 ADA, this may occur between the CBO and the Superintendent. While the numbers show the results, the assumptions used to develop the numbers can be better identified and validated through communication and joint discussion.*

Does the district openly discuss the impact of budget revisions at the board level? **Yes**  
*District staff members report that they are now providing this information to the board.*

Are budget revisions made or confirmed by the board at the same time the collective bargaining agreement is ratified?  
*This could not be determined based on the information provided.*

Has the district’s long-term debt decreased from the prior fiscal year? **Yes**  
*The independent audit report for 2005-06 reports a decrease in long-term debt of \$161,976 from prior year.*

Has the district identified the repayment sources for the long term debt?  
**Yes**

**13. Retiree Health Benefits • Is this area acceptable?..... Yes**

Has the district completed an actuarial calculation to determine the unfunded liability? **No**  
*The Governmental Accounting Standards Board Statement No. 45 (GASB 45) requires that an actuarial report be completed for other post employment benefits and that the liability is recognized as an obligation on the district’s financial statements. While the district has a small number of employees that qualify for post-employment benefits currently, the actuarial report should be completed in compliance with GASB 45.*

Does the district have a plan for addressing the retiree benefits liabilities?  
**Yes**  
*The district offers post-retiree benefits based on specific language in the respective bargaining agreements and uses the pay-as-you go method for funding the benefits.*

Has the district conducted a re-enrollment process to identify eligible retirees? **No**

**14. Leadership/Stability • Is this area acceptable? ..... No**

Does the district have a Superintendent and/or Chief Business Official that has been with the district over four years? **No**  
*The district has experienced significant turnover in both the Superintendent and Chief Business Official positions in the last four years. The Director of Financial and Business Services (CBO) is new*

*to the district as well as to K-12 education; therefore, intensive training and support should be provided in key areas of school finance and management.*

Does the Governing Board adopt clear and timely policies and support the administration in its implementation of those? **No**

*A review of the district's board policies revealed that an extensive number of policies and procedures have not been updated since 1997.*

Does the Governing Board refrain from micromanaging? **No**

*A member of the Governing Board visits the district office routinely and speaks with individual staff members at length. These visits can be disruptive to staff productivity and may cause confusion regarding the chain of command.*

**15. District Liability • Is this area acceptable? ..... Yes**

Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels?

**Yes**

*The 2005-06 independent audit report reflected no pending litigation as of June 30, 2006.*

Has the district set up contingent liabilities for anticipated settlements, legal fees, etc? **N/A**

**16. Charter Schools • Is this area acceptable? ..... N/A**

Has the charter school received an independent audit reflecting findings that may impact the fiscal certification of the authorizing agency? **N/A**

Has the charter school been revoked? **N/A**

Has an involuntary bankruptcy petition been filed? **N/A**

**17. Audit Report • Is this area acceptable? ..... No**

Did the district receive an audit report with material findings? **Yes**

*The 2005-06 independent audit report included eight audit findings, and the 2004-05 independent audit report included seven findings, five of which were not implemented in the 2005-06 fiscal year. Several findings each year included monetary adjustments to the general fund budget. One finding that was reported both years reflected an internal control issue regarding cafeteria funds that were not being routinely deposited.*

Can the audit findings be addressed without impacting the district’s fiscal health? **No**

*The 2005-06 independent audit report included negative adjustments of \$88,052 to the general fund. Based on the district’s first interim report, this adjustment will reduce the unrestricted ending balance to \$468,222, which is below the required 3% reserve level.*

**18. Facilities • Is this area acceptable? ..... Yes**

Has the district passed a general obligation bond? **No**

Has the district met the audit and reporting requirements of Proposition 39? **N/A**

Is the district participating in the state’s School Facilities Program? **Yes**

*District reports that all projects have been completed and closed.*

Does the district have sufficient personnel to properly track and account for facility-related projects? **N/A**

Does the district have surplus property that may be sold or used for lease revenues? **Yes**

*The district owns several homes that are being rented to community members. Before the district determines whether this property qualifies as surplus, the staff would need to review the deeds to determine if there are any reversionary-clause restrictions. Education Code 17387-17391 also requires the district to convene a committee to determine if the property is actually surplus as well as the property’s recommended use.*

Other potential statutory options:

- *Joint Use: The Education Code provides for a joint-use agreement with some entities without declaring the property surplus and without bidding.*
- *Joint Occupancy: The Education Code provides for a joint venture that can authorize private development of district property that will result in some educational use.*
- 

Does the district have a Facilities Master Plan that was completed or updated in the last two years? **No**

*The district should complete a facilities master plan and update it annually to reflect current and future projects that align with student demographics and funding sources.*

**RISK ANALYSIS**

FCMAT totaled the number of areas that were not acceptable (“No” Responses) and used the following key below to determine the level of risk to the district’s fiscal health.

Number of “No” responses

0 – 3	4 – 6	7 – 10	11 – 18
Low	Moderate	High	Extremely High

**Total “No” Responses: 12**

The district’s risk analysis summary and total score of 12 is in the extremely high range and should be reviewed by the district each year. Because state funding is based on average daily attendance, enrollment projections and daily attendance needs to be monitored on an ongoing basis by the district so that appropriate proactive measures can be taken if the district continues to experience declining enrollment. This dynamic will also affect the status of the district’s negotiations and program offerings.

It may be possible for the district to enhance revenue limit funding by increasing the percentage of students that attend school each day. Increased average daily attendance may be accomplished through community awareness initiatives and without increasing staffing costs.

## Recommendations

*The district should:*

1. Adopt a budget in 2007-08 that eliminates deficit spending, meets the 3% reserve requirement and begins to rebuild reserve levels.
2. Prepare enrollment projections and monitor and compare actual enrollment with projected enrollment monthly to aid in revenue projections and expenditure planning. This will help the district in making timely, planned adjustments to expenditure and staffing patterns relative to enrollment needs.
3. Review the master schedules, class offerings and class sizes to ensure appropriate staffing at all grade levels. While small class sizes are admirable, they are hindering the district's ability to maintain the required reserve level in the general fund.
4. Implement a position control system, maintain it routinely, and ensure that it is used in all stages of budget development and monitoring.
5. Require a signature from the Business Department before processing the "Request for Job Posting" form to confirm that available funding is in place before posting a position.
6. Develop staffing formulas for all positions and monitor them regularly to ensure that appropriate staffing levels are maintained.
7. Provide staff members with training on how to use multiyear projection software so that staff can produce accurate, detailed and timely projections at the line-item budget level.
8. Complete detailed MYFPs for the general fund as required for budget development and interim reporting, using the most current information available from state, federal and local sources. MYFPs should also be completed before settling negotiations and for all significant financial proposals.
9. Review the mandated cost amounts collected in 2006-07 and determine if any of the funds are still subject to audit. If any of the funds are subject to audit, the district should consider reserving that amount in the ending fund balance until the audit period has expired.
10. Routinely monitor K-3 class sizes and ensure they are maintained at no greater than 20.44:1 to maximize revenues in the class size reduction program and avoid unplanned penalties.



11. Perform a budget review of payroll cost to verify that employees are budgeted and charged to the proper resources and comply with funding regulations at the beginning of each fiscal year rather than using place holder accounts and transferring expenses later. The district should review the account coding for each position to ensure that they are charged correctly in 2006-07. (For example, the special education aides are all reflected in resource 6500 rather than charging the appropriate aides to resource 3310.) The district should also confer with the county office and the auditor to correct, where possible, any coding errors that were made in 2005-06.
12. Budget for statutory benefits commensurate with projected percentage costs for each benefit category and projected salary costs.
13. Perform a routine budget analysis to validate the current budget and use approved budget practices to make adjustments and/or corrections as necessary. For example, the district's home-to-school transportation revenue budget does not reflect the current amount as reported by the California Department of Education and special education, and economic impact aides are not being charged to the appropriate resources. This may cause expenses and encroachment amounts to be improperly reflected throughout the budget cycle.
14. Follow recommended procedures to transfer the required deferred maintenance fund contribution from the restricted routine restricted maintenance account.
15. Review the 2005-06 home-to-school transportation expense budget as it appears that outside services contracts were not charged to this resource. As a result, the expenses appear to have been underreported to the California Department of Education (CDE). Once the review is complete, the district should work with the CDE to revise the 2005-06 TRAN report to ensure that state funding is not reduced unnecessarily in the current and future years.
16. Review the categorical budgets and work with budget managers to ensure that current monies are being spent on services to current students and ensure that categorical funds are being maximized based on the number of sites that are in program improvement.
17. Consider charging the maximum indirect cost rate allowed to each program and fund to maximize unrestricted resources. For example, the 2006-07 budget does not include indirect costs for the adult education and cafeteria funds.
18. Consider utilizing the mega-item, AB825 and federal flexibility transfer options to maximize unrestricted resources.

19. Determine how the onetime district and site discretionary block grant funding sources may best be used to help alleviate deficit spending in the current year and budget them accordingly.
20. Investigate the Merrill-Lynch Money Market Fund to determine its purpose.
21. Adopt a budget calendar that clearly specifies time lines, duties and the individual responsible for each budget function.
22. Repay interfund borrowings within the statutory guidelines.
23. Monitor categorical programs and other funds and develop a plan to ensure they do not encroach to a greater degree on the district's unrestricted general fund.
24. Ensure that the CBO and the Superintendent meet at least monthly to discuss revenue and expenditure allocations and projections.
25. Consider using the User Friendly Budget Software from School Services of California to help prepare budget presentations.
26. Engage a professional actuary to prepare an actuarial report for the district's other post-employment benefits in accordance with Governmental Accounting Standards Board Statement No. 45 (GASB 45).
27. Provide ongoing staff development and training to district personnel that pertain to their specific, individual responsibilities.

# Appendices

- A. Multiyear Financial Projection
- B. Sample Budget Development Guide and Calendar
- C. Study Agreement



**General Fund/County School Service Fund**  
**Unrestricted Resources Only**  
**Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Historical Year 2005 - 06	Base Year 2006 - 07	Year 1 2007 - 08	Year 2 2008 - 09
<b>Revenues</b>					
Revenue Limit Sources	8010 - 8099	\$11,373,406.96	\$11,689,903.14	\$12,156,773.30	\$12,426,737.54
Federal Revenues	8100 - 8299	\$3,268.99	\$9,985.00	\$0.00	\$0.00
Other State Revenues	8300 - 8599	\$701,584.24	\$1,028,715.00	\$880,811.50	\$930,497.50
Other Local Revenues	8600 - 8799	\$182,282.05	\$110,000.00	\$113,975.00	\$118,318.63
<b>Total Revenues</b>		<b>\$12,260,542.24</b>	<b>\$12,838,603.14</b>	<b>\$13,151,559.80</b>	<b>\$13,475,553.67</b>
<b>Expenditures</b>					
Certificated Salaries	1000 - 1999	\$6,337,294.75	\$6,474,195.00	\$6,590,030.50	\$6,690,098.81
Classified Salaries	2000 - 2999	\$1,208,429.65	\$1,429,289.00	\$1,450,005.93	\$1,471,033.59
Employee Benefits	3000 - 3999	\$2,577,881.61	\$2,655,236.36	\$2,676,772.70	\$2,696,089.17
Books and Supplies	4000 - 4999	\$429,489.59	\$277,815.96	\$307,208.12	\$315,502.73
Services and Other Operating Expenditures	5000 - 5999	\$1,219,138.20	\$1,433,334.44	\$1,484,157.24	\$1,524,121.47
Capital Outlay	6000 - 6900	\$86,210.61	\$36,118.22	\$47,667.05	\$48,350.48
Other Outgo	7000 - 7299	\$0.00	\$0.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	(\$75,170.72)	(\$142,836.54)	(\$116,658.00)	(\$116,658.00)
Debt Service	7430 - 7439	\$323,940.82	\$30,613.00	\$30,613.00	\$30,613.00
<b>Total Expenditures</b>		<b>\$12,107,214.51</b>	<b>\$12,193,765.44</b>	<b>\$12,469,796.54</b>	<b>\$12,659,151.25</b>
<b>Excess (Deficiency) of Revenues Over</b>		<b>\$153,327.73</b>	<b>\$644,837.70</b>	<b>\$681,763.26</b>	<b>\$816,402.42</b>
<b>Other Financing Sources\Uses</b>					
Interfund Transfers In	8910 - 8929	\$72,479.56	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$67,074.00	\$0.00	\$0.00	\$0.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	(\$1,195,637.97)	(\$895,836.85)	(\$970,117.78)	(\$983,328.45)
<b>Total Other Financing Sources\Uses</b>		<b>(\$1,190,232.41)</b>	<b>(\$895,836.85)</b>	<b>(\$970,117.78)</b>	<b>(\$983,328.45)</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$1,036,904.68)</b>	<b>(\$250,999.15)</b>	<b>(\$288,354.52)</b>	<b>(\$166,926.03)</b>
<b>Fund Balance</b>					
Beginning Fund Balance (as of July 1 - Unaudited)	9791	\$1,846,893.31	\$822,694.63	\$483,643.48	\$195,288.96
Audit Adjustments	9793	\$12,706.00	(\$88,052.00)	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$1,859,599.31	\$734,642.63	\$483,643.48	\$195,288.96
Ending Fund Balance		\$822,694.63	\$483,643.48	\$195,288.96	\$28,362.93
<b>Components of Ending Fund Balance</b>					
Fund Balance, Reserved	9700 - 9709	\$0.00	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Stores	9712	\$0.00	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00	\$0.00
Other Reserves	9719	\$0.00	\$0.00	\$0.00	\$0.00
General Reserve	9730 - 9739	\$0.00	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$0.00	\$0.00	\$0.00	\$0.00
Economic Uncertainties Percentage		3%	3%	3%	3%

**General Fund/County School Service Fund  
Unrestricted Resources Only  
Revenues, Expenditures, and Changes in the Fund Balance**

<b>Name</b>	<b>Object Code</b>	<b>Historical Year 2005 - 06</b>	<b>Base Year 2006 - 07</b>	<b>Year 1 2007 - 08</b>	<b>Year 2 2008 - 09</b>
Designated for Economic Uncertainties	9770 - 9774	\$569,655.20	\$574,101.29	\$552,479.04	\$560,692.82
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$0.00	\$0.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$250,039.43	\$0.00	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	(\$93,457.81)	(\$360,190.08)	(\$535,329.89)

**General Fund/County School Service Fund**  
**Restricted Resources Only**  
**Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Historical Year 2005 - 06	Base Year 2006 - 07	Year 1 2007 - 08	Year 2 2008 - 09
<b>Revenues</b>					
Revenue Limit Sources	8010 - 8099	\$172,992.24	\$161,650.00	\$169,247.55	\$173,986.48
Federal Revenues	8100 - 8299	\$2,176,013.36	\$2,097,183.46	\$1,687,827.96	\$1,687,827.96
Other State Revenues	8300 - 8599	\$2,849,849.59	\$2,410,343.85	\$2,514,382.94	\$2,582,436.92
Other Local Revenues	8600 - 8799	\$606,569.79	\$607,254.00	\$607,254.00	\$607,254.00
<b>Total Revenues</b>		<b>\$5,805,424.98</b>	<b>\$5,276,431.31</b>	<b>\$4,978,712.45</b>	<b>\$5,051,505.36</b>
<b>Expenditures</b>					
Certificated Salaries	1000 - 1999	\$1,151,838.25	\$1,331,801.45	\$1,349,677.00	\$1,367,820.65
Classified Salaries	2000 - 2999	\$1,765,196.74	\$1,583,553.64	\$1,500,110.35	\$1,522,594.86
Employee Benefits	3000 - 3999	\$1,048,906.04	\$1,071,209.21	\$1,035,768.99	\$1,048,210.31
Books and Supplies	4000 - 4999	\$1,344,779.33	\$1,575,506.84	\$1,070,152.37	\$1,089,429.91
Services and Other Operating Expenditures	5000 - 5999	\$912,744.03	\$1,048,953.49	\$747,929.79	\$762,105.64
Capital Outlay	6000 - 6900	\$434,037.49	\$139,083.00	\$75,874.95	\$73,790.02
Other Outgo	7000 - 7299	\$0.00	\$0.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	\$65,073.89	\$117,836.54	\$91,658.00	\$91,658.00
Debt Service	7430 - 7439	\$91,642.55	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		<b>\$6,814,218.32</b>	<b>\$6,867,944.17</b>	<b>\$5,871,171.45</b>	<b>\$5,955,609.39</b>
<b>Excess (Deficiency) of Revenues Over</b>		<b>(\$1,008,793.34)</b>	<b>(\$1,591,512.86)</b>	<b>(\$892,459.00)</b>	<b>(\$904,104.03)</b>
<b>Other Financing Sources/Uses</b>					
Interfund Transfers In	8910 - 8929	\$0.00	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$0.00	\$75,000.00	\$75,000.00	\$75,000.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	\$1,195,637.97	\$895,836.85	\$970,117.78	\$983,328.45
<b>Total Other Financing Sources/Uses</b>		<b>\$1,195,637.97</b>	<b>\$820,836.85</b>	<b>\$895,117.78</b>	<b>\$908,328.45</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>\$186,844.63</b>	<b>(\$770,676.01)</b>	<b>\$2,658.78</b>	<b>\$4,224.42</b>
<b>Fund Balance</b>					
Beginning Fund Balance (as of July 1 - Unaudited)	9791	\$724,946.22	\$911,790.85	\$141,114.84	\$143,773.62
Audit Adjustments	9793	\$0.00	\$0.00	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$724,946.22	\$911,790.85	\$141,114.84	\$143,773.62
Ending Fund Balance		\$911,790.85	\$141,114.84	\$143,773.62	\$147,998.04
<b>Components of Ending Fund Balance</b>					
Fund Balance, Reserved	9700 - 9709	\$0.00	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$0.00	\$0.00	\$0.00	\$0.00
Stores	9712	\$0.00	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00	\$0.00
Other Reserves	9719	\$0.00	\$0.00	\$0.00	\$0.00
General Reserve	9730 - 9739	\$0.00	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$911,790.85	\$141,114.84	\$143,773.62	\$147,998.04
Designated for Economic Uncertainties	9770 - 9774	\$0.00	\$0.00	\$0.00	\$0.00

**General Fund/County School Service Fund**  
**Restricted Resources Only**  
**Revenues, Expenditures, and Changes in the Fund Balance**

<b>Name</b>	<b>Object Code</b>	<b>Historical Year 2005 - 06</b>	<b>Base Year 2006 - 07</b>	<b>Year 1 2007 - 08</b>	<b>Year 2 2008 - 09</b>
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$0.00	\$0.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$0.00	\$0.00	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	\$0.00	\$0.00	\$0.00



**General Fund/County School Service Fund**  
**Unrestricted and Restricted Resources**  
**Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Historical Year 2005 - 06	Base Year 2006 - 07	Year 1 2007 - 08	Year 2 2008 - 09
<b>Revenues</b>					
Revenue Limit Sources	8010 - 8099	\$11,546,399.20	\$11,851,553.14	\$12,326,020.85	\$12,600,724.02
Federal Revenues	8100 - 8299	\$2,179,282.35	\$2,107,168.46	\$1,687,827.96	\$1,687,827.96
Other State Revenues	8300 - 8599	\$3,551,433.83	\$3,439,058.85	\$3,395,194.44	\$3,512,934.42
Other Local Revenues	8600 - 8799	\$788,851.84	\$717,254.00	\$721,229.00	\$725,572.63
<b>Total Revenues</b>		<b>\$18,065,967.22</b>	<b>\$18,115,034.45</b>	<b>\$18,130,272.25</b>	<b>\$18,527,059.03</b>
<b>Expenditures</b>					
Certificated Salaries	1000 - 1999	\$7,489,133.00	\$7,805,996.45	\$7,939,707.50	\$8,057,919.46
Classified Salaries	2000 - 2999	\$2,973,626.39	\$3,012,842.64	\$2,950,116.28	\$2,993,628.45
Employee Benefits	3000 - 3999	\$3,626,787.65	\$3,726,445.57	\$3,712,541.69	\$3,744,299.48
Books and Supplies	4000 - 4999	\$1,774,268.92	\$1,853,322.80	\$1,377,360.49	\$1,404,932.64
Services and Other Operating Expenditures	5000 - 5999	\$2,131,882.23	\$2,482,287.93	\$2,232,087.03	\$2,286,227.11
Capital Outlay	6000 - 6900	\$520,248.10	\$175,201.22	\$123,542.00	\$122,140.50
Other Outgo	7000 - 7299	\$0.00	\$0.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	(\$10,096.83)	(\$25,000.00)	(\$25,000.00)	(\$25,000.00)
Debt Service	7430 - 7439	\$415,583.37	\$30,613.00	\$30,613.00	\$30,613.00
<b>Total Expenditures</b>		<b>\$18,921,432.83</b>	<b>\$19,061,709.61</b>	<b>\$18,340,967.99</b>	<b>\$18,614,760.64</b>
<b>Excess (Deficiency) of Revenues Over</b>		<b>(\$855,465.61)</b>	<b>(\$946,675.16)</b>	<b>(\$210,695.74)</b>	<b>(\$87,701.61)</b>
<b>Other Financing Sources\Uses</b>					
Interfund Transfers In	8910 - 8929	\$72,479.56	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$67,074.00	\$75,000.00	\$75,000.00	\$75,000.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Other Financing Sources\Uses</b>		<b>\$5,405.56</b>	<b>(\$75,000.00)</b>	<b>(\$75,000.00)</b>	<b>(\$75,000.00)</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$850,060.05)</b>	<b>(\$1,021,675.16)</b>	<b>(\$285,695.74)</b>	<b>(\$162,701.61)</b>
<b>Fund Balance</b>					
Beginning Fund Balance (as of July 1 - Unaudited)	9791	\$2,571,839.53	\$1,734,485.48	\$624,758.32	\$339,062.58
Audit Adjustments	9793	\$12,706.00	(\$88,052.00)	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$2,584,545.53	\$1,646,433.48	\$624,758.32	\$339,062.58
Ending Fund Balance		\$1,734,485.48	\$624,758.32	\$339,062.58	\$176,360.97
<b>Components of Ending Fund Balance</b>					
Fund Balance, Reserved	9700 - 9709	\$0.00	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Stores	9712	\$0.00	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00	\$0.00
Other Reserves	9719	\$0.00	\$0.00	\$0.00	\$0.00
General Reserve	9730 - 9739	\$0.00	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$911,790.85	\$141,114.84	\$143,773.62	\$147,998.04
Economic Uncertainties Percentage		3%	3%	3%	3%

**General Fund/County School Service Fund  
Unrestricted and Restricted Resources  
Revenues, Expenditures, and Changes in the Fund Balance**

<b>Name</b>	<b>Object Code</b>	<b>Historical Year 2005 - 06</b>	<b>Base Year 2006 - 07</b>	<b>Year 1 2007 - 08</b>	<b>Year 2 2008 - 09</b>
Designated for Economic Uncertainties	9770 - 9774	\$569,655.20	\$574,101.29	\$552,479.04	\$560,692.82
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$0.00	\$0.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$250,039.43	\$0.00	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	(\$93,457.81)	(\$360,190.08)	(\$535,329.89)

**SAMPLE HIGH SCHOOL DISTRICT  
BUDGET GUIDELINES**

**I. INTRODUCTION**

The High School District 200X-0X Budget Guidelines closely parallel the 200X-0X Budget Guidelines within resources available. It is intended that the budget development process will allow an individual manager the appropriate flexibility to budget the resources which he or she deems necessary to achieve success for a given program. Therefore, only general allocations will be made to the Division/School level with very few restrictions directed toward specific expenditures. The flexibility of the budget development process is consistent with the participative management concept of the district.

Available resources are limited. It is anticipated that district enrollment will show a growth of 316 students in 200X-0X. The state cost of living adjustment (COLA) for 200X-0X is not known at this time. Adjustments to allocations may be made once this information becomes available. Consequently, the challenge to each manager is to achieve established objectives within the framework of existing budgetary constraints.

**II. RESPONSIBILITY FOR BUDGET DEVELOPMENT**

- A. Board of Trustees - The ultimate responsibility for the High School District budget lies with the Board of Trustees, whose primary budget development tasks include establishing budget criteria and reviewing, directing, and approving the Budget and the Revised Budget.
- B. Superintendent - The Superintendent oversees and directs the budget development process and submits the Budget and the Revised Budget to the Board of Trustees for approval.
- C. Superintendent's Cabinet - The Superintendent's Cabinet studies and reviews budget amounts and processes, and serves as the primary decision-making unit in the allocation of funds to District components.
- D. Superintendent's Council - The Superintendent's Council reviews and makes recommendations concerning budget-related processes.
- E. Assistant Superintendent, Business Services - The Assistant Superintendent, Business Services has the primary responsibility with respect to budget development processes, budget guidelines, and distribution of all budget documents.

**SAMPLE HIGH SCHOOL DISTRICT  
BUDGET GUIDELINES**

- F. Division Heads/Principals - The budget will be formulated on a participative management basis with Division Heads and School Principals responsible for the budgets of their respective divisions or schools.
- G. Department Coordinators - Department Coordinators will be responsible for developing the objectives of their programs and submitting budget requests to Division Heads or Principals in accordance with approved objectives and budget guidelines.
- H. Business Services Staff - The Business Services staff will assist Division Heads and Principals in the budget development process, provide required data to the Assistant Superintendent, Business Services, and communicate all budget-related matters to the appropriate instructional and support staff. The Business Services staff is responsible for entries to the computerized budget report for a given division/school.
- I. Other District Personnel, Students and Citizens - Budget development will allow for input from representatives of the community, parents, students, bargaining units and members, and site administrators to provide the Board with recommendations for budget priorities. Consideration will be given to all budget recommendations provided by employees, students and citizens.

**III. BUDGET DEVELOPMENT CRITERIA**

- A. General Fund budgeted expenditures will not exceed budgeted revenue and/or reserves, except by the amount of authorized funds carried over from the fiscal year 200X-0X budget, in accordance with Board policy and state law. The district's overall fiscal situation and State reserve requirements will be considered to determine if the district can still qualify for interim financing.
- B. The budget format will be based on the California School Accounting Manual and utilize the Standardized Account Code Structure (SACS).
- C. Basic allocations for staffing and budget will be established in the same manner at each comprehensive high school, regardless of availability of supplemental resources (e.g. Title I). This policy assures that the District complies with Title I comparability requirements.
- D. The Cafeteria Fund operating budget will show a positive fund balance as stipulated by Education Code requirements and the Board of Trustees.

**SAMPLE HIGH SCHOOL DISTRICT  
BUDGET GUIDELINES**

- E. Projected costs of current operations will be budgeted within the General Fund for the District's Health & Welfare program, which includes health, dental, vision care, long term disability and life insurance programs, and for Workers' Compensation. Transfers will also be budgeted as needed for Property and Liability deductibles to the insurance funds, where disbursements will be made during the year. Actual transfers for H & W and Workers' Compensation will be based on the established contribution rates and the numbers of employees/salaries covered
- F. A transfer to the Deferred Maintenance Fund will be budgeted at a level which will, at a minimum, entitle the District to the maximum amount of State matching funds and ensure our continuing eligibility for modernization and hardship funding. The funds will be expended for projects approved by the State under the District's five-year plan.
- G. The Adult Education Fund, as mandated by the State, will show revenues and expenditures for the adult education program. By law this fund cannot be supported through General Fund monies, nor can Adult Education Fund monies be used to support the General Fund.
- H. Funds generated from Developer Fees will be placed in the Capital Facilities Fund-Developer Fees and expenditures will be incurred in accordance with Board-approved construction/reconstruction projects.
- I. Redevelopment project revenues will be placed in the Capital Facilities Fund-Redevelopment and used for payment of the District's Certificate of Participation (COP) obligation.

**IV. BUDGET CONCEPTS**

- A. Comprehensive schools will receive the following budget allocations:
  - 1. Teacher Staffing Allocation
  - 2. Instructional Aide Allocation. Bilingual aides are funded through supplemental grant E.I.A. monies
  - 3. Other Specific Personnel Allocation for regular non-instructional staff

**SAMPLE HIGH SCHOOL DISTRICT  
BUDGET GUIDELINES**

4. An amount of \$295,143 to provide funds for classified service exempt employees as listed on the classified salary schedule (including benefit costs), allocated to the comprehensive high schools on the basis of 200X-0X third month ending enrollment. This allocation is partially funded from supplemental grant SIP monies.
5. A lump sum allocation for extra pay assignments as provided in contract for each high school and the Academy for Performing Arts.
6. An allocation of \$1,500 per comprehensive high school and \$500 each for \_\_\_HS and \_\_HS for strategic planning.
7. An allocation of \$2,000 for the MERITS program at \_\_HS.
8. The cost of International Baccalaureate membership for \_\_\_HS.
9. A WASC allocation in the amount of \$12,192 as follows:

Facilitator Stipend	\$5,232
10 Release Days	\$ 960
WASC Fee	\$4,000
Supplies, etc.,	\$2,000

Based on the following schedule:

200X/0X – 200X/0X	_HS, _HS, __HS, _HS, _HS
200X/0X – 200X/0X	__HS, __HS, __HS

10. An allowance of \$25,000 for \_HS and \$10,000 for \_\_HS to support athletics. These amounts may be adjusted for State COLA.
11. An allowance of \$7,500 for each comprehensive high school for repair and replacement of band instruments (may be adjusted for State COLA).
12. \$25,000 towards replacement of band uniforms at one comprehensive high school per year based on the following funding schedule (may be adjusted for COLA):
 

200X/0X	_HS	200X/0X	_HS
200X/0X	_HS	200X/0X	__HS
200X/0X	__HS	200X/0X	__HS
13. Individual comprehensive memberships in the National Association of Secondary School Principals (NASSP) for all principals, a comprehensive membership in the Association for Supervision and Curriculum Development (ASCD) for all principals and a premium membership for the Assistant Superintendent, Educational Services.
14. The District will budget to fund an allocation for the cost of replacing one classroom set of 40 student desks per school, providing the school spends a like amount for a second classroom set.
15. Lump Sum Allocation for all Non-Personnel Expenditures computed in accordance with item IV-D below.
16. Special Needs Allocation (optional).
17. Community Facilities Allocation (HS and \_\_HS)
18. Academy for Performing Arts (APA)

**SAMPLE HIGH SCHOOL DISTRICT  
BUDGET GUIDELINES**

- B. The teacher staffing allocation for comprehensive schools will be based on projected enrollment for the upcoming year.
- C. The other specific personnel allocations for four-year comprehensive schools include the allocations as required by the Master Plan for Special Education.
- D. The lump sum allocation for comprehensive schools will be determined in the following manner:

A lump sum allocation of Seventy-seven and 14/100 Dollars (\$77.14) per enrollee for all non-personnel expenses at the comprehensive school level will be based on the third month's ending enrollment of the 200X-0X school year. This allocation may be increased once the State's COLA percentage is known. An adjustment will be made in December of 200X for changes in month 3 enrollment. This non-personnel allocation is in addition to the allocation for classified service exempt employees (item IV.A.4), Student Workers (item IV.M) and the IMF (categorical) allocation.

- E. A special needs allocation for the comprehensive schools will be determined by the Superintendent's Cabinet in accordance with requests or program objectives submitted by each comprehensive school and the ability of the district to provide such an allocation. The total available for this purpose for all sites will be determined at a later time. The special needs allocation may include additions to any or all of the allocations previously listed. Requests for special needs allocations should be made in writing to the Superintendent's Cabinet. The major criterion used in considering a request will be the uniqueness to a particular school of the expenditure being proposed. Special needs allocations are for one year only.
- F. All returning personnel will be budgeted at a dollar amount consistent with placement on the appropriate salary schedule. All foreseeable class and step increases in FY 200X-0X must be budgeted.
- G. New or vacant teaching positions should be budgeted at the appropriate step of the Teachers' Salary Schedule, if known, or Step III/6 if not known. Budget adjustments will be made without reward or penalty if actual salaries are less than or greater than budgeted salaries.
- H. Teacher Substitutes Regular will be budgeted at the school level based on 6.5 days per full-time teacher.

**SAMPLE HIGH SCHOOL DISTRICT  
BUDGET GUIDELINES**

- I. All new or vacant classified personnel positions should be budgeted at the level of Step 3 of the appropriate class.
- J. No deviation from standardized classified personnel allocation may be made without prior written approval of the Superintendent.
- K. Classified substitutes and overtime will be budgeted at 2.0% of eligible salaries in each category.
- L. The budget for Student Workers will be \$23,489. This amount will be allocated among the comprehensive high schools based on the third month's ending enrollment for 200X-0X.
- M. The budget shall have an "Appropriation for Contingencies" or Reserve of not less than three (3) percent of expenditures, the minimum level recommended by the State for a district our size.

V. **BUDGET DEVELOPMENT CALENDAR**

The following page is a Budget Development Calendar, which conforms to current law and requirements of the Board of Trustees.



BUDGET DEVELOPMENT CALENDAR 200X-0X

<u>DATE</u>	<u>FUNCTION</u>	<u>RESPONSIBILITY</u>
December	Adoption of Budget Calendar	Board of Trustees and Superintendent
December	Approval of Budget Guidelines	Board of Trustees
December	Distribution of Budget Development Materials to Divisions and Sites	Business Services Division
December to January	Preparation of Preliminary Budgets by Divisions and Sites	Division and Site Administrators
January	Submission of Preliminary Budgets to Business Division	Division and Site Administrators
February to April	Preparation of Preliminary Draft of Budget and Data Processing	Business Division
As needed	Study Sessions on Preliminary Budget	Board of Trustees and Staff
June	Public Hearing on Budget	Board of Trustees
June	Adoption of Budget	Board of Trustees
July or before	Filing of Budget at County Office	Assistant Supt. - Business Services
July or before	Review of Budget	Business Services Division
August	Public Hearing on Revised Budget	Board of Trustees
August	Adoption of Revised Budget	Board of Trustees
Sept. or before	Filing of Revised Budget at County Office	Assistant Supt. - Business Services

MANAGEMENT ASSISTANCE TEAM  
STUDY AGREEMENT  
June 26, 2006

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Golden Plains Unified School District, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Golden Plains Unified School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

Following discussion with the Fresno County Office of Education, FCMAT is requested by the district to provide the following services, to be completed in consecutive order:

- 1) Review and validate the 2006-07 adopted budgets of all of the Districts funds and the 2005-06 un-audited SACS report in order to prepare an independent multi-year financial forecast of the Districts general fund. The forecast will identify the financial condition of the general fund in 2007-08 and 2008-09 if ongoing revenue and expenditure trends continue without new sources of revenue or expenditure reductions.
- 2) Conduct a Fiscal Health Analysis of the Districts general fund using the 18 factors included in the FCMAT Fiscal Health Risk Analysis model. Identify the Districts risk rating and provide recommendations for improvements, as necessary.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.
- 3) Progress Reports - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.

- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District following completion of the review.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony Bridges, Interim Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The review will be conducted by:

- A. FCMAT Fiscal Intervention Specialist
- B. FCMAT Fiscal Consultant

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on-site, conducting fieldwork at other locations, presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. Based on the scope of work identified in section 2 A, estimated total cost is \$4,400. The District will be billed based on actual cost. Any change to the scope will affect the estimate of total cost.
- C. The District will be invoiced at actual costs, with 50% due following the completion of the on-site review and the remaining 50% due upon acceptance of the final report by the District.

Payments for FCMAT services are payable to Kern County Superintendent of Schools-Administrative Agent.

5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
  - 1) A map of the local area

- 2) Existing policies, regulations and prior reports addressing the study request
- 3) Current organizational charts
- 4) Current and four (4) prior year's audit reports
- 5) Any documents requested on a supplemental listing

C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with District pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for key study milestones:

Orientation:	Estimated July or August
Staff Interviews:	Estimated July or August 2006
Exit Interviews:	Estimated July or 2006
Preliminary Report Submitted:	Estimated September 2006
Final Report Submitted:	To be determined
Board Presentation:	To be determined

7. CONTACT PERSON

Please print name of contact person: Joann E. S. Evans, Superintendent

Telephone (559) 693-1115 FAX (559) 693-4366

Internet Address jevans@gpusd.k12.ca.us

\_\_\_\_\_  
 Joann E. S. Evans, Superintendent Date  
 Golden Plains Unified School District

\_\_\_\_\_  
 Barbara Dean, Deputy Administrative Officer Date  
 Fiscal Crisis and Management Assistance Team

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report.