

# FCMAT

FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

## Fiscal Health Risk Analysis

August 7, 2020



## Camino Union Elementary School District

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Chief Executive Officer

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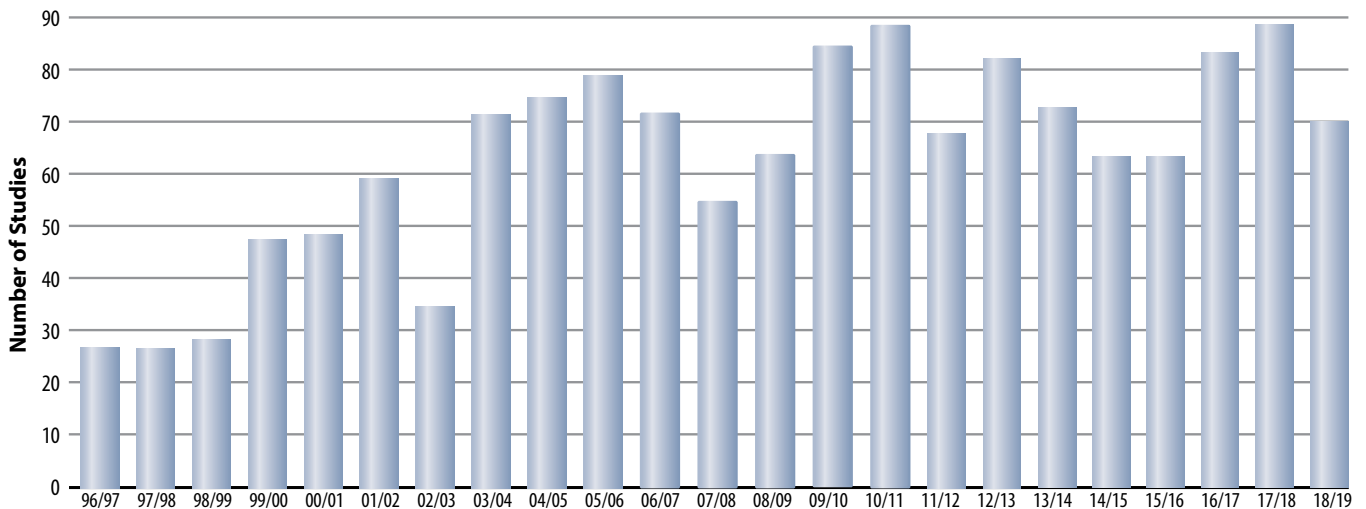
# About FCMAT

FCMAT’s primary mission is to assist California’s local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT’s fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT’s data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

## Studies by Fiscal Year



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms. FCMAT also develops and provides numerous publications, software tools, workshops and professional learning opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website ([www.ed-data.org](http://www.ed-data.org)) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS’ mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT’s services to those types of LEAs.

On September 17, 2018 AB 1840 was signed into law. This legislation changed the how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

# Introduction

## Background

Historically, FCMAT has not engaged directly with school districts showing distress until it has been invited to do so by the district or the county superintendent. The state's 2018-19 Budget Act provides for FCMAT to offer more proactive and preventive services to fiscally distressed school districts by automatically engaging with a district under the following conditions:

- Disapproved budget
- Negative interim report certification
- Three consecutive qualified interim report certifications
- Downgrade of an interim certification by the county superintendent
- "Lack of going concern" designation

Under these conditions, FCMAT will perform a fiscal health risk analysis to determine the level of risk for insolvency. FCMAT has updated its Fiscal Health Risk Analysis (FHRA) tool that weights each question based on high, moderate and low risk. The analysis will not be performed more than once in a 12-month period per district, and the engagement will be coordinated with the county superintendent and build on their oversight process and activities already in place per Assembly Bill (AB) 1200. There is no cost to the county superintendent or to the district for the analysis.

This fiscal health risk analysis is being conducted because the district had the following condition, under which an analysis is required by the 2018-19 State Budget Act.

- Three consecutive qualified interim report certifications

The Camino Union Elementary School District is located northeast of Sacramento, approximately seven miles east of downtown Placerville. The population of the greater Placerville area is 10,681, with a median household income of \$51,250, and a poverty rate slightly below 20%. The district's unduplicated pupil percentage, which includes students who qualify for free and reduced-price meals, foster youth, and English learners, was approximately 53% in 2018-19. According to the district, the percentage is expected to be close to 60% in 2019-20.

The district has one elementary school (Camino Elementary) and one dependent charter school (Camino Polytechnic). Both schools are located on the same campus and serve grades K-8. Total district enrollment in 2019-20 was 440 students, with 389 students enrolled in the elementary school and 51 in the charter. The district is governed by a superintendent/principal and a board of five trustees.

Beginning in 2018-19, the district certified four consecutive interim financial reports as "qualified", meaning the district may not meet its financial obligations in the current or two subsequent fiscal years. The district has experienced a pattern of deficit spending that began in 2017-18 and is projected to continue through 2021-22 according to the district's 2019-20 second interim financial report, despite reductions to certificated and classified staffing. The resulting ending fund balance is also projected to continue to decline during this time. The El Dorado County Office of Education agreed with all of the district's qualified certifications.

FCMAT performed a fiscal health risk analysis to determine the district's level of risk for insolvency. The El Dorado County Office of Education helped compile the documents needed for FCMAT's study. The district is on the same financial accounting system as the El Dorado County Office of Education.

## Fiscal Health Risk Analysis Guidelines

FCMAT entered into a study agreement with the Camino Union Elementary School District on May 18, 2020, and a study team collected data and interviewed district staff and leaders via video conferences on June 17-19, 2020. The district and county office compiled documents for the study team to review and analyze following the interviews. This report is the result of those activities.

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

## Study Team

The team was composed of the following members:

Jeffrey B. Potter

FCMAT Intervention Specialist

Shayleen Harte

FCMAT Deputy Executive Officer

John Lotze

FCMAT Technical Writer

Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the analysis.

# Fiscal Health Risk Analysis

## For K-12 School Districts



FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

Dates of fieldwork: June 17-19, 2020 (via video conference)

District: Camino Union Elementary School District

## Summary

The Camino Union Elementary School District had declining enrollment in 2019-20, including 19 fewer students in the elementary school and 15 fewer students in the charter school. The associated reduction in revenue has contributed to deficit spending in 2019-20 and is projected to continue in the two subsequent fiscal years, as demonstrated by the district's 2019-20 second interim report. This will likely be further aggravated by the current economic downturn resulting from the ongoing COVID-19 pandemic.

Beginning in 2018-19, the district certified four interim reports as "qualified", meaning the district may not meet its financial obligations in the current or two subsequent fiscal years. This was caused in part by facility improvement projects associated with the district's June 2016 Measure H bond issue. Costs for the project exceeded the amount of the bond issuance and required assistance from the district's general fund. In addition, enrollment has declined steadily at the district's dependent charter school, Camino Polytechnic, from nearly 100 students in 2015-16 to about half that number in 2019-20.

To reduce the deficit spending, the district's governing board adopted a resolution on February 11, 2020 that reduces expenditures in 2020-21 by \$328,412. The plan included reductions in administration, certificated and classified staffing, and transportation costs, and was included in the district's 2019-20 second interim multiyear projection. This reduced the deficit spending in the subsequent years but did not fully balance the budget. Deficit spending continues to be projected for 2020-21 and 2021-22, along with a continuing decline in the district's ending fund balance.

FCMAT performed a fiscal health risk analysis (FHRA) to determine the district's level of risk for insolvency. The analysis determined that the district is at moderate risk of insolvency when all factors are considered.

Without the conditions in the Areas of High Risk section (see below), which includes deficit spending, the district would be classified as low risk, with an overall score of 24.0%. However, the existence of any of the high risk conditions below supersedes the numerical score because it elevates a district's risk level. Because the district has deficit spending in the current and/or two subsequent fiscal years, the district's fiscal solvency risk level is rated as moderate rather than low.

The district has adopted a plan to reduce deficit spending in the subsequent years of the multiyear projection, which will reduce risk if successful; however, additional reductions are likely needed to fully balance the budget.

This report also identifies various signs of fiscal weakness and risks of insolvency. The district's main risk factors include the following:

- Declining enrollment that began in 2019-20. Enrollment, and the resulting student attendance, are the most significant drivers of district revenues.
- Four consecutive qualified certifications on interim financial reports.
- Projected deficit spending in the general fund on the multiyear projection, including a declining ending fund balance.

Assuming enrollment continues to decline, the resulting decrease in Local Control Funding Formula (LCFF) revenue will further increase the deficit spending in the subsequent fiscal years of the multiyear projection. It is therefore critical that the district continue to monitor enrollment closely, and proactively adopt additional budget balancing plans to maintain its reserve and avoid any further erosion of its ending fund balance.

The district could also improve in several other functional areas identified in the analysis, including the following:

- Collective Bargaining Agreements  
The district settled with all units in 2017-18 for a 2% ongoing annual salary increase. This exceeded the district's funded COLA of 1.56%.
- Internal Controls and Fraud Prevention  
Monitoring and segregation of duties could be strengthened in accounts receivable and purchasing, and the district should develop a more comprehensive, documented process for fraud identification, reporting and prevention.
- Leadership and Stability  
The district should consider scheduling regular meetings of all district leaders to help the leadership communicate in a

collective and more uniform manner, and increase its focus on training administrators and governing board members in budgeting, financial management and governance.

FCMAT’s study was performed during the COVID-19 global pandemic and the severe economic downturn that resulted. Although the full multiyear impact to state and federal funding for K-12 school districts remains uncertain at the time of this report, districts throughout California are reasonably planning for a sharp decline in funding in the coming years. Assuming these funding reductions occur as anticipated, the district will need to proactively identify significant additional expenditure reductions beyond those included in its 2019-20 second interim report multiyear projection to maintain its fiscal solvency and local control.

**District Fiscal Solvency Risk Level: Moderate**

**About the Analysis**

The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the Fiscal Health Risk Analysis (FHRA) as a tool to help evaluate a school district’s fiscal health and risk of insolvency in the current and two subsequent fiscal years.

The FHRA includes 20 sections, each of which contains specific questions. Each section and specific question is included based on FCMAT’s work since the inception of AB 1200; they are the common indicators of risk or potential insolvency for districts that have neared insolvency and needed assistance from outside agencies. Each section of this analysis is critical, and lack of attention to these critical areas will eventually lead to a district’s failure. The analysis focuses on essential functions and processes to determine the level of risk at the time of assessment.

The greater the number of “no” answers to the questions in the analysis, the greater the potential risk of insolvency or fiscal issues for the district. Not all sections in the analysis and not all questions within each section carry equal weight; some areas carry higher risk and thus count more heavily in calculating a district’s fiscal stability. To help the district, narratives are included for responses that are marked as a “no” so the district can better understand the reason for the response and actions that may be needed to obtain a “yes” answer.

Identifying issues early is the key to maintaining fiscal health. Diligent planning will enable a district to better understand its financial objectives and strategies to sustain a high level of fiscal efficiency and overall solvency. A district should consider completing the FHRA annually to assess its own fiscal health risk and progress over time.

**Areas of High Risk**

The following sections on this page and the next duplicate certain questions and answers given in the Fiscal Health Risk Analysis Questions later in this document and identify conditions that create significant risk of fiscal insolvency. The existence of an identified budget or fiscal status or a material weakness indicated by a “no” answer to any of these items supersedes all other scoring and will elevate the district’s overall risk level.

<b>Budget and Fiscal Status: Is district currently <i>without</i> the following?:</b>		<b>Yes</b>	<b>No</b>
Disapproved budget . . . . .		✓	<input type="checkbox"/>
Negative interim report certification . . . . .		✓	<input type="checkbox"/>
Three consecutive qualified interim report certifications . . . . .		<input type="checkbox"/>	✓
Downgrade of an interim certification by the county superintendent . . . . .		✓	<input type="checkbox"/>
“Lack of going concern” designation . . . . .		✓	<input type="checkbox"/>

<b>Material Weakness Questions</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
2.5	Has the district’s budget been approved unconditionally by its county office of education in the current and two prior fiscal years? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
3.4	Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code Section 42142? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>

3.6	Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known?. . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
4.4	If the district’s cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
5.2	If the district has any charters in fiscal distress, has the district performed its statutory fiscal and operational oversight functions, including formal communication to the charter, such as notices of violation? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	✓
5.3	Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
6.3	Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
6.4	Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
7.2	If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.6	Are the district’s enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations?. . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years?. . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.3	If the district is not able to maintain the minimum reserve for economic uncertainty, does the district’s multiyear financial projection include a board-approved plan to restore the reserve? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	✓
19.1	Does the district account for all positions and costs? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>

## Score Breakdown by Section

Because the score is not calculated by category, category values provided are subject to minor rounding error and are provided for information only.

1.	Annual Independent Audit Report	0.0%
2.	Budget Development and Adoption	0.8%
3.	Budget Monitoring and Updates	2.9%
4.	Cash Management	1.6%
5.	Charter Schools	0.2%
6.	Collective Bargaining Agreements	2.2%
7.	Contributions and Transfers	1.0%
8.	Deficit Spending (Unrestricted General Fund)	2.0%
9.	Employee Benefits	0.0%
10.	Enrollment and Attendance	2.2%
11.	Facilities	0.0%
12.	Fund Balance and Reserve for Economic Uncertainty	1.0%
13.	General Fund - Current Year	0.8%
14.	Information Systems and Data Management	0.0%
15.	Internal Controls and Fraud Prevention	3.5%
16.	Leadership and Stability	3.3%
17.	Multiyear Projections	0.0%
18.	Non-Voter-Approved Debt and Risk Management	0.0%
19.	Position Control	1.6%
20.	Special Education	1.1%
<b>Score</b>		<b>24.0%</b>

# Fiscal Health Risk Analysis Questions

1. Annual Independent Audit Report		Yes	No	N/A
1.1	Has the district corrected the most recent and prior two years' audit findings without affecting its fiscal health? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Has the audit report for the most recent fiscal year been completed and presented to the board within the statutory timeline? (Extensions of the timeline granted by the State Controller's Office should be explained.) . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Were the district's most recent and prior two audit reports free of findings of material weaknesses? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Has the district corrected all reported audit findings from the most recent and prior two audits? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>

2. Budget Development and Adoption		Yes	No	N/A
2.1	Does the district develop and use written budget assumptions and multiyear projections that are reasonable, are aligned with the county office of education instructions, and have been clearly articulated? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.2	Does the district use a budget development method other than a prior-year rollover budget, and, if so, does that method include tasks such as review of prior year estimated actuals by major object code and removal of one-time revenues and expenses? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.3	Does the district use position control data for budget development? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.4	Does the district calculate the Local Control Funding Formula (LCFF) revenue correctly? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.5	Has the district's budget been approved unconditionally by its county office of education in the current and two prior fiscal years? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.6	Does the budget development process include input from staff, administrators, the governing board, the community, and the budget advisory committee (if there is one)? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.7	Does the district budget and expend restricted funds before unrestricted funds? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.8	Have the Local Control and Accountability Plan (LCAP) and the budget been adopted within statutory timelines established by Education Code Sections 42103 and 52062 and filed with the county superintendent of schools no later than five days after adoption or by July 1, whichever occurs first, for the current and one prior fiscal year? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.9	Has the district refrained from including carryover funds in its adopted budget? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.10	Other than objects in the 5700s and 7300s and appropriate abatements in accordance with the California School Accounting Manual, does the district avoid using negative or contra expenditure accounts? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
2.11	Does the district have a documented policy and/or procedure for evaluating the proposed acceptance of grants and other types of restricted funds and the potential multiyear impact on the district's unrestricted general fund? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>

*Although employees indicated in interviews that evaluation of a proposed grant would occur through informal discussions, documents were not provided that show the district uses a documented policy or procedure for this purpose.*

- 2.12 Does the district adhere to a budget calendar that includes statutory due dates, major budget development tasks and deadlines, and the staff members/departments responsible for completing them? . . . . .
- Documents and interviews with staff indicated there are various calendars in use at the district, including a governance calendar that includes some budget deadlines; however, none are specifically dedicated for budget purposes, with tasks and responsibilities.*

**3. Budget Monitoring and Updates** **Yes** **No** **N/A**

- 3.1 Are actual revenues and expenses consistent with the most current budget? . . . . .
- 3.2 Are budget revisions posted in the financial system at each interim report, at a minimum? . . .
- 3.3 Are clearly written and articulated budget assumptions that support budget revisions communicated to the board at each interim report, at a minimum? . . . . .
- 3.4 Following board approval of collective bargaining agreements, does the district make necessary budget revisions in the financial system to reflect settlement costs in accordance with Education Code Section 42142? . . . . .
- 3.5 Do the district’s responses fully explain the variances identified in the criteria and standards? .
- 3.6 Has the district addressed any deficiencies the county office of education has identified in its oversight letters in the most recent and two prior fiscal years? . . . . .
- The El Dorado County Office of Education identified overall or unrestricted deficit spending as a deficiency needing correction in the district’s 2017-18 and 2018-19 first and second interim reports. This concern was again raised in the county office of education’s most recent 2019-20 first and second interim oversight letters.*
- 3.7 Does the district prohibit processing of requisitions or purchase orders when the budget is insufficient to support the expenditure? . . . . .
- In interviews, employees indicated that the district does not use a safeguard in the financial system to prevent the processing of requisitions or purchase orders when the budget is insufficient to support the expenditure. Adjustments are made manually once an expenditure is determined to be appropriate.*
- 3.8 Does the district encumber and adjust encumbrances for salaries and benefits? . . . . .
- 3.9 Are all balance sheet accounts in the general ledger reconciled at least at each interim report and at year end close? . . . . .
- Documents indicated that some balance sheet accounts, such as accounts payable, may not be reconciled until the end of the fiscal year rather than at each interim reporting period.*
- 3.10 Have the interim reports and the unaudited actuals been adopted and filed with the county superintendent of schools within the timelines established in Education Code? . . . . .

**4. Cash Management** **Yes** **No** **N/A**

- 4.1 Are accounts held by the county treasurer reconciled with the district’s and county office of education’s reports monthly? . . . . .

4.2	Does the district reconcile all bank (cash and investment) accounts with bank statements monthly? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>Employees stated that bank accounts are being reconciled, but documents were not provided that indicate a consistent, monthly process.</i>			
4.3	Does the district forecast its general fund cash flow for the current and subsequent year and update it as needed to ensure cash flow needs are known? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4	If the district's cash flow forecast shows insufficient cash in its general fund to support its current and projected obligations, does the district have a reasonable plan to address its cash flow needs for the current and subsequent year? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5	Does the district have sufficient cash resources in its other funds to support its current and projected obligations in those funds? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district's cafeteria fund was projected to need for a contribution of \$27,100 from the general fund in 2019-20. With a projected ending fund balance of \$0 for 2019-20, the fund lacks sufficient cash to support current and projected obligations without assistance from the general fund.</i>			
4.6	If interfund borrowing is occurring, does the district comply with Education Code Section 42603? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.7	If the district is managing cash in any fund(s) through external borrowing, does the district's cash flow projection include repayment based on the terms of the loan agreement? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**5. Charter Schools** **Yes** **No** **N/A**

5.1	Are all charters authorized by the district going concerns? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2	If the district has any charters in fiscal distress, has the district performed its statutory fiscal and operational oversight functions, including formal communication to the charter, such as notices of violation? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5.3	Has the district fulfilled and does it have evidence showing fulfillment of its oversight responsibilities in accordance with Education Code Section 47604.32? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>Although the district is in regular communication with the charter, it did not provide evidence of specific charter oversight responsibilities as outlined in Education Code Section 47604.32.</i>			
5.4	Does the district have a board policy or other written document(s) regarding charter oversight? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.5	Has the district identified specific employees in its various departments (e.g., human resources, business, instructional, and others) to be responsible for oversight of all approved charter schools? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**6. Collective Bargaining Agreements** **Yes** **No** **N/A**

6.1	Has the district settled with all its bargaining units for the past two fiscal years? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	Has the district settled with all its bargaining units for the current year? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<i>The district was engaged in negotiations with the certificated bargaining unit, Camino Faculty Association, when the COVID-19 shelter-in-place provisions were implemented. A settlement had not occurred at the time of FCMAT's fieldwork.</i>			
	<i>The district had not begun negotiations for the 2019-20 school year with the classified bargaining unit, California School Employees Association, Chapter 849.</i>			

- 6.3 Does the district accurately quantify the effects of collective bargaining agreements and include them in its budget and multiyear projections? . . . . .
- 6.4 Did the district conduct a presettlement analysis and identify related costs or savings, if any (e.g., statutory benefits, and step and column salary increase), for the current and subsequent years, and did it identify ongoing revenue sources or expenditure reductions to support the agreement? . . . . .
- 6.5 In the current and prior two fiscal years, has the district settled the total cost of the bargaining agreements at or under the funded cost of living adjustment (COLA)? . . . . .   

*The district's 2017-18 settlement with the certificated employees' bargaining unit included a retroactive increase of \$775 per year for the Beginning Teacher Support and Assistance (Teacher Induction Program) mentor stipend, and a 2% salary increase. The district's 2017-18 settlement with the classified employees' bargaining unit and confidential/classified management employees included a retroactive 2% salary increase.*

*All 2017-18 agreements were settled for more than the funded COLA of 1.56%.*
- 6.6 If settlements have not been reached in the past two years, has the district identified resources to cover the costs of the district's proposal(s)? . . . . .
- 6.7 Did the district comply with public disclosure requirements under Government Code Sections 3540.2 and 3547.5, and Education Code Section 42142? . . . . .
- 6.8 Did the superintendent and CBO certify the public disclosure of collective bargaining agreement prior to board approval?. . . . .   

*The superintendent and CBO both certified the 2018-19 public disclosure for the agreement with the certificated bargaining unit on March 15, 2019; however, this occurred following board approval on March 12, 2019. Also, the public disclosure document for the 2017-18 through 2018-19 (two-year) agreement with the classified bargaining unit that was provided to FCMAT contained no signatures by the superintendent or CBO certifying the district could afford the settlement.*
- 6.9 Is the governing board's action consistent with the superintendent's and CBO's certification? .

**7. Contributions and Transfers** **Yes** **No** **N/A**

- 7.1 Does the district have a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds? . . . . .   

*The district lacks a board-approved plan to eliminate, reduce or control any contributions/transfers from the unrestricted general fund to other restricted programs and funds, including special education and the cafeteria fund, which require the largest contributions.*

*As of the 2019-20 second interim report, the district projected a contribution of \$438,563 to the special education program and \$27,099 to the cafeteria fund in 2019-20.*
- 7.2 If the district has deficit spending in funds other than the general fund, has it included in its multiyear projection any transfers from the unrestricted general fund to cover any projected negative fund balance? . . . . .
- 7.3 If any contributions/transfers were required for restricted programs and/or other funds in either of the two prior fiscal years, and there is a need in the current year, did the district budget for them at reasonable levels? . . . . .

<b>8. Deficit Spending (Unrestricted General Fund)</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
8.1	Is the district avoiding deficit spending in the current fiscal year? . . . . . <i>According to its 2019-20 second interim report, the district is projected to deficit spend \$37,076 in 2019-20.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8.2	Is the district projected to avoid deficit spending in both of the two subsequent fiscal years? . . . . . <i>According to the 2019-20 second interim multiyear projection, the district is projected to deficit spend \$15,192 in 2020-21 and \$127,692 in 2021-22.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8.3	If the district has deficit spending in the current or two subsequent fiscal years, has the board approved and implemented a plan to reduce and/or eliminate deficit spending to ensure fiscal solvency? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.4	Has the district decreased deficit spending over the past two fiscal years? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>9. Employee Benefits</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
9.1	Has the district completed an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) requirements to determine its unfunded liability for other post-employment benefits (OPEB)? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.2	Does the district have a plan to fund its liabilities for retiree health and welfare benefits with the total of annual required service payments no greater than 2% of the district's unrestricted general fund revenues? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.3	Has the district followed a policy or collectively bargained agreement to limit accrued vacation balances? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.4	Within the last five years, has the district conducted a verification and determination of eligibility for benefits for all active and retired employees and dependents? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.5	Does the district track, reconcile and report employees' compensated leave balances? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>10. Enrollment and Attendance</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
10.1	Has the district's enrollment been increasing or remained stable for the current and two prior years? . . . . . <i>Although total enrollment in the district increased by eight students from 2017-18 to 2018-19, enrollment decreased by 34 students in 2019-20. This included a decrease of 19 students in the elementary school and 15 students in the charter school.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10.2	Does the district monitor and analyze enrollment and average daily attendance (ADA) data at least monthly through the second attendance reporting period (P2)? . . . . . <i>District interviews indicated that enrollment and average daily attendance are monitored and analyzed primarily at the interim reporting periods rather than monthly.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10.3	Does the district track historical enrollment and ADA data to establish future trends? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.4	Do school sites maintain an accurate record of daily enrollment and attendance that is reconciled monthly at the site and district levels? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.5	Has the district certified its California Longitudinal Pupil Achievement Data System (CALPADS) data by the required deadlines (Fall 1, Fall 2, EOY) for the current and two prior years? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10.6	Are the district's enrollment projections and assumptions based on historical data, industry-standard methods, and other reasonable considerations? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.7	Do all applicable sites and departments review and verify their respective CALPADS data and correct it as needed before the report submission deadlines? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.8	Has the district planned for enrollment losses to charter schools? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
10.9	Does the district follow established board policy to limit outgoing interdistrict transfers and ensure that only students who meet the required qualifications are approved? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>
	<i>The district has a board policy (BP 5117) and administrative regulation (AR 5117) that outline the process for the approval and denial of interdistrict transfer requests; however, it does not regularly adhere to the policy and regulation. In interviews, staff indicated that other districts throughout the county and region have a largely permissive practice of allowing students to transfer in and out of their respective districts with minimal restrictions.</i>			
10.10	Does the district meet the student-to-teacher ratio requirement of no more than 24-to-1 for each school in grades TK-3 classes, or, if not, does it have and adhere to an alternative collectively bargained agreement? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>

**11. Facilities**

**Yes No N/A**

11.1	If the district participates in the state's School Facilities Program, has it met the required contribution for the Routine Restricted Maintenance Account? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.2	Does the district have sufficient and available capital outlay and/or bond funds to cover all contracted obligations for capital facilities projects? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.3	Does the district properly track and account for facility-related projects? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.4	Does the district use its facilities fully in accordance with the Office of Public School Construction's loading standards? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.5	Does the district include facility needs (maintenance, repair and operating requirements) when adopting a budget? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.6	Has the district met the facilities inspection requirements of the Williams Act and resolved any outstanding issues? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.7	If the district passed a Proposition 39 general obligation bond, has it met the requirements for audit, reporting, and a citizens' bond oversight committee? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
11.8	Does the district have a long-range facilities master plan that reflects its current and projected facility needs? . . . . .	<input type="checkbox"/>	✓	<input type="checkbox"/>

*The district provided a facilities master plan; however, it was prepared in March 2015. The plan recommends annual updates, but documentation was not provided to show that these occurred. An updated plan would provide the district with a more current outlook regarding its facility needs.*

**12. Fund Balance and Reserve for Economic Uncertainty**

**Yes No N/A**

12.1	Is the district able to maintain the minimum reserve for economic uncertainty in the current year (including Fund 01 and Fund 17) as defined by criteria and standards? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>
12.2	Is the district able to maintain the minimum reserve for economic uncertainty in the two subsequent years? . . . . .	✓	<input type="checkbox"/>	<input type="checkbox"/>

- 12.3 If the district is not able to maintain the minimum reserve for economic uncertainty, does the district’s multiyear financial projection include a board-approved plan to restore the reserve? . . . . .
- 12.4 Is the district’s projected unrestricted fund balance stable or increasing in the two subsequent fiscal years? . . . . .     
*The district’s 2019-20 second interim report multiyear projection indicates that its unrestricted ending fund balance will decline by \$179,961, from \$461,471 at the beginning of the 2019-20 fiscal year to \$281,510 at the end of the 2021-22 fiscal year.*
- 12.5 If the district has unfunded or contingent liabilities or one-time costs other than post-employment benefits, does the unrestricted general fund balance include sufficient assigned or committed reserves above the recommended reserve level? . . . . .

**13. General Fund – Current Year** **Yes No N/A**

- 13.1 Does the district ensure that one-time revenues do not pay for ongoing expenditures? . . .
- 13.2 Is the percentage of the district’s general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the current year? . . .
- 13.3 Is the percentage of the district’s general fund unrestricted expenditure budget that is allocated to salaries and benefits at or below the statewide average for the two prior years? . .     
*Statewide, elementary school districts allocated an average of 86% of general fund unrestricted expenditures to salaries and benefits in 2017-18. The district’s percentage during the same fiscal year was 91%. The district’s percentage was slightly below the statewide average in 2018-19.*
- 13.4 If the district has received any uniform complaints or legal challenges regarding local use of supplemental and concentration grant funding in the current or two prior years, is the district addressing the complaint(s)? . . . . .
- 13.5 Does the district either ensure that restricted dollars are sufficient to pay for staff assigned to restricted programs or have a plan to fund these positions with unrestricted funds? . . . .
- 13.6 Is the district using its restricted dollars fully by expending allocations for restricted programs within the required time? . . . . .
- 13.7 Does the district account for program costs, including the maximum allowable indirect costs, for each restricted resource and other funds? . . . . .     
*Most restricted resources are charged the maximum allowable indirect cost rate; however, the district does not charge the maximum rate to all special education programs. The district indicated it plans to charge the maximum rate going forward.*

**14. Information Systems and Data Management** **Yes No N/A**

- 14.1 Does the district use an integrated financial and human resources system? . . . . .
- 14.2 Does the district use the system(s) to provide key financial and related data, including personnel information, to help the district make informed decisions? . . . . .
- 14.3 Has the district accurately identified students who are eligible for free or reduced-price meals, English learners, and foster youth, in accordance with the LCFF and its LCAP? . . . .
- 14.4 Is the district using the same financial system as its county office of education? . . . . .

- 14.5 If the district is using a separate financial system from its county office of education and is not fiscally independent, is there an automated interface with the financial system used by the county office of education? . . . . .   ✓
- 14.6 If the district is using a separate financial system from its county office of education, has the district provided the county office with direct access so the county office can provide oversight, review and assistance? . . . . .   ✓

**15. Internal Controls and Fraud Prevention**

**Yes No N/A**

- 15.1 Does the district have controls that limit access to its financial system and include multiple levels of authorization? . . . . . ✓
- 15.2 Are the district’s financial system’s access and authorization controls reviewed and updated upon employment actions (e.g., resignations, terminations, promotions or demotions) and at least annually? . . . . . ✓
- 15.3 Does the district ensure that duties in the following areas are segregated, and that they are supervised and monitored?:
  - Accounts payable (AP) . . . . . ✓
  - Accounts receivable (AR) . . . . .  ✓
  - The collection of cash, including counting by multiple individuals, verification of amounts, and the bank deposit process, lacks sufficient monitoring and segregation of duties, partly due to the district’s smaller size.*
  - Purchasing and contracts. . . . .  ✓
  - Manual processes are used for purchasing and contract approvals; however, the district does not use a safeguard in the financial system to prevent the processing of requisitions or purchase orders when the budget is insufficient to support the expenditure.*
  - Payroll . . . . . ✓
  - Human resources (i.e., duties relative to position control and payroll processes) . . . . . ✓
- 15.4 Are beginning balances for the new fiscal year posted and reconciled with the ending balances for each fund from the prior fiscal year? . . . . . ✓
- 15.5 Does the district review and work to clear prior year accruals throughout the year? . . . . .  ✓
- Documents indicated that some accruals, such as those in accounts payable, may be reconciled only at the end of the fiscal year, not at periodic intervals throughout the year.*
- 15.6 Has the district reconciled and closed the general ledger (books) within the time prescribed by the county office of education? . . . . . ✓
- 15.7 Does the district have processes and procedures to discourage and detect fraud? . . . . .  ✓
- Although Board Policy (BP) 3400 states, “The Superintendent or designee shall develop internal controls which aid in the prevention and detection of fraud...,” documents and interviews with school site employees did not provide evidence that the district has comprehensive fraud detection controls.*

- 15.8 Does the district have a process for collecting reports of possible fraud (such as an anonymous fraud reporting hotline) and for following up on such reports? . . . . .
- Although Board Policy (BP) 3400 states, "...the Superintendent or designee shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud..." and, "The Superintendent or designee shall have primary responsibility for any necessary investigations of suspected fraud...", documents and interviews with school site employees did not provide evidence that the district has developed a formal fraud collection and investigation process. The district lacks a dedicated, anonymous fraud reporting hotline.*
- 15.9 Does the district have an internal audit process? . . . . .
- The district does not have a formal internal audit department or process.*

**16. Leadership and Stability** **Yes** **No** **N/A**

- 16.1 Does the district have a chief business official who has been with the district as chief business official for more than two years?. . . . .
- 16.2 Does the district have a superintendent who has been with the district as superintendent for more than two years? . . . . .
- 16.3 Does the superintendent meet on a scheduled and regular basis with all members of their administrative cabinet? . . . . .
- Because the district is small, the superintendent has a limited cabinet. Interviews indicated there are no regularly scheduled meetings of the superintendent, chief business official, business services associate, and administrative assistant who handles human resources. However, interviews did indicate there are ongoing informal and impromptu conversations.*
- 16.4 Is training on financial management and budget provided to site and department administrators who are responsible for budget management? . . . . .
- In interviews, employees indicated that although some staff attend various trainings provided by the county office of education, there has not been training specific to financial management and budget for site administrators who are responsible for budget management.*
- 16.5 Does the governing board adopt and revise policies and administrative regulations annually? .
- 16.6 Are newly adopted or revised policies and administrative regulations implemented, communicated and available to staff? . . . . .
- Interviews with employees revealed that the district lacks a process to ensure all employees receive information regarding newly adopted or revised policies and administrative regulations.*
- 16.7 Do all board members attend training on the budget and governance at least every two years? . . . . .
- Interviews with employees indicated that training would be provided if requested but that the district has no formal schedule or process to ensure all board members receive training on budget and governance at least every two years.*
- 16.8 Is the superintendent's evaluation performed according to the terms of the contract? . . . . .
- The superintendent's contract stipulates that an evaluation will be completed by February 15 each year. Interviews and documents suggested the superintendent's evaluation was performed in closed session in accordance with this agreement at the*

February 11, 2020 board meeting. However, the open session board meeting minutes do not indicate whether this was accomplished at that meeting or at any other meeting in 2019-20.

<b>17. Multiyear Projections</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
17.1	Has the district developed multiyear projections that include detailed assumptions aligned with industry standards? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.2	To help calculate its multiyear projections, did the district prepare an accurate LCFF calculation with multiyear considerations? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.3	Does the district use its most current multiyear projection in making financial decisions? . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.4	If the district uses a broad adjustment category in its multiyear projection (such as line B10, B1d, B2d Other Adjustments, in the SACS Form MYP/MYPI), is there a detailed list of what is included in the adjustment amount and are the adjustments reasonable? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>18. Non-Voter-Approved Debt and Risk Management</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
18.1	Are the sources of repayment for non-voter-approved debt (such as certificates of participation (COPs), bridge financing, bond anticipation notes (BANS), revenue anticipation notes (RANS) and others) stable, predictable, and other than unrestricted general fund? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18.2	If the district has issued non-voter-approved debt, has its credit rating remained stable or improved during the current and two prior fiscal years? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18.3	If the district is self-insured, has the district completed an actuarial valuation as required and have a plan to pay for any unfunded liabilities? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18.4	If the district has non-voter-approved debt (such as COPs, bridge financing, BANS, RANS and others), is the total of annual debt service payments no greater than 2% of the district's unrestricted general fund revenues? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<b>19. Position Control</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
19.1	Does the district account for all positions and costs? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.2	Does the district analyze and adjust staffing based on staffing ratios and enrollment? . . . . . <i>The district does not use ratios to determine staffing. Enrollment is monitored regularly; however, the district has chosen to prioritize smaller class sizes and single-grade classrooms as part of its educational objectives. Accordingly, the district has been operating at higher staffing levels to accommodate this priority. This has caused additional pressure on the general fund and contributed to the pattern of deficit spending.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19.3	Does the district reconcile budget, payroll and position control regularly, at least at budget adoption and interim reporting periods? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.4	Does the district identify a budget source for each new position before the position is authorized by the governing board? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.5	Does the governing board approve all new positions and extra assignments (e.g., stipends) before positions are posted? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19.6 Do managers and staff responsible for the district's human resources, payroll and budget functions meet regularly to discuss issues and improve processes? . . . . .

*District staff work in close proximity, with frequent, informal communication among the human resources, payroll and budget functions. However, regular, formal meetings do not occur. This can prevent uniform communication from district leadership.*

**20. Special Education**

**Yes No N/A**

20.1 Does the district monitor, analyze and adjust staffing ratios, class sizes and caseload sizes to align with statutory requirements and industry standards? . . . . .

20.2 Does the district access available funding sources for costs related to special education (e.g., excess cost pool, legal fees, mental health)? . . . . .

20.3 Does the district use appropriate tools to help it make informed decisions about whether to add services (e.g., special circumstance instructional assistance process and form, transportation decision tree)? . . . . .

*The district did not provide evidence of appropriate tools used to help make informed decisions related to adding special education services. Interviews indicated that each case is considered and discussed through the individualized education program meeting, but that no formal process is in place.*

20.4 Does the district budget and account correctly for all costs related to special education (e.g., transportation, due process hearings, indirect costs, nonpublic schools and/or nonpublic agencies)? . . . . .

*The district does not currently charge the maximum allowable indirect cost rate to all special education programs, resulting in an understatement of the true cost of the program. The district indicated it plans to charge the maximum rate going forward.*

20.5 Is the district's contribution rate to special education at or below the statewide average contribution rate? . . . . .

*The district's contribution rate to special education for 2019-20 is projected to be 75.3% of the special education budget. The last published statewide average contribution rate was 65.88%.*

20.6 Is the district's rate of identification of students as eligible for special education at or below the countywide and statewide average rates? . . . . .

20.7 Does the district analyze whether it will meet the maintenance of effort requirement at each interim reporting period? . . . . .

**Risk Score, 20 numbered sections only: 24.0%**

**Key to Risk Score from 20 numbered sections only:**

- High Risk: 40% or more*
- Moderate Risk: 25-39.9%*
- Low Risk: 24.9% and lower*

**District Fiscal Solvency Risk Level, all FHRA factors: Moderate**

*(The existence of any condition from the Budget and Fiscal Status section, and/or a material weakness, will supersede the score above because it elevates the district's risk level.)*