

Jan 9, 2026

Mr. Craig Guensler, Superintendent
Ms. Kristina Stineman, Board President
Wheatland School District
111 Main Street
Wheatland, CA 95692

SUBJECT: 2025-26 FIRST INTERIM REPORT

Dear Mr. Guensler and Ms. Stineman:

Thank you for the submission of your fiscal year 2025-26 First Interim Report. In accordance with E.C. 42127, we have examined Wheatland School District to determine if it complies with the State Board Criteria & Standards pursuant to E.C. 42131. Based on our review and analysis, we're satisfied that the First Interim Report approved by the district's governing board on December 11, 2025, reflects the financial status of the district and is consistent with the State's Criteria & Standards. We therefore concur with the district's positive certification, with our concerns noted below.

Cash Reconciliation

Cash has been an ongoing concern, as the reconciliation of cash has not been completed since 2023/24. This reconciliation is essential, as it will determine the district's accurate beginning and ending fund balances. The County Controller/Auditor has provided all necessary cash reports to support reconciliation through June 2025. We recommend that the district begin the reconciliation process or develop a plan to do so promptly.

Special Reserve Fund

The Special Reserve Fund (Fund 17), with an approximate balance of \$3 million, is projected to cover deficit spending through fiscal year 2026–27 and will be depleted in fiscal year 2027–28. Thereafter, if a similar deficit continues into 2028-29 the District is projected to fall below the minimum required reserve for economic uncertainties of 3%. We highly encourage the district to create a fiscal sustainability plan to avoid falling below the minimum required reserve.

Local Control Funding Formula (LCFF) Local Control and Accountability Plan (LCAP)

We encourage all districts to carefully evaluate the impact of the LCFF on their multiyear projections and to ensure that reserve levels and contingency plans are sufficient to support the LCAP, while still maintaining fiscal flexibility and long-term solvency.

Deficit/Surplus Spending

The First Interim Report projects the following impacts to the General Fund for the current year and the two subsequent fiscal years:

- Projected surplus/deficit spending
 - 2025-26 = Deficit \$1,431,384 (All from *unrestricted resources*)
 - 2026-27 = Surplus \$212,208
 - 2027-28 = Deficit \$655,558

- Projected ending fund balance
 - 2025-26 = \$6,398,444
 - 2026-27 = \$6,610,652
 - 2027-28 = \$5,955,094

The minimum State recommended reserve level for Economic Uncertainties for the district's size is **3%** and the district has set aside **5%**.

Labor Contract Negotiations

According to information provided in your First Interim Report, labor contract negotiations for 2025-26 remain unsettled. This letter is a reminder that, before the District's Board takes any action on a proposed collective bargaining agreement, the district must meet the public disclosure requirements of G.C. 3547.5 and California Code of Regulations Title V, Section 15449.

The county superintendent requests that the district submit all relevant information needed to fully assess the financial impact of any collective bargaining agreement reached, and to provide a minimum of 10 working days for review and comment.

Cash Flow Projections

Districts should monitor cash flow to ensure sufficient cash to meet all obligations.

CONCLUSION

Under LCFF and LCAP regulations, each district receives varying levels of revenue and faces its own financial and educational risk factors. With the conclusion of one-time grants and continued declines in ADA, many districts may experience reduced revenue. This reduction heightens the impact of potentially uncontrolled cost increases—such as step-and-column advancements, rising medical premiums, inflationary pressures, and growing special education expenditures. It is therefore imperative that districts remain well informed, carefully evaluate the fiscal and programmatic effects of proposed and potential changes, and make thoughtful adjustments to ensure continued stability and solvency.

Please include a cash flow report for 2025-26 fiscal year and multiyear projections for the current and two subsequent fiscal years with the Second Interim submission along with a completed LCFF calculator. Please confirm the ending fund balance from prior year and audit 2024-25 is the same as the beginning balance of the 2025-26 Second Interim.

We hope that these comments will be helpful to the district's administration and board as you continue the fiscal year. We look forward to review of the District's Second Interim Report due on March 16, 2026.

If our office can be of further assistance, please contact Veronica, Aaron, or myself.

Sincerely,



Rob Gregor,
Superintendent

DISTRICT SUMMARY

DISTRICT = Wheatland School District

25-26 First Interim

	General Fund 01	Student Activit Fund 08	Charter Fund 09	Child Develop Fund 12	Cafeteria Fund 13	Def Maint Fund 14	SP Reserve Fund 17	Developer Fee Fund - Capital Facility 25	Sp Reserve Fund - Capital Outlay 40	Self Ins Fund 67	TOTAL
Total Revenues	26,189,868	112,699	1,157,563	1,185,084	700,077	186,846	95,111	181,164	648,798	17,090	30,474,300
Total Expenses	28,907,853	99,388	1,133,163	1,084,646	1,094,051	180,460	-	4,100	643,697	-	33,147,358
Excess (Deficiency)	(2,717,985)	13,311	24,400	100,438	(393,974)	6,386	95,111	177,064	5,101	17,090	(2,673,058)
Transfer In	1,542,623	-	-	45,450	-	-	-	-	-	210,572	1,798,645
Transfer Out	(256,022)	-	-	(42,623)	-	-	(1,500,000)	-	-	-	(1,798,645)
Net Increase/Decrease	(1,431,384)	13,311	24,400	103,265	(393,974)	6,386	(1,404,889)	177,064	5,101	227,662	(2,673,058)
Beginning Balance	7,829,828	248,238	506,087	192,124	832,918	216,578	3,181,702	1,211,398	2,305,989	-	16,524,862
Ending Balance	6,398,444	261,549	530,487	295,389	438,944	222,964	1,776,813	1,388,462	2,311,090	227,662	13,851,804
EB Components											
EUR	1,458,194	-	-	-	-	-	-	-	-	-	1,458,194
Legally Restricted	3,627,144	261,549	298,337	162,995	363,933	140,160	-	1,329,837	2,000	-	6,185,955
Other Assignments	1,299,656	-	232,150	132,394	75,011	82,804	1,776,813	58,625	2,309,090	-	5,966,543
Prepaid Exp	-	-	-	-	-	-	-	-	-	-	-
Revolving Cash	13,450	-	-	-	-	-	-	-	-	-	13,450
Stores	-	-	-	-	-	-	-	-	-	-	-
Net Investments	-	-	-	-	-	-	-	-	-	227,662	-
Unappropriated	-	-	-	-	-	-	-	-	-	-	-
FUND BAL	6,398,444	261,549	530,487	295,389	438,944	222,964	1,776,813	1,388,462	2,311,090	227,662	13,851,804
EUR %	5%										
Unappropriated	3%										
											0%