

The Unaudited Actuals

I. OVERVIEW

Background Information

- A. Each school district is required to prepare year-end financial statements on forms that are prescribed by the State Superintendent of Public Instruction (SPI).
 1. The forms prescribed by the SPI are the “Unaudited Actuals.”
 2. With the implementation of the standardized account code structure (SACS), the “Unaudited Actuals” are extracted by state software directly from the district’s general ledger.
- B. The “Unaudited Actuals” are periodically enhanced to allow the California Department of Education (CDE) to obtain more financial information.

For example, for the 2001-2002 fiscal year, the CDE provided an additional software module to assist in the preparation of the entries required to convert the fund financial statements to the district-wide financial statements to comply with GASB 34.
- C. The “Unaudited Actuals” are used as the basis for the financial statements prepared as a part of the district’s annual audit report; these forms are the trial balance used to prepare the district’s audited financial statements.

II. COUNTY OFFICE RESPONSIBILITIES

- A. Responsibilities of the County
 1. Education Code Section 42100 requires the county superintendent to verify the mathematical accuracy of the “Unaudited Actuals” and submit the forms to the SPI.
 2. In the early 2000s, school districts converted to the SACS. This allowed the districts to use the software provided by the CDE to extract the financial data directly from their financial software into the forms for the “Unaudited Actuals.”
 - a. This automated process and the technical checks built into the CDE software eliminated the mathematical errors that were common when the forms were prepared manually.
 - b. This automation has eliminated the county’s need to verify the mathematical accuracy.

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3. AB 1200 created new responsibilities for county offices of education. AB 1200 requires the county to periodically monitor the financial position of the districts in the county.
 - a. This requirement also creates the need for counties to review the “Unaudited Actuals” to determine that the district’s financial position has not deteriorated since the new year’s budget was approved.
 - b. If the “Unaudited Actuals” show deterioration in the district’s financial position that adversely impacts the budget that was approved, the county may need to take action before the first interim reporting period.
4. AB 1994 added the requirement for charter school financial reporting effective for fiscal year 2003-04 and beyond. Charter schools may choose to submit their financial data either in the SACS format or in the alternative form prescribed in regulations. Each charter school is required to submit their financial data to their authorizing LEA on or before September 15. The reports are then reviewed for mathematical accuracy by the COE and then submitted to the California Department of Education.

B. Calendar

Month	Activity
October	<ul style="list-style-type: none"> • On or before October 15, the county superintendent must verify the mathematical accuracy of the “Unaudited Actuals” and transmit a copy of the reports to the SPI. Effective with submittal of 2005-06 data, the CDE will accept submissions solely through eTransfer.

III. DETAILED PROCEDURES

- A. County offices of education will exercise their authority to monitor the solvency of the districts in the county in different ways.
- B. The review of the “Unaudited Actuals” is not an audit. The review should focus on:
 1. Ensuring that the ending fund balance in all funds has not deteriorated from the beginning fund balance that was used in the review of the adopted budget.
 2. Determining if there are any significant changes between the unaudited actuals and the projected unaudited actuals (on which the review of the budget was based). This may indicate a problem in the adopted budget.

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3. Determining if any action is needed before the first interim reporting period, including those specified under Education Code 42127.6 where fiscal health is identified to be at risk (i.e., in those instances where the fund balance of one or more funds has deteriorated significantly or the unaudited actuals indicate problems in the adopted budget).
 4. Ensuring that the county has data that it can upload to the CDE.
- C. Included in this section are three sample forms (checklists) that county offices of education use to review the unaudited actuals.

IV. LEGAL CITATIONS

Education Code

- Section 42100

Attachments referenced in this section are contained in the electronic version of this manual, which may be viewed and downloaded at www.fcmat.org.

Unaudited Actuals Checklist #1

Name of the District:

	Initials	Date	Comments
Reviewer			
Date Review Began			
Date Review Completed			
Correspondence:			
Letter to district with technical corrections.			
Approval letter sent to the district.			
Items to Complete Review:			
Unaudited Actuals and Diskette			
Prior Year Unaudited Actuals			
Prior Year Audit Report			
June 30 Cash Reconciliation			
Revenue limit prepared by county			
Online P-2 and Annual Attendance Reports			
Online Property Tax Report - Annual			
Budget for the current fiscal year			
Form CA			
Verify that the form contains original signature.			
Verify that the date of the board meeting is after the date printed on the submitted forms.			
TRC - Technical Review Checklist			
Re-extract the TRC and compare to printed copy.			
Determine that there are no Fatal (F) exceptions.			
Determine that all (W) and (WC) exceptions are adequately explained.			

Unaudited Actuals Checklist #1

Form Number	Compare hard copy report to diskette. (1)	Confirm the posting of all audit adjustments.	Check for negative fund balance or negative unappropriated fund balance.	Compare the unaudited ending fund balance to the beginning fund balance in the adopted budget to determine that any changes in ending fund balance do not adversely impact the adopted budget.	Determine that reserves are established for Stores, Prepaids, and Inventory accounts.	Compare account 9110 to the 6/30 cash reconciliation.	Scan the revenue and expenditure accounts to determine that they are reasonable. Compare the amounts to the budget in the new year to determine if there are any amounts that do not appear reasonable based on this comparison.
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72							
73							
76				N/A			N/A

Unaudited Actuals Checklist #1

How to Use This Form:

Put a check mark in each box confirming that you have performed the step.

The easiest way to use the form is to eliminate all lines (form numbers) that you won't need prior to starting your review.

Notes:

- (1) This step is only performed if the review is done from the hard copy reports submitted by the
If the review is done from reports printed from the diskette, this step is N/A.

Unaudited Actuals Checklist #1

Complete		Comments
	Schedule for Categoricals Subject to Deferred Revenue (State and Federal)	
	Compare the grants on the schedule to the grants on the schedule from the prior year to determine that all grants are included on the schedule.	
	Determine that any new state grants are included on the schedule.	
	Determine that the prior year carryover (line 1) agrees to the carryover on line 15 from the prior year's schedule.	
	Determine that the deferred revenue on line 5 agrees to the deferred revenue on line 13(a) of the prior year's schedule.	
	Determine that the schedule has been correctly prepared.	
	Determine that the total of line 13(a) agrees to the deferred revenue reported in account 9650 of the restricted general fund. Note: some of the deferred revenue may also be included in other funds.	
	Schedule for Categoricals Subject to Restricted Ending Balance (State and Federal)	
	Compare the grants on the schedule to the grants on the schedule from the prior year to determine that all grants are included on the schedule.	
	Determine that any new state grants are included on the schedule.	
	Compare the prior year's restricted ending balance (line 13) agrees to line 1 on the current year's schedule.	
	Determine that the schedule has been correctly prepared.	
	Determine that the total of the restricted ending balance on the schedule agrees to the ending fund balance in the restricted general fund (unless some of the grants are accounted for in other funds).	

Unaudited Actuals Checklist #2

**County Office of Education
Business & Advisory Services
Unaudited Actuals Review
Fiscal Year 2002-03**

District: xxx Unified School District CDS Code: 00-0000 Reviewed By: _____

SUMMARY OF REVIEW AND RECOMMENDATIONS	COMMENTS - NOTES
<p>_____ Unaudited actuals verified.</p> <p>_____ Returned to district for corrections.</p> <p>_____ Ready for submission to CDE.</p>	
<p>Technical Review Checks</p> <p>_____ Completed and exceptions annotated.</p> <p>_____ Verify accuracy and appropriateness of explanations.</p>	
<p>Form SIAA - Summary of Interfund Activities</p> <p>_____ Do all Transfers In equal Transfers Out?</p> <p>_____ Verify appropriateness of interfund transfers.</p>	
<p>Form A - Average Daily Attendance</p> <p>_____ P-2 column compared to J-18/19.</p> <p>_____ Annual column compared to J-18/19 (if available) or reasonable.</p> <p>_____ Revenue limit column indicates proper amount from P-2 or Annual.</p> <p>_____ (or prior year ADA for declining enrollment districts)</p>	
<p>Form RL - Revenue Limit Summary</p> <p>_____ ADA matches revenue limit column of Form A</p> <p>_____ Compare to P-2 state certification.</p> <p>_____ Determine that object codes 8021-8045 agrees to the J-29B Annual and EDP 117 in RL.</p> <p>_____ Verify accrual to annual is reasonable.</p>	

Unaudited Actuals Checklist #2

<p>Form 51 - Bond Interest and Redemption Fund</p> <p>Obtain and insert Form 51 and Form 51A (marked BAS) into binder.</p> <p>Ensure that districts have printed copies.</p> <p>Enter data onto district disk or imported file.</p> <p>Rerun Technical Review Checks and put printed copy (marked BAS) into binder.</p> <p>Add updated 51, 51A, TC and TR files to district disk or imported file prior to exporting to CDE.</p>	
<p>Form ASSET - Schedule of Capital Assets</p> <p>Compare to latest audit report.</p> <p>Verify the reasonableness of the "Increases" column with the 6000 accounts for all appropriate funds.</p> <p>Determine the reasonableness of the "Accumulated Depreciation" section and "Decreases" column.</p>	
<p>Form DEBT - Schedule of Long-Term Liabilities</p> <p>Compare to latest audit report and multi-year commitments on C&S.</p> <p>Determine reasonableness of the "Increases", "Decreases" and "Amounts Due Within One Year" columns.</p> <p>Verify that long-term debt of all funds is included.</p>	
<p>Form CSR - Class Size Reduction, Grade 9 (Resource 1200)</p> <p>Compare revenue to the CSR revenue entered on the Form 01R.</p>	
<p>Form CEA - Current Expense Formula / Minimum Classroom Compensation</p> <p>Verify that percentage meets requirement of Ed Code.</p> <p>Compare percentage to prior year for reasonableness.</p>	

Unaudited Actuals Checklist #2

<p>Form CAT - Categorical Programs Subject to Deferred Revenues / Restricted Ending Balances</p> <p>If district is not using state software, determine if the schedule has been correctly prepared.</p> <p><u>Form CAT Grants</u></p> <p>Compare line 5 to audited PY deferred revenue for each program.</p> <p>Compare total of line 13a for all programs to object 9650 (Def Rev) in Form 01.</p> <p>Compare line 16 for all programs in each revenue object to Form 01R revenues.</p> <p><u>Form CAT Entitlements</u></p> <p>Compare line 1 to audited PY restricted balance for each program.</p> <p>Compare line 9 for all programs in each revenue object to Form 01R revenues.</p> <p>Determine that total of line 13 for all programs is included in the Form 01 legally restricted balances in the fund balance.</p> <p><u>State Mega-Item Programs</u></p> <p>Determine that line 2b adjustments net to zero for all grants and entitlements.</p> <p>Determine that the Mega-Item block grant is 100% allocated to state programs.</p>	
<p>Form ICR, PCR, PCRAF (Indirect Costs)</p> <p>Determine that total expenditures and other uses in Form 01 equal</p> <p>General Fund expenditures in col. 6, Form PCR.</p> <p>Compare indirect cost rate to prior year for reasonableness.</p>	
<p>Form TRAN (Transportation)</p> <p>Verify that the Home to School Transportation revenue in Form 01 is less than the approved transportation expense shown in Form TRAN in Line K.</p> <p>Verify that the Special Education Transportation revenue in Form 01 is less than the approved transportation expense shown in Form TRAN in Line K.</p>	

Unaudited Actuals Checklist #2

<p>Form ROP - Regional Occupational Program</p> <p>Verify that the transfer out from the General Fund to the ROP equals ROP revenue and the amount recorded as a transfer in by the ROP (for JPAs only).</p> <p>Verify that ending balance and capital outlay and equipment replacement reserve meet requirement of Ed Code 52321.</p>	
<p>Charter School Financial Reporting Status Form</p> <p>Verify that the form is completed.</p> <p>Determine that the reporting status indicated in the form agrees with SACS financial information.</p>	
<p>NOTES AND COMMENTS:</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	

Unaudited Actuals Checklist #2

Unaudited Actuals Review , Fiscal Year 2002-03

District:

CDS Code:

Reviewed By:

Date:

Description	General Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maint. Fund	Pupil Trans. Equip. Fund	Spec. Rsv-Other than Cap.	Building Fund	Capital Facilities Fund	State Sch Bldg Lease Purch	Spec. Rsv-Capital Outlay	Spec. Rsv-Capital Outlay	Bond Interest & Redemption	Tax Override Fund	Debt Service Fund	Foundation Fund	Enterprise Fund	Self-Insurance Fund	Retiree Benefit Fund	Article XIII-B Fund	Student Body Fund	
Form Number	1	9	11	12	13	14	15	17	21	25	30	35	40	51	53	56	57	61	67	71	72	95	
Compare hard copy of reports to diskette.																							
Compare amounts to district financial statements																							
Verify proper posting of beginning balances and all audit adjustments.																							
Check for negative fund balance or negative unappropriated fund balance.																							
Determine any adverse impact of the unaudited actuals ending fund balance on the adopted budget.																							
Determine reasonableness of the components of ending fund balance.																							
Compare account 9110 to the 6/30 cash reconciliation and note any negative cash balance																							
Determine reasonableness of revenue and expenditure accounts in the current year budget based on comparison with unaudited actuals.																							
Check findings and actions pending from review of budget , prior year actuals and interim reports.																							
Comments																							

Unaudited Actuals Checklist #3

20XX-20XX UNAUDITED ACTUAL WORK PROGRAM FOR REVIEWING THE SACS REPORT SERIES

 DISTRICT NAME: _____ District CDS No. _____
 LEA Contact Person: _____ Telephone No. _____

CHECK-IN PROCESS

The log-in process begins in September. The following individuals will be responsible for doing initial check-ins:

Person Completing Check-in: _____

1. Date Unaudited Actual received _____

RECEIVED

2. Validate each of the following items:

- a. Two hardcopies received YES NO
- b. One disk received with all of the following listed on it:
 - full district name - not initials for district's name - spell out YES NO
 - the report title, i.e., **SACS 2002-03 Unaudited Actuals.** YES NO
 - the district's CDS code _____ YES NO
 - date disk was received should be stamped YES NO
 - if any of above information is not on the disk, add as needed YES NO

3. Disk Check:

- Scan and stamp the disk for viruses, stamp and check off: YES NO
- Verify official export YES NO

4. Verify for proper original signature, date received, and contact person listed on **SACS Form CA** YES NO

A. The unaudited actuals with original signature from the clerk/secretary of the district's Board with adoption date, is then:

- date stamped YES NO
- numbered the same as its jacket YES NO
- logged in on the master record YES NO
- stamped "UNAUDITED ACTUALS and either "COPY" or "ORIGINAL" as appropriate YES NO
- **Checked to see that "used/not used" is marked for all proper funds on SACS TC (See BLUE Notebook fund lists)** YES NO

Unaudited Actuals Checklist #3

- Checked for complete contents as shown on **SACS TC** YES NO
(*Corrections must be marked in red on the budget jacket sheet.*)

- Validate that the following forms were received:

- Form SIAA _____
- Form CEA _____
- Form CAT _____

- **Call immediately on any missing forms. Note in red on the jacket.**

- List all missing forms for any appropriate funds not received: _____

- **Date missing items are received, (note on the jacket)** _____

- Technical Review Checklist (TRC) is received and complete. YES NO

- B. All funds are checked for **negative beginning/ending balance**. YES NO
(Validate against the TRC comments.) List any funds with negative balances and report immediately to Chris and to the consultant for discussion with District/LEA.

Negative Funds:

- C. Validate that the disk & hardcopy agree. Numbers, totals, etc., must match. YES NO

- D. TRAN Report Review (Given to Diya) YES NO

- E. Check-in person calls district for any missing documents:

- Date(s) called _____
- District contact person _____
- Items Requested _____

District's/LEA's Response: _____

Date check-in completed _____

Accounting/Operational Technician initial _____

Place this form, with the unaudited actuals and give to the consultant assigned to the district.

Unaudited Actuals Checklist #3

UNAUDITED ACTUAL REVIEW

All unaudited actual reviews are to be completed no later than **October 15, 2003**. Discuss problems/concerns with district business officials. It is important to DISCUSS POTENTIAL MAJOR PROBLEMS WITH EMMANUEL AND CHRIS PRIOR TO CALLING THE DISTRICT.

BAS Staff Completing the Budget Review: _____

PHASE 1

Perform the following tests:

1. Review the results of the initial check-in. YES
2. Call the district if any items are still missing & verify that they are coming in ASAP. YES
(NOTE: The responsibility of getting missing documents or information ultimately rests with the consultant.)
3. Confirm if there are any negative balances. If so, notify Emmanuel & Chris immediately. YES
4. Review cover letters and/or narratives YES
5. Review the **Technical Review Checklist** for exceptions YES

NOTES

- I When SFS staffer begins review, they will call BAS so you are both working on same district.
- II Any corrections made by the Consultant should be **noted in red** on the unaudited actuals and on the packet, and may require consultation with SFS. The district staff authorizing the changes must be noted along with the date and time of authorization. **A revised disk request must be coordinated with SFS for unaudited actuals as they only want one revised disk.**
- III **If a correction will result in a change to the fund balance, the district's governing board should be notified.**
- IV If you have any concerns about the information submitted by the district, request additional information from the district in sufficient time to meet the review deadline.

PHASE 2

FISCAL SOLVENCY/CRITERIA AND STANDARDS REVIEW

1. Verify each item on the Technical Review Checklist for accuracy and reasonableness. Verify that the official export file does not reflect fatal errors and that warnings are reasonably explained. Comment on necessary actions as appropriate.

Notes/Comments: _____

Work Paper Reference _____

Consultant Initial _____

Unaudited Actuals Checklist #3

4. Verify that the 2002-03 beginning balances for all funds are the same as the 2001-02 unaudited actuals ending balance reported to the CDE (see attached UA-1 Report).

Notes/Comments: _____

Work Paper Reference _____

Consultant Initial _____

5. For all funds compare 2002-03 unaudited ending balances to estimated 2003-04 beginning fund balances. Note and comment on significant differences. Refer to the SMART UA-1 Report.

Notes/Comments: _____

Work Paper Reference _____

Consultant Initial _____

6. Test and verify that available reserves are not less than the required percentages as applied to total expenditures, transfers out and other uses, except as provided for in Education Code Section 33128 and include exceptions in the unaudited actuals letter. Note any negative impacts of excessive contributions to restricted programs, unsettled collective bargaining negotiations, adjustments for overstated ADA, and deficit spending on the Districts REU. If the District is the Special Education Administrative Unit for its SELPA, remember to factor the pass-thru funds into your calculation. If the REU is below what is required for this District, note in unaudited actual letter. Confirm that the District's revenue allocations from it's SELPA (as applicable) is accurately reflected in the unaudited actuals.

Notes/Comments: _____

Work Paper Reference _____

Consultant Initial _____

7. Review Fund Balances. Verify that for each fund the ending 2002-03 fund balance was positive. Analyze and note the status of other funds that have negative fund balances at the end of the fiscal year. Verify and confirm that all inter-fund borrowing was repaid with the required time frame per EC Section 42603. Not impact of any understatement or outstanding repayments on the unrestricted General Fund Ending Balance and Reserves.

Notes/Comments: _____

Work Paper Reference _____

Consultant Initial _____

Unaudited Actuals Checklist #3

8. Verify that the general long-term debt balance as of July 1 reported on the Form DEBT agrees with the general long-term balance as of June 30, 2002. Note any discrepancies.

Notes/Comments: _____

Work Paper Reference _____
Consultant Initial _____

9. Review the net increase/(decrease) in each fund balance for reasonableness as compared to estimates submitted with the 2003-04 budget. Analyze and determine the cause of major differences.

Notes/Comments: _____

Work Paper Reference _____
Consultant Initial _____

10. Review the District's 2001-02 Annual Audit for outstanding solvency-related findings concerns. Note any audit comments about reserve levels. Verify and confirm that audit adjustments noted in 2001-02 annual audit report were made and are reflected in 2002-03 unaudited actuals. Note any concerns in the Unaudited Actuals letter.

Notes/Comments: _____

Work Paper Reference _____
Consultant Initial _____

11. Verify that the District's SACS Form 51 (Bond Interest and Redemption Fund) ties to the form prepared by the County Auditor/Controller. If there is a difference, ask the District to submit a corrected copy.

Notes/Comments: _____

Work Paper Reference _____
Consultant Initial _____

Unaudited Actuals Checklist #3

12. Verify that no entries have been made on improperly designated lines in the SACS Report or improperly added lines. Comment on any discrepancies.

Notes/Comments: _____

Work Paper Reference _____

Consultant Initial _____

PHASE 3

IF CORRECTIONS ARE NEEDED FROM THE DISTRICT

13. SFS will coordinate with consultants and one call will be made to the district. SFS fills out the correction form.

Notes/Comments: _____

Consultant Initial _____

14. SFS will send the form to the district and a copy to BAS--putting copy in jacket.

Notes/Comments: _____

Consultant Initial _____

15. SFS will check the response (both on paper and on the disk) when it comes back from the district to make sure it is correct, virus free, **and will then run a new TRC**. SFS will date stamp disk, mark it "Revised" x-out the old disk and validate the Name, CDS Code & title "2002-03 Unaudited Actuals" is on the disk.

Notes/Comments: _____

Consultant Initial _____

Unaudited Actuals Checklist #3

16. Receive "original" Unaudited Actuals, and certified disk back from SFS with SFS certification.

Notes/Comments: _____

Consultant Initial _____

17. Transfer any notes from BAS copy of the Unaudited Actuals to the SFS original.

Notes/Comments: _____

Consultant Initial _____

18. Once the consultant is sure everything is correct, the consultant runs a final TRC, consolidates exported files on a disk, and gives everything back to _____.

Notes/Comments: _____

Consultant Initial _____

PHASE 4

PREPARATION FOR SENDING DATA TO CDE

19. Richard/Anna prepares documents and disks for the CDE and pulls original certifications.

Notes/Comments: _____

Initial _____

20. Richard/Anna mails to CDE and makes copies for SFS.

Notes/Comments: _____

Initial _____

