

20XX-XX First Interim Reports

Education Code Section 42130 requires school districts to submit a first interim report, which covers their financial and budgetary status as of October 31, 20XX, to the governing board of the district. The interim report must be submitted to the board in the State SACS format.

For the 20XX-XX first interim reports, please complete, sign, and return the attached checklist of items that districts need to submit with the first interim report. All items listed, along with the signed checklist, should be submitted to Business Advisory Services on or before December 15, 20XX.

A copy of the checklist that the Business Advisory Services will use in the AB 1200 review is attached. Staff will review the first interim reports using the following standards:

- Districts must submit multi-year projections (MYP) in the SACS format.
- The most up-to-date School Services of California Financial Projection Dashboard must be used.
- All beginning balances should agree to the prior year's unaudited ending balances by fund and resource.
- All prior year deferred revenue should be reversed to revenue accounts and projected budgets adjusted accordingly.
- Business Advisory Services is completing the revenue limit calculations for the first reporting period. The completed forms will be faxed to each district when completed. Each district should compare the completed revenue limit forms to the district's budgeted revenue limit estimates and update budgets so that they are reflective of the faxed information. The Business Advisory Services revenue limit calculations will be used by staff in their review of the first interim reports.

If you have any questions, please do not hesitate to contact Business Advisory Services.

First Interim Checklist

- _____ Form CI – Signed District Certification
- _____ Form TCI -- Table of Contents
- _____ Form 01I – General Fund Unrestricted, Restricted, and Summary of Revenues, Expenditures and changes in Fund Balance
- _____ Fund forms for all other funds used by the district
- _____ Technical Reviews for all 4 Form 01 columns
- _____ A print screen to show parameters used to do download to SACS2005ALL
- _____ Form AI – Average Daily Attendance
- _____ Form RLI – Revenue Limit Summary
- _____ Form CASH – Cash Flow Worksheet
- _____ Cash reconciliations, with detail of outstanding items, for all funds that do not balance to the County Treasurer as of October 31, 20XX
- _____ Form 01 CSI – Criteria and Standards Review
- _____ Form 01 CSI – Second Tier Review (if filing qualified or negative certification or if required by Criteria and Standards)
- _____ Narrative describing material changes impacting the general fund since the Adopted Budget and budget assumptions for the subsequent two years
- _____ Narrative describing other funds activity since the Adopted Budget
- _____ Position control spreadsheets for districts that do not use the QSS position control module
- _____ Form MYP – Multi-Year Projections in SACS format. Please also submit worksheets used to develop the multi-year projections
- _____ A corrective action plan and/or explanation if an operating deficit is shown in reports

Signature: _____

Date: _____

Name of the District:

First Period – Through October 31

Second Period – Through January 31

Third Period – Through April 30

Reviewer

Date Review Began

Date Review Completed

Correspondence

Approval letter sent to the district. Certification is P, Q, or N.

Letter to district changing certification

County Items for Review

Prior year's audit report.

Working budget rolled to revised. (date)

List of parcel taxes.

Auditor's trial balance (cash balances by fund as of October 31).

Most recent SELPA spreadsheet.

Most recent excess cost spreadsheet.

Most recent MPTA spreadsheet.

List of MPTA members.

Most recent on-line tax reports.

Most recent SSC dashboard.

County office prepared revenue limit or revenue limit spreadsheet.

Statistical bulletin prior year P-2 ADA

Statistical bulletin prior year Annual ADA

Statistical bulletin current year P-1 ADA (Not available for first interim)

Comparative Budget Report Three-Year Comparison

Position control reports for districts on QSS position control split by
unrestricted and restricted

Categorical revenue spreadsheet. (Not available for first interim)

QSS Reports

G/L Report of all cash balances by fund.

G/L Recap

Line item revenue budget report (all funds).

Trial balance report.

Financial Summary Report – in resource order (all funds)

Budget report for salaries and benefits (by fund only)

Financial Summary Report – split between unrestricted and restricted

District Supplied Items for Review

Print screen of parameters used to download QSS to state reports.

Narrative describing the changes since the budget adoption

Budget assumptions for the multi-year projection.

Cash reconciliation for the period (if cash balances don't agree to treasury).

Position control spreadsheet for salary and benefits (by resource).

Form CI – Certification with original signatures.

Form TCI – Table of Contents

Form 01I – Unrestricted, Restricted, Summary

Form AI – Average Daily Attendance

Form RLI – Revenue Limit

CASH – Cash flow

Form 01 CS – Criteria and Standards – first Tier Review

Form 01 CS – Criteria and Standards – In Depth (if qualified or negative)

MYP – Multi-year Projection Unrestricted, Restricted, Summary. Note this must be the SACS MYP.

Technical Review Checks for all Form 01 Columns.

Narrative describing activity in other funds.

Forms 09 through 73 for all district funds.

Corrective action plan/explanation if any fund has an operating deficit on line E.

Form C (District Certification)

Verify that the form contains original signatures.

Verify that the date of the board meeting is after the date printed on the submitted forms.

TRC – Technical Review Checklist

Determine that there are no Data (F) exceptions.

Determine that all (W) and (WC) exceptions are adequately explained.

Preliminary

The reviewer must review the prior year's audit report and the county files for the adopted budget to determine if there are any pending issues that may impact this review.

Complete		Comments
	Form 01 CSI – Criteria and Standards	
	Review the criteria and standards to determine that they have been completely filled out and any required explanations are reasonable.	
	Confirm amounts shown on minimum reserve section of CSI balance to unrestricted amounts on Form 01 and other funds listed.	
	Note the status of negotiations and FTE changes shown on CSI.	
	Determine if any new multi-year commitments have been established and, if so, verify that the budget has been adjusted appropriately.	
	If a second tier review is required, determine that the review has been completed and that all information is correct and all explanations are reasonable.	
	Form 01 – Unrestricted General Fund	
	For first interim –Review the audit report for the year just ended to determine if there are any findings that could have a significant financial impact on the district.	
	For second interim – Determine that all “due tos/due froms” have cleared.	
	Column A – Verify that it agrees to Form, 01 – Adopted Budget.	
	Column B – Review any significant changes from the Adopted Budget. The district should provide an explanation of all significant changes in the narrative. Copies of board-approved budget revisions and narratives may be used for this review.	
	Columns B & D – Determine that the beginning balances agree to the prior year’s unaudited ending balances by fund and resource. Determine that the audit adjustments have been posted by the second interim reporting period.	
	Columns B & D – Determine that the change in the revenue limit is consistent with the change in ADA and estimated taxes.	
	Review Column D Revenues and Expenditures for reasonableness.	
	If district has NPS ADA, confirm a revenue limit transfer is budgeted in Object 8091.	
	Verify PERS RLR budgets in 38xx do not include federal programs.	
	Confirm general ledger payroll clearing accounts have appropriate balances, i.e. 9520.	
	Confirm all funds and resources balance, debits to credits.	
	If district has used a Fund 35, confirm that an adequate budget has been set up in resource 8150.	
	Confirm the district budget for county office excess cost reflects the latest estimates.	
	Column D – Determine that the significant changes are adequately explained in the narrative.	
	Column D – Review the general ledger report and determine that the projected year totals are consistent with the amounts reported as of the reporting period date. Determine that the actual expenditures to date plus encumbrances do not exceed the amounts reported in Column D.	
	Form 01 – Restricted General Fund	
	Column A – Verify that it agrees to Form 01 – Adopted Budget	
	Columns B & D – Determine that the beginning balances agree to the prior year’s unaudited ending balances by fund and resource. Determine that the audit adjustments have been posted by the second interim reporting period.	
	Column E – Determine that the significant changes are adequately explained in the narrative.	

	Form A – Average Daily Attendance	
	If the district is declining enrollment, determine that the Estimated P-2 Report ADA column agrees to the current year estimated P-2 ADA. It should reflect a lower ADA than Estimated Revenue Limit ADA.	
	Determine that Column A agrees to the ADA reported in the adopted budget.	
	If Column B is different from Column A, determine that the district has adequately explained the difference (in the narrative).	
	Determine that the differences in Column D are adequately explained (in the narrative).	
	Determine that the Estimated Revenue Limit ADA in Column C is reasonable based on prior year's information and available information to date.	
	Form RL – Revenue Limit	
	Original Budget – Verify that it agrees to Form RL in the Adopted Budget.	
	Projected Totals – If different from Original Budget, determine that the district has adequately explained the difference (in the narrative).	
	Projected Totals – Verify that Revenue Limit ADA agrees with Form AI Column C.	
	Projected Totals – Verify budgets for State Aid (8011) and local property taxes agree with Form RLI.	
	Projected Totals – Verify property taxes agree with latest on-line tax reports.	
	Cash Flow Worksheet	
	Determine that the beginning cash balance as of July 1 agrees to the cash balance per the audit report.	
	Determine that the ending cash balance as of October 1 (1 st interim) or January 31 (2 nd interim) agrees to the general ledger and the cash reconciliation.	
	If the ending cash balances as indicated above do not balance, review the district cash reconciliation for reasonableness. Special note should be given to the age of outstanding items.	
	Determine that the “Total” column agrees to Column D on the Summary – Form 01.	
	Determine that the total prior year transactions agree to the prior year's accounts receivable and payable.	
	Review the transactions posted by month for the remainder of the year to determine that they are reasonable.	
	Determine that the ending cash balance is positive for the remainder of the fiscal year.	
	Determine the nature of any transactions recorded as “Other Receipts/Non-Revenue or Other Disbursements/Non-Expenditures”.	
	Multi-year Projection	
	The district is required to use the SACS MYP. If they did not submit it, notify the district that they must submit it to the county office of education immediately and take it to the governing board for review at the next governing board meeting.	

	Determine that the base year used in the multi-year projection agrees to the projected year totals of the Form 01 for both the unrestricted and the restricted.	
	Determine whether the assumptions used in the subsequent two years are reasonable. For example, does the COLA agree to the latest SSC dashboard. The district should provide a narrative documenting any significant reductions in expenditures or increases in revenue above the anticipated COLA.	
	Determine that the district meets the required designation for economic uncertainty in each year.	
	Review of Other Funds	
	Review the changes to the Adopted Budget for the other funds to determine if any of the changes negatively impact the fund.	
	Determine if any of the changes in the budgets of the other funds could result in the necessity of a subsidy from the general fund.	
	Other Concerns	
	List any other concerns that require discussion or resolution before the county can approve the certification on the interim report.	
	Document any discussion with the district staff concerning any other financial issues, either for the current or subsequent years. For example, does the district have a parcel tax that will end soon?	