

November 16, 2016

TO: School District Administrators

FROM: Division of Administration, Finance & Accountability

SUBJECT: Interim Reports

Education code section 42131 requires county offices of education to obtain a copy of the Interim Report and the certification for each district.

The First period Interim Report must be certified by the Board of Trustees and filed with the Kern County Superintendent of Schools no later than December 15, 2016.

This report must include actuals through October 31, 2016. Please note that the updated SACS software that was downloaded from the CDE website (SACS2016ALL) includes the Interim Report. Instructions are included in the SACS instruction manual (SACS2016ALL)

Required Forms:

Form CI	Certification with original signatures
Form AI	Average Daily Attendance (not required of JPAs)
Form 01I Series	Statement of Revenues, Expenditures and Changes in Fund Balance. Please provide by Summary, by Unrestricted and by Restricted.
Fund Forms	Statement of Revenues, Expenditures and Changes in Fund Balance for all funds reflecting a change from adopted budget
Form SEMAI	Special Education — Maintenance of Effort
Form CASH	Cashflow Worksheet
Form 01CSI	Criteria and Standards Review (Include explanations for all "Not Met" items)
LCFF Calculation	All related forms used to determine LCFF revenue calculations (BASC/FCMAT Calculator)
MYP	Minimum of two years out with <u>detailed assumptions</u>

DAT File

One "Export Official" SACS Second Interim dat file emailed to Charli Long at chlong@kern.org

For interim reporting, in order for COE staff to conduct a thorough review of financial position, it is critical that districts thoroughly fill out all forms – including the Criteria and Standards form O1CSI – and clear all TRC errors.

Questions regarding this report should be directed to the appropriate fiscal advisor or Steve Mattern, District Advisory Services, (661) 636-4691.

SJM:mog

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Kern County Office of Education

MYP Assumptions

Federal Revenues

- Explain any significant difference from the budget or first interim.

Lottery Revenues

- Identify projected lottery amounts per ADA.

Categorical Program Revenues

- Explain any significant difference from the Budget or First Interim.

New tax and revenue anticipation notes (TRANS)

- For any new TRANS, identify the issue amount, costs, repayment schedule, and arbitrage.

Other significant changes in revenues

- Explain any significant changes in other local revenues such as leases, rentals, etc.

One-time Revenues

- Explain any significant changes from the budget or first interim in one-time revenues.

Certificated and classified salaries

- Describe the current status of negotiations with the collective bargaining groups.
- Identify unsettled salary increases included in the interim report, if any.
- Identify assumptions used regarding the costs of step and column increases, attrition, and finalized collective bargaining agreements.
- Describe the costs associated with other staffing changes and class size adjustments.

Employee benefits

- Identify the rates used in projecting benefits for STRS, PERS, Social Security, Medicare, Unemployment Insurance, and Workers' Compensation.
- Identify unsettled increases in benefits included in the interim report, if any.
- Identify assumptions used regarding the component costs of the health and welfare benefit packages, identifying self-funded portions and explaining any applicable caps.

Retirement packages

- Briefly summarize district policy, the number of retirees covered, the costs of the current benefits, the assumptions used to project, and the object and fund in which these costs are recorded.
- Identify the costs associated with a golden handshake or other retirement package, including multi-year costs.

Other significant expenditures (Objects 4000 through 7000)

- Explain any significant changes from the budget or first interim in one-time expenses, such as spending a sizeable carryover, one-time capital outlay, or facilities improvements.
- Describe all major obligations including COPs, lease-purchases, and bond repayments.
- Identify amounts due in the budget year and the basic terms of the obligations.
- Explain the purpose of any major transfers between funds.

Components of ending fund balance

- Explain any material changes from the budget or first interim in the component amounts.

- Explain the designated components of the ending fund balances.

Net change in fund balance – General Fund

- Explain any significant budgeted unrestricted deficits. Description should detail the causes and explain whether the deficits are ongoing or one-time. If ongoing, an explanation should be provided on how and when the deficits will be eliminated.

Reserve for Economic Uncertainties

- The potential reserve cap triggered by Education Code 42127.01 (enacted with SB 858, statutes of 2015) should certain conditions exist is still in place, and it is not expected to be in effect for fiscal years 2016-17 or 2017-18

OTHER FUNDS

Significant changes in revenues, expenditures, or transfers

- Explain any material differences in the other funds from the budget or first interim report in revenues, expenditures, or transfers.