Kern County Superintendent of Schools
Office of John G. Mendiburu, Ed.D.— Advocates for Children

bulletin
No. 05

November 2, 2026

TO: School District Administrators

FROM: Division of Fiscal Support

SUBJECT: 2026-27 First Interim Financial Reporting

Education Code (EC) Sections 35035(i), 42130, and 42131 require the Governing Board of each school district to certify at least twice a year through the Interim Report Process the district's ability to meet its financial obligation for the remainder of that fiscal year and for the subsequent two fiscal years.

The 2026–27 First Interim Report must be approved by the district Governing Board and submitted to the Kern County Superintendent of Schools no later than December 15, 2026. The First Interim reporting will be collected electronically. Districts must promote their Official First Interim dataset through the SACS Web System. Do not submit printed copies of the SACS reports. Email only the required supplemental items listed below.

Items to email: signed Form CI; LCFF Calculator; Detailed Assumptions; and a Form CASH Excel spreadsheet, if needed.

mahughes@kern.org

The attached instructions, multiyear projection (MYP) assumptions, and checklist provide guidance for preparing the 2026–27 First Interim Report. The SACS forms listed in the instructions are included in the electronic SACS Web submission and do not need to be emailed separately.

STATE CRITERIA AND STANDARDS

Form CI has summarized data from the Criteria and Standards Review form in order to provide additional support to the district Governing Board's certification process. The certification shall be classified as positive, qualified or negative, defined as follows:

CERTIFICATIONS (EC 42131 (a) (1)):

1. A Positive Certification shall be assigned for those LEAs that WILL MEET their financial obligations for the current and two subsequent fiscal years (meets state minimum reserve levels in all years).

2. A Qualified Certification shall be assigned for those LEAs that MAY NOT MEET their financial obligations for the current or two subsequent fiscal years (not meeting reserves in one year).

3. A Negative Certification shall be assigned for those LEAs that WILL BE UNABLE TO MEET their financial obligations for the remainder of the current or subsequent fiscal year based upon current projections (not meeting reserves in current year or not maintaining a positive cash balance in the current or first subsequent year).

STATE STANDARDIZED ACCOUNT CODE STRUCTURE (SACS) WEB SYSTEM

The Standardized Account Code Structure (SACS) Web financial reporting system facilitates the preparation of budget, interim, and unaudited actuals reporting period data and reports that are submitted to oversight agencies and the California Department of Education (CDE).

SACS Web System Link: https://www.cde.ca.gov/Fg/sf/fr/

COUNTY OFFICE ASSISTANCE

Contact your District Fiscal Analyst for assistance in the following areas:

Revenue and Budget Projection – LCFF revenue projections, Educational Protection Account, Lottery, State Aid, and Special Education, Cash Flow Projections, Software, or any other areas.

If you have any questions concerning the completion of the First Interim Financial Report and additional documentation, please contact your designated District Fiscal Analyst.

Please use the final-page checklist to verify that all applicable forms are included in the Official SACS Web dataset and that the few required supplemental items have been emailed. No hard-copy packet or checklist cover sheet is required.

MG:mwh
Enc.

MYP ASSUMPTIONS
THAT SHOULD BE CONSIDERED AND REVIEWED

Federal Revenues

- Explain any significant difference from the budget or interim.

Lottery Revenues

- Identify projected lottery amounts per ADA.

Categorical Program Revenues

- Explain any significant difference from the Adopted Budget.

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 adopted budget 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 adopted budget 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 adopted budget 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 reserve cap triggered by Education Code 42127.01 (enacted with SB 858, statutes of 2015 and amended by SB 751) is in place for the 2022-23 fiscal year. Basic Aid and small school districts with fewer than 2,501 ADA are exempt from the requirement. Districts should ensure that their budgeted 2026-27 ending assigned and unassigned reserves for Fund 01 and Fund 17 combined are no more than 10% of the total expenditures, transfers out and other uses.

OTHER FUNDS

Significant changes in revenues, expenditures, or transfers

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

INSTRUCTIONS FOR COMPLETING THE FIRST INTERIM FINANCIAL REPORT

The following forms and reports must be completed, as applicable, within the district's SACS Web submission and included when the First Interim dataset is promoted to the county office. These forms do not need to be emailed individually, except for the signed Form CI and any Form CASH Excel spreadsheet needed as explained below:

- **Form CI – District Certification of Interim Report.** Complete the certification in SACS Web and email **a signed copy bearing the signatures of the Board President and District Superintendent or designee to** mahughes@kern.org. The form contains the Met/Not Met and Yes/No responses from the Criteria and Standards Review.

- **Form AI – Average Daily Attendance Detail**

  - The first column (A) reflects your LCFF ADA and is extracted from the Adopted Budget DAT file into this software.

  - The second column (B) will require you to input any updated ADA used for any budget transfers made to the LCFF calculations since the Adopted Budget and posted in your current operating budget. This will only be different from Column A if you adjusted your ADA estimates.

  - The third column (C) reflects your current projected P-2 ADA that you expect to report on this year's P-2 Attendance reports. This is not funded ADA. Input what you project to report on this year's P-2 Attendance reports.

  - The fourth column (D) should reflect the ADA the district is using to compute the LCFF projections for the current year. For non-declining districts, this is the same ADA as in Column C. For declining ADA districts, this column D is where you will enter your prior year guarantee ADA, s this is the ADA used in your LCFF projections.

- **Form 01I – General Fund Summary (Must be system generated using first period dates 7/1/2026 – 10/31/2026 and imported into the SACS Web System for processing).**

  - The first column (A) must reflect the Final Budget adopted by the Board and submitted to our office.

  - The second column (B) must reflect the "latest" Board–Approved operating budget and the Unaudited Actuals adjustments to the 2026-27 Adopted Beginning Balance in Object 9791. **For some districts column A & B will be the same.**

  - The third column (C) must reflect actual revenues received and expenditures paid during the reporting period, July 1, 2026, through October 31, 2026.
    NOTE: Column C must agree with the data on a budget report writer (BDX110) generated from the system using the dates of 7/1/26 – 10/31/26.

  - The fourth column (D) is the District's projected totals for the fiscal year.
    NOTE: Column D represents projections of all anticipated revenues and

expenditures applicable to the 2026-27 fiscal year. Amounts reflected in column D represent the district's most current estimate of year-end for 2026-27. This column should not reflect the same estimates as used in Column B.

- The fifth & sixth column (E & F) calculates automatically.

❖ **Other Funds** – the software will automatically extract and bring into the SACS Web System all district funds, including detailed object codes. Please submit the Other District Funds to us in the same manner as Fund 01I. Please review these other funds forms carefully to ensure that you still have a positive ending fund balance for all funds.

❖ **Form CASH – Cash Flow:** Include the completed SACS Form CASH with actual and projected amounts for the combined General Fund. Reconcile monthly cash balances through October 31, 2026, to the QCC/QSS monthly Cash Balance report. If an alternate Excel cash flow spreadsheet is used or is needed to support the submission, email the spreadsheet to mahughes@kern.org.

❖ **Form 01CSI - State Criteria and Standards** – The criteria and standards review consists of three sections: Criteria and Standards, Supplemental Information, and Additional Fiscal Indicators. Be sure to read the instructions for each standard and criterion carefully, because some only refer to unrestricted data for revenues/ expenditures and deficit spending. For most sections, the data are extracted from the Supplemental forms, the 2025-26 Unaudited Actuals, and the 2026-27 Adopted Budget file. Each section compares the data to historical trends or state variance levels and determines a Met or Not Met status or a Yes or No status. **For each Not Met or No status, the district must provide a detailed written explanation of why it is not meeting that particular standard or variance level.** Your TRC will indicate a warning error if you have not completed each section requiring an explanation of a Not Met or No status. Some areas where data were extracted in the past are not unlocked for manual entry due to changes made necessary by the LCFF.

❖ **Form MYP –Multi-Year Projection** – covers fiscal years 2026-27 through 2028-29 and indicates the percent and amount of unrestricted reserves available in the ending fund balance as compared to your district's state required reserve levels. LEAs are required to submit multiyear (current and two subsequent fiscal years) projections for their General Fund. LEAs may use their own multiyear projection format as long as it provides current and two subsequent fiscal years; separately projects unrestricted resources, restricted resources, and combined total resources; and shows the percent change between years. However, if Form MYPI is used, applicable data from Form MYPI will extract into the Criteria and Standards Review form (Form 01CSI), reducing the amount of data entry into Form 01CSI. ADA should match your LCFF ADA.

❖ **Form SEMAI – Special Education MOE** – is used to monitor an LEA's MOE compliance. The 2026-27 Projected Totals are extracted from general ledger data. Use the Adjustments column to make adjustments to those amounts in order to reflect correct projected expenditures that are not yet recorded in the general ledger data. Enter your December unduplicated pupil count in fiscal year 2026-27 and use your prior years December unduplicated pupil count on the second tab for fiscal year 2025-26 Actuals (extracted from unaudited actuals). Section 3, Part A, columns A and B are automatically extracted from Section 1, Section 2, and the other two LEA worksheets, except for lines 3 and 5, which are calculated. Column C is calculated.

FIRST INTERIM CHECKLIST

DISTRICT: _____

CONTACT PERSON: _____ **PHONE/EXT:** _____

SACS WEB SUBMISSION (INCLUDED IN THE OFFICIAL DATASET)

- ❑ Official 2026–27 First Interim dataset promoted to KCSOS through SACS Web.
  Date promoted: _____ Certification: ❑ Positive ❑ Qualified ❑ Negative
- ❑ All applicable SACS forms completed and included in the dataset, including:
  - Form CI – Interim Report Certification (electronic form).
  - Form AI – Average Daily Attendance.
  - Form CASH – Cash Flow (unless supported by a separate Excel cash flow spreadsheet).
  - Form MYPI – Multiyear Projections for 2026–27, 2027–28 and 2028–29.
  - Form 01I – General Fund (restricted, unrestricted and combined).
  - Forms 09I–71I – Other district funds, as applicable.
  - Form 01CSI – Criteria and Standards Review, including required explanations and salary/benefit negotiation information.
  - Form SEMAI – Special Education Maintenance of Effort, as applicable.
- ❑ Technical Review Checklist completed with no fatal errors.

SEPARATE EMAIL SUBMISSION TO mahughes@kern.org

- ❑ Signed Form CI – Interim Report Certification.
- ❑ LCFF Calculator (electronic file).
- ❑ Detailed Assumptions supporting current-year estimates and multiyear projections (see attached MYP assumptions list).
- ❑ Form CASH Excel spreadsheet, if needed (for example, when using an alternate Excel cash flow schedule).

FINAL VERIFICATION

- ❑ First Interim Report approved by the Governing Board.
- ❑ Cash balances reconciled to actuals through October 31, 2026.

DEADLINE: DECEMBER 15, 2026

Promote the Official dataset in SACS Web and email the items identified above by the deadline. No printed packet or checklist cover sheet is required.