



August 17, 2023

TO: Business Administrators
Los Angeles County School Districts
Regional Occupational Centers/Programs (ROC/Ps)
Charter Schools and Joint Powers Authorities (JPAs)

FROM: Octavio Castelo, Director
Business Advisory Services

Nkeiruka Benson, Director
School Financial Services

SUBJECT: 2022-23 Unaudited Actuals Financial Reporting and
2023 Standardized Account Code Structure System

GENERAL INSTRUCTIONS FOR UNAUDITED ACTUALS

In compliance with Education Code (EC) Section 42100, the Los Angeles County Office of Education (County Office) requests that districts file their Board-approved 2022-23 Unaudited Actuals Financial Report to our office by September 15, 2023.

Any extension of a district's BEST FIN year-end closing granted by the Division of School Financial Services does not imply an extension to the September 15th mandated due date to the County Office.

Please mail the unaudited actuals package to:

Los Angeles County Office of Education
Business Advisory Services
Attention: Ms. Lily Madrigal

The report is required to be submitted in the SACS Web-based system. Submit one hard copy of the Board-certified Unaudited Actuals Certification form (Form CA) with original wet signatures. The package should include:

1. Unaudited actuals submission promoted to 1st Level LEA Review in the SACS Web-based System.
2. Certification form with original wet signatures (Form CA). **Note: Stamped or electronic signatures are not acceptable.**
3. Technical Review Checklist (TRC) (Form TRC from SACS Web-based system).
4. Charter School's unaudited actual reports must be submitted for each charter school authorized by the district. Reports must be submitted via the SACS Web-based system.

The 2022 Standardized Account Code Structure (SACS) Financial Reporting Web-based System, the 2022-23 Charter School Unaudited Actuals Financial Report-Alternative Form, and other information that school districts need for preparing 2022-23 Unaudited Actuals and 2023-24 Interim Reports are available on the California Department of Education's (CDE) website.

www.cde.ca.gov/fg/sf/fr

The user guide and calendars are built into the software to facilitate the search for information about the system or the reporting process. The User Guide can be located by clicking on the Question Mark Icon within SACS. The Financial Reporting Calendar is located under Tools. Specific information about changes and updates can be found in the "What's New" section on the CDE website.

- Please click on any of the following for more instructions on the topic:
 - [Data Submission and Common Errors](#)
 - [Reminders](#)
 - [Fund 51](#)
 - [Fund 53](#)
 - [ESMOE Report](#)
 - [Joint Power Authority](#)
 - [Charter Schools Financial Reporting](#)

For questions regarding this bulletin, please contact Jeff Young at (562) 922-6419 or Jennifer Kirk at (562) 922-6508.

- For Assistance with the SACS Web-based System contact – LACOE_SACS@lcoe.edu
- For assistance with BEST contact – helpdesk@lcoe.edu
- For budget-related questions, districts should contact their Business Services Consultant (Attachment No. 3).

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2023 Standardized Account Code Structure System
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Approved:
Karen Kimmel
Chief Financial Officer
Business Services

JY/OC:lm
Attachments

ATTACHMENT 1

UNAUDITED ACTUALS DATA SUBMISSION

In preparing an unaudited actuals report for submission, please ensure that the data is correctly exported as described in the user guide. All the forms containing District's 2022-23 unaudited actuals data should be submitted in the SACS Web-based system.

To ensure that all technical accounting errors on the district's records are corrected in the BEST Advantage System – Financial (FIN) before the district's books are closed, each district is urged to run a preliminary closing “Dat-File” through the SACS Web software. Before the final close and preparation of the final Unaudited Actuals SACS Financial Report, districts must resolve all errors and warnings reflected on the Technical Review Checklist (TRC). Districts should be in the State of Data Entry in the SACS Web software before requesting to close. When requesting to close, districts must submit a Year End Closing Request (YECR) document in FIN with a reference to the Data Set License Plate Number for School Financial Services (SFS), General Ledger, Accounting and Budget Support Unit to review. Once the review is completed and approved by SFS, SFS will email a confirmation and districts should proceed with generating the official “Dat-File”. Please contact SFSAccountingGroup@lacoed.edu for questions regarding this process.

Common Errors in Unaudited Actual Submissions

The California School Accounting Manual (CSAM) serves as a comprehensive source of information and guidance for recording and reporting school district financial accounting activities. District staff are urged to closely study and follow the manual in preparing the unaudited actuals report. Information regarding downloading the CSAM 2019 Edition is available at the CDE website:

www.cde.ca.gov/fg/ac/sa/

The County Office will verify, approve, certify, and transmit each district's report to the CDE by the due date. The submission of unaudited actuals financial reports from **all** districts is required in order for the State to compile and report statewide financial data for 2022-23. Under EC Section 42129, the State Superintendent of Public Instruction may impose certain sanctions if a report is not submitted by the due date. The sanctions may include the withholding of all stipends, salaries, and expenses from the superintendent and governing board of any district that fails to file the report in a timely manner.

REMINDERS

These supplemental forms must be completed using the SACS Web-based System and submitted with your unaudited actuals report.

Form A	Average Daily Attendance
Form Asset	Schedule of Capital Assets
Form CA	Unaudited Actuals Certification
Form CEA	Current Expense Formula/Minimum Classroom Compensation Unaudited Actuals
Form ESMOE	Every Student Succeeds Act Maintenance of Effort
Form DEBT	Schedule of Long-Term Liabilities (formerly the J-249)
Form GANN	Appropriation Limit Calculation
Form ICR	Indirect Cost Rate Worksheet (formerly a component of the J-380)
Form L	Lottery Report
Form NCMOE	No Child Left Behind Maintenance of Effort
Form PCR	Program Cost Report (formerly a component of the J-380)
Form PCRAF	Schedule of Allocation Factors (formerly a component of the J-300)
Form SEA	Special Education Revenue Allocation
Form SEAS	SEA Form Setup (SELPA Selection)
Form SIAA	Summary of Inter-fund Activities – Actuals

BOND INTEREST AND REDEMPTION FUND

Please use the information on bonded indebtedness provided by the County Office to complete the Fund 51 budget forms. Actuals for 2022-23 were provided to districts by the County Office in Informational Bulletin No. 6742, dated August 2, 2023.

Note that districts may have an ending fund balance from the 2021-22 Unaudited Actuals that does not match the beginning fund balance for 2022-23 that is reported by the Los Angeles County Auditor-Controller. This is mainly due to the GASB 31, Fair Market Value adjustment that was recorded in 2021-22 in the Unaudited Actuals. Districts must use the 2021-22 ending fund balance reported in the Unaudited Actuals as the 2022-23 beginning fund balance.

How Do I Reconcile My Fund 51 on the Unaudited Actuals?

In this example, use the Fund 51 Unaudited Actuals (UA) balance of \$19,500,000.00 as the 2022-23 Fund 51 UA Beginning Balance. Once you have reconciled your beginning balance, you can enter your new 2022-23 Fair Value Adjustment balances.

Sample Data:

Fiscal Year 2021-22:

District's Unaudited Actuals <u>Ending Fund Balance</u> for Fund 51	\$19,500,000
Los Angeles County Auditor-Controller reported Ending Fund Balance	\$20,000,000
District recorded a Fair Value Adjustment to Cash in County Treasury	\$(500,000)

Fiscal Year 2022-23:

District's Unaudited Actuals <u>Beginning Fund Balance</u> for Fund 51	\$19,500,000
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LA Auditor Controller Reported Balance	
	FY 2021-2022
Fund 51 Beginning balance	19,000,000.00
NET INCREASE (DECREASE) IN FUND	1,000,000.00
Fund 51 Ending Balance	20,000,000.00

Temple City Unaudited Actuals	
	FY 2021-2022
Fund 51 UA beginning balance	19,000,000.00
NET INCREASE (DECREASE) IN FUND	500,000.00 ¹
Fund 51 UA Ending balance	19,500,000.00²

	FY 2022-2023
Fund 51 Beginning Balance	20,000,000.00

	FY 2022-2023
Fund 51 Beginning Balance	19,500,000.00
2021-22 FV Adjustment	500,000.00
Reconciled beginning balance	20,000,000.00



How Do I Record the Fair Value Adjustment?

When entering the Object 9111 – Fair Value Adjustment to Cash in County Treasury, and Object 8662 – Net Increase (Decrease) in the Fair Value of Investments in the SACS software, there are two ways you can record the FY 2022-23 Fair Value Adjustment. LACOE recommends for

¹ This amount includes recorded 2021-22 Fair Value Adjustment of \$(500,000)

² Use this balance as your beginning balance of 2022-23

districts to utilize the first method summarized below. Note that Fund 51 is not kept in the BEST Advantage System – Financial (FIN), the adjustments will only be made in your internal work papers.

Sample Data:

Calculated Fair Value adjustment, ending 2021-22	(\$500,000)
Calculated Fair Value adjustment, ending 2022-23	less <u>(\$300,000)</u>
Net increase (decrease) in fair value for fiscal year 2022-23	\$200,000

Fiscal Year 2021-22 balances	
District’s Unaudited Actuals Ending Fund Balance for Fund 51	\$19,500,000
Los Angeles County Auditor-Controller reported Ending Fund Balance	\$20,000,000

Recommended Method:

1. **Reverse** the entire Fair Market Value that was entered during 2021-22 in Object 9111 and Object 8662 in its entirety, then record the 2022-23 Fair Value Adjustment.

To reverse the prior-year fair value adjustments.

Fund	Object Code	Debit	Credit
51	Object 9111 – Fair Value Adjustment to Cash in County Treasury	\$500,000	
51	Object 8662 – Net Increase (Decrease) in the Fair Value of Investments		\$500,000

To record the current-year fair value adjustments.

Fund	Object Code	Debit	Credit
51	Object 8662 – Net Increase (Decrease) in the Fair Value of Investments	\$300,000	
51	Object 9111 – Fair Value Adjustment to Cash in County Treasury		\$300,000

Once this entry is completed, you will have a net balance of Object 9111 – Fair Value Adjustment to Cash in County Treasury of -\$300,000 and Object 8662 – Net Increase (Decrease) in the Fair Value of Investments of \$200,000.

When entering directly into **Form 51** in the SACS Web System, enter the calculated Fair Value in 2022-23.

Description	Object	2022-23 Unaudited Actuals
1) Cash		
a) In County Treasury	9110	18,000,000.00
b) Fair Value Adjustment to Cash in County Treasury	9111	(300,000.00)

Enter the net increase in the Fair Value of Investments for 2022-23.

Description	Object	2022-23 Unaudited Actuals
Other Local Revenue		
Net Increase (Decrease) in the Fair Value of Investments	8662	200,000.00

Use the carried over 9791 Beginning Balance as your beginning balance, and the ending balance should calculate with the added net increase in the Fair Value of Investments.

Description	Object	2022-23 Unaudited Actuals
Beginning Fund Balance		
a) As of July 1 – Unaudited	9791	19,500,000.00
b) Audit Adjustment	9793	0.00
c) Other Restatements	9795	0.00
d) Adjusted Beginning Balance		19,500,000.00
Ending Balance, June 30		19,700,000.00

Alternative Method:

- As an alternative method, district may record the **change** in the Fair Value Market instead of reversing the adjustment from the prior year.

To record the change in the current year increase in the fair value of investments.

Fund	Object Code	Debit	Credit
51	Object 9111 – Fair Value Adjustment to Cash in County Treasury	\$200,000.00	
51	Object 8662 – Net Increase (Decrease) in the Fair Value of Investments		\$200,000.00

When entering directly into **Form 51** in the SACS Web System, you will need to adjust the 8662 - Net Increase (Decrease) in the Fair Value of Investments, and enter the adjusted calculated Fair Value in 2022-23.

Description	Object	2022-23 Unaudited Actuals
2) Cash		
c) In County Treasury	9110	18,000,000.00
d) Fair Value Adjustment to Cash in County Treasury	9111	(300,000.00)

Enter the net increase in the Fair Value of Investments for 2022-23.

Description	Object	2022-23 Unaudited Actuals
Other Local Revenue		
Net Increase (Decrease) in the Fair Value of Investments	8662	200,000.00

Use the carried over 9791 Beginning Balance as your beginning balance, and the ending balance should calculate with the added net increase in the Fair Value of Investments.

Description	Object	2022-23 Unaudited Actuals
Beginning Fund Balance		
a) As of July 1 – Unaudited	9791	19,500,000.00
b) Audit Adjustment	9793	0.00
c) Other Restatements	9795	0.00
d) Adjusted Beginning Balance		19,500,000.00
Ending Balance, June 30		19,700,000.00

If you have any questions regarding this topic, please contact Sachiko Enomoto at Enomoto_Sachiko@laco.edu or (562) 922-6191.

VOTED INDEBTEDNESS TAX LEVIES

If a district has tax overrides, Fund 53 must be completed and submitted with the district's approved unaudited actuals.

ESMOE REPORT

Districts that do not meet the Federal maintenance-of-effort requirements, as reflected on the Every Student Succeeds (ESMOE) Report, must apply directly to the United States Department of Education for a waiver to avoid repayment of Federal Funds.

JOINT POWERS AGENCIES (JPAS)

EC Section 41023 specifies that any agency organized under a joint powers agreement, the parties of which consist solely of school districts and county offices of education, has the same financial reporting requirements (including auditing requirements) applicable to districts. This code section **does not** apply to JPAs formed for these purposes:

- Health and Welfare Benefits for employees
- School district property insurance
- Any liability insurance
- Workers' Compensation

ATTACHMENT 2

CHARTER SCHOOL FINANCIAL REPORTING

Charter Schools are required by EC Section 47604.33 and EC Section 42100 to submit the following reports to their authorizing agency and to the county superintendent of schools:

<u>Report</u>	<u>Due Date (to authorizing agency and county superintendent)</u> ³
Budget	On or before July 1
First Interim	On or before December 15 (reflecting changes through October 31)
Second Interim	On or before March 15 (reflecting changes through January 31)
Unaudited Actuals	On or before September 15

Authorizing districts are required by EC Section 47604.32 to ensure that each charter school under their authority complies with all reports required of charter schools by law and to monitor the fiscal solvency of each charter school. EC Section 47604(c) specifies that the school district is not liable for debts or obligations of the charter school; although failure to comply with all oversight responsibilities could result in a district losing its protection against liability for any nonprofit public benefit corporation charter school that the district authorized.

Charter Schools must submit their 2022-23 year-end financial data to the County Office through their authorizing district by September 15, 2023, in the SACS Web-based system. Charter schools are urged to discuss the options with their authorizing district and auditors before selecting the option they will use.

The SACS funds that are available to report charter school financial data are the General Fund (Fund 01), Charter Schools Special Revenue Fund (Fund 09), and the Charter Schools Enterprise Fund (Fund 62). Charter schools using the modified accrual basis of accounting should use Fund 01. Charter schools using the accrual basis (as is typically used by not-for-profit organizations) should use Fund 62. Fund 09 is used by authorizing LEAs only to account separately for the operating activities of LEA-operated charter schools that would otherwise be reported in the authorizing LEAs general fund.

- When reporting charter school data along with the authorizing district's data, the charter school data may be reflected with the authorizing district's data in Fund 01, Fund 09, or Fund 62. Although more than one charter school may be reflected in any of the three funds, complete charter schools' data should be included in just one of the three funds.
- When reporting charter school data separately from the authorizing district's data, the charter school uses its County-District-School (CDS) code to access the SACS reports and funds to

³ If the statutory due date occurs on a Saturday, Sunday or holiday, the reporting due date shall be on the following workday

complete them on an individual basis. The authorizing agency should not duplicate this data within any fund in the district's data. Charter school data reported with the authorizing district's Fund 01 will automatically be included in the calculation of the district's reserve requirement.

- The district may provide an explanation with the Criteria and Standards Form explaining the inclusion of the charter school data. The data will also be subject to the calculation of compliance with the classroom teacher salary percentage required by EC Section 41372. However, explanations may be provided with the TRC if failure to meet the required percentages is due to the inclusion of charter school data.

Alternative Form

The Charter School Unaudited Actuals Financial Report—Alternative Form (Charter School Alternative Form), is now available in the California Department of Education (CDE) SACS Web-based Financial Reporting System at:

<https://sacs-cde.org/security/login>.

The Alternative Form is provided for charter schools that do not wish to report their year-end financial data in the SACS format. However, charter schools using the Alternative Form may need to provide additional information as needed so the charter school's compliance with Federal Special Education Maintenance of Effort (SEMOE) requirements can be determined.

SACS User Manual provides additional information about charter school reporting requirements. School district budgets and unaudited actuals must continue to reflect financial data from their charter schools as follows:

- Receipt and transfer for revenues for locally-funded charter schools.
- Average Daily Attendance (ADA) (Form A) – Use the section at the end of Form A to separately account for charter school ADA. Please do not include charter school ADA in the K-12 ADA portion of these forms.
- In-lieu of Property Tax Transfers

LOS ANGELES COUNTY OFFICE OF EDUCATION
Business Advisory Services - Fiscal Monitoring District Assignments

Abrar Alam (562) 922-6133	Dio Brache (562) 922-6802	Steven Choi (562) 940-1768
Arcadia USD Antelope Valley Sch. Trans Agcy. Antelope Valley Joint Union HSD El Rancho USD Keppel Union SD Las Virgenes USD Little Lake City SD Montebello USD Walnut Valley USD William S. Hart Union HSD	Azusa USD Beverly Hills USD Centinela Valley UHSD Inglewood USD Lynwood USD PINCO San Gabriel USD Saugus Union SD Sulphur Springs Union SD	El Monte Union HSD Glendale USD Glendora USD Lawndale Elementary SD Pasadena USD Rosemead SD Rowland USD San Antonio ROP San Marino USD Temple City USD
Kathy Connell (562) 922-6184	Sean Lewis (562) 922-6779	Belinda Martinez-Garcia (562) 922-8739
Castaic Union SD East San Gabriel Valley ROP Eastside Union SD Hacienda La Puente USD Hawthorne SD La Cañada USD Mountain View SD South Pasadena USD Westside Union SD Wilsona SD	ABC USD Bellflower USD East Whittier City SD Palmdale SD Redondo Beach USD Santa Monica-Malibu USD South Whittier SD Tri-Cities ROP Whittier City SD Whittier Union HSD	Baldwin Park USD Claremont USD Culver City USD El Monte City SD El Segundo USD Long Beach USD Los Nietos SD Monrovia USD Pupil Transportation Co-op Torrance USD
Demetra Moore (562) 401-5497	Andrew Surendranath (562) 922-6743	Hoyt Yee (562) 940-1705
Alhambra USD Bassett USD Burbank USD Compton USD Downey USD Los Angeles USD Palos Verdes Peninsula USD Santa Clarita Valley Food Services Wiseburn USD	CALAPS JPA Hermosa SD Gorman Joint SD Hughes-Elizabeth Lakes SD Lancaster SD Manhattan Beach SD Newhall SD Norwalk-La Mirada USD Paramount USD Valle Lindo SD	Acton-Agua Dulce USD Bonita USD Charter Oak USD Covina-Valley USD Duarte USD Garvey SD Lennox SD Pomona USD SCROC West Covina USD