San Bernardino County Superintendent of Schools
Transforming lives through education

Ted Alejandre
County Superintendent

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TO: Chief Business Officials and Directors of Fiscal Services
Charter School Sponsoring School Districts & Charters

Subject: **CHARTER SCHOOLS**
2023-24 FIRST INTERIM FINANCIAL REPORT
Due to Sponsoring District on or before December 15th

Education Code Sections 42100 and 47604.33 require charter schools to provide budget, interims, annual financial statements, and audit reports to their sponsoring district and the County Superintendent of Schools Office. Statute requires **charter school's First Interim Financial Report be submitted on or before December 15th.** District review of charter First Interim Reports are requested by Business Advisory Services on or before December 22, 2023. Districts may modify the date charter reports are due to them to allow sufficient time for their review by the deadline. Charters are encouraged to coordinate with their sponsoring district to ensure accurate and timely reporting submission.

Required reporting templates are available on the SBCSS Charter School Financial Information webpage at: http://www.sbcss.k12.ca.us/index.php/business-services/business-advisory-services/charter-schools-financial. The Excel workbook consists of worksheets for 2023-24 Budget, First Interim, and Second Interim Financial Reports.

At a minimum, charters must submit the following First Interim information to the sponsoring district. Districts may require additional reports and/or supporting documentation:

Electronic copies - Required

- Charter 2023-24 Budget and Interim Reporting workbook (all tabs completed)
  - Budget and 1st Interim - Check List
  - Budget and 1st Interim - Certification
  - Budget and 1st Interim - ADA
  - Budget and 1st Interim - Assumptions
  - Budget and 1st Interim - Unrestricted MYP
  - Budget and 1st Interim - Restricted MYP
  - Budget and 1st Interim - Summary MYP
  - Budget and 1st Interim - Debt (sheet has a field to report if No Debt)
  - Budget and 1st Interim - Cash Flow Year 1
  - Budget and 1st Interim - Cash Flow Year 2 (if required by the authorizer)
- LCFF calculator (using the most recent FCMAT release)

Hard copies or Scanned

- 1st Interim Certification ***Signed***

The worksheets have been designed to populate other worksheets of the workbook wherever possible. Some of the features are:

- Completing charter name and number on certification page will populate all other schedules.
- Budget worksheet information will populate Adopted Budget columns of Interim worksheets.
- Data entry cells are highlighted in a blue/green color (depending on your monitor).
- Cells with formulas are locked.

Be careful to complete all applicable worksheets/fields. The Charter Financial Reporting Template feeds the Authorizer Review Template and **incomplete reports may be an indicator of financial risk**.

As you complete these worksheets, please be conscious of the unrestricted or restricted regulations associated with the revenue the charter has received. Refer to the California School Accounting Manual (CSAM) for in-depth explanations of various codes and accounting treatments.

The first column of the report refers to the charter's adopted budget. Amounts reflected in this column **must** be those adopted on or before July 1st and submitted to your sponsoring district.

If you have a final 2022-23 audit report, include any audit adjustments with your First Interim Report. These adjustments will be reported as "Adjustments for Audit" on line 52 of the Unrestricted and/or Restricted tab.

Authorizing districts will review budgets for reasonableness and solvency. Charters must provide evidence of their ability to maintain sufficient fund and cash balances for the current and two subsequent fiscal years. If the charter is unable to meet their reserve requirements in the 2023-24 or two subsequent fiscal years as established in their memorandum of understanding with their authorizing district, the charter may be required to submit a board-approved fiscal action plan detailing the anticipated reductions or revenue enhancements that the charter will make to ensure reserve requirements are met in all years. The charter should work with their authorizing district to determine the specific requirements to show solvency.

The district review worksheet can be found at http://www.sbcss.k12.ca.us/index.php/business-services/business-advisory-services/charter-schools-financial. Upon review of the charter's report, authorizing districts are encouraged to send a letter to the charter summarizing their findings and documenting any requests for additional information or action.

This past year, a few charters reported using the SACS Web System. SACS reports alone provide limited information for authorizers to carry out their required oversight responsibilities. The new SACS Web system is available to charters; however, authorizers are highly encouraged to require completion of San Bernardino County's Charter Reporting Template as well. Failure to provide adequate charter oversight is an indicator of financial risk to the district.

Authorizing districts are asked to forward the following, to BAS, on or before December 22, 2023:

Electronic files **- e-mail to: BAS@sbcss.net**

- Charter 2023-24 Budget and Interim Reporting worksheet (all tabs completed)
- Charter LCFF Calculator
- 2023–24 District Review – Charter Budget and Interim Reporting worksheet

Electronic or Hard Copy – Hard copies to **Business Advisory Services, attention Mirel Safar,** Electronic e-mail to: **BAS@sbcss.net**

- Charter's Budget - Certification ***Signed***
- 2023–24 District Review – Charter Budget and Interim Reporting
- District response letter to charter itemizing items found in Detailed Review

Questions regarding the charter school's First Interim Financial Report should be directed to the authorizing district's business liaison. Questions regarding the reporting template may be directed to Annette Baker (909) 388-5741.

Sincerely,

Ted Alejandre
County Superintendent of Schools

Thomas G. Cassida, Jr.
Director, Business Advisory Services

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