



9300 Imperial Highway, Downey, California 90242-2890 • (562) 922-6111

Debra Duardo, M.S.W., Ed.D., *Superintendent*

May 27, 2022

TO: Business Administrators
LACOE-authorized Charter Schools

FROM: April Mitchell, Assistant Director
Business Advisory Services

SUBJECT: Fiscal Year (FY) 2022-23 Charter School Financial Reporting Schedule

This notice lists the required financial reports, instructions, and corresponding due dates for all charter schools authorized by the Los Angeles County Office of Education (LACOE) for FY 2022-23. Included in this notice are the requirements for submitting financial reports to Business Advisory Services (BAS). In order to assess the fiscal condition and viability of charter schools, we may request additional information, such as fiscal stabilization plans, monthly cash flow projections, grant letters, and other financial information. These requests will be communicated to individual charter schools as needed.

Report Name	*Due Date	Notes
FY 2022-23 Local Control Accountability Plan (LCAP)	July 1, 2022	Annual submission
Adopted Budget	July 1, 2022	CA form with signatures page must be received Assumptions and Narrative LCFF Calculator (i.e. FCMAT) File
Monthly Financial Reports and Statements	The 15 th of the following month	See the required items listed under Monthly Financial Reports and Statements section
Final Unaudited Actuals (UA) Financial Report for FY 2021-22	August 30, 2022	Use the SACS Software (final year) to prepare the 2021-22 UA report Both DAT file and Form CA with original signatures must be received

First Interim Financial Report	December 9, 2022	CA form signatures page must be received Assumptions and Narrative Variance Analysis LCFF Calculator (i.e. FCMAT) File
Second Interim Financial Report	March 9, 2023	CA form with signatures page must be received Assumptions and Narrative Variance Analysis LCFF Calculator (i.e. FCMAT) File
Annual Audit Contract	March 15, 2023	Cover letter and Board minutes approving auditor, and a copy of the contract

**Due dates may be earlier than required by statute to facilitate the timely review and submission of financial reports to the appropriate State agency.*

FINANCIAL REPORTS

Budget and Interim Financial Reports

Pursuant to California Education Code (EC) 47604.33, each charter school shall annually prepare and submit the following reports to its chartering authority and the county superintendent of schools or only to the county superintendent of schools if the county board of education is the chartering authority:

1. On or before July 1, a preliminary budget. For a charter school in its first year of operation, the information submitted pursuant to EC subdivision (g) of Section 47605 satisfies this requirement.
2. On or before December 15, a first interim financial report. This report shall reflect changes through October 31. The first interim report must be submitted by December 9.
3. On or before March 15, a second interim financial report. This report shall reflect changes through January 31. The second interim report must be submitted by March 9.
4. On or before September 15, a final unaudited report for the entire prior year. The final unaudited actuals report must be submitted by August 30.
5. The chartering authority shall use any financial information it obtains from the charter school, including, but not limited to, the reports required by this section, to assess the fiscal condition of the charter school pursuant to EC subdivision (d) of Section 47604.32. Pursuant to EC Section 47613, the cost of performing the duties required shall be funded with supervisorial oversight fee collected.

It is important to submit the 2021-22 UA DAT file to LACOE by **August 30, 2022**. This will allow time to review the data and provide feedback on any changes necessary to comply with the California Department of Education (CDE) requirements.

New Standardized Account Code Structure (SACS) Web Financial Reporting System

The SACS Web financial reporting system facilitates the preparation of the budget, interim, and unaudited actuals reporting period data and reports that are submitted to oversight agencies and the California Department of Education (CDE). Information regarding the SACS Web System and the SACS Web System Application can be accessed from the CDE link below.

<https://www.cde.ca.gov/fg/sf/fr/>

Starting with the 2022-23 budget and interim reports, SACS financial reporting will be prepared and submitted via the SACS Web System Application. To access the SACS Web System Application, all charter schools must complete and submit the SACS User Management Designation Form to LACOE_SACS@lacoed.edu. After a user account and password has been established for the designated User Manager, the designee can add additional users for their LEA and assign various roles for each user account to access various features of the workflow.

In order for BAS to process the reports and submit them to CDE in a timely manner, **the following reports, along with the signed certification pages, must be received by the following dates:**

Adopted Budget – Board Approved	July 1, 2022
First Interim Report – Board Approved	December 9, 2022
Second Interim Report – Board Approved	March 9, 2023

Please ensure all required fields, including the board adoption date, are completed in the SACS Budget Certification section prior to submitting the budget to LACOE. Below is a sample screenshot of the CB – Budget Certification.

The screenshot shows the 'CB - Budget Certification' form in the SACS Web System Application. The interface includes a navigation menu on the left with options like 'Table of Contents', 'Cover Sheets', 'User Data Input/Review', 'TRC', 'Forms', 'Funds', and 'Supplementals'. The main form area displays the following information:

- State:** Merced
- State Last Updated:** 05-17-22 16:07
- Assigned To:** Not Assigned
- Last Assigned:** 05-17-22 16:07
- Last Saved:** 05-19-22 08:21

The form also includes a section for the 'ANNUAL BUDGET REPORT' with the following details:

- Report Title:** July 1, 2022 Budget Adoption
- Description:** This budget was developed using the state-adopted Criteria and Standards. It includes the expenditures necessary to implement the Local Control and Accountability Plan (LCAP) or annual update to the LCAP that will be effective for the budget year. The budget was filed and adopted subsequent to a public hearing by the County Board of Education pursuant to Education Code sections 1620, 1622, 33129, 52066, 52067, and 52068.
- Public Hearing:**
 - Place:** Merced
 - Date:** March 02, 2022
 - Time:** 05:00 PM
 - Adoption Date:** March 02, 2022
 - Signed:** Clerk/Secretary of the County Board (Original signature required)

Please send an email notifying your LACOE charter school fiscal liaison that a SACS financial report has been submitted to LACOE. Should you have questions or need assistance regarding SACS financial reporting, please contact LACOE_SACS@lacoedu.

LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)

Charter schools are required by EC 47606.5 to submit their LCAP to LACOE on or before July 1, 2022. Information on uploading an electronic copy of your charter school's Board-approved LCAP to LACOE can be found at the link below:

<https://elcap.lacoedu>

Unaudited Actuals Financial Reports

Pursuant to EC 42100, charter schools are required to submit their FY 2021-22 year-end financial data (unaudited actuals financial reports) to CDE via their authorizing agency in the SACS format. **Please note, the 2021-22 unaudited actuals report will be submitted via the SACS ("legacy") software**, which can be downloaded from the CDE link: <https://www.cde.ca.gov/fg/ac/sa/>.

The 2021-22 unaudited actuals report will be the final SACS reporting via the SACS software. The 2022-23 unaudited actuals will be submitted via the SACS Web System. The unaudited actuals financial reports submitted as required by EC 42100 have been deemed to satisfy the reporting requirement of EC 47604.33.

Charter schools must ensure their audited financial statements utilize the same accounting model and basis of accounting for their unaudited actuals financial reporting to the CDE. Charter schools using the modified accrual basis of accounting for their audited financial statements should use Fund 01 for unaudited actuals financial reporting; modified accrual is the financial reporting method used by school districts.

Charter schools using the accrual basis of accounting for their audited financial statements should use Fund 62 for unaudited actuals financial reporting; the accrual basis of accounting is commonly used by not-for-profit organizations. For more information about governmental fund accounting and the differences between the accrual and modified accrual models, reference Procedure 101 in the *California School Accounting Manual (CSAM)*.

The data submitted for each charter school must be in SACS and must include beginning balances, revenues, expenditures, and ending balances. The latest version of the *CSAM* is found on the CDE website:

<https://www.cde.ca.gov/fg/ac/sa/documents/csam2019complete.pdf>

Final Unaudited Actuals (UA) Financial Report for FY 2021-22 Board Approved

August 30, 2022

Submitting Financial Reports

EMAIL certified DAT (for 2021-22 unaudited actuals) file and Excel files with details (i.e., budget assumptions, enrollment, LCFE calculator file, explanations of material variances, etc.) to your charter school's fiscal liaison.

MAIL UA Charter School Certification (FORM CA) with original signatures to the attention of your charter school’s fiscal liaison.

Monthly Financial Reports and Statements

Per EC 47604(3), a charter school shall promptly respond to all reasonable inquiries, including, but not limited to, inquiries regarding its financial records from its chartering authority.

LACOE requires the following financial statements and reports by the 15th of the following month:

Required Documents	Format
Bank statements	PDF
Bank reconciliations	Excel
Statement of revenues and expenditures (month-to-date/year-to-date for actuals and budget and comparisons)	Excel
Statement of financial positions	Excel
Statement of net position	Excel
Notes to financial statements	Excel, Word, or PDF
General ledger	Excel
Schedule of debts/liabilities with dates of the origin of the debt, cost of borrowing, and repayment plan with timelines	Excel
Copies of quarterly payroll tax reports	PDF
Copies of annual tax returns	PDF
Monthly Cash Flow Projections - submit quarterly by the 15 th day after the end of each quarter. The projections should include actuals through the latest reporting period and projections for the remainder of the fiscal year.	Excel
For multiple related charter schools or CMOs, submit a quarterly Consolidated Financial Report by the 15 th day after the end of each quarter	Excel

If the due date occurs on a Saturday, Sunday, or holiday, the reporting due date shall be on the following business day.

LACOE may request other reports and financial information to assess the fiscal condition of the LACOE-authorized charter schools. Email your charter school fiscal liaison all documents in the formats noted above.

For assistance regarding financial reports, please contact your fiscal liaison or Vo Chan, Financial Advisory Services Officer, at (562) 922-6226, or via email at Chan_Vo@lacoed.edu.

Annual Audit

By **December 15th** of each year, charter schools are required by EC Section 41020 to submit an annual independent financial audit to the State Controller's Office (SCO), LACOE, and the CDE. An auditor from the list approved by the SCO, and mutually agreeable to LACOE and the charter school, shall conduct the audit. If any findings or exceptions are identified in the annual audit, the charter school shall implement corrective action plans in a timely manner. *Continuing or unresolved prior year findings or deficiencies shall have a negative impact on the charter school's renewal request.*

Submitting the Annual Audit Report

LACOE School Financial Services Office issues an annual Informational Bulletin to all charter schools outlining the submission criteria.

Annual Document Submission

Annually, agreements and contracts above \$5,000 must be submitted. As contracts and agreements are executed throughout the fiscal year, those contracts and agreements must also be forwarded to LACOE.

LACOE also requires annual submission of the charter school's fiscal policies and procedures. Please submit the abovementioned documents on or before **September 7, 2022**, or immediately after having been approved by the charter school's governing board. Please login into Dropbox to upload the required documents:

This bulletin is available on the LACOE website at:

<https://www.lacoed.edu/Bulletins.aspx>

Use the "search" function to locate a specific bulletin by number.

Please contact your fiscal liaison on the attached Charter School Fiscal Liaisons List (Attachment 1) if you have questions. You may also contact Vo Chan, Financial Advisory Services Officer, at (562) 922-6226 or via e-mail at Chan_Vo@lacoed.edu.

Approved:

Octavio Castelo, Director
Business Advisory Services

OC:VC/alh

Los Angeles County Office of Education
 Business Advisory Services
 Education Center West
 9300 Imperial Highway
 Downey, CA 90242-2890

Business Advisory Services Charter School Fiscal Liaisons (Effective March 16, 2022)	
<p>Rick Chau – Business Services Consultant (562) 922-6505 Chau_Rick@lacoedu.edu Location: ECW #329</p>	<ul style="list-style-type: none"> • Alma Fuerte Public School • Animo City of Champions • Bridges Preparatory Academy • Intellectual Virtues Academy • North Valley Military Institute • Russell Westbrook Why Not? MS • Russell Westbrook Why Not? HS • Soleil Academy Charter School • T.I.M.E. Community Schools
<p>Lily Lu – Administrative Analyst (562) 922-8840 Lu_Lily@lacoedu.edu Location: ECW #2023</p>	<ul style="list-style-type: none"> • Aspire Antonio Maria Lugo • Aspire Ollin Preparatory Academy • Environmental Charter MS– Gardena • Environmental Charter MS – Inglewood • Environmental Charter HS – Gardena • Jardin de la Infancia • Lashon Academy • Lashon Academy – City
<p>Merle Ordoñez – Business Services Consultant (562) 940-1704 Ordonez_Merle@lacoedu.edu Location: ECW #312</p>	<ul style="list-style-type: none"> • Da Vinci Schools – Rise • KIPP Poder • Magnolia Science Academy #1 • Magnolia Science Academy #2 • Magnolia Science Academy #3 • Magnolia Science Academy #5 • SEED County of Los Angeles • We The People High School
<p>Herhelina (Elli) Espino – Administrative Analyst (562) 922-8842 Espino_Herhelina@lacoedu.edu Location: ECW #2024</p>	<ul style="list-style-type: none"> • Odyssey Charter School • Valiente College Preparatory Charter