

FINANCIAL REPORTS AND ACCOUNTABILITY

The Governing Board is committed to ensuring public accountability and the fiscal health of the district. The Board shall adopt sound fiscal ~~policies~~ **management policies and practices**, oversee the district's financial condition, and continually evaluate whether the district's budget and financial operations support the district's goals for student achievement.

The Superintendent or designee shall ensure that ~~all~~ **district** financial reports are prepared in accordance with law and in conformity with generally accepted accounting principles and financial reporting standards stipulated by the Governmental Accounting Standards Board and the California Department of Education (CDE). ~~He/she~~ **The Superintendent or designee** shall establish a system of ongoing internal controls to ensure the reliability of financial reporting.

When required by law or the Board, the Superintendent or designee shall submit to the Board reports of the district's financial status, including, but not limited to, any report specified in this Board policy or accompanying administrative regulation. When **submission of** any such report ~~must be approved by the Board prior to its submission to~~ a local, state, and/or federal agency **requires prior Board approval**, the Superintendent or designee shall provide the report to the Board in sufficient time to enable the Board to carefully review the report ~~and meet~~ **without breaking** any applicable submission deadline.

The Board shall regularly ~~communicate~~ **assess** the district's financial position **and communicate the results** to the public, and shall use financial reports to determine ~~what~~ **the** actions and budget amendments, if any, **that** are needed to ensure the district's financial stability.

If district conditions predict fiscal distress or indicate that the district might not be able to meet its fiscal obligations, the Board and Superintendent or designee shall ~~act quickly to identify~~ **and take action to** resolve these conditions **without delay**. The Board shall work cooperatively with the County Superintendent of Schools to improve the district's fiscal health and may contract with an external individual or organization to ~~advise~~ **provide** the district ~~on fiscal matters~~ **with needed advice or fiscal management or training**.

Unaudited Actual Receipts and Expenditures

On or before September 15, the Board shall approve and file with the County Superintendent a statement of the district's unaudited actual receipts and expenditures for the preceding fiscal year. The Superintendent or designee shall prepare this statement using the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42100)

Gann Appropriations Limit Resolution

On or before September 15, the Board shall, ~~at a regular or special meeting~~, adopt a resolution identifying, pursuant to Government Code 7900-7914, the district's estimated appropriations limit for the current fiscal year and the actual appropriations limit for the preceding fiscal year. Documentation used to identify these limits shall be made available to the public on the day of the Board meeting. (Education Code 42132; Government Code 7910)

Interim Reports/Certification of Ability to Meet Fiscal Obligations

~~The~~

~~Each fiscal year, the~~ Superintendent or designee shall submit two interim ~~fiscal~~ reports to the Board, ~~the~~. ~~The~~ first report ~~covering~~ shall cover the district's financial and budgetary status for the period ending October 31 and the second report ~~covering~~ shall cover the period ending January 31. ~~The~~ These reports and supporting data shall be made available by the district for public review. (Education Code 42130)

Within 45 days after the close of the period reported, the Board shall approve the interim report and ~~certify~~, on the basis of the interim report and any additional financial information known by the Board, shall certify in writing whether the district will be able to meet its fiscal obligations for the remainder of the fiscal year and, based on current forecasts, for the two subsequent fiscal years. The certification shall be classified as one of the following: (Education Code 42130, 42131)

1. "Positive certification" indicating that the district will meet its financial obligations for the current fiscal year and two subsequent fiscal years
2. "Qualified certification" indicating that the district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years
3. "Negative certification" indicating that the district will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year

The Superintendent or designee shall submit a copy of each interim report and certification to the County Superintendent using the state's SACS software, as prescribed by the SPI. (Education Code 42130, 42131)

If the district's certification is subsequently changed by the County Superintendent from a positive to a qualified or negative certification, or from a qualified to a negative certification, the Board may appeal the decision to the SPI within five days of receiving the notice of change. (Education Code 42131)

Whenever the district receives a qualified or negative certification from the Board or the County Superintendent, the Superintendent or designee shall cooperate in the implementation of any remedial actions taken or prescribed by the County Superintendent ~~under the authority granted to him/her pursuant to~~. (Education Code 42131.)

If the second interim report is accompanied by a qualified or negative certification, the Board shall, no later than June 1, provide to the County Superintendent, the State Controller, and the SPI a financial statement as of April 30 ("third interim report") that projects the district's fund and cash balances through June 30. (Education Code 42131)

~~At~~

~~If at any time during the year when fiscal year, the County Superintendent conducts a comprehensive review of the district's financial and budgetary conditions after he/she has determined that the district's budget does not comply with state criteria and standards for fiscal stability,~~ concludes that the district's budget does not comply with the standards and criteria for financial stability and conducts a comprehensive review of the district's financial and budgetary conditions, the Board shall review any report of the County Superintendent's findings and recommendations at a public Board meeting. Within 15 days of receiving the report, the district shall notify the County Superintendent and the SPI of ~~its~~ the Board's proposed actions on the recommendation. (Education Code 42637)

Audit Report

By April 1 of each year, the Board shall provide for an annual audit of the district's books and accounts. (Education Code 41020)

To conduct the audit, the Board shall select a certified public accountant or public accountant licensed by the State Board of Accountancy from among those deemed qualified by the State Controller. (Education Code 41020, 41020.5)

~~The Board shall not select any public accounting firm to provide audit services if the~~ Except when, as determined by the Education Audits Appeal Panel, no otherwise eligible auditor is available, a public accounting firm whose lead or coordinating audit partner having primary responsibility for the audit, or ~~the~~ whose audit partner responsible for reviewing the audit, has performed audit services for the district in each of the six previous fiscal years shall not be selected to perform a district audit. (Education Code 41020)

No later than December 15, the report of the audit for the preceding fiscal year shall be filed with the County Superintendent, the CDE, and the State Controller. (Education Code 41020)

Prior to December 15 whenever possible, but in no case later than January 31, the Board shall review, at an open meeting, the annual district audit for the prior year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or any issue raised in a management letter. (Education Code 41020.3)

The Board shall have an opportunity at the meeting to ask questions of the auditor and request further information about the audit findings.

PERRIS UNION HIGH SCHOOL DISTRICT

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