



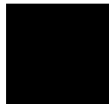
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 8.7

Meeting Date: December 7, 2017

Subject: Independent Audit Report for the Fiscal Year Ended June 30, 2017,
Submitted by Crowe Horwath LLP

- Information Item Only
- Approval on Consent Agenda
-



Family and Community Em

Documents Attached:

1. Executive Summary
2. Independent Audit Report for the Fiscal Year Ended June 30, 2017,
Submitted by Crowe Horwath LLP

Estimated Time: 10 minutes

Submitted by: Gerardo Castillo, CPA, Chief Business Officer

Approved by: Jorge A. Aguilar, Superintendent

Board of Education Executive Summary

Business Services

Independent Audit Report for the Fiscal Year Ended June 30, 2017

Submitted by Crowe Horwath LLP

December 7, 2017

III. BUDGET:

The cost of the annual audit for the year ending June 30, 2017 is \$70,500. This is a General Fund expenditure.

IV. GOALS, OBJECTIVES AND MEASURES:

Meet required timeline for annual audit report review by the Board.

V. MAJOR INITIATIVES:

Use findings and recommendations as a guide to ensure continuous improvement.

VI. RESULTS:

Work towards the preparation of the annual audit will continue throughout the year. The initial audit starts in the spring of each year.

VII. LESSONS LEARNED/NEXT STEPS:

- x Continue working with external auditors to review processes and procedures.
- x Ensure recommendations and corrective actions are implemented.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2017

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION.....	15
STATEMENT OF ACTIVITIES.....	16
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS.....	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET - TO THE STATEMENT OF NET POSITION.....	18
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS.....	19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES.....	20
STATEMENT OF FUND NET POSITION - PROPRIETARY FUND - SELF-INSURANCE FUND.....	22
STATEMENT OF CHANGE IN NET POSITION - PROPRIETARY FUND - SELF-INSURANCE FUND.....	23
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - SELF-INSURANCE FUND....	24
STATEMENT OF FIDUCIARY NET POSITION - TRUST AND AGENCY FUNDS.....	25

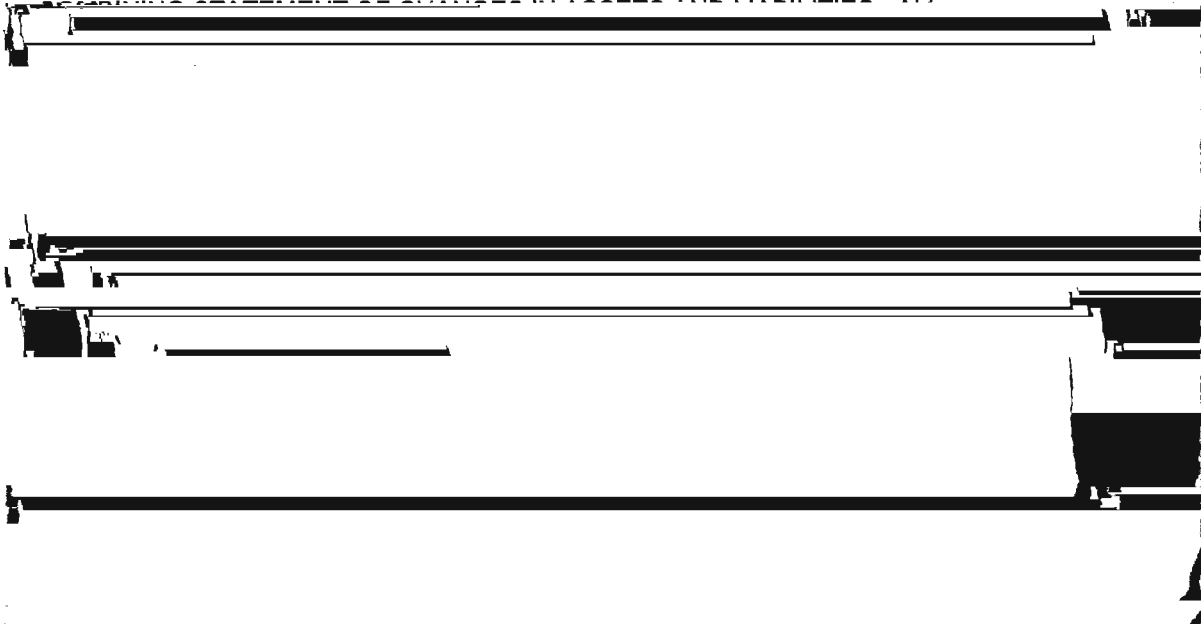
SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 FINANCIAL STATEMENTS
 WITH SUPPLEMENTARY INFORMATION
 For the Year Ended June 30, 2017

CONTENTS

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET - ALL NON-MAJOR FUNDS.....

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
 FUND BALANCES - ALL NON-MAJOR FUNDS.....



AGENCY FUNDS..... 66

ORGANIZATION..... .. 71

SCHEDULE OF AVERAGE DAILY ATTENDANCE..... .. 73

SCHEDULE OF INSTRUCTIONAL TIME..... .. 74

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS..... .. 75

INDEPENDENT AUDITOR'S REPORT

Board of Education
Sacramento City Unified School District
Sacramento, California

[REDACTED]

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sacramento City Unified School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Sacramento City Unified School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America. This responsibility includes the design, implementation and maintenance of adequate internal control that will mitigate the risk of material misstatement, whether due to fraud or error; the selection and application of appropriate accounting policies; the reasonable and prudent estimation of accounting estimates; and the maintenance of accurate records that support the financial statements.

[REDACTED]

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's

[REDACTED]

Discussion and Analysis on pages 4 to 14 and the Required Supplementary Information, such as the General Fund Budgetary Comparison Schedule, Schedule of Other Postemployment Benefits (OPEB)

[REDACTED]

Funding Progress, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of the District's Contributions

[REDACTED]

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2017 on our consideration of Sacramento City Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide

[REDACTED]

opinion on internal control over financial reporting or on compliance. That report is an integral part of

[REDACTED]

we further performed in accordance with *Government Auditing Standards* in considering Sacramento City

[REDACTED]

[REDACTED]

1. District of Columbia (DC) - Division of the Auditor in District management overall

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Also shown on this chart is the Average Daily Attendance (ADA). The District is funded based on ADA, which is tracked on a daily basis with staff following up on areas of concern. The District averages approximately 94% ADA to enrollment.

Overview of the Financial Statements

This annual report consists of three parts: (1) management's discussion and analysis (this section); (2) the financial statements; and (3) supplemental information. The financial statements include two kinds of

[REDACTED]

statements that present different views of the Sacramento City Unified School District.

- The first two statements are districtwide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District and

Fund Financial Statements (Continued)

The District has three kinds of funds:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out; and (2) the changes in net assets that are available for spending. Consequently, the governmental

[REDACTED]

Financial statements provide a detailed short-term view that helps you determine whether there are more or

[REDACTED]

Mission and Strategic Plan

The District's Mission:

Students graduate globally competitive, life-long learners prepared to succeed in a career and higher

education institution of their choice to secure gainful employment and contribute to society.

The District's Strategic Plan 2016-21 United for Equity Committed to Excellence

Districtwide Financial Condition

[REDACTED]

The Statement of Net Position is a districtwide financial statement that reports all that the District owns (assets)

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

and owes (liabilities). Fiscal year 2004-05 was the first year the District accounted for the value of fixed assets

[REDACTED]

The District's results experienced a change in net position by \$4,004,468. Revenues decreased mainly due

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

to the reduction of one-time funds compared to 2015-16.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

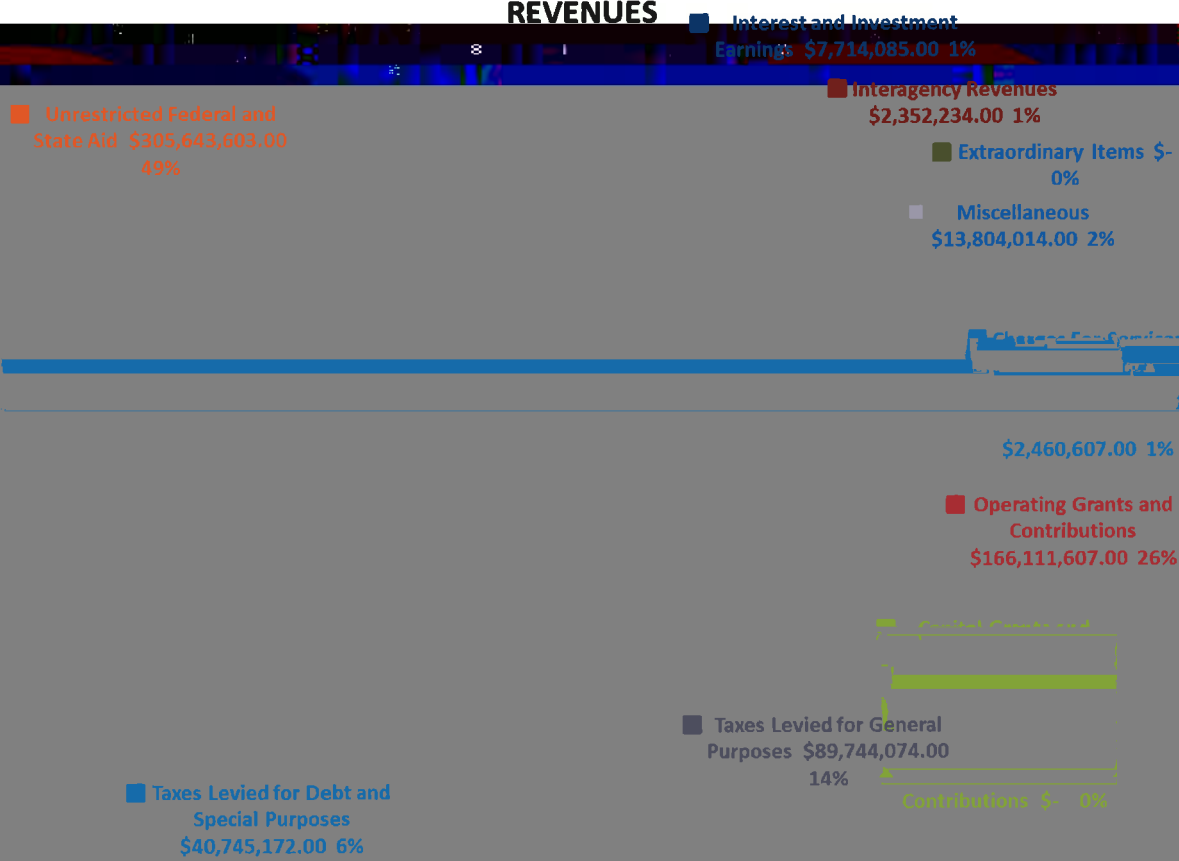
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

REVENUES



EXPENDITURES



BASIC FINANCIAL STATEMENTS

	2019	2018	2017
Assets			
Current assets			
Cash and cash equivalents	1,234,567	1,123,456	1,012,345
Accounts receivable	2,345,678	2,234,567	2,123,456
Inventory	3,456,789	3,345,678	3,234,567
Prepaid expenses	456,789	445,678	434,567
Other current assets	567,890	556,789	545,678
Non-current assets			
Property, plant and equipment	10,123,456	9,012,345	8,901,234
Intangible assets	1,234,567	1,123,456	1,012,345
Other non-current assets	2,345,678	2,234,567	2,123,456
Liabilities			
Current liabilities			
Accounts payable	1,234,567	1,123,456	1,012,345
Short-term debt	2,345,678	2,234,567	2,123,456
Other current liabilities	3,456,789	3,345,678	3,234,567
Non-current liabilities			
Long-term debt	4,567,890	4,456,789	4,345,678
Other non-current liabilities	5,678,901	5,567,890	5,456,789
Equity			
Common stock	100,000,000	100,000,000	100,000,000
Retained earnings	1,234,567,890	1,123,456,789	1,012,345,678
Other equity	2,345,678,901	2,234,567,890	2,123,456,789

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2017

Governmental
Activities

ASSETS

Cash and investments (Note 2)	\$	365,467,704
Receivables		41,264,317
Prepaid expenses		16,636
Stores inventory		714,160
		<u>59,045,675</u>

Depreciable capital assets, net of accumulated depreciation (Note 4)		496,150,664
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Total assets		<u>961,659,156</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - pensions (Notes 8 and 9)		79,524,351
Deferred loss on refunding of debt		2,756,547

Total deferred outflows of resources		82,280,898
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CITY UNIFIED SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2017

	Charges For Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	(expense) net change in net position
	\$ 1,218,017	\$ 106,935,619	\$	\$ (595,862)
		14,608,370		1,810,291
		327,171		1,528,264
		2,300,637		1,029,964
	654	140,115		1,035,283
	928,386	23,134,154		(409,868)
	58,964	12,996,347		1,404,819
	493	3,778		(248,374)
	40,616	2,763,641		1,008,137
	44,596	1,505,018		1,066,981
	417	73,812		1,804,957
		411,296		(436,363)
	7,340	911,649		1,209,738
				(75,781)
				1,737,032
				1,401,714
	\$ 2,460,607	\$ 166,111,607	\$	1,744,074
				1,087,615
				1,657,557
				1,643,603
				1,714,085
				1,352,234
				1,804,014
				1,003,182
				168
				1,000
				1,000

ons:
 for general purposes
 for debt service
 for other specific purposes
 not restricted to specific purposes
 net earnings

total general revenues
 change in net position
 net position, July 1, 2016
 net position, June 30, 2017

ing notes to the financial statements

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGE IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2017

	General	Building	Bond Interest and Redemption	All Non Major	Total Governmental
				662,335	
Local control funding formula (LCFF):					
State apportionment	\$ 282,664,516			\$ 15,662,335	\$ 298,326,851
Local sources	<u>79,238,343</u>				79,343
Total LCFF	362,902,859			15,662,335	378,565,194
Federal sources	41,219,643			35,792,502	77,012,145
Other state sources	83,134,267		436,858	12,524,906	96,096,031
Other local sources	<u>10,843,677</u>	1,894,011	45,500,490	<u>15,369,172</u>	73,607,350
Total revenues	498,100,446	1,894,011	<u>45,937,348</u>	79,348,915	625,280,720
Expenditures:					
Current:					
Certificated salaries	192,501,260			17,428,909	209,930,169
Classified salaries	58,343,622	646,204		14,756,588	73,746,414
Employee benefits	141,343,139	239,979		18,982,735	160,565,853
Books and supplies	12,897,800	674,594		14,671,365	28,243,759

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -

For the Year Ended June 30, 2017

Internal service funds are used to conduct certain activities for

basis. The change in net position for the Self-Insurance Fund
was:

\$ 761,918

In government funds, pension costs are recognized when

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 STATEMENT OF FUND NET POSITION - PROPRIETARY FUND
 SELF-INSURANCE FUND
 June 30, 2017

ASSETS

Current assets:

Cash and investments:

Cash in County Treasury	\$ 10,017,665
Cash on hand and in banks	12,259
Cash with Fiscal Agent	250,000
Receivables	<u>344,618</u>

10,624,542

LIABILITIES

Current liabilities:

Accounts payable	6,349
Unpaid claims and claims adjustment expenses	<u>755,880</u>

Total current liabilities 762,229

NET POSITION

\$ 9,862,313

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sacramento City Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California State Accounting Manual*. The accounting policies of the District conform to accounting principles

[REDACTED]

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation and the Authority.

C - Scope of Public Service and Financial Presentation

1. ~~The Corporation and the Authority was created for the sole purpose of financially assisting the~~

District.

2. The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The Authority was created pursuant to a joint

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Self-Insurance Fund is an internal service fund used to account for services rendered on a cost-reimbursement basis within the District. The Self-Insurance Fund is used to provide workers'

compensation, dental and vision benefits to employees of the District.

The Scholarship Fund is a trust fund used to account for amounts held by the District as Trustee, to be used to provide scholarships to students of the District.

Student Body Funds are used to account for revenues and expenditures of the various student body

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

separate section for deferred outflows of resources. This separate financial statement element, deferred

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education has designated amounts for the other designated fund balances

however, as of June 30, 2017, no such designation has occurred.

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments: The Cash with Fiscal Agent in the Self-Insurance Fund represents cash segregated for the future payment of self-insured benefits. These amounts are held by a third party custodian in the District's name.

Sacramento City Unified School District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the State Board of Investment. The State Treasurer's Office pools these funds with those of other

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017



NOTE 5 – SELF-INSURANCE CLAIMS

[REDACTED]

[REDACTED]

[REDACTED]

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2015, and rolling forward the total pension liability to June 30, 2016. The financial reporting actuarial valuation as of June 30, 2015

[REDACTED]

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

Table with multiple rows and columns, mostly obscured by black redaction bars. Some text is visible on the left side, including the word "Series".

Discount Rate: The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan

Table with multiple rows and columns, mostly obscured by black redaction bars. Some text is visible on the left side, including the word "Series".

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Contributions: The benefits for the defined benefit pension plans are funded by contributions from

Member and employer contributions are a
percentage of applicable member compensation. Member contribution rates are defined by law and
depend on the respective employer's benefit formulas. Employer contribution rates are determined by
periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas
and employee service of each employee. Employer contributions, including lump sum contributions made

percentage of applicable member compensation. Member contribution rates are defined by law and
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SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017



NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was

Asset Class	2017	2016	2015	2014	2013
Fixed Income					
Equity					
Real Estate					
Commodities					
Private Equity					
Other					
Total					

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

11

NOTE 10 – OTHER POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Actuarial evaluations of an ongoing plan involve estimates of the value of reported amounts and

[REDACTED]

assumptions about the probability of occurrence of events far into the future. Examples include

[REDACTED]

assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined

[REDACTED]

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

[REDACTED]

June 30, 2017

NOTE 12 – CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2017

State Teachers' Retirement Plan
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.382%	0.375%	0.371%
<hr/>			
District's proportionate share of the net pension liability	\$233,056,000	\$252,331,000	\$299,780,000
State's proportionate share of the net pension liability associated with the District	<u>134,692,000</u>	<u>133,455,000</u>	170,000
Total net pension liability	<u>\$367,748,000</u>	<u>\$385,786,000</u>	<u>\$470,456,000</u>
District's covered payroll	\$170,012,000	\$173,962,000	\$184,718,000
District's proportionate share of the net pension liability			

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2017

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.541%	0.534%	0.533%
District's proportionate share of the net pension liability	\$ 61,440,000	\$ 78,659,000	\$105,299,000

District's proportionate share of the net pension liability

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 For the Year Ended June 30, 2017

The Employees' Retirement Fund B

Last 10 Fiscal Years

	2015	2016	2017
Contractually required contribution	\$ 6,954,207	\$ 7,577,683	\$ 9,319,751
Contributions in relation to the contractually required contribution	6,954,207	7,577,683	9,319,751
Contribution deficiency (excess)	\$	\$	\$

Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%
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All years prior to 2015 are not available.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

NOTE 1 - PURPOSE OF SCHEDULES

A - Budgetary Comparison Schedule

This District exercises budget control by subject codes and by individual appropriation accounts. Budgets

are prepared on the modified annual basis of accounting in accordance with accounting principles

and are presented on the modified annual basis of accounting in accordance with accounting principles

and are presented on the modified annual basis of accounting in accordance with accounting principles

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and are presented on the modified annual basis of accounting in accordance with accounting principles

and are presented on the modified annual basis of accounting in accordance with accounting principles

SUPPLEMENTARY INFORMATION

TY UNIFIED SCHOOL DISTRICT
 ING BALANCE SHEET
 ON-MAJOR FUNDS
 June 30, 2017

nt	Cafeteria Fund	County Deferred Maintenance Fund	Developer Fees Fund	School Facilities Fund	Community Facilities Fund	Total
12	\$ 4,638,033		\$ 8,734,667	\$		\$ 17,251,646
13	533,035		435,655			1,685,740
	2,000					2,000
11	6,167,994		491,350			8,523,089
10	15,376					1,553,510
14	114,396			3,548		4,292,614
	<u>587,506</u>					<u>587,506</u>
50	\$ 12,058,340		\$ 9,661,672	\$ 3,548		\$ 33,896,105
04	\$ 294,848		\$ 16,717			\$ 1,856,954
30						204,422
33	<u>916,850</u>		<u>688</u>			<u>2,987,771</u>
57	<u>1,211,698</u>		<u>17,405</u>			<u>5,049,147</u>
33	589,506				2,409,063	589,506
	<u>10,257,136</u>	160,613	<u>9,644,267</u>			<u>28,257,452</u>
33	<u>10,846,642</u>	160,613	<u>9,644,267</u>		2,409,063	<u>28,846,958</u>
50	\$ 12,058,340	\$ 305,777	\$ 9,661,672	\$ 3,548	\$ 2,414,165	\$ 33,896,105

COL DISTRICT
AND CHANGE IN FUND BALANCES

2017

	County Deferred Maintenance Fund	Developer Fees Fund	Schools Facilities Fund	Community Facilities Fund	Total
\$	\$	\$	\$	\$	\$
	27,080	5,728,711		1,686,639	15,662,335
	27,080	5,728,711		1,686,639	36,792,502
					12,524,906
					15,369,172
					79,348,915
					17,428,909
					14,756,588
					18,982,735
					14,671,365
					4,489,718
					3,608,459
					2,265,000
					3,202,604
					79,405,378
					(56,463)
					1,200,764
					(3,128,759)
					95)
					58)
					16
					58

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the Year Ended June 30, 2017

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2017</u>
Student Body Funds				
<u>C.K. McClatchy High School</u>				
Assets:				
Cash on hand and in banks	\$ 208,643	\$ 221,866	\$ 315,363	\$ 115,146
Receivables				
Stores inventory				
Other assets				
Total assets	<u>\$ 208,643</u>	<u>\$ 221,866</u>	<u>\$ 315,363</u>	<u>\$ 115,146</u>
Liabilities:				
Accounts payable	\$	\$	\$	
Due to student groups	208,643	221,866	315,363	
Total liabilities	<u>\$ 208,643</u>	<u>\$ 221,866</u>	<u>\$ 315,363</u>	

Hiram Johnson High School

Assets:				
Cash on hand and in banks	\$ 66,993	\$ 146,656	\$ 139,378	\$ 74,271
Receivables	-			
Stores inventory	-	-		
Other assets				
Total assets	<u>\$ 66,993</u>	<u>\$ 146,656</u>	<u>\$ 139,378</u>	<u>\$ 74,271</u>
Liabilities:				
Accounts payable	\$ 582	\$ 577	\$	\$ 1,058
Due to student groups	66,411	<u>146,079</u>		73,213
Total liabilities	<u>\$ 66,993</u>	<u>\$ 146,656</u>	<u>\$ 139,378</u>	<u>\$ 74,271</u>

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES

ALL AGENCY FUNDS
For the Year Ended June 30, 2017

	2016	<u>Additions</u>	Deductions	2017
Assets:				
Cash on hand and in banks	\$ 56,988	\$ 189,480	\$ 171,633	\$ 74,835
Stores inventory				
Other assets				
Total assets	\$ 56,988	\$ 189,480	\$ 171,633	\$ 74,835
Liabilities:				
Accounts payable	\$		\$	\$
Due to student groups	56,988		171,633	74,835

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Elementary and Middle Schools</u>				
Assets:				
Cash on hand and in banks	\$ 497,670	\$ 1,213,913	\$ 1,232,714	\$ 478,869
Receivables	-	-	-	-
Stores inventory	-	-	-	-
Other assets	-	-	-	-
	<u>497,670</u>	<u>1,213,913</u>	<u>1,232,714</u>	<u>478,869</u>
Total assets	\$ 497,670	\$ 1,213,913	\$ 1,232,714	\$ 478,869
Liabilities:				
Accounts payable	\$ 497,670	\$ 1,213,913	\$ 1,232,714	\$ 478,869
Due to student groups	-	-	-	-
	<u>497,670</u>	<u>1,213,913</u>	<u>1,232,714</u>	<u>478,869</u>
Total liabilities	\$ 497,670	\$ 1,213,913	\$ 1,232,714	\$ 478,869
<u>Total Agency Funds</u>				
Assets:				
Cash on hand and in banks	1,000,705	2,214,148	2,700,014	1,270,000
Receivables	90	20	110	110
Stores inventory	-	2,570	377	2,193
Other assets	-	-	-	-
	<u>1,000,705</u>	<u>2,214,148</u>	<u>2,700,014</u>	<u>1,270,000</u>
Total assets	1,000,705	2,214,148	2,700,014	1,270,000
Liabilities:				
Accounts payable	1,000,705	2,214,148	2,700,014	1,270,000
Due to student groups	-	-	-	-
	<u>1,000,705</u>	<u>2,214,148</u>	<u>2,700,014</u>	<u>1,270,000</u>
Total liabilities	1,000,705	2,214,148	2,700,014	1,270,000

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2017

Sacramento City Unified School District, a political subdivision of the State of California, was established on July 7, 1936. The territory covered by the District does not include certain areas of the City of Sacramento, but does include some contiguous territory located outside city boundaries, but within

Sacramento County boundaries. The District operated forty-one elementary schools (grades K-6), eight

junior/middle schools (grades K-8), six middle schools (grades 7-8), one middle/high school (grades

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

For the Year Ended June 30, 2017

Second
 Period Annual
 Report Report

Certificate Number: 22215050 71D0020D

Elementary:	2016	2015
Transitional Kindergarten through Third	12,202	12,192
Fourth through Sixth	9,628	9,600
Seventh through Ninth	6,270	6,245

Special Education	236	227
Community Day School	20	27
	<u>28,356</u>	<u>28,291</u>

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 For the Year Ended June 30, 2017

Grade Level	Statutory Minutes Requirement	2016-2017 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
<u>District</u>					
Kindergarten	36,000	36,000	180	N/A	In Compliance
Grade 1	50,400	50,492	180	N/A	In Compliance
Grade 2	50,400	50,492	180	N/A	In Compliance
Grade 3	50,400	50,492	180	N/A	In Compliance
Grade 4	54,000	54,008	180	N/A	In Compliance
Grade 5	54,000	54,008	180	N/A	In Compliance
Grade 6	54,000	54,008	180	N/A	In Compliance
Grade 7	54,000	54,008	180	N/A	In Compliance
Grade 8	54,000	54,008	180	N/A	In Compliance
Grade 9	54,000	54,008	180	N/A	In Compliance
Grade 10	54,000	54,008	180	N/A	In Compliance
Grade 11	54,000	54,008	180	N/A	In Compliance
Grade 12	54,000	54,008	180	N/A	In Compliance

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
 For the Year Ended June 30, 2017

Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Identifying Number	Expenditures
<u>of Education (Continued)</u>			
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	\$ 17,148,985
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	14341	3,237,785
84.215G	Growing Lifelong Readers Project	*	617,101
84.126	Department of Rehabilitation: Workability II, Transitions Partnership Program	10006	189,964
84.181	Special Education: Early Intervention Grants, Part C	23761	139,420
84.205	ESEA: Title III Limited English Proficiency (LEP)		

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 For the Year Ended June 30, 2017
 (UNAUDITED)

General Fund	(Budget) 2018	<u>2017</u>	2016	2015
Revenues and other financing sources	\$ 483,532,823	\$ 501,431	\$ 556,064,225	
Expenditures	502,057,350	515,670,957	494,529,456	
Other uses and transfers out	1,730,000	2,022,282	8,386,451	
Total outgo	503,787,350	517,693,239	502,915,907	432,451
Change in fund balance	\$ (20,254,527)	\$ (16,262,808)	\$ 53,148,318	\$ 3,289,867

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2017

Charter		Included in District Financial Statements, or Separate Report
---------	--	---

[REDACTED]	Charter Schools Chartered by District [REDACTED]	[REDACTED]
------------	---	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

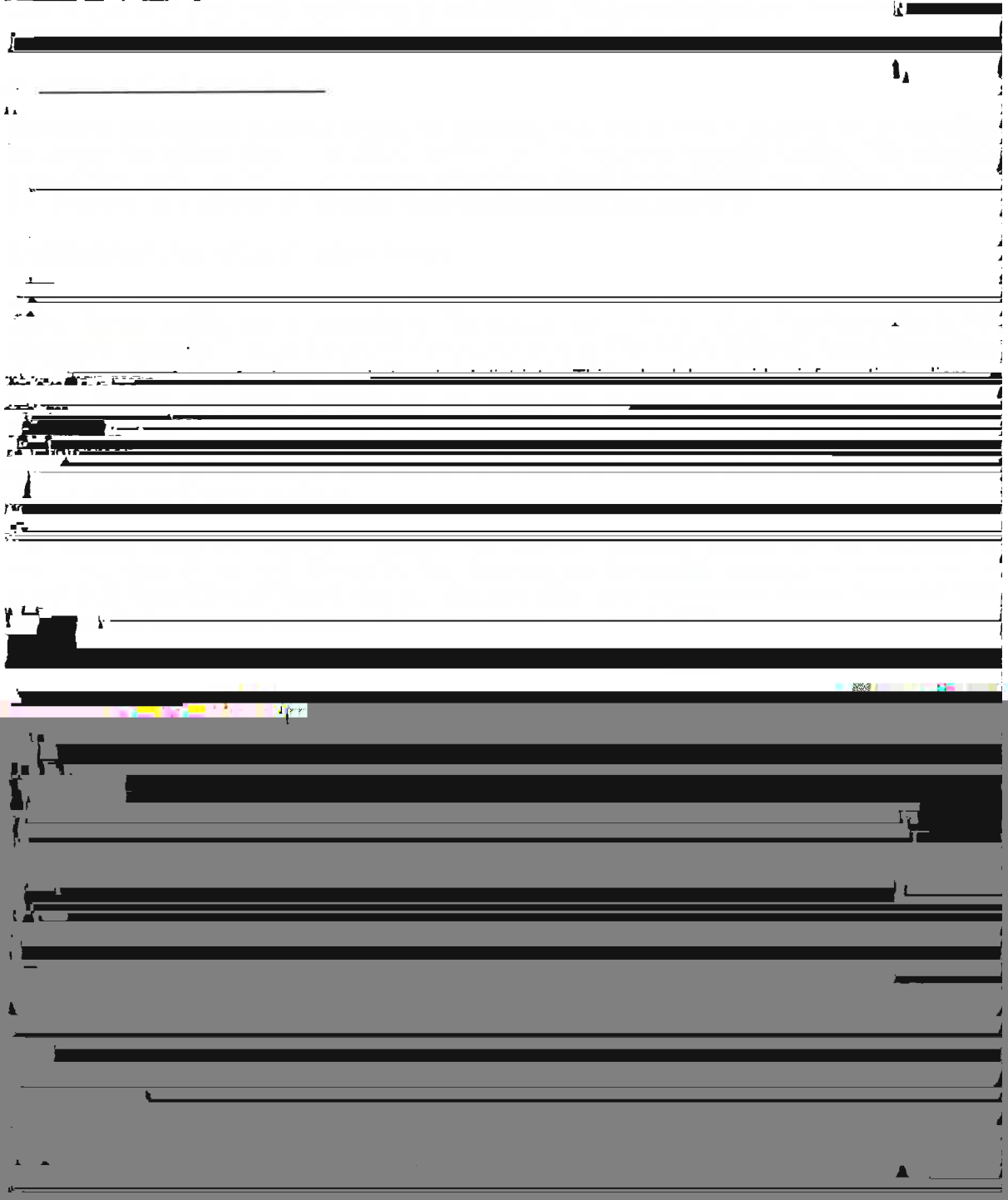
[REDACTED]	[REDACTED]	[REDACTED]
------------	------------	------------

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2017

NOTE 1 - PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which



Attendance of students at various grade levels and in different programs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Education
Sacramento City Unified School District
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sacramento City Unified School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Sacramento City Unified School District's basic financial



Compliance and Other Matters

United Way of Pennsylvania City of Harrisburg School District

[REDACTED]

[REDACTED]

[REDACTED]

financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, as applicable, with which could have a

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

direct and material effect on the determination of financial statement amounts. However, providing an

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE FIRST 5 SACRAMENTO COUNTY PROGRAM

Board of Education
Sacramento City Unified School District
Sacramento, California

Report on Compliance on First 5 Sacramento County Program

We have audited Sacramento City Unified School District's compliance with the types of compliance requirements described in the Program Guidelines for the First 5 Sacramento County Program that could

[REDACTED]

Report on Internal Control Over Compliance

Management of Sacramento City Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sacramento City Unified School District's internal control over compliance with the types of requirements that could have a direct and

[REDACTED]

material effect on each major federal program to determine the auditing procedures that are appropriate

[REDACTED]

circumstances for the purpose of expressing an opinion on compliance for each major federal

[REDACTED]

FINDINGS AND RECOMMENDATIONS

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered

to be material weakness(es)? Yes None reported

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

Year Ended June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

2017-001 DEFICIENCY - STUDENT BODY ACCOUNTING (30000)

Criteria

Education Code Section 49020 and California Department of Education's "Accounting Procedures for Student Organizations Handbook") required student body organizations to follow the regulation set by the Governing Board of the school district.

Condition

Pauline Green Chase Elementary, such receipts that are issued are not logged or tracked

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2017-003 STATE COMPLIANCE - NONCLASSROOM-BASED INSTRUCTION/INDEPENDENT STUDY, FOR CHARTER SCHOOLS (40000)

Criteria

Education Code section 51747(c)(8) requires that each written agreement shall be signed prior to the

commencement of independent study, by the pupil, the pupil's parent, legal guardian, or caregiver, if the

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
 STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
 Year Ended June 30, 2017

Finding/Recommendation	Current Status	District Explanation If Not Implemented
<p>[REDACTED]</p>		
<p>2016-001</p> <p>Condition: At various school sites selected for testing the following issues were noted:</p>	<p>Partially implemented</p>	<p>See current year finding at 2017-001.</p>
<p><u>For Deann Middle School</u></p>		
<p>[REDACTED]</p> <ul style="list-style-type: none"> • Fundraiser forms are not being approved by the site Principal. • Student store inventories are not being reviewed periodically to determine appropriate quantities. 		
<p>[REDACTED]</p> <ul style="list-style-type: none"> quantities. • Records of inventory sales are not maintained. • Profit and loss statements are not created for the student store. • Profit and loss statements are not being reviewed by the Principal. 		
<p><u>David Lubin Elementary School</u></p>		
<p><u>A dual audit is not being performed</u></p>		

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2017

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>District Explanation If Not Implemented</u>		
2016-001 (Continued)				
<u>John F. Kennedy High School</u>				
• Fundraiser forms were not being properly approved by a site principal				
• Student store inventories are not being reviewed periodically to determine propriety as to character and quantities. • Profit and loss statements are not created for the student store. • The bank reconciliation for October was not reviewed until March.				
<u>Abraham Lincoln Elementary School</u>				
Student store inventories are not being				
reviewed periodically to determine propriety as to character and quantities. • Profit and loss statements are not created for the student store.				
<u>Golden Empire Elementary School</u>				
A dual count is not being performed when funds are turned into the office.				
<u>Recommendation</u>				
Fundraisers should be approved prior to the date of the fundraiser. Student store inventories should be reviewed periodically to determine propriety as to character and quantities.				

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2017

Finding/Recommendation	Current Status	District Explanation If Not Implemented
2016-001 (Continued)		
Recommendation:		
Checks should be approved by two		
designated individuals.		
Disbursements should only be approved if there are funds available to prevent expenditures in excess of funds available.		
Monthly Encumbrance reports should		

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2017

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>District Explanation If Not Implemented</u>
[REDACTED]	Not Implemented	[REDACTED]
<u>Condition:</u> At multiple sites in the District, [REDACTED] were improperly included in [REDACTED]		
the Free and Reduced Meal Program and two students were improperly included as English learners. There was no		
supporting documentation that these students were approved in the current year for FRPM or to be documented as English learner status.		
[REDACTED]		
[REDACTED]		
[REDACTED]		
[REDACTED]		
[REDACTED]		
[REDACTED]		