



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

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Meeting Date: ~~17~~, 2012

Subject: Coherent Governance Operational Expectations 5 (OE-5) - Financial Planning - Monitoring Report

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SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
Operational Expectation Monitoring Report
OE5: Financial Planning
May 17, 2012

PART I: THE POLICY

OE5: Financial Planning

The Superintendent shall develop and maintain a balanced financial plan that is directly related to the

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I certify that the information in this report is true for the period

beginning July 21, 2011 and ending May 16, 2012

Based on this report, I believe the school system is

- In compliance
- In compliance with exceptions
- Not in compliance

Signed: _____ Date: _____
Jonathan P. Raymond, Superintendent

PART II DISPOSITION OF THE BOARD

Based on this report and our discussion, the Board of Education finds this OE policy to be

- In compliance
- In compliance with exceptions
- Not in compliance

Signed: _____ Date: _____
Diana Rodriguez Board President

PART IV: COMMENTS

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OE5.2	Superintendent		Board of Education	
The Superintendent will: Describe revenues, expenditures and fund balances with accuracy.	In Compliance	Not in Compliance	In Compliance	Not in Compliance

Interpretation:

I interpret this to mean that the Annual Adopted Budget will follow the State required Standardized Account Code Structure (SACS) format to provide the various revenues expected to be received and the funds expected to be spent by the district during the period from July through June 30 of the following year. The Annual Adopted Budget will provide realistic assumptions regarding the major components of Revenues and Expenditures based on the best information known at the time. The Annual Adopted Budget will be submitted to the Sacramento County Office of Education with all required supporting documents known at the time. The

OE5.3

Superintendent

consolidated format will be implemented with the 20123 Adopted Budget. The Unaudited Actuals can be found at <http://207.166.7.2/BoardofEducation/Meetings/Pages/20111006.aspx>

OE5.4	Superintendent		Board of Education	
The Superintendent will: Disclose budget planning assumptions.	In Compliance	Not in Compliance	In Compliance	Not in Compliance

Interpretation:

I interpret this to mean that throughout the budget development process for the upcoming fiscal year, the Board will be provided in a public meeting the major assumptions used to determine projected revenues or expenditures. Assumptions will include changes to the revenue limit funding as determined by the state, increases or decreases in state and federal funding, significant negotiated total compensation agreements (significant is defined as impacting the majority of the bargaining unit), anticipated cost increases including but not limited to insurance and utilities.

Indicators for Compliance:

I, as the Superintendent, will show compliance through the following indicators:

- Documents from public Board meetings which may include PowerPoint presentations as well as state required SACS documents

- June 2, 2011
<http://207.166.7.2/BoardofEducation/Meetings/Pages/20110602.aspx>
- June 23, 2011 (final budget adoption)
<http://207.166.7.2/BoardofEducation/Meetings/Pages/20110623.aspx>
- Assumptions were outlined in PowerPoint presentation for the Board to utilize while making budget decisions. Expenditure assumptions included negotiated compensation increases or decreases. Board meetings that included discussions of assumptions related to revenues and expenditures regarding the 2012-13 Adopted Budget have been held on:
 - December 14, 2011
<http://207.166.7.2/BoardofEducation/Meetings/Pages/20111214.aspx>
 - January 12, 2012
<http://207.166.7.2/BoardofEducation/Meetings/Pages/20120112.aspx>
 - February 2, 2012
<http://207.166.7.2/BoardofEducation/Meetings/Pages/20120202.aspx>
 - March 15, 2012
<http://www.scusd.edu/regular-board-education-meeting/regular-board-meeting-march>

OE5.6	Superintendent	Board of Education
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The Superintendent will:
Reflect anticipated changes in employee compensation,
including inflationary adjustments, step increases,
performance increases and benefits.

Interpretation:

I interpret this to mean that anticipated revenues for the year are based on actual information, wherever possible. When actual information is not available, estimates will be made conservatively. Conservatively means that based upon a range of possible revenue from that source, the estimate actually budgeted will be at the low end of the range. Recommendations from the Sacramento County Office of Education, education experts such as School Services of California and School Innovations & Advocacy and other outside sources of information will be taken into consideration.

Indicators for Compliance:

I, as the Superintendent, will show compliance through the following indicators:

- In the Annual Adopted Budget and First and Second Interim reports, expenditures will not exceed budgeted revenues plus beginning fund balances which state law or accounting standards deem available for specified expenditures
- The district has produced a budget that includes key budget indicators that have been validated with the Sacramento County Office of Education and education experts such as School Services of California

EVIDENCE OF COMPLIANCE
<ul style="list-style-type: none">• The following Board approved items include a SACS report summary that reflects revenue expenditures, beginning and ending fund balances. In each of these three reports, the ending fund balance was a positive number:<ul style="list-style-type: none">- 2011-12 Adopted Budget approved by the Board on June 23, 2011 http://207.166.7.2/BoardofEducation/Meetings/Pages/20110623.aspx- 2011-12 First Interim Financial Report approved by the Board on December 14, 2011 http://207.166.7.2/BoardofEducation/Meetings/Pages/20111214.aspx- 2011-12 Second Interim Financial Report approved by the Board on March 15, 2012 http://www.scusd.edu/regular-board-education-meeting/regular-board-meeting-march-15-2012
<ul style="list-style-type: none">• The 2011-12 Adopted Budget included a document beginning on page 6 that outlines assumptions used in the Adopted Budget. The financial projection factors are based on School Services of California Dartboard in conjunction with recommendations from the Sacramento County Office of Education provided to all districts in the county. This document can be found at: http://207.166.7.2/BoardofEducation/Meetings/Pages/20110623.aspx

OE5.8	Superintendent		Board of Education	
The Superintendent may not develop a budget that allows for a carryover fund of monies in any budget line item that fails to appropriately be used for its intended purpose.	In Compliance	Not in Compliance	In Compliance	Not in Compliance

Interpretation:

I interpret this to mean that the district will not build in to any budget or budget projections, the use of funds unspent in one fiscal year that may be used the following year that is not restricted by the granting agency. This would apply to federal, state and local funds that must be spent for a specific purpose. This would not include funds that may be identified by the federal, state or local agency as an example would be Tier III programs that the state recently changed from restricted categorical funds for a specific purpose to unrestricted funds for district general purpose use.

Indicators for Compliance:

I, as the Superintendent, will show compliance through the following indicators:

- Annual external audit indicates no misuse of funds
- No notifications from federal, state or local agencies that indicate misuse of funds

EVIDENCE OF COMPLIANCE
<ul style="list-style-type: none"> • The 2011 Financial Audit presented to the Board on January 12, 2012, the financial statement referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Sacramento City Unified School District as of June 30, 2011, and the respective changes in financial position and cash flows, when applicable, for the year then ended, in conformity with accounting principles generally applicable. Page 90 of the 2011 Financial Audit indicates that no material weaknesses were identified. As noted on page 72, there were no audit adjustments proposed to any funds of the district. The 2011 Financial Audit can be found on www.scsd.edu/financialstatementsauditors-reports.
<ul style="list-style-type: none"> • The district did not receive any notifications from federal, state or local agencies that any funds were misused.

Jonathan P. Raymond, Superintendent
August 15, 2011
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42127 and be of maximum assistance to districts and their boards, we will be providing two separate analyses for the district's 2011/12 adopted budget. The first analysis will be an advisory rating based on factors that we would normally consider, absent AB 114.

Jonathan P. Raymond, Superintendent
August 15, 2011
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- Please provide our office with an updated 2011/12 Cash Flow.
- Notify us immediately and provide for our review any changes to the budget

- Continue to closely monitor current and projected enrollment trends and inform us of budget adjustments should enrollment trends fluctuate.
- Before the district's Board of Education takes any action on a proposed collective bargaining agreement, the district must meet the public disclosure requirements of Government Code Section 3547.5 and the California Code of

Regulations Title V, Section 15449. Please submit to the county office for

Patty Hagemeyer

From: Tammy Sanchez <tsanchez@scoe.net>
Sent: Tuesday, March 06, 2012 1:54 PM
To: Patty Hagemeyer
Subject: Re: AB1200

Everything has been reviewed and we have no questions, so you are good to go.

Tamara J. Sanchez
Assistant Superintendent
Sacramento County Office of Education
(916) 228-2551

Patty Hagemeyer <Patty@sac-city.k12.ca.us> on Tuesday, March 06, 2012 at 12:05 PM -0800 wrote:
Please review the attached cover letter, signed agreement and AB1200 forms for your review. We hope to