



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# _____

Meeting Date: July 21, 2011

Subject: Coherent Governance Operational Expectations (OE) Policy 5 ±
Financial Planning

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Segment/Department: Office of the Superintendent

Recommendation:

Approve reasonable interpretation of Operational Expectations

Sacramento City Unified School District

OE5: Financial Planning

July 21, 2011

I certify that the information in this report is true.

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

Disposition of the Board Date for Monitoring: August, 2012

- Compliance
- Not in compliance
- Compliance with Exception

Signed: _____ Date: _____
 Gustavo Arroyo, Board President

Comments:

| OE5: Financial Planning | Superintendent | | Board of Education | |
|-------------------------|----------------|-------------------|--------------------|-------------------|
| | In Compliance | Not in Compliance | In Compliance | Not in Compliance |
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Interpretation:

I interpret “develop and maintain a balanced financial plan” to mean that the district will provide financial information to the Board and stakeholders at regularly scheduled reporting periods. The financial plan will include Adopted, First and Second Interim reports as well as debt service instruments which could include Certificates of Participation, General Obligation Bonds, Tax Revenue and Anticipation Notes or other debt service. Information presented to the Board will include options to maintain a balanced budget for the upcoming fiscal year. I interpret “directly related to the Board’s Results priorities and Operational Expectations goals” to mean that information presented to the Board and stakeholders at regularly scheduled reporting periods will include funds identified to support Strategic Plan 2010-2014: Putting Children First.

OE5.1

Superintendent

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|-------|------------------|----------------------|--------------------|----------------------|
| OE6.2 | Superintendent | | Board of Education | |
| | In Compliance | Not in Compliance | In Compliance | Not in Compliance |
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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

Interpretation:

I interpret this to mean that at key reporting periods (Annual Adopted Budget, First Interim and Second Interim) documents presented to the Board will provide a summary by major object code of General Fund budgeted expenditures that includes four years of data. The first column will be the prior year that has ended and may or may not yet be audited and will include actual expenditures. The second column will include budgeted expenditures for the current budget year followed by two years of projected budgeted expenditures. Major object codes are defined as Certificated Salaries, Classified Salaries, Employee Benefits, Books and Supplies, Services/Other Operating Expenditures, Capital Outlay and Other Outgo.

Indicators for Compliance:

- x Annual Adopted Budget will include the data as outlined in the interpretation above
- x First Interim Financial

Indicators for Compliance:

- x Documents from public Board meetings which may include PowerPoint presentations as well as state required SAC documents
- x Annual Adopted Budget documents presented to the Board for the upcoming year

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| OE5.5 | Superintendent | | Board of Education | |
| | In Compliance | Not in Compliance | In Compliance | Not in Compliance |
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Interpretation:

I interpret "fiscal soundness" to mean that the Annual Adopted Budget that is presented will show a positive General Fund ending fund balance. I also interpret "fiscal soundness" to mean that the Required Reserve for Economic Uncertainties will be no less than the minimum of the state required percentage unless specifically approved by the Board. In addition, the Annual Adopted Budget will meet each of the state adopted "Criteria and Standards." If a specific criterion or standard is not met, a reasonable explanation will be provided in the document.

Indicators for Compliance:

- x Unaudited Actuals for the prior year will show a positive ending fund balance
- x Annual Adopted Budget, First and Second Interim reports will reflect, at a minimum, the state required percentage for the Reserve for Economic Uncertainties or the agenda item approved by the Board that specifically states the Reserve has been reduced
- x The Annual Adopted Budget, First and Second Interim reports will include "Standards and Criteria" documents with reasonable explanations provided for any criterion or standard not met

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| OE5.6 | Superintendent | | Board of Education | |
| | In Compliance | Not in Compliance | In Compliance | Not in Compliance |
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from restricted categorical funds for a specific purpose to unrestricted funds for district general purpose use.

Indicators for Compliance:

- x Annual external audits indicate no misuse of funds
- x No notifications from federal, state or local agencies that indicate a misuse of funds