

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 10.3

Meeting Date: March 16, 2017

Subject: Approve Resolution No. 2924: Approve the Closing of the Retiree Fund

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

Division: Business Services

Recommendation: Adopt Resolution No. 2924, Close the Retiree Fund (Fund 71), Effective January 31, 2017.

Background/Rationale: During the course of the 2015-16 audit, the auditors in

The Retiree Fund (Fund 71) has been in existence for several decades and it was used

Financial Considerations: The funds invested in the CalPERS trust will earn a higher return than if they were invested in the county treasury. However, there is also a risk of loss since these funds are invested on the public market.

LCAP Goal(s): Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Executive Summary
2. Resolution No. 2924, Close the Retiree Fund (Fund 71)

Estimated Time: 3 Minutes

Submitted by: Gerardo Castillo, CPA, Chief Business Officer

Approved by: José L. Banda, Superintendent

Board of Education Executive Summary

Board of Education Executive Summary

Business Services

Resolution No. 2924: Approve the Closing of Retiree Fund

March 16, 2017

IV. Goals, Objectives and Measures:

Comply with the recommendations provided by the auditors and improve the District's financial reporting.

V. Major Initiatives:

Streamline financial accounting and reporting within the District.

VI. Results:

Closing the Retiree Fund (Fund 71) will align with the new standard practice to keep track of retiree funds.

VII. Lessons Learned/Next Steps:

- x Close Retiree Fund (Fund 71) within the county treasury and update our finance system.
- x Update procedures for the closing of Retiree Fund (Fund 71) and processing of transactions.
- x Continue to review all funds and processes for efficiencies and improvements.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

RESOLUTION NO. 2624

Close the Retiree Fund (Fund 71)

WHEREAS, Education Code Section 41002 authorizes a general fund of the Sacramento City Unified School District ("District") and other funds legally created or established in law; and

WHEREAS, Auditors, in conformity with the requirements of Governmental Accounting Standards Board Statements 43 and 45, recommended that SCUSD close Retiree Fund (Fund 71). Under new clarifying guidelines these funds will no longer be included in the District financial statements; and

WHEREAS, the California School Accounting Manual provides a school district the accounts needed to track revenues and expenditures;

WHEREAS, the District currently has OPEB Trust account with money deposited outside of the county treasury

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education, that the Superintendent of the District or designee is hereby authorized and directed to close Retiree Fund (Fund 71) and to deposit the funds into the CalPERS OPEB Trust. This resolution shall take effect from and after its adoption with the change in funds effective, January 1, 2017 to align with the Interim report

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 16th day of March 2017 by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

Jay Hansen
President of the Board of Education

ATTESTED TO:

José L. Banda
Secretary of the Board of Education