

SOLANO COMMUNITY COLLEGE DISTRICT

UNADOPTED MINUTES

September 17, 2014

APPENDIX B

Solano Community College District (SCCD)

Observations/Questions/Requests

FY 2014-15 Budget Presentation

Governing Board Meeting

Prepared by: A. Marie Young, Vice President SCCD Governing Board

September 17, 2014

Dr. Laguerre, please share this document and staff's reply with the Board prior to our September 17th Board meeting.

FY2014-15: 4th Quarter Financial Status Report (311Q)

Observation/Questions/Requests: As I reviewed the 4th Quarter 311Q for Fiscal Year 2013-14, I renew my concern that the revenue, expenditure and ending balance numbers do not tie with the Projected Year Totals for 2013-14 in the Budget Booklet coming before the Board for consideration for final adoption. The final response I received from you highlighted in yellow talks about the annual 311 and not specifically about the 311Q as asked. **(Your highlighted in yellow final response is on page 3 of this document.)** On the September 3rd PowerPoint presented to the Board, Slide 8 is entitled FY 2013-14 **Close**, which means these should be final numbers. Do you agree or disagree that the 4th quarter 311Q, the final budget and the Annual 311 should be completed at the same time and therefore would be in balance with the same figures? **No, respectfully, I disagree.**

Why? **Please see response below.**

As I understand it, the closing of the books should occur no later than mid August each year. **The CCFS 311 Q report is due within 45 days of the end of the month which has not translated into a completed "year-end closing". Year-end close of categorical programs can and have affected the general fund year-end close. Year-end reports for CalWorks, TANF, VTEA, Nursing, Economic Development and others are due August 31 while final expenditure reports for programs including EOPS, CARE, Matriculation, DSPS are due September 15. Closing adjustments for many of the aforementioned have impacted the General Fund. (Please see Chancellor's Office Annual Reporting Calendar)**

Your earlier responses to this question are very odd. I would recommend you check with your colleagues and find out the year-end closing timeline that other Districts follow.

Closing by September 30 is common practice for California Community Colleges. As of today, 9/16/14, only one out of 72 districts - Long Beach City College has finalized their FY 2013-14 year-end close, submitted and certified their CCFS 311 annual statement.

TITLE 5. EDUCATION
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES
CHAPTER 9. FISCAL SUPPORT
SUBCHAPTER 4. BUDGETS AND REPORTS

s 58305. Tentative Budget; Filing; Contents; Computation of Tax Levy; Adoption; Filing and Approval of Final Budget.

(a) On or before the first day of July in each year, each district shall adopt a tentative budget and forward an information copy to the appropriate county officer. To the extent that the budget is based on information provided by the county, the budget data should be validated by the appropriate county officer.

(1) The budget shall indicate the date, time, and location at which the governing board of the district will hold the public hearing required pursuant to Section 58301.

(2) If the governing board of the district does not want all or a portion of the property tax requirement levied for the purpose of making payments for the interest and principal on outstanding general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978, the budget shall include a statement of the amount or portion for which a levy shall not be made.

(b) Each district shall provide all data needed by the county to compute the actual amounts to be levied on the property tax rolls of the district for purposes which exceed apportionments to the district pursuant to Sections 95 to 100, inclusive, of the Revenue and Taxation Code.

(c) On or before the 15th day of September, the governing board of each district shall adopt a final budget.

(d) On or before the 30th day of September, each district shall complete the preparation of its adopted annual financial and budget report. Once completed, this report and its supporting documentation is considered a public record pursuant to Section 6250 et seq. of the Government Code. On or before the 10th day of October, each district shall submit a copy of its adopted annual financial and budget report to the Chancellor. The district shall also file copies of the report with the appropriate county officers for information and review.

It is very troubling that the fiscal year ends June 30th and the College is still in a closing process now. And, once again, you are asking the Board to adopt a final budget that does not contain final numbers.

Consistent with Title 5 Section 58305, the request is to adopt a final budget (which includes projected FY 2013-14 numbers). The final annual financial report deadline is September 30 with submittal/certification of the CCFS-311 annual due October 10th which I expect will be presented to the Governing Board in a subsequent meeting.

Comparison of 4th Quarter 311Q to the 2013-14 Projected Year Totals

	311Q - 4th QTR	2013-14 Close #'s	Difference
Revenue	46,195,224	46,162,964	32,260
Expenditures	47,499,226	47,481,553	17,673
Ending Balance	4,357,302	4,342,715	14,587

Note: The net effect of revenue and expenditures is a higher ending balance of \$14,587 (per the 311Q).

Might I suggest changing the captions to “Preliminary Close” as “Close” does indicate a finality to the process. Please know that Ed Code requires us to have the books closed by September 30, submitted to the Chancellor’s Office by October 10th. So while we submit preliminary revenue and expenditure numbers to the State Chancellor’s Office for the CCFS 311-Q ended June 30, which as you noted is due within 45 days of the month end, the numbers are still preliminary. I believe the intention of the 311Q is to provide the Chancellor’s Office a periodic update and also serves as an early warning mechanism, if a District is headed into trouble. Thus as we progress through the closing, adjustments continue to be made after August 15 (the CCFS-311Q June reporting deadline).

Requests: In the interest of bringing some closure to this matter, please provide the Board with a:

- Copy of the closing schedule for the college.
Below is the college’s closing schedule worksheets: Unrestricted and Categorical/Special Funds

Solano Community College
Monthly Close Schedule
June 30, 2014

Workday	Date		STDJE/Description	Responsibility	Notes
	Due	Complete			
			Ongoing activities booked as occurs		Should be complete by day 2
N/A			ACH receipts complete	Bernardita	Includes incoming FA
N/A			G5 receipts complete	Amanda	
6			Cash receipts complete	Deidra	At this point, missing data (ie FOAP issues) can affect timeliness of processing
			Month end activity		
-1	(Before month end)		Review close schedule, upcoming quarterly / annual requirements	All	Last staff meeting of month being closed
0	6/30/2014	6/26/2014	REV2 Bill Barnes and Noble for bookstore payroll	Amanda	
0	6/30/2014	7/3/2014	Incomplete docs review, prelim	Judy / ALL	FGRIDOC
1	7/1/2014	7/10/2014	Final AR Aging to Monthly Reports Folder	Lisa	TGRAGES
1	7/1/2014	6/30/2014	Final AP Aging to Monthly Reports Folder	Judy	FAROINV, include FGRGLTA for AP accounts, month of June
4	7/7/2014	7/16/2014	CTY1 /Payroll Disbursement JV's Complete for prior month payroll liabilities	Anita	
5	7/8/2014	7/17/2014	REV1 /State apportionment / revenues	Anita	
6	7/9/2014		GJ4 Merchant fees recorded (credit cards)	Brenardita	
7	7/10/2014		Budget transfers cutoff	John	
8	7/14/2014	6/30/2014	CTY1 Schedule Signoff, PR Tax Booking	Anita	
9	7/17/2014	7/24/2014	Incomplete docs review, final	Judy / ALL	FGRIDOC
10	7/18/2014	7/14/2014	GJ5 Bank charges booked	Bernardita/Judy	1 month delay may be required to close in 10 workdays. Some data not received
10	7/18/2014	7/30/2014	GJ3 Cal Card charges distributed	Amanda	
10	7/18/2014		Missing receipts report - Cal Card	Melinda	
11	7/19/2014		Review TB?	Pat/Judy/Yulian	
11	7/19/2014		Close period (Hopefully in Banner at some point)		Target of 10 days (or less) once processes refined
10	7/14/2014		Current Mo County Account activity reconciled, to Pat for review		
TBD			Bank recons complete	Judy/Pat/Bernardita	
TBD			Account analysis complete		Separate schedule to develop
TBD			Clear suspense - acct 9997	Pat/Judy?	
TBD			Cash flow actual versus projected	TBD	
			Open Items		
			9161 - Other AR - updated status to Pat	Amanda	
			792000 analysis to Yulian / Deans	Amanda	
			Bank recon schedule update	Various	

Solano Community College
Monthly Close Schedule
June 30, 2014

Workday	Date		STD/E/Description	Responsibility	Notes
	Due	Complete			
			Audit adjust/close Banner PY	Pat	
			Banner AR Recon/AP	Judy	
			PR Liability Analysis	Judy	
			BS Review - AP Accruals / Def Rev	Pat	
			Cash procedures - audit	???	
			Fixed assets purchased by fed funds-review FA data	Judy	
			Travel policy update	Pat	
			PBC list review	Pat	
			Quarterly		
			Invest Income (Union Bank)	TBD	
			Adjust pension		
			Adjust Categorical /Restricted fund balances	John	Chancellor's office issues "P1" in Jan, P2 in Apr
			Review categorical funds - balance	John	
	30 days EOQ		311Q Draft for board presentation/ approval	Pat	
	45 days		State reporting 311Q	Pat	On-line submission due 45 days after end of quarter
			PO Review / Close extraneous	Laura	
TBD			Tie out YTD Rev's	John	
			Annual		
	3/31		EZ Audit Filing		
	April ?		IPEDS		
	April 1	4/25/2012	Year end cutoff memo to managers / assistants	Pat	
		4/25/2012	Open new periods on Banner		Add specific tasks as we go thru it
			Audit report to Zions First Nat'l Bank		Related to measure G - See notes
	4/14		CCR - Central Contractor Registry - WWW.CCR.GOV	Director, Fiscal Services (Lynette covering 2012)	Must register to qualify for federal grants. (Putting Yulian as primary POC with DFS vacant.
	10/10		State report 311	10-Oct	
	7/15		Roll balances / encumbrances		
	7/1		Update "Term Based Designator Codes" in Banner (TSATBDS)		Changes summer and fall terms from designated as deferred (code FL) to current (CL). See note 1

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 = Closed - inactivity in 2013-14
 = In Progress
 = Completed

Program	Fund	Grant #	Annual completed	Manager	Match	Notes
Veterans SB	1210		no rpts	Army Uhh		
Tech Prep	1211					
College Work Study (Report on FISAP)	1212			Robin Darcangelo		
Perkins CTEA	1214		8/29/14	Maire Morenic		8/29 OK per Maire
Perkins CTEA	12141		8/29/14	Maire Morenic		
Perkins CTEA	12142		8/29/14	Maire Morenic		
Perkins CTEA	12143		8/29/14	Maire Morenic		
Pell Admin	1215			Robin Darcangelo		
SEOG/FWS Admin Cost Allowance	1216			Robin Darcangelo		
Return to Title IV	1218			Robin Darcangelo		
CTE Transitions (10% of CTEA)	1226		8/29/14	Alberta Lloyd		
Alternative Renewal Fuel	1227		closed 3-31-14	Cynthia Garcia		
HYPE- WIB grant	1228			Lily Explora	no	Awaiting approval for June budget adjust 9/16/14
TAA/CCCT Dept of Labor grant	1229		date?	Deborah Mann		
Extended Opportunity Programs and	1310			Cynthia Simon	Y-110,409	Extended to 9/19
Extended Opportunity Programs and	13101					
Extended Opportunity Programs and	13102					
Disabled Students Programs and Serv	1311		9/15/14	Candace Roe		budgeted for 572,694 Rev 475,685 Alloc 376,953
TANF	219/1312		8/29/14	Jocelyn Mouton		budgeted for 54,228
Cal Works	1313		8/29/14	Jocelyn Mouton	y	
State Block Grant	1317	N/A				
Transfer Education and Articulation	1318		Confirm	Robin Arie-donch		
SSSP - Credit	1319		date var yrly	Jocelyn Mouton	y	Confirm date - 9/30?
Matriculation - Non Credit	1320			Erin Vines	y	
Staff Diversity	1321			HR		rev as of 11/20/13 2,224 Equal Empty Opp
Staff Development	1322			HR		
MESA	1323			Jose Ballesteros		has activity overdrawn
Foster and Kinship Care	1324			Dorthea Fair/Christie Specks		budgeted for 55,854 rev 55,854
CARE	1326			Cynthia Simon		Extended to 9/19
Economic Development - SBDC	1328			Charles Reiker		SBDC director prepares quarterly report with Fiscal support for info
Financial Aid (SFAA)	1329			Robin Darcangelo	MOE - 831	budgeted for 334,521 rev 364,330

Program	Fund	Grant #	Annual completed	Manager	Match	Notes
Nurse Enrollment Growth 12-116-047	1337	13-116-047		Melissa Reeves		Awaiting stats from Dr. McKinnon. Need to contact monitor about problems entering final #'s
Basic Skills - Rollup	1338			Melissa Reeves		Budgeted for 88,019 rev 118,753
Basic Skills - On Going - 2012/13 Gra	133801*			Melissa Reeves		Term 07/01/2012 thru 06/30/2014 *Rpt Purposes
Basic Skills - On Going - 2013/14 Gra	133802*			Melissa Reeves		Term 07/01/2013 thru 06/30/2015 *Rpt Purposes
Instructional Equip and Library Amnt r	1339					budgeted for 109,705 rev 109,705
Scheduled Maintenance - On Going	1341					budgeted for 109,713 rev 109,713
Scheduled Maintenance - One time	1342					
YESS Program	1350		Kamber does	Kamber St. Marie	?	has activity overdrawn
FYSI - Foster Youth Services Initiative	1351			Kamber St Marie		has activity overdrawn
ARFVTP (Alter & Renewable Fuel&Vel	1352					budgeted for 600,000 rev 600,000. Adj bdgt Dec 10, 2013. April 14th bdgt increased to 810,623
Prop 39 - Clean energy	1353				N/A	
AB 86 Adult Ed Consortium	1354					startup issues
Sector Bs Navigator	1361					
Sector Health (DSN) GAR13-156-006	1362		7/24/14	Barbara Brock	N	Adj Bdgt to Awd Ltr
Sector Health (DSN) GAR13-156-006	136201		7/24/14	Barbara Brock	N	Adj Bdgt to Awd Ltr
Urban Demo Orchard	1363			Ken Williams/Sandra	Y - 3,178.45	Grant runs through March 2015
AB 86 Adult Ed Consortium	1364	13-328-060				
CTE: Collaborative (CLOSED as of Ma	136003	13-340-283		Alberta Lloyd		Grant runs through Feb 28, 2014
CTE: Collaborative	136004			Alberta Lloyd		Grant runs through FY13-15
Kaiser Permanente Crmnty Benefit	1417			Dr. McCord		
AT&T Educational Initiative	1422			Dr. McCord		
Children's Network	1424			Erin Vines		Contrib, Gifts, grants and Endowmts
Solano Transit Authority	1426			Kamberly Sta Marie		
Stuart Found/Pottruck Fund	1427			Kamberly Sta Marie		
Child Care Food(Meal) Program RESTR	3312		Sabrina does	Sabrina/Christie Speck	N	Fed FY Oct-Sept; Fund fr State Budgeted for 67,516 rev 61,000
Child Center - General Child Care CCT	3313			Christie Speck	N	CCTR1341 FY 11-12 Requires a Reserve Acct Activity RPT
CCTR: Administration	33131			Christie Speck		Rolls up to 3313; Fis Ser does report
CCTR: Sliding Scale Tuition	33132			Christie Speck		Rolls up to 3313; Fis Ser does report
CCTR: Full Tuition	33133			Christie Speck		Rolls up to 3313; Fis Ser does report

Program	Fund	Grant #	Fiscal completed	Manager	Method	Note
CCTR: Child Start Inc (CSI)	33134			Christie Speck		Rolls up to 3313; Fis 5sr does report
Child Development Training Consortia	3318			Sabrina Drake/	N	(has activity overdrawn)
Cal Works (Subsidy from 1313)	3320			Christie Seck	N	funds for student workers.
Renovation and Repair CRPM1093	3322			Christie Speck	Y 3,220	Rec ltr of apport withholding 11/06/13 FY 13/14. Has activity overdrawn
Mentor Program	3324			Maureen McSweney		Rec chk 1,000 12/13/13
First 5	3325			Christie Speck	N	for 3,500 rev 7,500 acct overdrawn]
CSPP Pre School CSPP-2597	3326			Christie Speck	N	CSPP-1613 FY 12 (budgeted for 3,000)
CSPP: Administration	33261				N	(rev 344,487 bdt 414,500)
CSPP: Sliding Scale Tuition	33262				N	Bdgt is low, currently has rev of 6,6293.42 (12/13/13)
CSPP Full Tuition	33263				N	Rolls up to 3326; Fis 5sr does rptb
CSPP: Child Start Inc (CSI)	33264				N	Rolls up to 3326; Fis 5sr does rptb
Child Dev: Non Govt Funds	3352					Shows budget and rev fr 2 sources
E-Bay Grant	33521		Christie does	Christie Speck	N	

- Copy of the County Office of Education closing schedule.

Please see below

2014 Financial Reporting Calendar-District

School district calendar includes 2014-15 budget, interim, and 2013-14 unaudited actuals and audit calendar.

Fiscal Year Summary of Basic Filing Due Dates

DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
July 1	Budget	School district budget due to County Office of Education (COE)	42127(a)(2)
July 1	Budget	Charter school budget due to chartering authority and COE	47604.33(a)(1)
September 8	Budget (dual)	District revises budget to include changes since July 1. Revised budget due to COE.	42127(e)
September 15	Unaudited Actual Data	District unaudited actual data, including Gann***, due to COE	42100(a), Government Code (GC) 7906(f)
September 15	Unaudited Actual Data	Charter school unaudited actual data due to chartering authority and COE	47604.33(a)(5)****, 42100 (b)
September 15	Gann Resolution	District adopts Gann resolution	42132
October 31	Budget Adoption Cycle	District notifies COE of 2015–16 single/dual budget adoption cycle (via the unaudited actual software data submission due to COE September 15, 2014)	42127(i)
December 15**	First Interim (October 31)	District first interim due to COE (also to State Superintendent of Public Instruction (SSPI) and State Controller if qualified or negative)	42131(a)(1) and (2)
December 15	Charter School First Interim (October 31)	Charter school first interim due to chartering authority and COE	47604.33(a)(3)
December 15	Audit	District prior year audit due to COE, SSPI, and State Controller	41020(h)
December 15	Audit	Charter school prior year audit due to chartering authority, COE, SSPI, and State Controller	47605(m), 41020(h)
March 15	Charter School Second Interim (January 31)	Charter school second interim due to chartering authority and COE	47604.33(a)(4)
March 17**	Second Interim (January 31)	District second interim due to COE (also to SSPI and State Controller if qualified or negative)	42131(a)(1) and (2)
June 1	6/30 Projection	June 30 projection for the period ending April 30 due to COE, SSPI and State Controller if district had qualified or negative second interim	42131(e)

Please Review Content

Extract from the September 3, 2014 Inquiry and Responses from Trustee Young and the CBO.

Concern: Over the last several months I have reviewed quite a bit of financial data that has varied in short spans of time leading to some concern of whether or not accurate financial statements are being presented. For example, I went back and

reviewed the adopted budget and the 4th quarter 311Q for the close of Fiscal year 2012-13 and compared it to the adopted budget Unrestricted General Fund financial statement in the 2013-14 Adopted budget. What I found:

Revenues: The 311Q showed \$47,497,980 in revenues and the year-end close revenue was reported as \$47,659,789. This is a difference of \$161,809. Please explain? **-Comment: I am aware that both figures should be the same as the books should be closed and these are final numbers.**

Please note that the CCFS-311 Q 4th quarter report is a snap shot as of June 30, 2013, whereas the FY 2013-14 Budget which does include the projected numbers for FY 2012-13 represents a snapshot as of the fiscal year as of the closing (usually the beginning of September), thus this timing difference will likely affect both revenues and expenditures as previously reported in the 4th quarter 311Q. By the time the annual CCFS 311 is filed with the Chancellor's Office in mid-October, there may even be additional adjustments that differ from the prior year Projected Balance shown in the Adoption Budget document. The year-end close is quite fluid until we end the close in the beginning of October and file the annual CCFS 311. It is these balances that represent the final numbers for that year.

Expenditures: The 311Q showed \$44,133,669 in expenditures and the year-end close expenditures was reported as \$44,106,758. This is a difference of \$26,911. Please explain? **Comment: I am knowledgeable of the fact that both figures should be the same as the books should be closed and these are final numbers.**

Please note that the CCFS-311 Q 4th quarter report is a snap shot as of June 30, 2013, whereas the FY 2013-14 Budget which does include the projected numbers for FY 2012-13 represents a snapshot as of the fiscal year as of the closing (usually the beginning of September), thus this timing difference will likely affect both revenues and expenditures as previously reported in the 4th quarter 311Q. By the time the annual CCFS 311 is filed with the Chancellor's Office in mid-October, there may even be additional adjustments that differ from the prior year Projected Balance shown in the Adoption Budget document. The year-end close is quite fluid until we end the close in the beginning of October and file the annual CCFS 311. It is these balances that represent the final numbers for that year.

CONCERN: (Revenues and Expenditures-331Q vs. Closing Numbers): This response is completely unacceptable. The books should be closed when the budget is brought to the Board for final adoption. There should not even be a change in the annual 311 from the adopted budget with closing entries for the prior fiscal year; in this case 2013-14. For example, per the Chancellor's website, the quarterly 311Q should be completed 45 days after the quarter ends. Therefore, this would mean mid-August. So, by the time the adopted budget is completed the final closing numbers are in and these numbers and follow through on all financials unless there is an audit adjustment posted by the External Audit review. Did I miss something? Is there something else going on here?

The annual CCFS 311 is due to the Chancellor's Office by October 10th and the District has in the past four years met that deadline which we again expect to meet for the FY 2013-14 submittal. The 45 day timeline refers to the deadline by which the quarterly report has to be filed with the Chancellor's Office, not the closing of the annual books and records. As the District presents the Adopted Budget for acceptance to the Board by mid-September, there often are minor adjustments in the "projected 13/14" and the CCFS-311 Annual due and filed in mid-October. The Chancellor's Office expectations are that the books and records are finalized and numbers submitted via the CCFS 311 Annual by October 10th.

Please also see Title 5 Section 58305 which outlines:

September 15 - adopt a final budget

September 30 - complete the preparation of the adopted annual financial and budget report.

October 10 – submit adopted financial and budget report to the Chancellor's Office