

Rancho Santiago Community College District

BOARD FISCAL/AUDIT REVIEW COMMITTEE MEETING

Monday, November 20, 2017

2323 North Broadway, Room #114

Santa Ana, California

MINUTES

- 1.1 The meeting was called to order at 8:25 a.m. by Mr. Phil Yarbrough. Other member present: Mr. Zeke Hernandez.

Others present: Ms. Renee Graves and Mr. David Robydek (both of CliftonLarsonAllen LLP), Mr. Peter Hardash, Mr. Adam O'Connor, Dr. Raúl Rodríguez, and Ms. Anita Lucarelli as record keeper.

- 1.2 Pledge of Allegiance to the United States Flag

The Pledge of Allegiance was led by Mr. Yarbrough.

- 1.3 Public Comment

There was no public comment.

- 1.4 Approval of Minutes

It was moved by Mr. Hernandez and seconded by Mr. Yarbrough to approve the minutes of November 21, 2016. The motion carried with the following vote: Aye – Mr. Hernandez and Mr. Yarbrough.

2.0 FINANCIAL AUDITS

- 2.1 Review of Draft of RSCCD Fiscal Year 2016-2017 Independent Audit Reports

Ms. Graves and Mr. Robydek reviewed the audit reports for the following entities and rendered the opinion that the financial statements are unmodified:

- a. Rancho Santiago Community College District (RSCCD)
- b. RSCCD Foundation
- c. SAC Foundation
- d. SCC Foundation
- e. Proposition 39 General Obligation Bonds Measure E Bond Program performance and financial
- f. Proposition 39 General Obligation Bonds Measure Q Bond Program performance and financial

Ms. Graves indicated that on page 2 of the summary letter the auditors reported that three uncorrected misstatements were detected as a result of audit procedures. Mr. Hardash indicated the misstatements were due to a timing difference. He stated that

2.1 Review of Draft of RSCCD Fiscal Year 2016-2017 Independent Audit Reports (cont.)

the fiscal year ended on June 30, 2017, and items ordered before the fiscal year end did not arrive until July or August; therefore, a difference in statements occurred.

Ms. Graves reported that Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will go into effect next year and be included in next year's audit report.

There were no findings for the fiscal year ended June 30, 2017, on the RSCCD annual financial report and the Santa Ana College's and Santiago Canyon College's foundation reports. It was noted that the foundation reports are not completed yet due to issues the auditors experienced. The committee recommended that the foundation audit reports be presented to the board at its December 4th board meeting and if there were any problems found in the foundation reports, another presentation would take place at a future board meeting.

There were no findings related to the Proposition 39 General Obligation Bonds Measure E Bond Program performance and financial audits for the years ended June 30, 2017. It was noted that this was the final audit for Measure E funds since all the monies have been spent.

There were no findings related to the Proposition 39 General Obligation Bonds Measure Q Bond Program performance and financial audits for the years ended June 30, 2017.

The committee recommended bringing the independent audit reports to the full board for approval.

3.0 GENERAL

3.1 Update on State Funding for Community Colleges

Mr. Hardash distributed and reviewed a Legislative Analyst's report on "2018-2019 Budget: Proposition 98 Outlook" dated November 15, 2017, which indicated that the economy should remain strong.

4.0 ADJOURNMENT

Chairperson Yarbrough declared this meeting adjourned at 9:34 a.m.