

Rancho Santiago Community College District

BOARD FISCAL/AUDIT REVIEW COMMITTEE MEETING

Monday, November 20, 2018

2323 North Broadway, Room #114

Santa Ana, California

MINUTES

- 1.1 The meeting was called to order at 8:20 a.m. by Mr. Phil Yarbrough. Other member present: Mr. Zeke Hernandez.

Others present: Ms. Renee Graves, Ms. Tina Henton, 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 20, 2017. 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 2017-2018 Independent Audit Reports

Ms. Graves, Ms. Henton, 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 Q Bond Program performance and financial

There were no findings for the fiscal year ended June 30, 2018, on the RSCCD annual financial report and the Santa Ana College's and Santiago Canyon College's foundation reports.

2.1 Review of Draft of RSCCD Fiscal Year 2017-2018 Independent Audit Reports (cont.)

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, 2018.

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

3.0 GENERAL

3.1 Discussion of Other Post-Employment Benefits (OPEB)/Unfunded Liability

Mr. Hardash explained the district's retiree health benefits liability, OPEB/Unfunded Liability, and benefits/drawbacks of an irrevocable trust. Committee members received clarification on data related to the presentation from Mr. Hardash.

3.2 Discussion of Board Policy (BP) Contingency/Reserves

Mr. O'Connor and Mr. Hardash explained the current board policy (BP 6250) contingency is "no less than 5%" for reserves. Committee members received clarification on data related to the presentation from Mr. Hardash and Mr. O'Connor. The committee recommended the board policy be changed to "no less than 12.5%" for reserves.

3.3 2018-2019 Audit

Mr. O'Connor and Mr. Hardash explained the processing of the last two years' audits and requested that the district seek another audit firm to conduct the 2018-2019 audit. The committee recommended the district seek another audit firm to conduct the 2018-2019 audit and conduct a "request for proposals" next year as previously scheduled.

4.0 ADJOURNMENT

Chairperson Yarbrough declared this meeting adjourned at 9:57 a.m.

Minutes Approved: November 19, 2019