

Rancho Santiago Community College District

BOARD FISCAL/AUDIT REVIEW COMMITTEE MEETING

Monday, November 21, 2016

2323 North Broadway, Room #103

Santa Ana, California

MINUTES

- 1.1 The meeting was called to order at 4:37 p.m. by Mr. Larry Labrado. Other member present: Ms. Nelida Mendoza.

Others present: Mr. Rick Alonzo and Mr. Ryan Milligan (both of Vavrinek, Trine, Day & Co., LLP), Mr. Peter Hardash, Mr. Richard Kudlik, 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 Ms. Mendoza and seconded by Mr. Yarbrough to approve the minutes of November 30, 2015. The motion carried with the following vote: Aye – Ms. Mendoza and Mr. Yarbrough.

2.0 FINANCIAL AUDITS

- 2.1 Review of Draft of RSCCD Fiscal Year 2015-2016 Independent Audit Reports

Mr. Alonzo 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. Santa Ana College (SAC) Foundation
- d. Santiago Canyon College (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

2.1 Review of Draft of RSCCD Fiscal Year 2015-2016 Independent Audit Reports (cont.)

The committee discussed the changes made in the audits due to the district's adoption of the new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Due to GASB 68, the district's unrestricted funds have a negative balance.

There were no findings for the fiscal year ended June 30, 2016, on the Santiago Canyon College's foundation report and the RSCCD annual financial report.

The committee discussed the following finding for the fiscal year ended June 30, 2016, on the Santa Ana College Foundation audit report: Testing of the receipting and depositing process reflected that the foundation office did not deposit funds into the bank on a timely basis.

The committee discussed the following finding for the fiscal year ended June 30, 2016, on the RSCCD Foundation audit report: Unrestricted net assets were at a deficit of \$129,017.

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, 2015.

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, 2015. It was noted that this was the first audit for Measure Q funds.

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

2.2 Selection of Independent Audit Firm for audit of Fiscal Year 2016-2017

The committee discussed the audit proposals provided by six audit firms. The committee recommended a contract with Vincenti, Lloyd & Stutzman to assist the district with independent auditing services for the 2016-2017 fiscal year, and bringing this recommendation to the full board for approval.

Mr. Labrado recommended a news release be sent out on how well the district's 2015-2016 audit reports were.

3.0 ADJOURNMENT

Chairperson Labrado declared this meeting adjourned at 5:32 p.m.