

Rancho Santiago Community College District

BOARD FISCAL/AUDIT REVIEW COMMITTEE MEETING

Monday, November 29, 2011

2323 North Broadway, Room #103

Santa Ana, California

MINUTES

1.0 PROCEDURAL MATTERS

1.1 Call to Order

The meeting was called to order at 9:08 a.m. by Mr. Phil Yarbrough. Other member present: Ms. Arianna Barrios via teleconference until she arrived at the time noted.

Others present: Ms. Renee Graves. Ms. Megan Asselin, and Mr. Jonathan Fitzhugh, auditors from Vincenti, Lloyd, Stutzman, 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.

2.0 FINANCIAL AUDIT REPORTS

2.1 Review of RSCCD Independent Audit Reports

Ms. Graves and Ms. Asselin reviewed the audit reports for the following entities and rendered the opinion that the financial statements are unqualified (the highest rating):

- 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

The committee discussed the following two findings for the fiscal year ended June 30, 2011, on the RSCCD audit report: 1) "To Be Arranged" hours for students and 2) ineligible expenditures.

There were no findings for the fiscal year ended June 30, 2011, on the three foundation reports.

2.1 Review of RSCCD Independent Audit Reports – (cont.)

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, 2011, and June 30, 2010.

The committee recommended bringing this item to the full board for approval.

2.2 Review of 2011-2012 Independent Auditor Selection Process

The committee discussed the independent auditor selection process as outlined in board policy (BP3104 – Audit) which indicates the board of trustees shall interview the recommended candidate firms and select the independent auditor. It was determined that the next Board Fiscal/Audit committee meeting and interview of potential audit firms would be held in January 2012.

2.3 Review of Future Medical and Retiree Health Liability

The committee discussed projections of future medical and retiree health liability expenses.

2.4 Review of Education Revenue Augmentation Funds (ERAF)

The committee discussed the negative impact of educational revenue augmentation funds upon educational institutions in Orange County.

3.0 ADJOURNMENT

Chairperson Yarbrough declared this meeting adjourned at 10:03 a.m.