

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE
Los Angeles City College
Student Union Building, Multi-Purpose Room, 3rd Floor
855 N. Vermont Avenue
Los Angeles, CA 90029
Wednesday, October 9, 2013
2:15 p.m. – 3:15 p.m.**

Committee: Mike Eng; Chair; and Nancy Pearlman, Vice Chair. Absent: Miguel Santiago

Trustee Eng called the meeting to order at 2:16 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Update on External Audits – KPMG/Vasquez

Documents entitled “KPMG Fiscal Year 2013 Audit Discussion” and “Status Report for the Finance and Audit Committee” were distributed.

Ms. Jeanette Gordon introduced Mr. Spencer Endicott from KPMG, Ms. Peggy McBride, and Mr. Elmer Pascal from Vasquez & Company LLP.

Mr. Endicott discussed a document entitled “KPMG Fiscal Year 2013 Audit Discussion” with respect to the financial statement of the Los Angeles Community College District for the Fiscal Year 2012-2013 and the statement of bond expenditures of Proposition A, AA, and Measure J for Fiscal Year 2012-2013.

Trustee Svonkin stated that it is important that the audits are completed before the end of the fiscal year in order for the Committee to have ample time to review and address concerns the Committee may have before the audits are recommended to the full Board for approval.

Ms. McBride discussed a document entitled “Status Report for the Finance and Audit Committee” with respect to the single audit and State compliance reports. She stated that the draft audit reports are expected to be completed by December 2013.

Disposition: • ***Trustee Svonkin stated that it is important that the audits are completed before the end of the fiscal year in order for the Committee to have ample time to review and address concerns the Committee may have before the audits are recommended to the full Board for approval.***

Status of Internal Audits

No discussion.

District Financial Accountability Measures

Documents entitled “District Financial Accountability Measures”, “Sample College Financial Accountability Measures Report/Dashboard (Draft), and a memorandum entitled “DBC Recommendations on September 18, 2013” were distributed.

Trustee Svonkin indicated that the District Financial Accountability Measures were presented---to the Institutional Effectiveness & Student Success Committee; the Committee reviewed and made additional revisions to the accountability measures. He deferred to Dr. Adriana D. Barrera.

Dr. Barrera discussed that as a result of the Los Angeles Valley College Accreditation Report in response to the Accrediting Commission for Community and Junior Colleges' (ACCJC) recommendation that the Chancellor and the Board develop an accountability measure to ensure fiscal stability of the institution. New items were developed to the existing statement.

Trustee Moreno expressed his concern that the proposed District's Financial Accountability Measures do not address the colleges' consistent deficits.

Trustee Svonkin stated that he would be willing to co-author a resolution with Trustee Moreno stating that the District will not tolerate college deficits and will continue to make revisions to the District Financial Accountability Measures in order to eliminate college deficits.

Motion by Trustee Eng, seconded by Trustee Svonkin, to recommend to the full Board the adoption of the District Financial Accountability Measures, which is being presented for action at today's Board meeting.

*APPROVED: 2 (Eng, Svonkin)
1 No (Moreno)*

Disposition: • **Trustee Svonkin stated that he would be willing to co-author a resolution with Trustee Moreno stating that the District will not tolerate college deficits and will continue to make revisions to the District Financial Accountability Measures in order to eliminate college deficits.**

Debt Repayment Policy

A document entitled "College Debt Repayment Policy" was distributed.

Ms. Gordon discussed the document with respect to the College Debt Repayment Policy which is the result of numerous discussions with the District Budget Committee and The Executive Committee of the District Budget Committee.

Trustee Svonkin requested that this item be brought back to the Committee for further discussion and that a list be provided of the following: Debt owed and model trends.

Trustee Moreno requested that a plan to address fundamental revenue expenditures that would result with a balanced budget and a debt repayment plan be added to the list.

Disposition: • ***Trustee Svonkin requested that this item be brought back to the Committee for further discussion and that a list be provided of the following: Debt owed and model trends.***

• ***Trustee Moreno requested that a plan to address fundamental revenue expenditures that would result with a balanced budget and a debt repayment plan be added to the list.***

Efficiency Audits Update and Discussion

Ms. Gordon distributed a document entitled "Request for Qualifications, Cost and Billing Audit and Recovery Services (Draft)" for review and further discussion at the next Committee meeting in November.

Disposition: • ***Ms. Gordon distributed a document entitled "Request for Qualifications, Cost and Billing Audit and Recovery Services (Draft)" for review and further discussion at the next Committee meeting in November.***

FUTURE DISCUSSION/AGENDA ITEMS

Update on Overpayments
Update on Cost Savings from Master Agreements (Chancellor's Directive #142)
Schedule for Districtwide Bids on Major Items
Retirement Incentives

FUTURE BUDGET & FINANCE COMMITTEE MEETINGS DATES

- November 6, 2013

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 3:16 p.m.