

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, August 10, 2011
11:00 a.m. – 12:30 p.m.**

Committee: Scott J. Svonkin, Chair; Steve Veres; and Tina Park

Trustee Svonkin called the meeting to order at 11:05 a.m.

For the record, Trustee Svonkin noted that Committee members were present.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS

Trustee Inquiries – Requested Information

Presentation and discussion of the following information:

Cash on Hand for Bond Program

A document entitled “Los Angeles Community College District Cash on Hand for Bond Programs Building Fund As of June 30, 2011” was distributed.

Ms. Jeanette Gordon summarized the document with respect to Proposition A/AA and Measure J cash-on-hand for bond programs and the available fund balance; General Obligation Bonds Authorized; Issuances; Unissued; and Advance Refunding Building Fund as of June 30, 2011.

A question and answer session was conducted regarding Tax Exempt and Taxable Bond Funds.

Process Summary for Bond Issuance

A document entitled “Los Angeles Community College District Bond Issuance Process and Related Documents” was distributed.

Ms. Gordon discussed the document with regards to the bond issuance process. She deferred to Mr. Jerold Gold, Senior Vice President, First Southwest.

Mr. Gold discussed the document with respect to the typical steps the Los Angeles Community College District (LACCD) follows for issuing bonds.

Trustee Svonkin inquired if the LACCD had a policy for the issuance of Bonds.

Ms. Gordon responded in the negative.

Trustee Svonkin requested that staff contact the Metropolitan Transportation Authority (MTA) to obtain their policy on the issuance of bonds and provide a copy to the Committee members prior to the next Committee meeting for further discussion.

Chancellor LaVista recommended that if the Committee wishes to establish an LACCD policy on the issuance of bonds, it should utilize the process referenced by Mr. Gold.

Trustee Svonkin requested that the Process Summary for Bond Issuance be revisited at the next scheduled Finance and Audit Committee meeting.

Trustee Veres inquired as to the methodology of the selection of Senior Manager, Co-Senior Manager, and Co-Managers.

Mr. Gold explained the process.

Acceptance of 2010-11 Financial Bond Audit

KPMG Auditors – Presentation and discussion of the audit reports and findings

A document entitled “Los Angeles Community College District Presentation to the Finance and Audit Committee and Board of Trustees August 10, 2011” was distributed.

Ms. Tracy Hensley and Mr. Mark Tillotson summarized the document with respect to the Scope of Engagement, Objectives of Audits of Expenditures of Bond Proceeds; Required Communications; Deficiencies in Internal Control over Financial Reporting; and Other Observations.

Motion by Trustee Veres, seconded by Trustee Park, that staff report back to the Committee within 30 days with a plan to focus on deficiencies and accountability as outlined in the KPMG presentation.

Without objection, so ordered

APPROVED: 3 Ayes

Trustee Svonkin requested that the Bond audit be presented in December 2011 to validate the completeness of materials necessary to perform the audit on time.

Notice of 2011-12 Final Budget

Presentation and discussion of the 2011-12 Proposed Final Budget. Staff will also provide an update of the District's 2010-11 Financial Status, the State budget development, and impact on the District's budget. The Final Budget will be submitted today as a Notice Item for the Board adoption on August 24, 2011.

A document entitled “Los Angeles Community College District, Presentation to the Finance and Audit Committee, Notice of 2011-12 Final Budget, August 10, 2011” was distributed.

Ms. Gordon discussed the document with respect to the State adopted budget; Budget Forecast Scenarios; Financial Forecast for Fiscal Year 2011-12 to 2013-14; District's 2010-11 Financial Condition; Unrestricted General Fund as of June 30, 2011; and 2010-2011 Open Orders and Ending Balances.

Trustee Svonkin expressed his concern regarding the negative balances of two colleges. He requested that this be presented at a future Committee meeting in an attempt to resolve and understand this issue.

Proposed List of Items for Future Agendas

Naming Policies
Procurement Processes
Rules Governing Personal Services Agreements
Major Contracts/RFPs coming up in the next three months
Colleges' Revenue Enhancement Strategies
Benefits of Buying Locally
Policy on Buying Green

Proposed Finance and Audit Committee Meeting Dates

Meetings will be held on the first Board meeting date of the month.

August 10, 2011	January 11, 2012
September 7, 2011	February 8, 2012
October 5, 2011	March 7, 2012
November 2, 2011	April 11, 2012
December 7, 2011	May 9, 2012
	June 6, 2012

NEW BUSINESS

None.

SUMMARY

None.

Adjournment

Trustee Svonkin adjourned the meeting at 12:33 p.m.