
AUDIT AND BUDGET COMMITTEE MINUTES

**Coast Community College District
Audit and Budget Committee
November 12, 2024
Board Office Conference Room**

1. Call to Order

The meeting was called to order at 2:00 p.m.

2. Roll Call

Trustees Present: Trustee Mary Hornbuckle
Trustee Jim Moreno

In Attendance

Marlene Drinkwine, Vice Chancellor of Finance and Administrative Services
Andreea Serban, Vice Chancellor of Educational Services and Technology
Daniela Thompson, Executive Director of Fiscal Services
Christine Nguyen, Vice President of Administrative Services, CCC
Rich Pagel, Vice President of Administrative Services, OCC
Rick Hicks, Acting Vice President of Administrative Services, GWC
Stephanie Martinez, Director of Business Services, GWC
Rachel Snell, Director of Internal Audit
Araceli Alvarez, District Budget Director
Julie Clevenger, Director of Chancellor's Office Operations
Ricky Goetz, Board Secretary

Guests

Bill Rauch, Eide Bailly
Alicia Herrera, Eide Bailly

3. Opportunity for Public Comment

There were no requests to address the Audit and Budget Committee.

4. Approval of Minutes: August 29, 2024

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to approve the minutes of the August 29, 2024 meeting.

Motion carried with the following vote:

Aye: Trustees Hornbuckle and Moreno
No: None
Abstain: None
Absent: None

5. Internal Audit Quarterly Report

District Director of Internal Audit Rachell Snell provided the Internal Audit update.

Projects completed included OCC Veteran Resource Center (VRC) - Minimum Standards Review, Internal Audit reviewed VRC compliance with the State Chancellor's Office Minimum Standards for VRCs; HR Investigation Report (Sept 2015/Nov 2017) Self-Reported Follow Up on selected recommendations; GWC Esthetics/Cosmetology Safety Walkthrough Observations with Environmental Health and Safety and State Safety Checklist; Internal Audit department policies and procedures updates: Organizational Chart, New Hire Checklist, New Hire Orientation Manual; and Audit Standards Transition to 2024 Standards - Project templates for Audits and Recommendation Follow Up complete, in addition to all associated work paper templates. (Approximately 35 audit procedure steps 14 workpaper templates).

Projects in progress included OCC Veteran's Resource Center: Intake Process and Grants/Budget/Funding; External Audit Liaison: Ongoing; Anonymous Reporting/Hotline Updates: Implement recommendations related to Hotline Reporting; Audit Standards Transition to 2024 Standards - Investigations Template and associated work paper templates. Engagement processes; Review Board Policies and Administrative Procedures 6400 Audits; Review Internal Audit Department Policies and Procedures: Internal Audit Administration Manual and Operations Manual; GWC Esthetics Selected Operational Processes; and Swap Meet Operations.

Continuing services included Retirement Board Member, CDMA Professional Development Subcommittee Chair, and District Consultation Council BP/AP Subcommittee Member.

A full report of Internal Audit projects would be presented to the Board of Trustees at the September 18, 2024 Board meeting.

6. External Audit Progress Report

Bill Rauch of Eide Bailly provide the results of the District Audit for the year ended June 30, 2024.

- Three opinions were provided over the District's financial statements
 - Financial Statements - Unmodified Opinion
 - Federal Compliance - Unmodified Opinion
 - State Compliance - Unmodified Opinion
 - There were no findings or recommendations

- District Financial Highlights
 - Total Assets: \$1,431,330,533
 - Total Liabilities: \$1,416,407,454
 - Net Position: \$90,363,793
 - Change in Net Position: \$54,402,202
 - OPEB Trust Assets: \$102,760,930
- Measure M Bond Audit
 - Financial Statement Audit - Unmodified Opinion
 - Performance Audit - Unmodified Opinion
 - There were no findings or recommendations
- Communications and Governance Letters
 - No corrected or uncorrected misstatements
 - No internal control related matters
 - No difficulties completing the audit or disagreements with management

7. State Budget Update

Vice Chancellor Marlene Drinkwine provided a State Budget revenue update. Year-to-date cash receipts were approximately \$10 billion or 14.2% higher than what was projected in the State Budget. Personal Income Tax receipts were \$4.2 billion or 13.1% higher than projected, and Corporation Tax receipts were \$1.3 billion or 36.2% higher than projected. The increase was encouraging; however, caution should be exercised when applying the early gains in cash receipts to projected State income for the entirety of the fiscal year.

8. District Budget Update

Vice Chancellor Marlene Drinkwine reported that the first quarter ending September 30, 2024 financial update would be presented to the Board of Trustees at the November 20, 2024 Board Meeting. Current focus is on recognizing significant changes to the projected year-end totals. Approximately \$3 million of improvements were identified in salary savings (\$1 million) and increased dedicated revenue (\$2 million).

9. Future Agenda Items

No new items.

10. Next Meeting Date

The next meeting was scheduled for Tuesday, February 25, 2025 at 2:00 p.m.

11. Adjournment

The meeting was adjourned at 2:37 p.m.



Richard Goetz
Secretary of the Board