

SOLANO COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD

UNADOPTED MINUTES

August 6, 2014

APPENDIX A

Item 10. (b) Budget Update

Facilitated by Yulian Ligioso, Vice President, Finance and Administration

Vice President Young stated she provided Vice President Ligioso with a number of questions about the budget prior to the meeting with her concerns, and stated further, due to time constraints, that she would address only a few specific questions. She asked for a response to the following concerns from Vice President Ligioso, with copy to the Board members, prior to the next Board meeting. She also asked that the budget information be made available to the Board in a timelier manner before Board meetings.

1.

CONCERN/QUESTION:

As a Board Member, I am concerned that the Tentative Unrestricted General Fund budget that was presented to the Board painted a somewhat favorable financial picture of how the prior year (2013-14) and the budget year (2014-15) would balance out. Tonight, we are being told that both fiscal years will yield deficits in the millions. How is the Board able to give the President direction to work on what I consider serious fiscal issues with College constituency groups and in a short span of time the Board carry out its due diligence and adopt a final budget by September 15, 2014 per the statutory deadline in the California Title V, Code of Regulations?

MAJOR CONCERNS/QUESTION:

As the Vice President of the Governing Board, I expect that for all regular, special or emergency Board Meetings that all topics where a presentation is required that the essential power points, charts and other handouts be included in the Board packet so the Board has **sufficient time to prepare** for the information that staff will be presenting. More specifically, any matters dealing with the review of financial statements and College budgets must be prepared and presented in sufficient time for a **full** and **adequate** review. I am deeply concerned about the lack of information being provided in these areas especially due to what I consider to once again be a serious fiscal crisis unfolding for the College.

I am also aware that we must adopt a budget per California, Title V, Code of Regulations by September 15, 2014, as previously stated, which means we should expect to have a budget hearing and a final budget presentation on September 3, 2014. Further, since the state is not currently in a fiscal crisis there will not be an

extension of this date. **After what I have reviewed and seen regarding the State of the College 2014-15 budget, I would like to know if the College Superintendent/ President feels that he can present an accurate and on-time budget to the Board per the statutory deadline?**

LATE OBSERVATION/QUESTIONS:

I just noticed in the financial statement on **Page 7** of the Tentative Budget presented to the Governing Board on June 18, 2014, the Total Expenditures for the year were projected to be \$48,436,636. This total is a result of the Additional Reductions Needed of **-\$405,000** being backed out of the total expenditures for the year. I have compared this information to **Slide 16** that you have in your presentation this evening - the expenditures categories and totals are the same, with the exception of the **final total**, which is approximately \$405,000 higher. First, I would like to know why the \$405,000 has been added in the total line and is not visible as an entry on the financial statement in the appropriate object codes? Having worked with many organizations in the position of Treasurer at the local and regional levels and being responsible for the full disclosure of financial information, I find this tactic to not be in line with Generally Accepted Accounting Practices (GAAP) and it is misleading to the public when reviewing the financial State of the College Budget. **Please explain why this was done. In addition, please explain if the college is working toward making such a reduction for the final budget.** And if so, what are the line item reductions? Lastly, as a Board member, I feel the information as presented in the Tentative Budget led the Board to believe that the deficit would be smaller than it now appears. This is a very unsettling feeling.