

# IRVINE UNIFIED SCHOOL DISTRICT

## *Finance Committee*

*January 25, 2012*

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- Call to Order:** The meeting of the Finance Committee was called to order by Brian Daucher.
- Roll Call:** Roll Call was conducted via sign-in sheet.
- Members Present:** Alan Battenfield, Paul Bokota, Felix Chen, Carolyn Smith Driscoll, Denise Espinosa, Lisa Fox, Maria Howard, Trish Kasy (Sub for Sherry Slunka), Annette Symons, Jason Vilorio.
- Members Absent:** Sherry Slunka
- IUSD Staff:** John Fogarty, Asst. Supt., Business Services  
Susana Lopez, Director of Fiscal Services  
Raianna Chavez, Confidential Secretary
- Guests:** Bill Rauch (VTD)
- Next Meeting Date:** Wednesday, March 14, 2012

### *Finance Committee Business*

#### **1. Call to Order; Roll Call; Recognition**

Brian Daucher called the meeting to order at 6:32 p.m.

With the attendance of John Fogarty, Assistant Superintendent of Business Services for the Irvine Unified School District, the committee individually introduced themselves.

#### **2. Approval of Minutes**

December 12, 2011 – Approved

#### **3. IUSD 2010-11 Audit Presentation – Bill Rauch, VTD**

##### **Link to website with Audit:**

[http://iusd.org/district\\_services/fiscal\\_services/documents/2010-11AuditReportIUSD.pdf](http://iusd.org/district_services/fiscal_services/documents/2010-11AuditReportIUSD.pdf)

Bill Rauch of VTD presented the 6/30/11 Audit of IUSD

Some highlights include:

- Page 2: Third paragraph: unqualified opinion, which is cleanest opinion given.
- Page 62 – no adjustment in the general fund, this is what management is looking for and the Board is looking at.
- No material adjustments in the capital fund.
- Page 63 – gives trend in general fund.  
2012 budget numbers and actuals from 2011 – 2009  
Attendance in P-2  
A lot of districts that VTD audits are not seeing increases in ADA, others are declining. IUSD has been increasing in attendance, this is great.
- Page 76 – Report Card – no material weaknesses identified.
- District received \$19+mil in federal awards.  
Lots of federal testing, with no findings to report, this is good.
- Always going to have findings for ASBs.  
Susana Lopez reported providing training for ASB accounting last week, and providing an Accounts Payable technician on a part-time basis to support the ASBs.

Some principals, athletic directors, admin. assistants, etc. attended the training.

Fiscal is looking at making this a mandatory training.

Annette suggested having the ASB treasurers also attend the training.

- Second finding – Stipends

Athletic stipends were not being run through the district; they were accounted for at each site.

Bill suggested taking measures to tighten controls over athletic stipends, and account for them through the HR department.

Susana added that the district has since corrected this, but the audit time period covered some time where this was still happening.

Bill added he anticipates the stipends findings will be removed from the audit report with the processes now in place.

#### **4. Overview of Facilities Study Session Agenda, by John Fogarty**

John announced there will be two Facilities Study Sessions, Jan. 31<sup>st</sup> and another in March, date yet to be determined.

Potential Middle school boundary changes,

- Jeffrey Trail Middle School (JTMS) scheduled to open Sept. 2013

1. The school boundary changes will impact Venado and Sierra Vista MS.

- The recommended timeline for notifying parents of when JTMS will open and boundary changes is 24 months, IUSD is legally required to provide 15 months

**5. Great West Lawsuit Update, by John Fogarty**

The Trial court ruled a responsibility hearing needed to be conducted.

At the second responsibility hearing held, Dec. 17, Great West didn't provide the necessary documents requested.

- o Great West's attorney claimed to not

- District will still have to provide Spec. Ed transportation.
  1. Looking at \$1.1m cut.
- Best case, Gov. gets initiative on ballot, it passes, but we are still looking at a transportation cut.
  1. Could be hard for the Governor to get support from the unions.

The Governor has said, if his ballot initiatives fail, education will be cut by \$4.8b.

First thing he will do is restore deferral for a net of \$2.4b.

\$370 per ADA or \$10.4 million cut to IUSD, if not passed.

- For a total of \$11.5m including transportation cut.

IUSD put aside \$7m this year in trigger cuts, we will be cut about \$1.5m this year and the remaining transportation funding for this year.

- There is legislation to change the transportation cut this year to a per ADA cut.

1. That would change our \$1m transportation cut to a \$1.5m cut.

IUSD should be left with about \$15m in reserve this year, to help with next year. Next year we are estimating a \$25m cut, for a net hole of \$10m.

Last year the ADA cut was a onetime cut, the current discussion is of an ongoing ADA cut. If this happens many other districts will not be able to survive.

We don't have enough information on the elimination of the RDAs, yet. Our fair share is about \$15m.

## **8. Review of 2012 FC Meeting Calendar concerning the April 9<sup>th</sup> Meeting**

It was discussed and agreed to change the Finance Committee Meeting Calendar as follows:

- Remove Feb. 27<sup>th</sup> meeting
- Change, March 12<sup>th</sup> meeting to March 14<sup>th</sup>
- Remove April 9<sup>th</sup> meeting
- Consider moving future meetings as they get closer.

## **9. Adjournment – 8:05pm**

Meeting was adjourned at 8:05 p.m.

## **Action R ,e of \$0m.**

Meeting was adjn w001M ¶vasdD0 2adjo.00d at 8:05 p.m.