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| *`* | *Santa Monica Community College District*District Planning and Advisory CouncilMeeting – February 8, 2017Agenda |

A meeting of the Santa Monica Community College District Planning and Advisory Council (DPAC) is scheduled to be held on Wednesday, **February 8, 2017** at 3:00 p.m. at Santa Monica College Drescher Hall Room 300-E (the Loft)**,** 1900 Pico Boulevard, Santa Monica, California.

1. Call to Order
2. Members

Teresita Rodriguez, Administration, Chair Designee

Fran Chandler, Academic Senate President, Vice-Chair

Georgia Lorenz, Administration Representative

Chris Bonvenuto, Management Association President

Katharine Muller, Management Association Representative

Mitra Moassessi, Academic Senate Representative

Peter Morse, Faculty Association President

Howard Stahl, Faculty Association Representative

Robert Villanueva, CSEA President

Martha Romano, CSEA Representative

Terrance Ware, Associated Students President

Laura Zwicker, Associated Students Representative

1. Review of Minutes: January 25, 2017

IV. Reports

1. Accreditation
   1. Strategic Planning Task Force

#### V. Agenda

*Public Comments*

*Individuals may address the District Planning and Advisory Council (DPAC) concerning any subject that lies within the jurisdiction of DPAC by submitting an information card with name and topic on which comment is to be made. The Chair reserves the right to limit the time for each speaker.*

1. 2015-2016 Audit Reports (links to reports and synopsis are attached)
2. 2016-2017 Budget Report
3. Capital Outlay Program Update (report is attached)
4. Marketing Update: Gateway Page

VI. Adjournment

Meeting schedule through June, 2017 (second and fourth Wednesdays each month at 3 p.m.)

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| |  | | --- | | 2016-2017  February 22  March 8, 22  April 12, 26  May 10, 24  June 14, 28 | |

VII. Council of Presidents Meeting

The Council of Presidents will set the agenda for the February 22, 2017 DPAC meeting.

**2015-2016 Audit Reports**

Links to the District Audit Report and the 2015-2016 General Obligation Bond *(Prop 39)* Financial and Performance Audit Reports are provided below.

Link to the District Audit Report:

<http://www.smc.edu/ACG/Documents/Board%20of%20Trustees%20Meetings/Board_of_Trustees_Meetings/2017/Santa%20Monica%20Community%20College%20District%20Final%20Audit%20Report.pdf>

Below is a synopsis of the report:

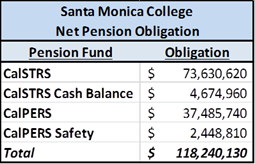
* The report is **unmodified** which is the highest opinion the auditors can give. *(Pages 4-5 of the PDF or pages 2-3 of the audit)*
* The District Audit contains **no compliance audit finding, no federal audit findings** and **no financial statement audit findings**. *(Pages 107-109 of the PDF or pages 104-106 of the audit)* This is the eleventh year in a row of no financial statement audit findings.
* The District had a prior year (2014-2015) state compliance audit finding related to TBA Hours. This issue has been corrected and has not repeated. *(Pages 110-111 of the PDF or pages 107-108 of the audit)*
* The auditor’s report on “Internal Control Over Financial Reporting and On Compliance…” found **“…no instances of non-compliance…”** *(Pages 99-100 of the PDF or pages 96-97 of the audit)*
* The auditor’s report on “Compliance For Each Major Program And On Internal Control Over Compliance… ” found **“...the District complied, in all material respects, with the types of compliance requirements… that could have a direct and material effect on each of its major Federal programs…”** *(Page 101-102 of the PDF or pages 98-99 of the audit)*
* The auditor’s report on “State Compliance” found **“…the District complied, in all material respects, with the compliance requirements…”** of the state programs. *(Pages 103-104 of the PDF or pages 100-101 of the audit)*
* The A-133 audit on Federal Programs was **“unmodified”** for both financial reporting and compliance, which is the best opinion the auditors can give. *(Page 106 of the PDF or page 103 of the audit)*
* In 2014-2015, the District implemented Governmental Accounting Standards Board (GASB) statement no. 68 which was issued with the “primary objective to improve accounting and financial reporting by state and local governments for pensions.” The statement requires the District to reflect on the financial statements its proportional share of the unfunded liability of the statewide pension funds, CalSTRS and CalPERS, which for 2015-2016 is $145,665,590; an increase of 23.2% from the prior year. Below is a chart comparing 2014-2015 to 2015-2016 unfunded liabilities by pension fund.

**Net Pension Obligation is categorized as follows:**

**2015-2016**

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| **Santa Monica College Net Pension Obligation** | |
| **Pension Fund                 Obligation** | |
| **CalSTRS** | $        97,899,000 |
| **CalPERS** | $        45,285,610 |
| **CalPERS Safety** | $          2,480,980 |
| ***Total*** | ***$      145,665,590*** |

**2014-2015**



The auditors opinion of the financial statements are of the highest level possible and we believe will be well received from constituencies, the community and outside entities.

Link to the 2015-2016 General Obligation Bond *(Prop 39)* Financial and Performance Audit Report:

<http://www.smc.edu/ACG/Documents/Board%20of%20Trustees%20Meetings/Board_of_Trustees_Meetings/2017/Santa%20Monica%20Community%20College%20District%20Measure%20U,%20Measure%20S,%20and%20Measure%20AA%20Final%20Audit%20Report.pdf>

Below is a synopsis of the reports:

* The audit reports are **unmodified,** which is the highest opinion the auditors can give. *(****Financial Audit:*** *Pages 5-6 of the PDF or pages 2-3 of the Financial Audit;* ***Performance Audit:*** *Page 28 of the PDF or page 1 of the Performance Audit)*
* The audit reports contains **no audit findings**. *(****Financial Audit:*** *Pages 20-21 of the PDF or pages 17-18 of the Financial Audit;* ***Performance Audit:*** *Pages 32-33 of the PDF or pages 5-6 of the Performance Audit)*
* The auditor’s report on “Internal Control Over Financial Reporting and On Compliance…” found the auditors  **“…did not identify any deficiencies in internal control…”** *(Pages 17-18 of the PDF or page 14-15 of the Financial Audit)*
* The Performance Audit found **“…the District expended Measure U, Measure S and Measure AA General Obligation Bond Funds… inky for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(c) of the California Constitution.”** *(Page 28 of the PDF or page 1 of the Performance Audit)*

The opinions of the auditors contained in the reports are the highest level an institution can receive.