

COMPTON COMMUNITY COLLEGE DISTRICT
UGF as of FY2014

Sound Fiscal Management Self-Assessment Checklist		DRAFT June 2014; PBC
Items		Notes
1	Deficit Spending - Is this area acceptable?	YES
a	Is the district spending within their revenue budget in the current year?	Since FY2011, the District's unrestricted general fund has increased from \$3.0M, to \$4.4M, to \$7.1M in FY2011, FY2012, and FY2013, respectively. As a result the District has shown a trend of consecutive years of increase reserves. The District has maintained the minimum reserve requirement of 5% has shown significant increases in reserves of 13.0% and 23.8% in FY2012 and FY2013, respectively.
b	Has the district controlled deficit spending over multiple years?	Yes – the District has not deficit spent over the periods FY2011 thru FY2013 as evident in the increased unrestricted general fund balances from \$3.1M to \$7.1M, respectively.
c	Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions?	In FY2014 the District shows deficit spending however this is addressed by utilizing one-time funding allocations with fund balances and expenditure reductions. In prior years, Compton has responded to the State apportionment revenue decline by reducing expenditures.
d	Are district revenue estimates based upon past history?	Yes
e	Does the district automatically build in growth revenue estimates?	Yes
2	Fund Balance - Is this area acceptable?	YES
a	Is the district's fund balance stable or consistently increasing?	The since FY2011, the District's unrestricted general fund has increased from \$3.1M, to \$4.4M, to \$7.1M in FY2011, FY2012, and FY2013, respectively. As a result the District has shown a trend of consecutive years of increase reserves. The District has maintained the minimum reserve requirement of 5% and has shown significant increases in reserves of 9.06%, 13.0% and 23.8% in FY2011, FY2012 and FY2013, respectively.
b	Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions?	The District's increasing fund balance is due from expenditure reductions. Expenditures have been reduced from \$30.3M to \$28.5M from 2011-12 to 2012-13, respectively.
3	Enrollment - Is this area acceptable?	YES
a	Has the district's enrollment been increasing or stable for multiple years?	Course offerings were intentionally reduced in response to our State's reduction of our revenue.
b	Are the district's enrollment projections updated at least semiannually?	Yes--our enrollment projections are updated numerous times a year.
c	Are staffing adjustments consistent with the enrollment trends?	Yes
d	Does the district analyze enrollment and full time equivalent students (FTES) data?	Yes
e	Does the district track historical data to establish future trends between P-1 and annual for projection purposes?	Yes
f	Has the district avoided stabilization funding?	Yes
4	Unrestricted General Fund Balance - Is this area acceptable?	YES

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a	Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level?		Yes - since FY2011, the District's unrestricted general fund has increased from \$3.0M, to \$4.4M, to \$7.1M in FY2011, FY2012, and FY2013, respectively. As a result the District has shown a trend of consecutive years of increase reserves. The District has maintained the minimum reserve requirement of 5% and has shown significant increases in reserves percentages of 13.0% and 23.8% in FY2012 and FY2013, respectively
b	Is the district's unrestricted fund balance maintained throughout the year?		Yes
5 Cash Flow Borrowing - Is this area acceptable?		YES	
a	Can the district manage its cash flow without Interfund borrowing?		Yes – the manages cash flow concerns without interfund borrowing through the use of TRANS. Annual cash flow projections are updated semi-annually to determine the need and size of the TRAN
b	Is the district repaying TRANS and/or borrowed funds within the required statutory period?		Yes
6 Bargaining Agreements - Is this area acceptable?		YES	
a	Has the district settled bargaining agreements within new revenue sources during the past three years?		The District settled an agreement with the Classified unit to increased the cap on District provided health costs from \$10,000 to \$12,000 per year. The additional increase of \$2K in health care costs was determined by the amount of on-going funds funded with COLA (1.57%). No settlement was made with the faculty unit, however they also received the additional \$2K increase due to the "me too" clause.
b	Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement?		Yes - additional costs were funded with COLA (1.57%)
c	Did the district correctly identify the related costs?		Yes
d	Did the district address budget reductions necessary to sustain the total compensation increase?		Yes - the District reduced personnel during FY2010 – FY2011, offered an early retirement incentive to faculty, ended life insurance benefit in FY2012, did not fill vacancies, and negotiated an end of life time benefits effective July 1, 2013 for the Classified unit.
7 Unrestricted General Fund Staffing - Is this area acceptable?		YES	
a	Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses?		Yes
b	Is the percentage of district general fund budget allocated to salaries and benefits at or less that the statewide average (i.e. the statewide average for is)		At June 30, 2013 the District total salary and benefits was 77% of the general fund expenditures.(i.e. the statewide average for 2003-04 is 85%)?
8 Internal Controls - Is this area acceptable?		YES	
a	Does the district have adequate internal controls to insure the integrity of the general ledger?		Yes - over the past two fiscal years the District has had no material weaknesses reported in the annual audit report and as of June 30, 2013 the District no internal controls deficiencies that affect the financial integrity and/or reliability of the general ledger or financial statements. No audit adjustments were reported as of June 30, 2013.
b	Does the district have adequate internal controls to safeguard the districts assets?		Yes - the District has revised and implemented procedures to ensure adequate controls are in place to safeguard all District assets. No internal controls deficiencies were reported regarding District assets in the District annual audit report as of June 30, 2013.

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9	Management Information Systems - Is this area acceptable?	YES
a	Is the district data accurate and timely?	Yes
b	Are the county and state report filed in a timely manner?	Yes
c	Are key fiscal reports readily available and understandable?	Yes
#	Position Control - Is this area acceptable?	YES
a	Is position control integrated with payroll?	Yes - with full-time employees.
b	Does the district control unauthorized hiring?	Yes
c	Does the district have controls over part-time academic staff hiring?	Yes
#	Budget Monitoring - Is this area acceptable?	YES
a	Is there sufficient consideration to the budget, related to long-term bargaining agreements?	Yes
b	Are budget revision completed in a timely manner?	Yes
c	Does the district openly discuss the impact of budget revisions at the board level?	Yes
d	Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified?	Yes - when applicable
e	Has the district's long-term debt decreased from the prior fiscal year?	Long-term debts funded by the general fund consist of the 1) line of credit, 2) compensated absences, 3) retiree health costs and 4) early retirement incentive. Over the past two years District's long-term debt funded by the general fund has decreased year after year.
f	Has the district identified the repayment sources for the long-term debt?	Yes - district adequately budgets repayment resources for all long-term debt.
g	Does the district compile annualized revenue and expenditure projections throughout the year?	Yes
#	Retiree Health Benefits - Is this area acceptable?	YES
a	Has the district completed an actuarial calculation to determine the unfunded liability?	Yes
b	Does the district have a plan for addressing the retiree benefits liabilities?	Yes - the District has established a Trust for the pre-funding of its Other Postemployment Benefits (OPEB) liabilities to comply with the requirements of GASB Statements No. 43 & No. 45. Though the District does not fund its entire actuarially determined Annual Required Contribution (ARC) each year, the District has budget an amount to contribute into the Trust annually as long as funds are available.
#	Leadership/Stability - Is this area acceptable?	YES
a	Has the district experienced recent turnover in its management team (including the Chief Executive Officer, Chief Business Officer, and Board of Trustees)?	The District's leadership and stability over the past two years have been the strongest and most consistent over the last 8 years. The CEO has been with the District for more than 8 years. The CEO, CBO and Special Trustee have been in place for more than 2 years.
#	District Liability - Is this area acceptable?	YES
a	Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels?	Yes

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b	Has the district set up contingent liabilities for anticipated settlements, legal fees, etc?		Yes - as of June 30, 2013 the District has recorded contingent liability to the State for over reported FTES relating to the cosmetology program
#	Reporting - Is this area acceptable?	YES	
a	Has the district filed the annual audit report with the System Office on a timely basis?		Yes – annual audit report has been filed timely over the last 2 years
b	Has the district taken appropriate action to address material findings cited in their annual audit report?		Yes – the District has reduced audit findings from twenty-six (26), to thirteen (13), to six (6) audit findings in FY2011, FY2012, and FY2013, respectively. Of the thirteen (13) prior-year audit findings, eight (8) were noted as fully implemented. Five (5) were noted as in process and are currently being addressed. Most importantly, the District reports no audit adjustments and no material weaknesses in internal controls over the past two fiscal years; FY2012 and FY2013
c	Has the district met the requirement of the 50 percent law?		District has complied with the 50 Percent Law in FY2012 which was the first time since FY2003; however during FY2013 the District did not comply with the 50 Percent Law. The District submitted a plan to the Chancellors Office which was accepted.
d	Have the Quarterly financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS-311), and Apportionment Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines?		Yes