

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Board of Trustees
Budget and Audit Subcommittee
(Subcommittee Members: Trustees Miller and Hernandez)

District Administrative Center
333 Skyway Drive
Camarillo, CA. 93010

August 31, 2005 – 4:00 PM

NOTES

Attendees: Trustee Miller, Trustee Hernandez, Jim Meznec, Susan Johnson,

Guests: Heidi White, Rick Alonzo, partners with Vavrinek, Trine, Day & Co.

Trustee Hernandez called the meeting to order at 4:00 P.M.

Status of 2004-2005 Financial Audit

Ms. Heidi White and Mr. Rick Alonzo, partners with Vavrinek, Trine, Day & Co., discussed the status of the 2004-05 independent financial and compliance audit for the District. Ms. White stated that this was a time for the sub-committee to point out any issues they might want specifically reviewed or to ask any questions of the auditors.

Specific procedures and new compliance requirements were presented.

Trustee Hernandez inquired about enterprise accounts, e.g. cafeteria and bookstore, and whether anything was done specifically in those areas. Ms. White explained that they give special attention to inventory handling, etc. because these operations have a great risk than other non-cash operations do. In addition, Ms. White talked about the fact that these enterprise accounts were profits center and should be self-supporting. All three cafeterias incurred operating losses in FY05, but the District has made changes for FY06 in an attempt to turn that around.

Mr. Alonzo indicated that internal controls are reviewed during the audit process, and at this point, there have not been any negative findings, although all field work was not yet complete.

Ms. White indicated the draft audit and management letter would be given to staff shortly for review and comments, and the final reports would be presented to the Board in December.

Trustee Hernandez inquired about foundation audits, and asked if a review of the foundation financial statements might be needed and requested. The current process was discussed.

Sue Johnson explained that the foundations currently hire their own auditors and that a late audit can be a clear signal there is a problem. That was in fact the case in the previous year with Ventura College foundation and the currency of their record keeping. Ms. Johnson mentioned that the contracts between the District and foundations were currently being updated, and tighter deadlines could be included.

Ms. White stated that if the District desired a brief training session for all foundations, perhaps a half day session , they would be glad to prepare such a presentation on tax, non-profit status, requirements as an auxiliary, etc

Status of 2005-2006 Budget

The General Fund Unrestricted proposed budget was reviewed.

A summary of FY 06 budgeted revenue for the General Fund Unrestricted Fund, as well as actuals for FY 05 was reviewed.

In addition, a summary of last year's actual expenditures, as compared to this year's proposed budget, was reviewed. There was committee discussion on what level of detail should be provided to the sub-committee and board and what level should be left to management. The issue was how does the restoration of the budget relate to the previous cuts. Ms. Johnson explained the variance column does reflect many of the Board interests expressed at prior meetings, e.g. increased instructional costs to support enrollment, increased supplies and some restoration of classified staff. There was also discussion as to whether the budget was built to support the recently reviewed Board imperatives.

The committee briefly discussed distribution of funds, how the budgets are built and enrollment issues.

Ms. Johnson commented that the budget for the cafeteria was an issue as we do not have trends for this type of operation, and that actual operations to date are not what was expected. These issues have been discussed at length at DOC with the college vice presidents, and will be closely monitored. In addition, we will begin to meet with SEIU as previously agreed to attempt to strengthen those operations. The cafeterias operations and possible alternatives were discussed.

Expenditure Report – Measure S (Bond)

The committee reviewed the summary of bond expenditures.

The meeting was adjourned at: 5:34 P.M.