

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**  
**Audit, Budget, Foundation Relations Committee**

*Ventura County Community College District*  
*255 West Stanley Avenue, Suite 150*  
*Multi-purpose Room*  
*Ventura, CA 93003*

**Wednesday, December 1, 2010**  
**5:30 P.M.**

**Meeting Notes**

**CALL TO ORDER**

The Meeting was called to order at 5:36 p.m. by Trustee Blum.

**PRESENT**

Members: Trustee Hernandez and Trustee Blum

Absent: Trustee Heitmann

Guests: Rick Alonzo and Chris Chitlik - Vavrinek, Trine, Day & Co.; Shari Prosser, Vicenti, Lloyd, & Stutzman, LLP; Sharon Roberts, Soares, Sandall, Bernacchi & Petrovich, LLP;

Staff: Sue Johnson, Mary Anne McNeil, Chedva Weingart, and Anna Benscoter (Ventura College Foundation)

**PUBLIC COMMENT REGARDING AGENDA ITEMS**

There were no public comments.

**REVIEW OF FINANCIAL AND PERFORMANCE AUDITS FOR MEASURE S**

Shari Prosser, senior manager with Vicenti, Lloyd & Stutzman, LLP, presented the 2009-10 financial and performance audits for the District's Proposition 39 Bond: Measure S. The District received an "unqualified" opinion, which means the financial statements, in all material respects, are free of material discrepancies, and no weaknesses or deficiencies in internal controls were identified. Further, all expenditures are in accordance with the voter's ballot, Exhibit B and were for authorized projects.

Ms. Johnson mentioned that the first bond issuance (Series A) qualifies for refunding. That is currently being evaluated and, if appropriate, will be brought back to the Committee at a future date.

The committee recommended that the reports be submitted to the full Board for acceptance at the December 2010 meeting.

## **REVIEW OF FINANCIAL AND COMPLIANCE AUDITS FOR THE DISTRICT**

Rick Alonzo, audit partner with Vavrinek, Trine, Day & Co., presented the FY 2009-10 Annual Financial Report and Special Report for the District.

The District received an “unqualified” opinion on its Financial Statements, which means the statements, in all materials respects, are free of material discrepancies. Mr. Alonzo stated that the unqualified opinion was given without the need for any audit adjustments. Many districts receive unqualified opinions only because auditors have asked for adjustments. This is the best opinion a district can receive.

Mr. Alonzo briefly discussed the financial statements for several of the funds within the Special Report. He noted that the District’s General Fund-Unrestricted fund balance increased over last years’, which he commended the Board for, especially in these tough economic times.

The audit includes Federal Awards findings related to a Department of Rehabilitation (DOR) contract, as well as a recurring finding in the area of Student Financial Aid (timely return of Title IV funds). The District concurs with the findings and recommendations, and has developed a plan for remediation.

The audit includes a State Awards finding regarding proper documentation for instructional material fees being charged to students. The District concurs with the finding and recommendations, and has developed a plan for remediation.

There was a review of the Management Letter Comments (MLCs).MLCs are supplementary information provided to the District to articulate opportunities to increase efficiencies and to improve accounting practices and controls. There was a brief discussion about the campus bookstores and the Community Education program at Ventura College. These programs will be monitored closely in FY 2011.

The committee recommended that the reports be submitted to the full Board for acceptance at the December 2010 meeting.

## **REVIEW OF FOUNDATION AUDITS FOR MOORPARK COLLEGE, OXNARD COLLEGE AND VENTURA COLLEGE**

The audits for the Moorpark College, Oxnard College and Ventura College Foundations were distributed and discussed. Ms. Johnson explained that, while the District does not govern or manage the Foundations, conducting an annual audit reports is a requirement of each Foundation remaining “an auxiliary in good standing”.

### Ventura College Foundation

Ms. Sharon Roberts, a representative from the Foundation’s audit firm, Soares, Sandall, Bernacchi & Petrovich, LLP, and Anna Benscoter from the Ventura College Foundation, were present to answer any questions and explain the Foundation’s audit. Ms. Roberts explained the increase in negative Unrestricted Net Assets, which was primarily due to a large matching funds contribution made to the Foundation for California Community Colleges endowment fund related to the Bernard Osher Foundation.

Ms. Roberts also explained the internal control deficiency regarding lack of qualifications on the part of Foundation employees. The finding simply means that the Foundation does not employ or contract with a CPA during the year, and therefore no employee can generate financial statements with all required disclosures, in accordance with generally accepted accounting principles (GAAP).

All prior year Management Letter Comments have been implemented, with the exception of a recommendation to merge financial systems. Implementation is currently under review.

#### Oxnard College Foundation

A reclassification of Foundation board-designated net endowment assets was reported in the financial statements. A question arose regarding activity in the President's Fund, and an accounting of the fund will be requested. The Committee requested this report for all three Foundations.

#### Moorpark College Foundation

There were no findings contained in the Moorpark College Foundation audit. There was a discussion about the Farmer's Market in Moorpark and the possibility of a community market, similar to the other two sites.

It was moved that all Foundation audits be presented to the Board of Trustees for acceptance at the December 2010 meeting.

Meeting adjourned at 7:48 p.m.