

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Board of Trustees**

**Audit Subcommittee
Subcommittee Members: Trustees Dr. Miller and Mr. Hernandez**

**February 23, 2005
4:00 PM**

Notes

Subcommittee Members: Trustee Hernandez, Trustee Miller

Staff: Chancellor Meznek, Ms. Sue Johnson, Ms. Yvonne Scholle

Guests: Mr. Harry Culotta,

CALL TO ORDER

The meeting was called to order at 4:10 PM by Trustee Hernandez.

PUBLIC COMMENTS ON AGENDA ITEMS

None

AGENDA ITEM

The purpose of the meeting was to review and discuss the results of the audits for the four (4) foundations.

Sue Johnson began the meeting by informing the committee that, once reviewed, the foundation audits will go to the March Board meeting for review and acceptance. She explained the limited District role regarding these audits. The audit firms are selected by the foundation boards and the process is performed by the audit firm and the foundation staff and does not involve the District.

Each firm provides a copy of the audit including a report to management letter. The report to management letter details any concerns, findings and recommendations. In areas where the District believes there is exposure, they may follow-up with the respective foundation.

The role of the audit subcommittee is to receive the audits, review for detail and significant risk.

Each page of the Independent Auditor's Report and the Letter to Management for each foundation was reviewed by the committee.

Oxnard College Foundation Audit

Sue Johnson explained that Temporarily or Permanent Restricts funds cannot be used for other uses. Unrestricted funds can be used at the foundation board's discretion.

Currently the foundation does not have a permanent Executive Director and there is an acting Executive Director that is not drawing a salary and is only being reimbursed for expenses.

The foundation's swap meet has become quite significant.

Ventura College Foundation Audit

Ventura College is the most significant of the four foundations. The committee discussed the accounting procedures and practices that were highlighted in the report to management. Although their accounting practices had been questionable in the past, it appears that they were improved by the end of the fiscal year.

Moorpark Foundation Audit:

Sue discussed the past practice of using restricted funds for unrestricted purposes, resulting in a negative unrestricted fund balance. She explained that that practice had ended a few years ago and the MC foundation had been improving the financial condition of the unrestricted fund for the past couple of years, primarily through their annual fund raiser. It is anticipated by the end of FY 2004-05 that fund should be in the black, and the foundation will then be properly financed. The committee also discussed the issue referenced in the management letter.

Districtwide Foundation:

The committee discussed the issue of the District foundation being inactive for a period of time, and that this was a significant management comment that the District would need to consider.

There was discussion regarding the donated property being the only activity the foundation was involved in. The foundation sold donated property and now hold a notes receivable of \$500,000 in assets.

A suggestion was made to distribute revenue to other foundations when received. There was some discussion as to whether the foundation has remained active and living off a single source and the Board of Directors not actively fund raising.

The committee discussed the need to keep the foundation active and possibilities for networking with the community and PR and asked the chancellor to provide a periodic update of these issues.

The committee requested a listing of the Board of Directors for each of the four (4) foundations

The Subcommittee recommended that the Foundation audits be forwarded to the full Board of Trustees for approval and acceptance at the March 8, 2005 Board meeting.

Trustee Miller moved to adjourn; meeting was adjourned at 4:45 PM.