

LOS ANGELES COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
BUDGET AND FINANCE COMMITTEE  
Educational Services Center  
Board Room – First Floor  
770 Wilshire Boulevard  
Los Angeles, California 90017  
Wednesday, February 13, 2008  
10:00 – 11:00 a.m.

Committee: Georgia Mercer, Chair; Kelly Candaele; Sylvia Scott-Hayes

Participants: Daphne Congdon, ESC; Marshall Drummond, ESC; Larry Eisenberg, ESC; Carl Friedlander, Los Angeles College Faculty Guild; Jerry Gold, First Southwest Company; Jeanette Gordon, ESC; Camille Goulet, ESC; Tracy Hensley, KPMG; Sanford Holo, Musick, Peeler & Garrett, LLP; Ray Loving, Build—LACCD; Alexia Nalewaik, Moss Adams; Vinh Nguyen, ESC; Kathy Pai, KPMG; Christopher Ray, KPMG; Ruben Rojas, Build—LACCD; Eric Tostenrud, Moss Adams; Lisalee Wells, Fulbright & Jaworski; Brian Wishneff, Brian Wishneff & Associates; Erik Wishneff, Brian Wishneff & Associates

Trustee Candaele called the meeting to order at 10:08 a.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS

Bond Performance Audit

Copies of a document entitled “Bond Program Performance Audit Fiscal Year Ended June 30, 2007” were distributed.

Ms. Jeanette Gordon indicated that the Bond Program Performance Audit is in final format. The Bond Financial Audit and Annual Financial Audit are still in draft format.

Trustee Candaele inquired as to which audits the District is required to complete under state law.

Ms. Gordon responded that under state law the District is required to complete all three audits.

(Trustee Mercer arrived at 10:11 a.m.)

Mr. Eric Tostenrud discussed the document with respect to the Proposition A and AA Bond Program expenditure testing results.

Ms. Alexia Nalewaik discussed the document with respect to past audit issues from 2002 through 2006 and key opportunities for improvement.

There was discussion regarding the purpose of each of the three types of audits.

With respect to the 15 audit issues that are in the process of being resolved, Trustee Scott-Hayes requested that a summary be provided when these audit issues have been resolved.

Motion by Trustee Candaele, seconded by Trustee Scott-Hayes, to approve the Bond Performance Audit.

*APPROVED: 3 Ayes*

### Bond Financial Audit

Ms. Tracy Hensley discussed the Bond Financial Audit for Propositions A and AA with respect to significant deficiencies in the areas of expenditure accruals, expenditure budgeting, management reconciliation, and review of program expenditures.

Chancellor Drummond recommended that the Committee accept the Bond Financial Audit and indicated that he and his staff would focus on eliminating the deficiencies.

Motion by Trustee Candaele, seconded by Trustee Scott-Hayes, to approve the Bond Financial Audit.

*APPROVED: 3 Ayes*

### Annual Financial Audit

Mr. Christopher Ray discussed the Annual Financial Audit with respect to Federal Internal Control and Compliance Findings, including student financial aid cluster findings and higher education institutional aid findings.

Chancellor Drummond indicated that within the next two months he would have a report prepared listing the outstanding audit issues.

Mr. Ray continued his presentation regarding the Annual Financial Audit and discussed the State Compliance Findings and significant deficiencies in the Financial Audit.

Motion by Trustee Candaele, seconded by Trustee Scott-Hayes, to approve the Annual Financial Audit.

*APPROVED: 3 Ayes*

### Historical Tax Credits

Copies of a document entitled "Revenue Enhancement Opportunities" were distributed.

Mr. Larry Eisenberg summarized the document with respect to historic and new market tax credit programs as they relate to the ELAC South Gate Educational Center, the LACC Northeast Satellite Campus, and alternative energy projects.

Ms. Lisalee Wells discussed the financial structure for the historic and new market tax credit programs.

Mr. Eisenberg indicated that an action item regarding the Historic Tax Credit Program would be on the agenda of the regularly scheduled Board meeting of February 27, 2008.

### New Business

None.

### ADJOURNMENT

There being no objection, the meeting was adjourned at 11:23 a.m.