



Santa Monica Community College District
Citizens' Bond Oversight Committee
MEETING – January 19, 2011
MINUTES

A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee was held on Wednesday, January 19, 2011 in Drescher Hall Room 300-E (the Loft) at Santa Monica College, 1900 Pico Boulevard, Santa Monica, California.

1. CALL TO ORDER - 8:05 a.m.

2. ROLL CALL

Bruce Sultan, Chair - Present
Paul Leoni, Vice-Chair –Present
Deborah Arvesen –Present
Clarence Chapman – Present
Todd Flora - Present
Tiffany Inabu –Present
Corin Kahn – Not Present
Nimish Patel - Present
Christine Thornton – Not Present

Others Present:

Sara Banda, representing Vicenti Lloyd & Stutzman, LLP
Chris Bonvenuto, Director of Fiscal Services
Greg Brown, Director of Facilities and Planning
Don Girard, Senior Director, Government Relations/Institutional Communications
Bob Isomoto, Vice-President, Business/Administration
Lee Paul, LPI Inc.
Lisa Rose, Committee Coordinator
Charlie Yen, Director, Contracts

3. APPROVAL OF MINUTES – October 20, 2010

Motion was made by Paul Leoni and seconded by Clarence Chapman to approve the minutes of October 20, 2010, as corrected.

Motion made by: Paul Leoni
Seconded by: Todd Flora
Unanimously approved

4. INTRODUCTION OF NEW MEMBER

Tiffany Inabu was appointed by the Board of Trustees to serve as the student representative on the Citizens' Bond Oversight Committee.

5. CONFLICT OF INTEREST FORMS

Members were reminded to sign and submit their Conflict of Interest forms for 2011.

6. REPORTS and DISCUSSION

2009-2010 Financial Audit and Performance Audit Reports

Chris Bonvenuto, Director of Fiscal Services, provided an overview of the 2009-2010 Financial Audit and Performance Audit Reports. The Auditor indicated that there were no instances of noncompliance in both audits and did not identify any exceptions or deficiencies. *Highlights are attached.*

Motion was made by Paul Leoni and seconded by Deborah Arvesen to accept without exception the 2009-2010 Audit Reports: *Unanimously approved.*

Measure U, S and AA and Bond Sales Expenses Reports (reports included with agenda)

- Charlie Yen reported that the following clarifications suggested at the last meeting have been incorporated into the detailed oversight reports: All Reports include other funding amounts and sources; Measure S Reports shows Malibu - other expenses (Storm/Waste Water Treatment Center)
- The pie charts included on the individual project pages shows expenses to date. Most projects are in the planning stage, so the expenses for architects are the majority of expenses to date.
- The length of time for the Department of State Architect (DSA) to approve construction projects is unbelievably long at this time, about double what it should be. It is planned to start the construction phase on the Student Services project and the parking structure at the Academy of Entertainment and Technology this summer. The delay in DSA affects the sale of bonds, employment for construction projects and sequencing of projects.
- It was suggested that future expenditure/oversight reports indicate funds allocated versus funds appropriated.

Bond Sales/Expenses Report

The Bond Sales/Expenses Report indicates total bond amounts, bond issue dates/amounts, unsold bond amount and total available as of January 1, 2011.

7. PUBLIC COMMENTS - None

8. SCHEDULE OF MEETINGS, 2010-2011

Wednesdays at 8 a.m.
April 20, 2011

9. ADJOURNMENT – 9:13 a.m.

The next meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, April 20, 2011 at 8 a.m. (*location to be determined*).

SANTA MONICA COMMUNITY COLLEGE DISTRICT
Financial Audit - Measure U, MEASURE S AND MEASURE AA Bond
Items to Communicate to the Citizens Oversight Committee
For the Year Ended June 30, 2010

Vicenti, Lloyd & Stutzman LLP has prepared the following information to communicate to the Citizens Oversight Committee the highlights of the audit report based upon the results of our 2009-10 audit of the Bond Construction Fund.

**ITEMS TO
COMMUNICATE**

HIGHLIGHT

Independent Auditors' Report
Pages 1 – 2

Provides the auditors' opinion on the fairness of the financial statements of the Bond Building Fund prepared by management and whether the financial statements are prepared in accordance with generally accepted accounting principles.

Our opinion is that the financial statements are fairly presented and follow generally accepted accounting principles.

Fund Financial Statements
Pages 3 –7

Fund financial statements follow generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. There are three statements required:

- 1) Balance Sheet
- 2) Statement of Revenues, Expenditures and Change in Fund Balance.
- 3) Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual.

These financial statements provide a short-term perspective by being prepared on a modified cash basis of accounting. Capital assets and long-term liabilities associated with the Bond Building Fund are accounted for in the basic financial statements of the Santa Monica Community College District.

**ITEMS TO
COMMUNICATE**

HIGHLIGHT

***Footnotes
Pages 8-19***

The footnotes are an integral part of the financial statements – the financial statements would be incomplete without footnotes. The footnotes help to explain the accounting policies of the District and give more insight into the numbers included on the financial statements related to the Bond Building Fund.

Some of the key footnotes are:

- Note 1 – Accounting Policies
- Note 2 - Deposits
- Note 4 – Bonded Debt
- Note 5 – Commitments

***Internal Control and Compliance
Letter Required by Government
Auditing Standards
Pages 20 –21***

This letter discusses whether, during the course of our audit, we noted any material issues of non-compliance with local or state laws and/or regulations; also, whether any internal control issues were noted regarding the processing of “on-going” transactions.

It should be noted that findings are a by-product of the audit and not the primary purpose of the audit. The primary purpose of an audit is to give our opinion on the financial statements as noted above.

***Findings and Responses
Page 22***

This section includes any compliance and/or internal control findings.

There were no findings related to internal controls or compliance.

***Bond Projects Summary
Pages 23-25***

This section provides a summary of expenditures by project.

Provides cumulative information on individual projects funded by each Bond Measure.

This report is intended solely for the use of the Santa Monica Community College District’s Citizens Oversight Committee, management and others within the organization.