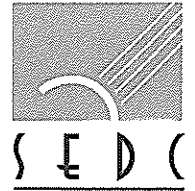


MEETING MINUTES
OF THE
JOINT AUDIT AND BUDGET & FINANCE COMMITTEE
OCTOBER 21, 2009



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Present: Chairs Evans and Lawrence, Committee Member Gonzalez

Excused
Absences: Committee Member Wong

Corporate
Counsel: None.

Item 1 **Call to Order**

Chair Evans called the meeting at 11:35

Item 2 **Approval of the Minutes from the Agenda of August 19, 2009**

MOTION BY LAWRENCE TO APPROVE THE MINUTES AS SUBMITTED.

Seconded by Gonzalez.

Item 3 **Request for Continuance**

None.

Item 4 **Public Communications**

None.

Item 5 **Non-Agenda Item(s)**

None.

Item 6 **Consent Agenda Item(s)**

None.

Item 7a **Review and Accept the Draft Audited Financial Statements**

Chief Financial Officer Terry Darden introduced Mike Zizzi of Leaf & Cole, the corporation's independent outside auditor. Mr. Zizzi presented the 2009 Financial Statement discussing in detail Leaf & Cole's responsibilities in preparing the financial statements, the corporation's assets, reconciliation of the statements of revenues and expenditures and findings and recommendations. He noted the consulting costs increased during the 2008-2009 period due to contract with the Acting President/CEO and increased legal services associated with the corporation's 403(b) Retirement Plan.

With respect to the findings and recommendations, Mr. Zizzi discussed the handling of cash receipts and disbursements, invoices, the use and control of purchase orders, as well as the handling of journal entries.

Mr. Trotier noted staff would include the response to the findings and recommendations moving forward to the Board of Directors.

MOTION BY COMMITTEE MEMBER GONZALEZ TO ACCEPT AND FORWARD THE DRAFT AUDITED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS FOR APPROVAL.

Seconded by Audit Chair Lawrence.

Motion carried unanimously.

Item 7b

Review of Period to Date and Year to Date Financials

Chief Financial Officer Terry Darden presented the item recalling previous Board of Directors' approval relative to the reallocation of personnel expenses to non-personnel expenses.

Following discussion regarding the use and monitoring of expenses based on the use of purchase orders, Acting President/CEO Brian Trotier explained the process and procedure of staff oversight of their respective departmental budgets.

Ms. Darden apprised the Committee of the status of the new accounting software noting it was staff's intent to have the software implemented fairly soon. She recalled the benefits of the software specifically, that it would allow the integration of project costs.

Additional discussion followed regarding the Anticipated Additional Revenue line item. Ms. Darden responded that it was carry-over from previous years. Mr. Trotier also noted that the Housing Commission has returned funds that have been transferred to the fund HELP.

Mr. Trotier added that since the State of California has abandoned the 2008 ERAF appeal, staff has asked the 4th and 8th District Council offices to prioritize those projects that were once suspended.

Budget & Finance Chair Evans requested that in the future the Actual Revenues, General and Administration, and Project Expenditures schedule and the Budget Variance schedule reflect the same period.

No Committee action was required on this item.

Item 8 **Acting President/CEO's Report**

None.

Item 9 **Chief Financial Officer's Report**

None.

Item 10 **Chair's Report**

None.

Item 11 **Committee Announcements, Reports or Referrals**

None.

Item 12 **Adjournment**

There being no further business, the meeting was adjourned at 12:23 p.m.