COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

ADOPTED
Community Development Commission

2-D APRIL 6, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

April 06, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

INCORPORATION OF COMMUNITY DEVELOPMENT COMMISSION GENERAL FUNDS TO COVER THE COSTS OF THE AUDITOR-CONTROLLER'S 2010 FISCAL AUDIT OF THE COMMISSION
(ALL DISTRICTS) (3 VOTES)

SUBJECT

This letter recommends incorporation of approximately $120,000 into the Commission's Fiscal Year 2009-10 budget to cover the costs of the Auditor-Controller's 2010 fiscal audit of the Commission.

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE COMMUNITY DEVELOPMENT COMMISSION

1. Authorize the Executive Director to incorporate up to approximately $120,000 in Commission general funds into the Commission's approved Fiscal Year 2009-10 budget, to cover the costs of the Auditor-Controller's 2010 fiscal audit of the Commission.

2. Find that the incorporation of funds is not subject to the California Environmental Quality Act (CEQA) because the action is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize the incorporation of approximately $120,000 in Commission general funds into the Commission's approved Fiscal Year 2009-10 budget to cover the costs of the Auditor-Controller's 2010 fiscal audit of the Commission, as required by the Board of

Supervisors.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The total audit will cost approximately $330,000. The Commission will be billed approximately $120,000 in Fiscal Year 2009-10 and the balance of approximately $210,000 in Fiscal Year 2010-11. A total amount of up to $120,000 in Commission general funds will be incorporated into the Commission's approved Fiscal Year 2009-10 budget, and the balance will be requested through the Commission's Fiscal Year 2010-11 annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to County Code Section 2.10.010 Bookkeeping and Auditing of Accounts--Control authority: All bookkeeping and auditing of accounts of all offices and departments shall be subject to the inspection and control of the Auditor, under the supervision and direction of the Board of Supervisors.

At the direction of the Board of Supervisors, the Auditor-Controller's office conducts audits of County departments and related agencies approximately every five years. The Auditor-Controller completed fiscal audits of the Commission in 2000 and 2005. The proposed incorporation of funds will cover the costs of the 2010 audit.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative and management activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The incorporation of funds will allow the Commission to pay the Auditor-Controller's office to conduct a fiscal audit of the Commission.

Respectfully submitted,

SEAN ROGAN
Executive Director

SR:lt