Gavilan Joint Community College District
Governing Board Agenda

January 9, 2018

Consent Agenda Item No. Administrative Services
Information/Staff Reports No.
Discussion Item No.
Old Business Agenda Item No.
New Business Agenda Item No.

SUBJECT: FY 2016 – 2017 Annual District Audit Report

☐ Resolution: BE IT RESOLVED,
☐ Information Only
☒ Action Item

Proposal:
That the Board of Trustees accept the FY 2016 – 2017 Annual District Audit Report.

Background:
The certified public accounting firm of Gilbert Associates, Inc. has completed the Annual District Audit Report. The report is for board review and acceptance. The financial statements are the responsibility of District’s management. The auditor’s responsibility is to express opinions on the financial statements based on their audit.

In the interest of reducing paper, hard copies of the Annual District Audit Report and letter are attached for the board members only. The report and letter can be found at www.gavilan.edu under the tab “About Gavilan”, “Budget Information”. Hard copies are available upon request from the Office of the President.

Independent Auditors’ Report
It is the opinion of our auditors that the financial statements “present fairly, in all material respects, the net assets of the business-type activities of Gavilan Joint Community College District as of June 30, 2017, and the results of its operations, changes in in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America”.

Findings and Recommendations

1) Various errors were noted during testing of actual hours of attendance compliance and for FTES calculations.

   It is recommended that the District remind instructors about the required methods to calculate contact hours for courses using actual hours of attendance procedures.
It is also recommended that the District perform an internal audit of actual hours of attendance classes to ensure contact hours are properly calculated, and therefore FTES amounts reported are accurate.

It is recommended that the District review the detailed attendance data produced by the attendance system for flags indicating contact hours are not calculated properly, and make corrections as needed to ensure contact hours and FTES are properly calculated and reported. It is also recommended such a review be performed prior to each attendance reporting period.

Additionally, they recommend the District review weekly and daily census courses to ensure the scheduling of such courses meets the requirements for weekly and daily census attendance procedures.

**Budgetary Implications:**
This report satisfies State reporting requirements.

**Follow Up/Outcome:**
The Audited Financial Statements will be forwarded to the Chancellor’s Office.

Recommended By: Frederick E. Harris, Vice President of Administrative Services

Prepared By: ___________________________________________
   Wade W. Ellis, CPA - Director, Business Services

Agenda Approval: _________________________________________
   Dr. Kathleen A. Rose, Superintendent/President