



## Agenda Item Details

Meeting	Jan 18, 2022 - Board of Trustees Meeting
Category	15. Action: Business and Administrative Services
Subject	15.02 Action to Accept the Annual Audited Reports for Fiscal Year Ending June 30, 2021 for the Moorpark, Oxnard, and Ventura College Foundations
Type	Action

Presenter  
David El Fattal

### Background/Analysis

Education Code 84040.3 requires college foundations to file a copy of its audited financial statements for the previous fiscal year to the Board of Trustees of the District on or before April 1 of each year.

Moorpark, Oxnard and Ventura College Foundation audit reports, with unmodified opinions from their respective independent auditors, have been accepted by their respective foundation boards. An unmodified opinion is also called a clean opinion. It is considered the best type of audit report that an organization can receive.

Copies of audit reports and related audit communications from the foundation's respective independent auditors are available for review in the office of the Vice Chancellor, Business and Administrative Services.

Officers and ex-officio members of the college foundations will be present to comment and respond to questions concerning the annual audit.

### Summary of Auditor's Results

Criteria	Moorpark College Foundation	Oxnard College Foundation	Ventura College Foundation
Financial Statements			
Type of auditor's report issued	Unmodified	Unmodified	Unmodified
Internal Control over financial reporting			
Material weaknesses identified?	No	Yes – segregation of duties*	No
Significant deficiencies identified?	None reported	Yes – staffing**	None reported

\*A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis. Oxnard College Foundation's independent auditors noted a material weakness – segregation of duties. The size of the Foundation's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the director be involved with the financial affairs of the Foundation in order to provide oversight and independent review functions.

\*\*A significant deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Oxnard College Foundation's independent auditors noted a significant deficiency – staffing. Due to the small size of the entity's office staff, the persons responsible for the accounting reporting function do not possess some of the skills and knowledge necessary to prepare a full set of financial statements, including required note disclosures, in accordance with generally accepted accounting principles applicable to not for profit entities. In the prior year, the engagement partner indicated in a separate communication that this significant deficiency is made for much of the firm's small not for profit clients as it would not be cost effective for the Foundation to employ an accountant with the knowledge and training to be able to complete financial statements including all required footnote disclosures. The costs would outweigh the benefits.

### Impact of Approval

The District's reporting obligations to stakeholders like the California Community Colleges Chancellor's Office can be met in a timely manner.

Impact of Non-Approval

The District's reporting obligations to stakeholders like the California Community Colleges Chancellor's Office may be delayed or may be negatively impacted.

Fiscal Impact

None

Further Information

David El Fattal

[2021-06-30 Moorpark College Foundation FS Final. Financial Report pdf.pdf \(394 KB\)](#)

[Final 6-21 Audited Financial Statements.pdf \(1,903 KB\)](#)

[VCF FS 2020-2021.pdf \(113 KB\)](#)

**Motion & Voting**

(not specified)

Motion by Trustee Stan Mantooh, second by Trustee Gabriela Torres.

Final Resolution: Motion was approved.

Yes: Trustee Joshua Chancer, Trustee Gabriela Torres, Trustee Stan Mantooh, Trustee Dianne B McKay, Trustee Bernardo M Perez, Student Trustee Bryan Rodriguez