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Audit Results

Chabot Las-Positas
Community College District

June 30, 2021 Audit





Required Communications

- Audit Results
 - Unmodified opinions
 - Management responsibilities
 - Auditor responsibilities
- Measures A & B
 - Bond financial statement audit
 - Performance audit



Responsibilities

- Management is responsible for:
 - Preparation and fair presentation of the financial statements
 - Compliance with the requirements of State laws & regulations
 - Compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs
- Auditor is responsible for conducting the audit in accordance with applicable standards:
 - Auditing Standards Generally Accepted in the United States of America
 - Government Auditing Standards
 - California Chancellor's Office *Contracted District Audit Manual*
 - Uniform Guidance – Compliance Supplement



Responsibilities (continued)

- Auditor is responsible for expressing an opinion on the financial statements
- Auditor is responsible for expressing an opinion on the District's State and Federal compliance
- Auditor is responsible for expressing an opinion on the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution

Results

Type of Opinion	Findings and Questioned Costs
District Financial Statements	No matters were noted
<u>Opinion Unit:</u> <ul style="list-style-type: none">- Business Type Activities - Unmodified- Fiduciary Activities – Unmodified	
Federal Compliance – Unmodified	No matters were noted
State Compliance – Unmodified	No matters were noted
OPEB Trust Financial Statements – Unmodified	No matters were noted
Measure A & B Bond Financial Statements – Unmodified	No matters were noted
Measure A & B Bonds - Performance Audits	No matters were noted



New Accounting Standards

- **Governmental Accounting Standards Board (GASB) Standard No. 84 – *Fiduciary Activities***
 - *GASB Standard No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. Under GASB 84, Student Activity Funds are now included in the Business-Type Activities of the District rather than a Fiduciary Fund, as previously reported. The effect was a net increase to the beginning Business-Type Activity Net Position totaling \$518,672.*

Significant Transactions and Estimates

- OPEB Trust established June 8, 2021
- OPEB liability for the District decreased ~ \$102MM this year (excerpt from Note 7 below); discount rate increased from 2.2% last year to 6.35% this year
- Assumption of minimum \$4MM/year in contributions in future years

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 251,576,551	\$ -	\$ 251,576,551
Changes for the year:			
Service cost	7,226,236	-	7,226,236
Interest	5,533,260	-	5,533,260
Employer Contributions	-	8,355,717	(8,355,717)
Benefit payments	(7,355,717)	(7,355,717)	-
Differences between actual and expected experience	-	-	-
Changes in assumptions	(107,392,262)	-	(107,392,262)
Administrative expenses	-	-	-
Net change	<u>(101,988,483)</u>	<u>1,000,000</u>	<u>(102,988,483)</u>
Balance at June 30, 2021	<u>\$ 149,588,068</u>	<u>\$ 1,000,000</u>	<u>\$ 148,588,068</u>



Required Communications

- There were no material corrected audit adjustments
- There was one waived audit adjustment of \$10.8MM related to federal grant revenue recognition of HEERF grants. Eligible expenditures were incurred for institutional portion but the student match was not yet met, as such, this portion should be deferred revenue. The District anticipates this will be met in FY 22.
- There were no difficulties encountered with management
- There were no disagreements with management
- No consultation with other accountants

Questions?



Thank You

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