

Vernon College
Assessment Activity/Report Communication Form
2015-2016

Title: Annual Audit

Date of completion: 02-01-2016

Please circle or highlight: Assessment Activity **Report** Both

Highlights of data: Once again we received an unqualified opinion which means no material misstatements or weaknesses. There were also no management recommendations.

The results of the audit show a decrease in Net Position of \$370,530 from 2014 as a result of operations. Net Position was also reduced by \$3,695,550 as a result of implementing GASB 68 which is a new governmental accounting standard dealing with pension liabilities that were previously not included on our books. Operating revenues decreased by \$191,598. The decrease is largely attributable to our continuing decrease in enrollment. Operating expenses decreased by \$85,918. This was accomplished through several cost cutting measures that netted enough savings to still accomplish a 1.50% salary increase given to all employees and absorb another increase in health insurance premiums. Noncurrent Assets decreased by \$1,103,603 mainly due to Endowed Scholarships being transferred to the Foundation at the request of the donors, depreciation of capital assets and payment of long term debts. Total liabilities increased by \$2,637,987 as a result of adding the \$3,264,692 pension liability that was previously not book and payment of scheduled debt service payments.

We ended the year with a negative balance of \$371,319 in Unrestricted Net Position (Reserves) due to the GASB 68 implementation. This change was required nationwide and we've been assured that all financial entities are aware of it and it will not affect our credit rating.

Use of data: The audit report is used to report financial condition, results of operations and compliance with rules and regulations. It is required to be performed annually and copies of the report are distributed to the Board of Trustees, Department of Education, Governor's Office, Legislative Budget Board, Comptroller's Office, Coordinating Board, Federal Audit Clearinghouse and several others. It is also posted on the Vernon College web site.

How associated to Student Success? A large part of the audit consists of testing our compliance with rules and regulations regarding various forms of student financial aid. Verified compliance insures our ability to continue to participate in all financial aid programs which continue to be more and more crucial to an ever increasing portion of our students and their ability to attend college.

Where the report can be found: <http://www.vernoncollege.edu/Resources/Business%20Office/Vernon%20College%20-%20FY%2015%20Audited%20Financial%20Report.pdf>

- * Posted on Vernon College website to be shared with SSBTN and College Effectiveness Committees as well as Vernon College constituents.

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Submitted
by: Garry David **Date:** 02-01-16
(Responsible Party)

Received by Office of Quality
Enhancement: 2/5/2016
(Date)

Presented to SSBTN
Committee*: _____
(Date)

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