



ACCREDITING COMMISSION FOR
COMMUNITY AND JUNIOR COLLEGES
WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES

Annual Fiscal Report

Reporting Year: 2014-2015

Final Submission

3/29/2016

City College of San Francisco

50 Frida Kahlo Way

San Francisco, CA 94112

General Information

Q#	Question Text	Answer
2	Confirm or enter the name of the District/System or Corporate/Parent Organization:	City College of San Francisco
3a	Name of College Chief Business Officer (CBO)	Ronald P. Gerhard
3b	Title of College CBO	Vice Chancellor for Finance and Administration
3c	Phone number of College CBO	415-241-2229
3d	E-mail of College CBO	rgerhard@ccsf.edu
3e	Name of District/System/Parent Company CBO	Ronald P. Gerhard
3f	Title of District/System/Parent Company CBO	Vice Chancellor for Finance and Administration
3g	Phone number of District/System/Parent Company CBO	415-241-2229
3h	E-mail of District/System/Parent Company CBO	rgerhard@ccsf.edu

District/System Data (including single college organizations)

Stability of Revenue

Q#	Question Text	FY 14/15	F 13/14	FY 12/13
4a	Annual General Fund revenues from all sources (Operating Revenues, CCC Fund 10)	\$209,864,512	\$214,615,905	\$213,168,532
4b	Revenue from other sources (non-general fund)	\$86,021,144	\$99,751,353	\$88,180,609
5	Net Beginning Balance (General Fund)	\$33,789,308	\$34,105,817	\$17,874,618

Expenditures/Transfer

Q#	Question Text	FY 15/16	FY 14/15	FY 13/14
6a	Total annual general fund expenditures (Operating Expenditures)	\$170,515,577	\$168,062,949	\$180,994,884
6b	Salaries and benefits (General Fund)	\$150,634,031	\$152,128,723	\$166,182,084

6c	Other expenditures/outgo	\$3,628,804	\$8,801,777	\$3,056,208
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Liabilities

Q#	Question Text	FY 14/15	FY 13/14	FY 12/13
7	Did the institution borrow funds for cash flow purposes?	Yes	Yes	Yes

Total Local Borrowing

Q#	Question Text	FY 14/15	FY 13/14	FY 12/13
8a	Short-Term Borrowing (TRANS, etc)	\$15,000,000	\$30,000,000	\$104,000,000
8b	Long Term Borrowing (COPs, Capital Leases, other long-term borrowing):	\$0	\$0	\$0
9a	Did the institution issue long-term debt instruments during the fiscal year noted?	Yes	No	No
9b	What type(s)	General obligation refunding bonds.		
9c	Total amount	\$241,290,000	\$0	\$0
10	Debt Service Payments (General Fund/Operations)	\$0	\$0	\$0

Other Post Employment

Q#	Question Text	FY 14/15	FY 13/14	FY 12/13
11a	Actuarial Accrued Liability (AAL) for OPEB:	\$175,975,011	\$189,190,224	\$189,190,224
11b	Unfunded Actuarial Accrued Liability (UAAL) for OPEB:	\$176,475,011	\$189,190,224	\$189,190,224
11c	Funded Ratio (Actuarial Value of plan Assets/AAL)	0%	0%	0%
11d	UAAL as Percentage of Covered Payroll	188%	198%	165%
11e	Annual Required Contribution (ARC)	\$15,900,008	\$16,451,333	\$16,451,333
11f	Amount of annual contribution to ARC	\$7,513,785	\$7,681,238	\$6,941,777
12	Date of most recent OPEB Actuarial Report (mm/dd/yyyy):	11/17/2016	--	--
13a	Has an irrevocable trust been established for OPEB liabilities?	Yes	--	--
13b	Deposit into Irrevocable OPEB Reserve/Trust	\$500,000	\$0	\$0
13c	Deposit into non-irrevocable Reserve specifically for OPEB	\$2,500,000	\$1,500,000	\$0

Cash Position

Q#	Question Text	FY 14/15	FY 13/14	FY 12/13
14	Cash Balance: General Fund	\$28,865,617	\$76,189	\$0
15	Does the institution prepare cash flow projections during the year?	Yes	Yes	Yes

Annual Audit Information

Q#	Question Text	FY 14/15	FY 13/14	FY 12/13
16	Date annual audit report for fiscal year was electronically submitted to accjc.org, along with the institution's response to any audit exceptions:	1/25/2016	12/31/2014	12/31/2013

Q#17. Summarize Material Weaknesses and Significant Deficiencies from the annual audit report:

FY	Summary
FY 14/15	<p>2015-001 Finding - Year End Closing Material Weakness Criteria or Specific Requirement Accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, require entities to establish and maintain effective internal control over financial reporting to prepare timely, accurate financial reports. 2015-002 Finding - Capital Assets Material Weakness Criteria or Specific Requirement Accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, require entities to track and record the original cost of capital assets and to calculate depreciation on certain of those capital assets. 2015-003 Finding Preparation of Schedule of Federal Awards Material Weakness - Internal Control Over Compliance Criteria or Specific Requirement OMB Circular A-133, Section 310 (b) requires recipients of federal funds to prepare an accurate schedule of expenditures of federal awards for the period covered by the financial statements being audited. The schedule of expenditures of federal awards should include: 1) A list of federal programs, indentified by federal agency. 2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity. 3) Total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. 4) Include notes that describe the accounting policies used in preparing the schedule. 5) Pass-through entities should identify in the schedule.</p>

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6) The value of the Federal awards expended in the form on non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end 2015-004 Finding - GANN Limit Calculation Significant Deficiency - State Compliance Criteria or Specific Requirement Article XIII-B of the California Constitution and Chapter 1205, Statues of 1980, requires each community college to compute its annual appropriation limit. 2015-005 Finding - Salaries of Classroom Instructors Significant Deficiency - State Compliance Criteria or Specific Requirement CCR, Title 5, Section 59204 indicates that salaries of classroom instructors means all salaries paid to classified district employees who are charging salaries to instructional codes be assigned the basic title of "Instructional Aide" or other appropriate title designated by the governing board that denotes that the employees' duties include instructional tasks, and employed to assist instructors in the performance of their duties, in the supervision of students, and in the performance of instructional tasks. An employee shall be deemed to be under the supervision of an instructor for purpose of Ed. Code Section 84362 if the employee performs duties under the general direction of an instructor. 2015-006 finding - State General Apportionment Funding System Significant Deficiency - State Compliance Criteria or Specific Requirement CCR, title 5 Section 58003.1, indicates that student contact hours reported for each class should be the product of the number of students actively enrolled at census times the number of units of academic credit associated with the class plus laboratory hours that can be added per CCR, title 5 Section 58003.1.

2014-001 Finding – Year End Closing Material Weakness Criteria or Specific Requirement Accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, require entities to establish and maintain effective internal control over financial reporting to prepare timely, accurate financial reports. 2014-002 Finding – Capital Assets Material Weakness Criteria or Specific Requirement Accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, require entities to calculate depreciation of capital assets. 2014-003 Finding Preparation of Schedule of Federal Awards Material Weakness – Internal Control Over Compliance Criteria or Specific Requirement OMB Circular A-133, Section 310 (b) requires recipients of federal funds to prepare an accurate schedule of expenditures of federal awards for the period covered by the financial statements being audited. The schedule of expenditures of federal awards should include: 1) A list of federal programs, identified by federal agency. 2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity. 3) Total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. 4) Include notes that describe the accounting policies used in preparing the schedule. 5) Pass-through entities should identify in the schedule. 6) The value of the Federal awards expended in the form on non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end Condition Federal awards accounts receivables appeared to be overstated by approximately \$1 million, unearned revenue by approximately \$100,000, and a misclassification of unearned revenue that should be reported as receivables due to debit balances of \$54,000. 2014-004 Finding - GANN Limit Calculation Significant Deficiency – State Compliance Criteria or Specific Requirement Article XIII-B of the California Constitution and Chapter 1205, Statutes of 1980, requires each community college to compute its annual appropriation limit.

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Condition The District included in the population factor P2 FTES for non-resident students. This results in the 2014-15 Gann limit, adjusted by inflation and population factors, being understated by \$814,064. The population factor excluding non-resident students would be .7885 rather than the .7850 used in the calculation reported in the CCFS-311 report submitted to the State of California. 2014-005 Finding – 50% Law Calculation Significant Deficiency – State Compliance Criteria or Specific Requirement Education Code 84362 requires that a minimum of 50 percent of the District’s Current Expense of Education (CEE) be expended during each year for “Salaries of Classroom Instructors”. Condition The CCFS-311 form was completed prior to the District finalizing its year end closing numbers. Therefore, the 50% law calculation included in the CCFS-311 was not accurate. 2014-006 Finding – Health Fees Significant Deficiency – State Compliance Criteria or Specific Requirement Education Code Section 76355 also requires boards to adopt rules and regulations that exempt certain students from the payment of health fees. Under subsection (c), districts must exempt students who depend on prayer for healing, and students attending community college under an approved apprenticeship program. Districts should also ensure that the existence of the two statutory exemptions is communicated effectively to the students so that they will be aware of potential applicable exemptions. SAN FRANCISCO COMMUNITY COLLEGE DISTRICT STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014 81 Condition The procedures to apply for health fee exemptions are not clearly defined in the course catalog.

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12/13

Significant Deficiency 2013-1 YEAR END CLOSING The District Business Office is reviewing and documenting all of its processes. The results will be used to ensure that coverage over program management and account reconciliations are comprehensive. Additionally, the documentation will be used to ensure that accountability matches assigned responsibilities. Significant Deficiency 2013-2 SELF INSURANCE FUND BALANCE The college has established a multi-year corrective action plan that will over time fully fund the actuarial determined liability and correct the deficit fund balance. Significant Deficiency 2013-3 DAILY ATTENDANCE ACCOUNTING AND REPORTING The District is developing automated error checking procedures to verify that all course sections have accounting methods established that are in accordance with the Student Attendance Accounting Manual for the ways that the course is scheduled. These error-checking procedures will be in place in order to ensure that all classes in the 2013/14 academic year have appropriate accounting methods established. Significant Deficiency 2013-4 TBA HOURS The District is developing a policy so that appropriate records for TBA attendance, including course syllabi and records of individual daily student attendance, will be maintained in division offices. In addition, the District will implement an internal audit process to ensure that these records are appropriately maintained. This audit process will be conducted after each primary term and the summer session. Significant Deficiency 2013-5 GANN LIMIT CALCULATION The District will conduct in-service training for preparation of the GANN limit calculation for those staff responsible for preparing the GANN limit calculation. Significant Deficiency 2013-6 OPEN ENROLLMENT In the 2013/14 academic year the District will conduct an audit of the non-District locations where classes are held. This audit will verify that those locations have clear policies regarding open access for District classes. In addition, the District will establish internal controls to ensure that this open access is ensured and documented for any new proposed non-CCSF locations.

Other Information

Q#	Question Text	FY 14/15	FY 13/14	FY 12/13
18a	Budgeted Full Time Equivalent Students (FTES) (Annual Target):	32,621	32,621	32,621
18b	Actual Full Time Equivalent Students (FTES):	23,628	26,263	33,119
18c	Funded FTES:	32,621	32,621	32,621
19	Report the % of total tuition/fees received from federal financial aid programs (Title IV, HEA), if applicable:	0%	0%	0%
20a	During the reporting period, did the institution settle any contracts with employee bargaining units?	Yes		
20b	Did any negotiations remain open?	Yes		
20c	Did any contract settlements exceed the institutional COLA for the year?	No		

20d Describe significant fiscal impacts: No significant fiscal impacts.

21a Federal Financial Aid programs in which the College participates (check all that apply): Pell, FSEOG, FWS, DIRECT, Perkins Loans

21b Changes in Federal Financial Aid Program Participation:

21b.1 Programs that have been DELETED:

21b.2 Programs that have been ADDED:

Q#	Question Text	Cohort Year 11/12	Cohort Year 10/11	Cohort Year 09/10
22	College Data: USDE official cohort Student Loan Default Rate (FSLD) (3 year rate)	17%	21%	22%

Q#23(a). Were there any executive or senior administration leadership changes at the institution during the fiscal year? Yes

Q#23(b). Please describe the leadership change(s): Ms. Susan Lamb was appointed as the Chancellor/CEO June 2015.