TO: Board of Trustees

FROM: Dr. Douglas Treadway

DATE: January 25, 2006

SUBJECT: Acceptance of Independent Auditor’s Report for Year ended June 30, 2005

In accordance with Education Code Section 84040, Gilbert Associates, Inc., has completed an independent audit for the fiscal year ending June 30, 2005, of all funds, books, and accounts of the District.

A copy of the audit report is attached for the Board’s review in accordance with Section 8404.3 of the Education Code.

Thom Gilbert of Gilbert Associates, Inc., will be present at the Board meeting to provide the Board with an overview of the audited financial statements presented in GASB 34 format, including the Foundation as required by GASB 39 and GASB40 reporting of Investment risk, as well as the audit findings and recommendations.

RECOMMENDATION