

**SAN FRANCISCO
COMMUNITY C**

**SAN FRANCISCO
COMMUNITY COLLEGE DISTRICT**

**GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C
AND
ELECTION OF 2005, SERIES A, B, C, AND D)**

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**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C AND
ELECTION OF 2005, SERIES A, B, C, AND D)**

**FINANCIAL AUDIT
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JUNE 30, 2015**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees, Special Trustee, and
Citizens Oversight Committee
San Francisco Community College District
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of San Francisco Community College District (the District) General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D) (the Bond Funds) as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An -2.3 (i)-4.6 (ng)10.8 (a)mpTD [(A),aicld8.5 (s)-2.9 (e)-1.1 (v)10.8 (a)-1.1 (l)-4.u (v)10.8 (a)-1.6 (t)

Opinion

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
 GENERAL OBLIGATION BOND FUNDS
 (ELECTION OF 2001, SERIES A, B, AND C AND
 ELECTION OF 2005, SERIES A, B, C, AND D)

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2015

	2001 <u>El ecti on</u>	2005 <u>El ecti on</u>	<u>Total</u>
REVENUES			
L b a	\$ 75, 945	\$ 354, 277	\$ 430, 222
EXPENDITURES			
S b d b	-	8	5 700
P b a b b b	1, 653	139, 596	141, 249
b b	938	8	3 266
Total Expenditures	<u>2, 591</u>	<u>1, 059, 562</u>	<u>1, 062, 153</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>73, 354</u>	<u>(705, 28)</u>	<u>(631, 531)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1, 422, 765</u>	<u>554, 765</u>	<u>6136, 18</u>
FUND BALANCE, END OF YEAR	<u>\$ 1, 496</u>	<u>\$ 54, 060</u>	<u>\$ 55, 556</u>

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
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GENERAL OBLIGATION BOND FUNDS
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015



Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasury (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements statement 6.2 (f

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

Summary of Deposits and Investments

Deposits and investments as of June 30, 2015, consist of the following:

	<u>Reported Value</u>
Investment with County Treasury - San Francisco County	\$ 56,023,963
Investment with fiscal agent	87,492
Total Deposits and Investme	<u>\$ 56,111,45</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Investment Pool and money market funds.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
County Treasury - San Francisco County	\$ 56,056,055	536
Fiscal agent	87,492	Not applicable
Total	<u>\$ 56,143,54</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the San Francisco County Treasury and funds held with the Fiscal Agent are not required to be rated, nor have they been rated, as of June 30, 2015.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
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NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

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As of June 30, 2015, \$665

is \$ 68

■

The June 30, 2015, balance of \$402,943 represents

■

Fund balance

is \$ 55,556,447

■

As of June 30, 2015, the balance of \$1,049,278

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH 

The Board of Trustees, Special Trustee, and
Citizens Oversight Committee
San Francisco Community College District
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of San Francisco Community College District (the District) General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D) (the Bond Funds) as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated March 21, 2016.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Bond Funds specific to General Obligation Bonds, Election of 2001, Series A, B, and C and Election of 2005, Series A, B, C, and D, and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) relative to the Bond Funds to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
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FINANCIAL STATEMENT FINDINGS
JUNE 30, 2015

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
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 (ELECTION OF 2001, SERIES A, B, AND C AND
 ELECTION OF 2005, SERIES A, B, C, AND D)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 JUNE 30, 2015

E	b6 b7C b7D
2014- 001 Short- Term Borrowing	
Criteria	
Debt covenants	
Condition	
The \$1, 262, 510. The	b6 2001 B d6
Questioned Costs	
None	
Recommendation	
For the	b6 2005 B d6
Current Status	
Not Set 2015-001.	

SAN FRANCISCO
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GENERAL OBLIGATION BOND FUNDS

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
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PERFORMANCE AUDIT
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JUNE 30, 2015

B

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C AND
ELECTION OF 2005, SERIES A, B, C, AND D)

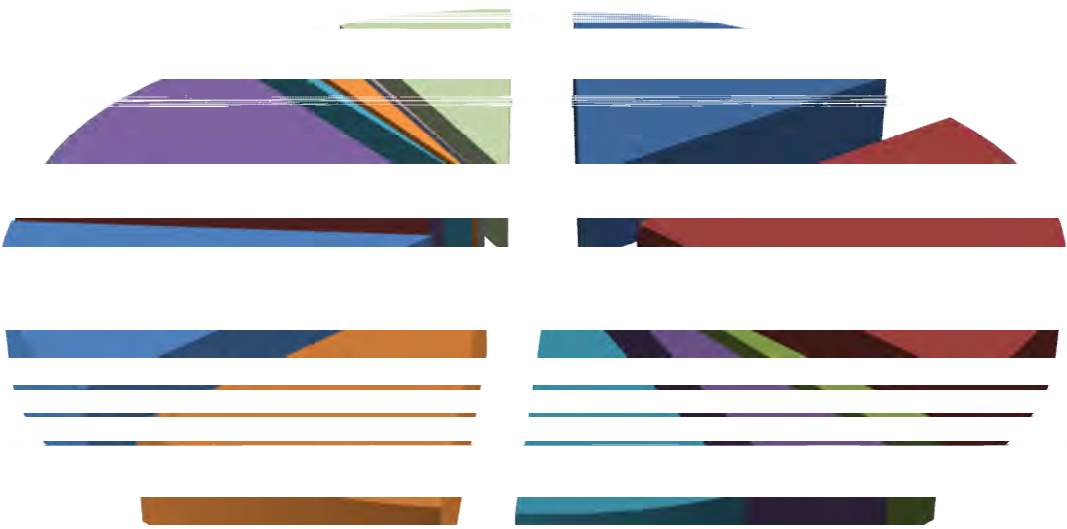
JUNE 30, 2015

2. The expenditures of the Bond Funds are accounted for in separate funds in the District's general ledger to allow for accountability.
3. All salaries expended in the Bond Funds were in support of the 2001 and 2005 bond elections and not for District general administration or operations.

Procedure B - Compliance With Regulations Related to Bid Procedures as Provided Within State Code
Sections Related to Community Colleges and Board Approved Policies

Procedure

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C AND





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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

None reported.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
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(ELECTION OF 2001, SERIES A, B, AND C AND
ELECTION OF 2005, SERIES A, B, C, AND D)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

2014-001 Citizens' Oversight Committee

Criteria

Assembly Bill 1908 (AB 1908), *Education Code* Section 15278, require the Citizens' Oversight Committee to be formed to actively review and report on activities related to Proposition 39 General Obligation Bond expenditure (xpe)-1.7 (n)10.8 (db)10.8 (e)-1.6 and (4.6 (g)1n619 (e)1.7 (n2 (db o)1091)-4 Ad17.2 (i)-