

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

**REVENUE BOND CONSTRUCTION FUND
(MEASURES C, I, AND J)
FINANCIAL AND PERFORMANCE AUDITS**

JUNE 30, 2015

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

**REVENUE BOND CONSTRUCTION FUND
(MEASURES C, I, AND J)
FINANCIAL AUDIT**

JUNE 30, 2015

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Governing Board and
Citizens Oversight Committee
College of the Sequoias Community College District
Visalia, California

Report on the Financial Statements

We have audited the accompanying financial statements of the College of the Sequoias Community College District's (the District), Revenue Bond Construction Fund (Measures C, I, and J), 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 error or fraud. 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 audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Revenue Bond Construction Fund (Measures C, I, and J) of the College of the Sequoias Community College District at June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Revenue Bond Construction Fund specific to Measures C, I, and J, and are not intended to present fairly the financial position and changes in financial position of College of the Sequoias Community College District in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming opinions on the College of the Sequoias Community College District's Building Fund (Measures C, I, and J) financial statements. The Schedule of Long-Term Obligations and Reconciliation of Annual Financial Report with Audited Building Fund are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Long-Term Obligation and Reconciliation of Annual Financial Report with Audited Building Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the Building Fund (Measures C, I, and J) financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, on our consideration of the District's Revenue Bond Construction Fund (Measures C, I, and J) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Revenue Bond Construction Fund (Measures C, I, and J) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannink, Trine, Day & Co., LLP

Fresno, California
December 29, 2015

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**BALANCE SHEET
JUNE 30, 2015**

ASSETS

| | |
|---------------------------|---------------------|
| Cash and cash equivalents | \$ 4,255,041 |
| Total Assets | <u>\$ 4,255,041</u> |

LIABILITIES AND FUND EQUITY

LIABILITIES

| | |
|--------------------------|----------|
| Accounts payable | \$ - |
| Total Liabilities | <u>-</u> |

FUND EQUITY

| | |
|--|---------------------|
| Restricted | 4,255,041 |
| Total Fund Equity | <u>4,255,041</u> |
| Total Liabilities and Fund Equity | <u>\$ 4,255,041</u> |

The accompanying notes are an integral part of these financial statements.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

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

REVENUES

| | |
|-----------------------|---------------|
| Local revenues | \$ 47,443 |
| Total Revenues | <u>47,443</u> |

EXPENDITURES

| | |
|-------------------------------------|----------------|
| Current Expenditures | |
| Books and supplies | 2,707 |
| Services and operating expenditures | 32,942 |
| Capital outlay | 167,629 |
| Total Expenditures | <u>203,278</u> |

**EXCESS OF REVENUES AND OTHER
FINANCING SOURCES OVER (UNDER)
EXPENDITURES AND OTHER USES**

(155,835)

FUND BALANCE, BEGINNING OF YEAR

4,410,876

FUND BALANCE, END OF YEAR

\$ 4,255,041

The accompanying notes are an integral part of these financial statements.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of the Sequoias Community College District Revenue Bond Construction Fund (Measures C, I, and J) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The College of the Sequoias Community College District Revenue Bond Construction Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The financial statements include only the Revenue Bond Construction Fund of the College of the Sequoias Community College District used to account for Measures C, I, and J projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measures C, I, and J. These financial statements are not intended to present fairly the financial position and results of operations of the College of the Sequoias Community College District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Revenue Bond Construction Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Revenue Bond Construction Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

Fund Balance - Revenue Bond Construction Fund (Measures C, I, and J)

As of June 30, 2015, the fund balance is classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District currently does not have any nonspendable funds.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing board. The District currently does not have any committed funds.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board may assign amounts for specific purposes. The District currently does not have any assigned funds.

Unassigned – all other spendable amounts. The District currently does not have any unassigned funds.

Spending Order

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 - INVESTMENTS

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 instrument; 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 agreement; 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 Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk are indicated in the schedules below:

| Authorized Investment Type | Maximum Remaining Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|----------------------------------|---------------------------------------|--|
| Local Agency Bonds, Notes, Warrants | 5 years | None | None |
| Registered State Bonds, Notes, Warrants | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptance | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base | None |
| Medium-Term Corporate Notes | 5 years | 30% | None |
| Mutual Funds | N/A | 20% | 10% |
| Money Market Mutual Funds | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | 20% | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Joint Powers Authority Pools | N/A | None | None |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool. The District maintains a Revenue Bond Construction fund investment of \$4,255,041 with the Tulare County Investment Pool. The fair value of this investment is approximately \$4,263,208 with an average maturity of 588 days.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2015, the Revenue Bond Construction Fund had the following commitment with respect to unfinished capital projects:

| <u>Measures C, I, and J Projects</u> | <u>Remaining Construction Commitment</u> | <u>Expected Date of Completion</u> |
|--------------------------------------|--|--|
| Live Oak mold remediation | <u>\$ 1,330,814</u> | <u>5/31/2016</u> |

Litigation

The District is not currently a party to any legal proceedings regarding bond projects.

SUPPLEMENTARY INFORMATION

**COLLEGE OF THE SEQUIOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2006 General Obligation Bonds – Hanford Campus (Measure C Bonds)

On November 7, 2006, registered voters of the Improvement District No. 1 (Hanford Campus) authorized the issuance and sale of \$22,000,000 in general obligation bonds by a 55 percent vote. The first series of the authorization, Series A, was issued on March 8, 2007, for \$14,999,982. The Series A bonds were issued as current interest bonds and capital appreciation bonds. On January 28, 2009, the Series B bonds were issued in the amount of \$6,995,778. The Series B bonds were also issued as current interest bonds and capital appreciation bonds. The bond proceeds will be used to finance the acquisition, construction, modernization and equipping of certain District property and facilities.

2008 General Obligation Bonds – Visalia Campus (Measure I Bonds)

On November 4, 2008, registered voters of the Improvement District No. 2 (Visalia Campus) authorized the issuance and sale of \$28,000,000 in general obligation bonds by a 55 percent vote. The first series of the authorization, Series A, was issued on January 28, 2009, for \$17,997,404. The Series A bonds were issued as current interest bonds and capital appreciation bonds. On May 18, 2010, the Series B bonds were issued in the amount of \$4,999,652. The Series B bonds were issued as current interests bonds and capital appreciation bonds. The District issued the Series C bonds on March 2, 2011. The Series C bonds were issued as current interest bonds and capital appreciation bonds as well. The total amount of the Series C issuance was \$4,995,439. The bond proceeds will be used to finance the acquisition, construction, modernization, and equipping of certain District property and facilities, and to pay costs of issuance associated with the bonds.

2008 General Obligation Bonds – Tulare Campus (Measure J Bonds)

On November 4, 2008, registered voters of the Improvement District No. 3 (Tulare Campus) authorized the issuance and sale of \$60,000,000 in general obligation bonds by a 55 percent vote. The first series of the authorization, Series A, was issued on January 28, 2009, for \$19,998,219. The Series A bonds were issued as current interest bonds and capital appreciation bonds. On May 18, 2010, the Series B bonds were issued in the amount of \$10,004,927. The Series B bonds were issued as current interests bonds and capital appreciation bonds. The bond proceeds will be used to finance the acquisition, construction, modernization, and equipping of certain District property and facilities. On August 14, 2013, the Series C bonds were issued in the amount of \$3,401,460. The Series C bonds were issued as current interest bonds and capital appreciation bonds. The bond proceeds will be used to finance the acquisition, construction, modernization, and equipping of certain District property and facilities.

**COLLEGE OF THE SEQUIOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

Bonded Debt

The outstanding general obligation bonded debt is as follows:

| Year Issued | Campus | Maturity Date | Interest Rate % | Original Issue | Bonds Outstanding July 1, 2014 | Accreted/ Issued | Redeemed | Bonds Outstanding June 30, 2015 |
|---------------------------|---------|---------------|-----------------|----------------|--------------------------------|---------------------|---------------------|---------------------------------|
| General obligation bonds: | | | | | | | | |
| 2006 | Hanford | 2/1/2033 | 3.58-4.25 | \$14,999,982 | \$15,516,166 | \$ 188,608 | \$ 200,000 | \$ 15,504,774 |
| 2008 | Hanford | 2/1/2034 | 1.85-6.99 | 6,995,778 | 7,912,037 | 267,188 | 315,000 | 7,864,225 |
| 2008 | Visalia | 8/1/2033 | 2.4-6.22 | 17,997,404 | 19,191,218 | 568,960 | 580,000 | 19,180,178 |
| 2010 | Visalia | 8/1/2039 | 5.1-6.610 | 4,999,652 | 5,206,768 | 65,670 | - | 5,272,438 |
| 2011 | Visalia | 8/1/2036 | 4.12-7.74 | 4,995,439 | 5,447,597 | 164,597 | - | 5,612,194 |
| 2008 | Tulare | 8/1/2033 | 2.4-6.36 | 19,998,219 | 20,597,243 | 622,411 | 610,000 | 20,609,654 |
| 2011 | Tulare | 8/1/2040 | 3.28-7.62 | 10,004,927 | 11,834,297 | 678,658 | - | 12,512,955 |
| 2013 | Tulare | 8/1/2042 | 2.09-5.20 | 3,401,460 | 3,533,172 | 146,214 | - | 3,679,386 |
| Total | | | | | <u>\$89,238,498</u> | <u>\$ 2,702,306</u> | <u>\$ 1,705,000</u> | <u>\$ 90,235,804</u> |

Debt Service Requirements to Maturity

2006 Hanford Series A, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|----------------------|---------------------|----------------------|
| 2016 | \$ - | \$ 677,000 | \$ 677,000 |
| 2017 | - | 677,000 | 677,000 |
| 2018 | - | 677,000 | 677,000 |
| 2019 | - | 677,000 | 677,000 |
| 2020 | - | 677,000 | 677,000 |
| 2021-2025 | 2,135,000 | 3,288,000 | 5,423,000 |
| 2026-2030 | 5,925,000 | 2,326,250 | 8,251,250 |
| 2031-2033 | 5,480,000 | 517,625 | 5,997,625 |
| Total | <u>\$ 13,540,000</u> | <u>\$ 9,516,875</u> | <u>\$ 23,056,875</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2006 Hanford Series A, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2016 | \$ 245,000 | \$ 245,000 | \$ - |
| 2017 | 290,000 | 262,160 | 27,840 |
| 2018 | 335,000 | 273,762 | 61,238 |
| 2019 | 390,000 | 288,132 | 101,868 |
| 2020 | 440,000 | 293,920 | 146,080 |
| 2021-2022 | 1,050,000 | 601,800 | 448,200 |
| Total | <u>\$ 2,750,000</u> | <u>\$ 1,964,774</u> | <u>\$ 785,226</u> |

2008 Hanford Series B, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ 335,000 | \$ 171,788 | \$ 506,788 |
| 2017 | 355,000 | 161,738 | 516,738 |
| 2018 | 385,000 | 149,313 | 534,313 |
| 2019 | 405,000 | 135,838 | 540,838 |
| 2020 | 435,000 | 120,650 | 555,650 |
| 2021-2024 | 2,065,000 | 267,000 | 2,332,000 |
| Total | <u>\$ 3,980,000</u> | <u>\$ 1,006,327</u> | <u>\$ 4,986,327</u> |

2008 Hanford Series B, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2030 | \$ 4,560,000 | \$ 1,782,960 | \$ 2,777,040 |
| 2033 | 2,205,000 | 690,165 | 1,514,835 |
| 2034 | 5,855,000 | 1,411,100 | 4,443,900 |
| Total | <u>\$ 12,620,000</u> | <u>\$ 3,884,225</u> | <u>\$ 8,735,775</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2008 Visalia Series A, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2016 | \$ - | \$ 738,300 | \$ 738,300 |
| 2017 | - | 738,300 | 738,300 |
| 2018 | - | 738,300 | 738,300 |
| 2019 | - | 738,300 | 738,300 |
| 2020 | - | 738,300 | 738,300 |
| 2021-2025 | - | 3,691,500 | 3,691,500 |
| 2026-2030 | 7,180,000 | 3,016,876 | 10,196,876 |
| 2031-2034 | 6,570,000 | 764,500 | 7,334,500 |
| Total | <u>\$ 13,750,000</u> | <u>\$ 11,164,376</u> | <u>\$ 24,914,376</u> |

2008 Visalia Series A, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2016 | \$ 630,000 | \$ 630,000 | \$ - |
| 2017 | 685,000 | 613,212 | 71,788 |
| 2018 | 745,000 | 597,043 | 147,957 |
| 2019 | 805,000 | 577,507 | 227,493 |
| 2020 | 865,000 | 555,503 | 309,497 |
| 2021-2025 | 5,345,000 | 2,456,913 | 2,888,087 |
| Total | <u>\$ 9,075,000</u> | <u>\$ 5,430,178</u> | <u>\$ 3,644,822</u> |

2008 Visalia Series B, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|----------------------|
| 2016 | \$ - | \$ 232,500 | \$ 232,500 |
| 2017 | - | 232,500 | 232,500 |
| 2018 | - | 232,500 | 232,500 |
| 2019 | - | 232,500 | 232,500 |
| 2020 | - | 232,500 | 232,500 |
| 2021-2025 | - | 1,162,500 | 1,162,500 |
| 2026-2030 | - | 1,162,500 | 1,162,500 |
| 2031-2035 | - | 1,162,500 | 1,162,500 |
| 2036-2040 | 4,650,000 | 1,055,000 | 5,705,000 |
| Total | <u>\$ 4,650,000</u> | <u>\$ 5,705,000</u> | <u>\$ 10,355,000</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2008 Visalia Series B, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| <u>2034-2038</u> | <u>\$ 5,820,000</u> | <u>\$ 622,438</u> | <u>\$ 5,197,562</u> |

2008 Visalia Series C, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ - | \$ 206,525 | \$ 206,525 |
| 2017 | - | 206,525 | 206,525 |
| 2018 | - | 206,525 | 206,525 |
| 2019 | - | 206,525 | 206,525 |
| 2020 | - | 206,525 | 206,525 |
| 2021-2025 | - | 1,032,625 | 1,032,625 |
| 2026-2030 | - | 1,032,625 | 1,032,625 |
| 2031-2035 | - | 1,032,625 | 1,032,625 |
| 2036-2037 | 3,755,000 | 314,600 | 4,069,600 |
| Total | <u>\$ 3,755,000</u> | <u>\$ 4,445,100</u> | <u>\$ 8,200,100</u> |

2008 Visalia Series C, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2018 | \$ 20,000 | \$ 15,840 | \$ 4,160 |
| 2019-2023 | 360,000 | 191,664 | 168,336 |
| 2024-2028 | 1,185,000 | 353,490 | 831,510 |
| 2029-2031 | 1,170,000 | 228,576 | 941,424 |
| 2035 | 4,520,000 | 1,067,624 | 3,452,376 |
| Total | <u>\$ 7,255,000</u> | <u>\$ 1,857,194</u> | <u>\$ 5,397,806</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2008 Tulare Series A, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2016 | \$ - | \$ 764,313 | \$ 764,313 |
| 2017 | - | 764,313 | 764,313 |
| 2018 | - | 764,313 | 764,313 |
| 2019 | - | 764,313 | 764,313 |
| 2020 | - | 764,313 | 764,313 |
| 2021-2025 | - | 3,821,565 | 3,821,565 |
| 2026-2030 | 6,785,000 | 3,333,315 | 10,118,315 |
| 2031-2034 | 7,420,000 | 866,800 | 8,286,800 |
| Total | <u>\$ 14,205,000</u> | <u>\$ 11,843,245</u> | <u>\$ 26,048,245</u> |

2008 Tulare Series A, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2016 | \$ 665,000 | \$ 665,000 | \$ - |
| 2017 | 725,000 | 654,530 | 70,470 |
| 2018 | 785,000 | 639,775 | 145,225 |
| 2019 | 845,000 | 621,751 | 223,249 |
| 2020 | 910,000 | 604,604 | 305,396 |
| 2021-2025 | 5,605,000 | 2,731,465 | 2,873,535 |
| 2026 | 1,355,000 | 487,529 | 867,471 |
| Total | <u>\$ 10,890,000</u> | <u>\$ 6,404,654</u> | <u>\$ 4,485,346</u> |

2008 Tulare Series B, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ - | \$ 178,625 | \$ 178,625 |
| 2017 | - | 178,625 | 178,625 |
| 2018 | - | 178,625 | 178,625 |
| 2019 | - | 178,625 | 178,625 |
| 2020 | 295,000 | 178,625 | 473,625 |
| 2021-2025 | 950,000 | 726,819 | 1,676,819 |
| 2026-2030 | 1,370,000 | 528,419 | 1,898,419 |
| 2031-2032 | 1,035,000 | 85,731 | 1,120,731 |
| Total | <u>\$ 3,650,000</u> | <u>\$ 2,234,094</u> | <u>\$ 5,884,094</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2008 Tulare Series B, Capital Appreciation General Obligation Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2016 | \$ 220,000 | \$ 220,000 | \$ - |
| 2017 | 230,000 | 204,700 | 25,300 |
| 2018 | 250,000 | 198,000 | 52,000 |
| 2019 | 270,000 | 190,350 | 79,650 |
| 2033-2037 | 11,880,000 | 2,285,636 | 9,594,364 |
| Total | <u>\$ 12,850,000</u> | <u>\$ 3,098,686</u> | <u>\$ 9,751,314</u> |

2008 Tulare Series B, Capital Appreciation Term General Obligation Bonds:

Mandatory sinking fund requirements:

| Year Ending June 30, | Value at Mandatory Redemption Date | Accreted Obligation | Interest to Accrete |
|-------------------------|---|------------------------|------------------------|
| 2038-2041 | <u>\$ 12,737,439</u> | <u>\$ 2,177,169</u> | <u>\$ 10,560,270</u> |

Final Maturity:

| Year Ending June 30, | Value at Maturity |
|-------------------------|----------------------|
| 2041 | <u>\$ 14,285,000</u> |

2008 Tulare Series B, Convertible Capital Appreciation Term General Obligation Bonds:

Capital Appreciation Term Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2022 | <u>\$ 5,500,000</u> | <u>\$ 3,587,100</u> | <u>\$ 1,912,900</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

Upon maturity of capital appreciation term bonds, current interest bond payment requirements:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|----------------------|
| 2021-2025 | \$ - | \$ 1,196,250 | \$ 1,196,250 |
| 2026-2030 | - | 1,993,750 | 1,993,750 |
| 2031-2035 | - | 1,993,750 | 1,993,750 |
| 2036-2040 | 1,410,000 | 1,891,525 | 3,301,525 |
| 2041 | 4,090,000 | 296,525 | 4,386,525 |
| Total | <u>\$ 5,500,000</u> | <u>\$ 7,371,800</u> | <u>\$ 12,871,800</u> |

2008 Tulare Series C, Current Interest General Obligation Bonds:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ - | \$ 63,075 | \$ 63,075 |
| 2017 | - | 63,075 | 63,075 |
| 2018 | - | 63,075 | 63,075 |
| 2019 | 65,000 | 63,075 | 128,075 |
| 2020 | 65,000 | 61,775 | 126,775 |
| 2021-2025 | 275,000 | 284,275 | 559,275 |
| 2026-2030 | 160,000 | 235,063 | 395,063 |
| 2031-2035 | 10,000 | 212,975 | 222,975 |
| 2036-2040 | - | 212,500 | 212,500 |
| 2041-2043 | 850,000 | 127,500 | 977,500 |
| Total | <u>\$ 1,425,000</u> | <u>\$ 1,386,388</u> | <u>\$ 2,811,388</u> |

2008 Tulare Series C, Convertible Capital Appreciation Term General Obligation Bonds:

Capital Appreciation Term Bonds:

| Year Ending June 30, | Value at Maturity | Accreted Obligation | Interest to Accrete |
|-------------------------|----------------------|------------------------|------------------------|
| 2039 | \$ 2,130,000 | \$ 688,842 | \$ 1,441,158 |
| 2042 | 4,920,000 | 1,565,544 | 3,354,456 |
| Total | <u>\$ 7,050,000</u> | <u>\$ 2,254,386</u> | <u>\$ 4,795,614</u> |

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)
JUNE 30, 2015**

There were no adjustments to the Unaudited Actual Revenue Bond Construction Fund (Measures C, I, and J), which required reconciliation to the audited financial statements at June 30, 2015.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Long-Term Obligations

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Revenue Bond Construction Fund (Measures C, I, and J) obligations.

Reconciliation of Annual Financial Report With Audited Revenue Bond Construction Fund

This schedule provides the information necessary to reconcile the fund balance of the Revenue Bond Construction Fund (Measures C, I, and J) reported on the Unaudited Actual Financial Report to the audited financial statements.

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 *GOVERNMENT AUDITING STANDARDS***

Governing Board and
Citizens Oversight Committee
College of the Sequoias Community College District
Visalia, 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 the College of the Sequoias Community College District (the District) Revenue Bond Construction Fund (Measures C, I, and J), as of and for the year ended June 30, 2015, and the related notes of the financial statements, and have issued our report thereon dated December 29, 2015.

As discussed in Note 1, the financial statements present only the Revenue Bond Construction Fund specific to Measures C, I, and J, and are not intended to present fairly the financial position and changes in financial position of College of the Sequoias Community College 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, we considered College of the Sequoias Community College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College of the Sequoias Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College of the Sequoias Community College District's internal control over financial reporting.

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 entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be, significant deficiencies or material weaknesses. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether College of the Sequoias Community College District's Revenue Bond Construction Fund (Measures C, I, and J) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannink, Trine, Day & Co., LLP

Fresno, California
December 29, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2015**

None reported.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

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

There were no audit findings reported in the prior year's schedule of Financial Statement Findings.

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

**REVENUE BOND CONSTRUCTION FUND
(MEASURES C, I, AND J)
PERFORMANCE AUDIT**

JUNE 30, 2015

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

**PERFORMANCE AUDIT
TABLE OF CONTENTS
JUNE 30, 2015**

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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and
Citizens Oversight Committee
College of the Sequoias Community College District
Visalia, California

We were engaged to conduct a performance audit of the College of the Sequoias Community College District (the District) Revenue Bond Construction Fund (Measures C, I, and J) for the year ended June 30, 2015.

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Revenue Bond Construction Fund (Measures C, I, and J) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Vavrinek, Trine, Day & Co., LLP

Fresno, California
December 29, 2015

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)

JUNE 30, 2015

AUTHORITY FOR ISSUANCE

The general obligations bonds associated with Measures C, I, and J were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District acting as the governing board of the Improvement Districts.

The Improvement District 1 (Hanford Campus) received authorization at an election held on November 7, 2006, to issue bonds of the District in an aggregate principal amount not to exceed \$22,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2006 Authorization). The bonds represent the first and second series of the authorized bonds to be issued under the 2006 Authorization.

The Improvement District 2 (Visalia Campus) received authorization at an election held on November 4, 2008, to issue bonds of the District in an aggregate principal amount not to exceed \$28,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2008 Authorization). The bonds represent the first, second and third series of the authorized bonds to be issued under the 2008 Authorization.

The Improvement District 3 (Tulare Campus) received authorization at an election held on November 7, 2006, to issue bonds of the District in an aggregate principal amount not to exceed \$60,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2006 Authorization). The bonds represent the first and second series of the authorized bonds to be issued under the 2006 Authorization.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds and any other series of general obligation bonds issued under the Authorizations will be used for the purposes specified in the District bond proposition submitted at the Elections. Excerpts from the ballot languages are as follows:

Hanford Campus, Measure C Bonds

"To build a permanent educational center in Hanford by acquiring, constructing and equipping buildings, sites, libraries, classrooms, science and computer labs, to prepare students for university transfer, skilled jobs, law enforcement, firefighting and vocational programs, shall the College of the Sequoias Community College District issue \$22 million in bonds, at legal rates, with citizen oversight, guaranteed annual financial audits, no money for administrators salaries".

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)

JUNE 30, 2015

Visalia Campus, Measure I Bonds

"To better prepare students for high demand jobs, qualify for \$47 million in State building grants, construct a nursing education and training center, upgrade nursing instruction equipment, heating and ventilation, classroom/computer technology, labs, and safety systems, repair aging roofs, electrical, plumbing, upgrade/construct/equip/acquire classrooms, facilities, sites, shall College of the Sequoias Visalia Area Improvement District No. 2 of the College of the Sequoias Community College District issue \$28 million in bonds, at legal rates, with citizen oversight, mandatory audits, and all funds staying in the Visalia area".

Tulare Campus, Measure J Bonds

"To build a permanent Tulare College Center, including buildings for welding/ farming equipment repair classes/vocational education, qualify for \$98 million in State building grants, construct classrooms, library, computer labs, an agricultural education complex, livestock pavilion, including farm animal buildings and labs, upgrade/construct/equip/acquire classrooms, facilities/sites; shall College of the Sequoias Tulare Area Improvement District No. 3 of the College of the Sequoias Community College District issue \$60 million in bonds, at legal rates, with citizen oversight, mandatory audits, and all funds staying in the Tulare area for college facilities".

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The community college district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the community college district to appoint a citizen's oversight committee.
4. Requires the community college district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)

JUNE 30, 2015

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Revenue Bond Construction Fund have been made in accordance with the bond project list approved by the voters through the approval of Measures C, I, and J.
2. Determine whether salary transactions, charged to the Revenue Bond Construction Fund were in support of Measures C, I, and J and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2014 to June 30, 2015. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2015 were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2015, for the Revenue Bond Construction Fund (Measures C, I, and J). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measures C, I, and J as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2014 and ending June 30, 2015, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$162,858 of the total expenditures of \$203,278.
3. We verified that funds from the Revenue Bond Construction Fund (Measures C, I, and J) were generally expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

CONCLUSION

The results of our tests indicated that, in all significant respects, the College of the Sequoias Community College District has properly accounted for the expenditures held in the Revenue Bond Construction Fund (Measures C, I, and J) and that such expenditures were made for costs authorized by the voters of the District.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

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

None reported.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (MEASURES C, I, AND J)**

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

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.