

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

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

JUNE 30, 2016

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

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

JUNE 30, 2016

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, 2016, 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 statements 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, 2016, 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 Building 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. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College of the Sequoias Community College District's basic financial statements. The accompanying supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 to the financial statements is fairly stated, in all material respects, in relation to the basic 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 27, 2016, on our consideration of the District's Building 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 Building Fund (Measures C, I, and J) internal control over financial reporting and compliance.

Vannink, Trine, Day & Co., LLP

Fresno, California
December 27, 2016

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

**BALANCE SHEET
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 693,891
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LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 1,995
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FUND EQUITY

Restricted	691,896
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**Total Liabilities and
Fund Equity**

\$ 693,891

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, 2016**

REVENUES

Local revenues	\$ 43,338
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EXPENDITURES

Current Expenditures

Books and supplies	1,374
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Services and operating expenditures	1,210,063
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Capital outlay	582,511
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Debt service - principal	5,276,844
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Debt service - interest and other issuance costs	243,156
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Total Expenditures	7,313,948
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DEFICIENCY OF REVENUES OVER EXPENDITURES	(7,270,610)
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OTHER FINANCING SOURCES

Bond proceeds	3,707,465
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DEFICIENCY OF REVENUES AND OTHER

FINANCING SOURCES OVER EXPENDITURES	(3,563,145)
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FUND BALANCE, BEGINNING OF YEAR	4,255,041
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FUND BALANCE, END OF YEAR	\$ 691,896
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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, 2016

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, 2016

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, 2016, the fund balance is classified as follows:

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.

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.

Change in Accounting Principles

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District has implemented the provisions of this Statement as of June 30, 2016.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The District has implemented the provisions of this Statement as of June 30, 2016.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The District has implemented the provisions of this Statement as of June 30, 2016.

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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 \$693,891 with the Tulare County Investment Pool, with an average maturity of 696 days.

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Tulare County Treasury Investment Pool is not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

NOTE 4 - CONTINGENCIES

Litigation

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

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF LONG-TERM OBLIGATIONS JUNE 30, 2016

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 on the Hanford Campus and to pay the cost of issuance.

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 on the Visalia Campus, and to pay costs of issuance.

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 District issued the Series D bonds on May 10, 2016. The Series D bonds were issued as current interest bonds. The total amount of the Series D issuance was \$3,710,000. The bond proceeds will be used to finance the acquisition, construction, modernization, and equipping of certain District property and facilities on the Tulare Campus, to repay the Bond Anticipation Notes and to pay the cost of issuance.

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Year Issued	Campus	Maturity Date	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2015	Accreted/ Issued	Redeemed	Bonds Outstanding June 30, 2016
General obligation bonds:								
2006	Hanford	2/1/2033	3.58-4.25	\$ 14,999,982	\$ 15,504,774	\$ 182,615	\$ 245,000	\$ 15,442,389
2008	Hanford	2/1/2034	1.85-6.99	6,995,778	7,864,225	287,695	335,000	7,816,920
2008	Visalia	8/1/2033	2.4-6.22	17,997,404	19,180,178	561,678	630,000	19,111,856
2010	Visalia	8/1/2039	5.1-6.610	4,999,652	5,272,438	73,510	-	5,345,948
2011	Visalia	8/1/2036	4.12-7.74	4,995,439	5,612,194	181,608	-	5,793,802
2008	Tulare	8/1/2033	2.4-6.36	19,998,219	20,609,654	617,772	665,000	20,562,426
2011	Tulare	8/1/2040	3.28-7.62	10,004,927	12,512,955	706,483	220,000	12,999,438
2013	Tulare	8/1/2042	2.09-5.20	3,401,460	3,679,386	156,936	-	3,836,322
2016	Tulare	8/1/2040	3.00-5.00	3,710,000	-	3,710,000	-	3,710,000
Total					<u>\$ 90,235,804</u>	<u>\$ 6,478,297</u>	<u>\$ 2,095,000</u>	<u>\$ 94,619,101</u>

Debt Service Requirements to Maturity

2006 Hanford Series A, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 677,000	\$ 677,000
2018	-	677,000	677,000
2019	-	677,000	677,000
2020	-	677,000	677,000
2021	-	677,000	677,000
2022-2026	3,060,000	3,181,250	6,241,250
2027-2031	6,630,000	2,030,000	8,660,000
2032-2033	3,850,000	243,625	4,093,625
Total	<u>\$ 13,540,000</u>	<u>\$ 8,839,875</u>	<u>\$ 22,379,875</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

2006 Hanford Series A, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2017	\$ 290,000	\$ 290,000	\$ -
2018	335,000	302,840	32,160
2019	390,000	318,708	71,292
2020	440,000	325,072	114,928
2021	495,000	330,660	164,340
2022	555,000	335,109	219,891
Total	<u>\$ 2,505,000</u>	<u>\$ 1,902,389</u>	<u>\$ 602,611</u>

2008 Hanford Series B, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
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	465,000	103,250	568,250
2022-2024	1,600,000	163,750	1,763,750
Total	<u>\$ 3,645,000</u>	<u>\$ 834,539</u>	<u>\$ 4,479,539</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	\$ 1,906,992	\$ 2,653,008
2033	2,205,000	739,116	1,465,884
2034	5,855,000	1,525,812	4,329,188
Total	<u>\$ 12,620,000</u>	<u>\$ 4,171,920</u>	<u>\$ 8,448,080</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

2008 Visalia Series A, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 738,300	\$ 738,300
2018	-	738,300	738,300
2019	-	738,300	738,300
2020	-	738,300	738,300
2021	-	738,300	738,300
2022-2026	1,145,000	3,691,500	4,836,500
2027-2031	7,965,000	2,639,926	10,604,926
2032-2034	4,640,000	403,150	5,043,150
Total	<u>\$ 13,750,000</u>	<u>\$ 10,426,076</u>	<u>\$ 24,176,076</u>

2008 Visalia Series A, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2017	\$ 685,000	\$ 685,000	\$ -
2018	745,000	666,924	78,076
2019	805,000	645,127	159,873
2020	865,000	620,551	244,449
2021	930,000	597,246	332,754
2022-2025	4,415,000	2,147,008	2,267,992
Total	<u>\$ 8,445,000</u>	<u>\$ 5,361,856</u>	<u>\$ 3,083,144</u>

2008 Visalia Series B, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 232,500	\$ 232,500
2018	-	232,500	232,500
2019	-	232,500	232,500
2020	-	232,500	232,500
2021	-	232,500	232,500
2022-2026	-	1,162,500	1,162,500
2027-2031	-	1,162,500	1,162,500
2032-2036	-	1,162,500	1,162,500
2037-2040	4,650,000	822,500	5,472,500
Total	<u>\$ 4,650,000</u>	<u>\$ 5,472,500</u>	<u>\$ 10,122,500</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

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>\$ 695,948</u>	<u>\$ 5,124,052</u>

2008 Visalia Series C, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 206,525	\$ 206,525
2018	-	206,525	206,525
2019	-	206,525	206,525
2020	-	206,525	206,525
2021	-	206,525	206,525
2022-2026	-	1,032,625	1,032,625
2027-2031	-	1,032,625	1,032,625
2032-2036	1,790,000	1,032,625	2,822,625
2037	1,965,000	108,075	2,073,075
Total	<u>\$ 3,755,000</u>	<u>\$ 4,238,575</u>	<u>\$ 7,993,575</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	\$ 17,800	\$ 2,200
2019	35,000	27,720	7,280
2020	55,000	38,775	16,225
2021	70,000	43,918	26,082
2022-2026	750,000	315,392	434,608
2027-2031	1,805,000	443,501	1,361,499
2035	4,520,000	1,151,696	3,368,304
Total	<u>\$ 7,255,000</u>	<u>\$ 2,038,802</u>	<u>\$ 5,216,198</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

2008 Tulare Series A, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 764,313	\$ 764,313
2018	-	764,313	764,313
2019	-	764,313	764,313
2020	-	764,313	764,313
2021	-	764,313	764,313
2022-2026	-	3,821,565	3,821,565
2027-2031	8,955,000	2,977,102	11,932,102
2032-2034	5,250,000	458,700	5,708,700
Total	<u>\$ 14,205,000</u>	<u>\$ 11,078,932</u>	<u>\$ 25,283,932</u>

2008 Tulare Series A, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2017	\$ 725,000	\$ 725,000	\$ -
2018	785,000	708,698	76,302
2019	845,000	688,675	156,325
2020	910,000	669,578	240,422
2021	975,000	647,790	327,210
2022-2026	5,985,000	2,917,685	3,067,315
Total	<u>\$ 10,225,000</u>	<u>\$ 6,357,426</u>	<u>\$ 3,867,574</u>

2008 Tulare Series B, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 178,625	\$ 178,625
2018	-	178,625	178,625
2019	-	178,625	178,625
2020	295,000	178,625	473,625
2021	340,000	166,825	506,825
2022-2026	770,000	687,413	1,457,413
2027-2031	1,685,000	456,631	2,141,631
2032	560,000	30,100	590,100
Total	<u>\$ 3,650,000</u>	<u>\$ 2,055,469</u>	<u>\$ 5,705,469</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

2008 Tulare Series B, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2017	\$ 230,000	\$ 230,000	\$ -
2018	250,000	222,500	27,500
2019	270,000	213,840	56,160
2034-2037	11,880,000	2,485,155	9,394,845
Total	<u>\$ 12,630,000</u>	<u>\$ 3,151,495</u>	<u>\$ 9,478,505</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>\$ 2,345,743</u>	<u>\$ 10,391,696</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>\$ 3,852,200</u>	<u>\$ 1,647,800</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

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

Year Ending June 30,	Principal	Interest	Total
2022-2026	\$ -	\$ 1,595,000	\$ 1,595,000
2027-2031	-	1,993,750	1,993,750
2032-2036	-	1,993,750	1,993,750
2037-2041	5,500,000	1,789,300	7,289,300
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
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	60,000	60,475	120,475
2022-2026	255,000	274,375	529,375
2027-2031	130,000	227,463	357,463
2032-2036	-	212,500	212,500
2037-2041	-	212,500	212,500
2042-2043	850,000	85,000	935,000
Total	<u>\$ 1,425,000</u>	<u>\$ 1,323,313</u>	<u>\$ 2,748,313</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	\$ 736,554	\$ 1,393,446
2042	4,920,000	1,674,768	3,245,232
Total	<u>\$ 7,050,000</u>	<u>\$ 2,411,322</u>	<u>\$ 4,638,678</u>

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

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2016**

2008 Tulare Series D, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 22,400	\$ 22,400
2018	105,000	134,400	239,400
2019	50,000	129,150	179,150
2020	60,000	126,650	186,650
2021	65,000	123,650	188,650
2022-2026	440,000	661,150	1,101,150
2027-2031	725,000	401,800	1,126,800
2032-2036	920,000	261,300	1,181,300
2037-2041	1,345,000	89,338	1,434,338
Total	<u>\$ 3,710,000</u>	<u>\$ 1,949,838</u>	<u>\$ 5,659,838</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, 2016**

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, 2016.

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

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

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, 2016, and the related notes of the financial statements, and have issued our report thereon dated December 27, 2016.

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 (internal control) to determine the audit procedures that are appropriate in the circumstances 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.

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 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, 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 27, 2016

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, 2016**

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, 2016**

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, 2016

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

**PERFORMANCE AUDIT
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JUNE 30, 2016**

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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, 2016.

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 27, 2016

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

JUNE 30, 2016

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, 2016

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, 2016

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, 2015 to June 30, 2016. 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, 2016 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, 2016, 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, 2015 and ending June 30, 2016, 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 \$6,278,384 of the total expenditures of \$7,313,948.
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, 2016**

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, 2016**

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