

# San Diego Community College District

Proposition S Bond Building Fund

San Diego, California

*Financial Statements and  
Independent Auditors' Reports*

*For the year ended June 30, 2010*



# San Diego Community College District Proposition S Bond Building Fund

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# San Diego Community College District Proposition S Bond Building Fund

## Introduction and Citizens' Oversight Committee Member Listing

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San Diego Community College District (District) is located entirely within San Diego County and consists of three two-year colleges and six continuing education centers. All three colleges are fully accredited by the Accrediting Commission for the Community and Junior Colleges of the Western Association of Schools and Colleges.

The District is governed by an elected five member Board of Trustees. The five Trustees are elected in even-numbered years to four-year terms by the voters in the District. The boundaries of the District did not change during the year ended June 30, 2010.

On November 5, 2002, by majority election of the Districts' registered voters, \$685,000,000 in general obligation bonds (Proposition S) were authorized to be issued and sold for the benefit of the District. Proceeds from the bonds are to be used for acquisition, construction, renovation, repair and modernization of certain District property and facilities and to refund or advance refund certain obligations of the District. Under the terms of Proposition S, a Citizens' Oversight Committee was established to oversee the expenditures of the Proposition S proceeds. The bonds are scheduled to be issued in four increments over a ten-year period. The first issuance and sale of general obligation bonds consisted of three series. Series 2003A and Series 2003C which closed on May 29, 2003 for a combined principal amount of \$96,585,000 and Series 2003B which closed on August 27, 2003 for a principal amount of \$8,415,000. The three series totaled \$105,000,000 and after issuance cost, refunding of a Lease Revenue Bond series and defeasement of a Certificate of Participation series, the net deposit to the Building Fund at the County Treasury was \$77,238,522. In addition to the 2003 series, the District issued Series 2005 in the amount of \$244,999,901 in fiscal year 2006 and Series 2009 in the amount of \$131,293,506 in fiscal year 2009.

Proposition S was a Proposition 39 bond. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed [Article XIII A, §1(b) (3) (C)] as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects [Article XIII A, §1(b) (3) (D)].

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908, was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

# San Diego Community College District Proposition S Bond Building Fund

## Introduction and Citizens' Oversight Committee Member Listing, Continued

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The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2010:

<u>Name</u>	<u>Office</u>	<u>Affiliation</u>
Bobby G. Glaser	Chair	Senior Citizen's Organization
Phillip Nerhood	Vice Chair	At Large
Houshmand Aftahi	Member	At Large
Matthew Anderson	Member	At Large
Jaime M. Barton	Member	At Large
Wendell Bass	Member	At Large
Rocky Bragg	Member	At Large
Linda Caballero-Sotelo	Member	Business Organization
George Hawkins	Member	Taxpayer Organization
Alex Hu	Member	At Large
Tom Lemmon	Member	At Large
Jeff Marston	Member	Support Organization
John L. Morrell, Esq.	Member	Taxpayer Organization
Evonne Seron Schulze	Member	At Large
Rosalie Schwartz	Member	At Large
Robert Villareal	Member	At Large
Jonathan A. Walz	Member	Taxpayer Organization
Pat Zarahopoulos, Esq.	Member	At Large
Albeto Vasquez	Member	Student Organization

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees and  
the Citizens' Bond Oversight Committee  
San Diego Community College District  
San Diego, California

We have audited the accompanying balance sheet and statement of revenues, expenditures, and changes in fund balances for the Proposition S Bond Building Fund (Bond Fund) of the San Diego Community College District (District) as of and for the year ended June 30, 2010. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these statements based on our audit.

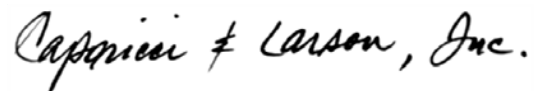
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the financial statements present only the Proposition S Bond Building Fund and are not intended to, and do not, present fairly the financial position of San Diego Community College District as of June 30, 2010, and the changes in fund balance thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations and changes in fund balance for the Bond Fund of the District as of June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

The Board of Trustees and  
the Citizens' Bond Oversight Committee  
San Diego Community College District  
San Diego, California  
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In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Caporicci & Larson, Inc.".

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Diego, California  
December 2, 2010



## **FINANCIAL STATEMENTS**

**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Balance Sheet**  
**June 30, 2010**

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**ASSETS**

Cash and investments	\$ 89,138,944
Accounts receivable	186,347
<b>Total assets</b>	<b>\$ 89,325,291</b>

**LIABILITIES AND  
FUND BALANCES**

**Liabilities:**

Accounts payable and accrued liabilities	\$ 9,100,011
<b>Total liabilities</b>	<b>9,100,011</b>

**Fund Balances:**

Reserved for capital projects	80,225,280
<b>Total fund balances</b>	<b>80,225,280</b>
<b>Total liabilities and fund balances</b>	<b>\$ 89,325,291</b>

**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**For the year ended June 30, 2010**

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**REVENUES:**

Interest income	\$ 980,206
<b>Total revenues</b>	<u>980,206</u>

**EXPENDITURES:**

Salaries	524,977
Employee benefits	179,031
Capital outlays and other expenditures	<u>65,702,930</u>
<b>Total expenditures</b>	<u>66,406,938</u>
<b>Change in net assets</b>	(65,426,732)

**FUND BALANCES:**

Beginning of year	<u>145,652,012</u>
End of year	<u>\$ 80,225,280</u>

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**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Notes to Financial Statements**  
**For the year ended June 30, 2010**

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**1. ORGANIZATION**

The San Diego Community College District (District) serves approximately 100,000 students per semester as represented by five voting districts within Greater San Diego. The District currently operates San Diego City College, Miramar College, Mesa College and the Continuing Education Centers, which provide post-secondary instruction in an array of educational classes, programs and services. The colleges offer associate's degrees in the arts and sciences, in addition to advanced and basic certificates of learning.

The accompanying financial statements present the financial position and results of activities for the District Proposition S Bond Building Fund (Bond Fund). Escrow funds, debt service funds, costs of issuance and bonded debt are not presented in the accompanying financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are as follows.

The budgetary and financial accounts of the District have been recorded and maintained in accordance with the Chancellor's Office of the California Community College's *Budget and Accounting Manual*.

Fund Structure

The Statement of Revenues, Expenditures, and Changes in Fund Balances is a statement of financial activities of the Bond Fund related to the current reporting period. Expenditures of the fund frequently include amounts for supplies, buildings, equipment, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

Basis of Accounting

The Bond Fund of the District is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or serviced or services rendered).

Budget

Budgets are based on a project basis as determined by contracts awarded and bond funds available for expenditure. Current project budget information may be obtained by contacting the Vice Chancellor - Facilities Management, 3375 Camino del Rio South, San Diego, CA 92108-6509.

**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Cash in County Treasury

In accordance with Education Code §41001, the District maintains its cash in the San Diego County Treasury. The County pools these funds with those of other districts in the County and invests the cash. Interest earned is deposited quarterly into participating funds.

Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Bond Fund are determined by its measurement focus. The Bond Fund is accounted for on a spending or “*financial flow*” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “*available spendable resources*”. Thus, the capital assets and long-term liabilities associated with the Bond Fund are accounted for in the financial statements of the District and are not included in the accompanying financial statements.

Reservations of Fund Balances

The Bond Fund balances have been reserved for capital projects. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balances to be segregated for a specific purpose or (2) identify the portion of the fund balances that have been appropriated for contractual commitments.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

**3. CASH AND INVESTMENTS**

The District maintains its cash in the San Diego County Treasury as part of the common investment pool. At June 30, 2010, the carrying value was \$89,138,944. The County is restricted by Government Code §53635 pursuant to §53601 to invest in time deposits, U.S. Government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit and repurchase or reverse repurchase agreements.

See the District’s basic financial statements for disclosures related to cash and investments and the related risk disclosures.

**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2010**

**4. CONSTRUCTION COMMITMENTS**

In addition to construction amounts included in the financial statements, the District has construction commitments of approximately \$55,264,213 as of June 30, 2010.

**5. BONDED DEBT OF THE DISTRICT**

The District received authorization at an election held on November 5, 2002, by more than fifty-five percent of the votes cast by eligible voters within the District, to issue general obligation bonds not to exceed \$685,000,000 under Proposition 39. These bonds are issued in multiple series as general obligations of the District and therefore are not included in the accompanying financial statements. The following information is provided for purposes of additional analysis only.

Schedule of changes in General Obligation Bonds for 2010

	Balance at June 30, 2009	Additions	Deletions	Balance at June 30, 2010	Due within One Year	Due in More Than One Year
General Obligation Bonds:						
2003 Series A	\$ 42,145,000	\$ -	\$ (800,000)	\$ 41,345,000	\$ 905,000	\$ 40,440,000
2005 Series	243,258,857	-	(1,488,358)	241,770,499	1,858,747	239,911,752
2009 Series	131,293,506	-	-	131,293,506	-	131,293,506
	<u>\$ 416,697,363</u>	<u>\$ -</u>	<u>\$ (2,288,358)</u>	<u>\$ 414,409,005</u>	<u>\$ 2,763,747</u>	<u>\$ 411,645,258</u>

Tax-Exempt General Obligation Bonds, Election of 2002, Series 2003A

On May 29, 2003, \$86,345,000 in tax-exempt general obligation bonds (Series 2003A) were delivered to refund the District's Series 2000B Lease Revenue Bonds and to establish a project fund for the acquisition, construction, renovation, repair and modernization of certain District property and facilities. The issue consists of several serial bonds and a term bond. The serial bonds (\$71,195,000) mature in varying amounts from May 1, 2005 through 2024, with coupon rates ranging 3% to 5% and yield rates ranging 0.95% to 4.32%. The remaining \$15,150,000 term bond matures on May 1, 2028 with a 5% coupon rate and yield rate of 4.39%. Debt service consists of interest and principal payable May 1 of each year, commencing on May 1, 2005.

Bond proceeds, net of related issuance costs, were deposited with the trustee for establishment of the building fund, a debt service fund and refunding of the Series 2000B Lease Revenue Bonds. The District had used the original proceeds of the Series 2000B Lease Revenue Bonds to finance the acquisition and construction of new buildings and the renovation of previously existing buildings.

The bonds are solely payable from *ad valorem* property taxes levied. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principals and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2003A. Total principal and interest remaining on the bonds is \$65,607,487, payable through 2028.

**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. BONDED DEBT OF THE DISTRICT, Continued**

Present value of minimum lease payments for general obligation bonds, Series 2003 A, are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 905,000	\$ 2,037,050	\$ 2,942,050
2012	1,010,000	2,003,112	3,013,112
2013	1,130,000	1,962,713	3,092,713
2014	1,255,000	1,911,862	3,166,862
2015	1,395,000	1,825,250	3,220,250
2016-2020	9,410,000	8,085,250	17,495,250
2021-2025	14,460,000	5,230,000	19,690,000
2026-2028	11,780,000	1,207,250	12,987,250
<b>Total</b>	<b>\$ 41,345,000</b>	<b>\$ 24,262,487</b>	<b>\$ 65,607,487</b>

General Obligation Bonds, Election of 2002, Series 2005

On October 19, 2005, the District issued the general obligation bonds, election of 2002, Series 2005 in the amount of \$244,999,901. The issue is comprised of \$229,170,000 of serial bonds maturing in varying amounts from May 1, 2015 through 2030, with coupon and yield rates ranging 3.95% to 5.00% and \$15,829,901 of capital appreciation bonds maturing in varying amounts from May 1, 2008 through 2015, with coupon and yield rates ranging 3.28% to 4.34%. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

The bonds are solely payable from *ad valorem* property taxes levied. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principals and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2005. Total principal and interest remaining on the bonds is \$419,310,000, payable through 2030.

Present value of minimum lease payments for general obligation bonds, Series 2005, are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 1,858,747	\$ 11,889,753	\$ 13,748,500
2012	2,213,869	12,104,631	14,318,500
2013	2,539,482	12,364,018	14,903,500
2014	2,854,576	12,673,924	15,528,500
2015	3,133,825	13,039,675	16,173,500
2016-2020	37,365,000	54,099,250	91,464,250
2021-2025	70,275,000	41,707,250	111,982,250
2026-2030	121,530,000	19,661,000	141,191,000
<b>Total</b>	<b>\$ 241,770,499</b>	<b>\$ 177,539,501</b>	<b>\$ 419,310,000</b>



**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. BONDED DEBT OF THE DISTRICT, Continued**

General Obligation Bonds, Election of 2002, Series 2009

On April 28, 2009, the District issued the general obligation bonds, election of 2002, series 2009 in the amount of \$131,293,506. The issue is comprised of \$8,065,000 of current interest serial bonds maturing in varying amounts from August 1, 2015 through 2029, with coupon and yield rates ranging 2.70% to 4.87%, \$93,230,000 of term bonds due August 1, 2033, with coupon and yield rates at 5.10%, and \$29,998,506 of convertible capital appreciation bonds maturing August 1, 2033, with coupon and yield rates at 6.00%. The purpose of the bonds is to finance the acquisition, construction and modernization of certain property and District facilities.

The bonds are general obligations of the District and are payable solely from *ad valorem* taxes levied and collected by the County. The District pledged all *ad valorem* property tax levied and collected to repay the outstanding principal and interest of the Tax-Exempt General Obligation Bonds, Election of 2002, Series 2009. Total principal and interest remaining on the bonds is \$291,108,472, payable through 2034.

Aggregate annual maturities and sinking fund requirements for the Series 2009 general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 5,848,772	\$ 5,848,772
2012	-	5,277,088	5,277,088
2013	-	5,277,088	5,277,088
2014	-	5,277,088	5,277,088
2015	-	5,277,088	5,277,088
2016-2020	5,400,000	27,652,213	33,052,213
2021-2025	-	41,590,688	41,590,688
2026-2030	2,665,000	41,525,306	44,190,306
2031-2034	123,228,506	22,089,635	145,318,141
<b>Total</b>	<b>\$ 131,293,506</b>	<b>\$ 159,814,966</b>	<b>\$ 291,108,472</b>

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Certified Public Accountants

**INDEPENDENT AUDITORS' 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**

The Board of Trustees and  
the Citizens' Bond Oversight Committee  
San Diego Community College District  
San Diego, California

We have audited the accompanying financial statements of the Prop N Bond Fund of the San Diego Community College District (District) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 2, 2010. 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

A *control deficiency* 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

The Board of Trustees and  
the Citizens' Bond Oversight Committee  
San Diego Community College District  
San Diego, California  
Page 2

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, the Citizen's Bond Oversight Committee and District's management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Diego, California  
December 2, 2010

## **PERFORMANCE AUDIT**

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## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

The Board of Trustees and  
the Citizens' Bond Oversight Committee  
San Diego Community College District  
San Diego, California

We conducted a performance audit of the Proposition 39/Proposition S General Obligation Bond (Bond Fund) of the San Diego Community College District for the fiscal year ended June 30, 2010.

We conducted our performance audit in accordance with *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. Our audit was limited to the objectives listed below, which includes determining the District's compliance with the performance requirements for the Proposition 39/ Proposition S General Obligation Bonds under the applicable provisions of Section 1 (b)(3)(C) of Article XIII A of the California Constitution and Proposition as they apply to the Bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements.

### OBJECTIVES:

The objectives of our performance audit were to:

- Document the expenditures charged to the District's Proposition S General Obligation Bond Funded Capital Outlay Projects.
- Determine whether the proceeds of the sale of the Proposition S Bonds were used for the purposes set forth in the ballot measure and not for any other purpose, including teacher and administrator salaries and other college operating expenses.
- Provide the District Board of Trustees and the Citizens' Bond Oversight Committee with a performance audit as required under the provision of the California Constitution and Proposition 39.

### SCOPE OF THE AUDIT:

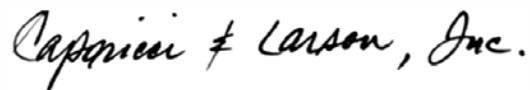
The scope of our performance audit covered the period of July 1, 2009 to June 30, 2010. The expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2010 were not reviewed or included within the scope of our audit or in this report.

The Board of Trustees and  
the Citizens' Bond Oversight Committee  
San Diego Community College District  
San Diego, California

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the District to determine if the internal controls were adequate to ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1 (b)(3)(C) of Article XIII A of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance with the performance requirements of Proposition 39/Proposition S. Accordingly, we do not express no such opinion.

In our opinion, the District complied, in all material respects, with the performance requirements of the Proposition 39, as specified by Section 1 (b)(3)(C) of Article XIII A of the California Constitution for the year ended June 30, 2010. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with *Government Auditing Standards*.

This report is intended solely for the information of the Board of Trustees, management and the Citizens' Bond Oversight Committee and is not intended to be and should not be used by anyone other than these specific parties. However, this report is a matter of public record and its distribution is not limited.



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Diego, California  
December 2, 2010



**San Diego Community College District**  
**Proposition S Bond Building Fund**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2010**

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There were no findings or questioned costs related to the performance audit of the Bond Fund for the year ended June 30, 2010.