

COMPTON COMMUNITY COLLEGE PROP 39
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE CC
FINANCIAL AND PERFORMANCE AUDITS
June 30, 2016

COMPTON COMMUNITY COLLEGE DISTRICT

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**FINANCIAL AUDIT OF GENERAL OBLIGATION BOND FUND
MEASURE CC**



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Bond Oversight Committee
Compton Community College District

Report on the Financial Statements

We have audited the accompanying Measure CC General Obligation Bond Fund financial statements of the Compton Community College District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's Measure CC General Obligation Bond Fund 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 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 the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

The Board of Trustees
The Citizens' Bond Oversight Committee
Compton Community College District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure CC General Obligation Bond Fund of the District as of 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2016 on our consideration of the District's internal control over the Measure CC General Obligation Bond Fund 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 the Measure CC General Obligation Bond Fund 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 internal control over the Measure CC General Obligation Bond Fund financial reporting and compliance.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 10, 2016

See the accompanying notes to the financial statements

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**BALANCE SHEET
June 30, 2016**

Assets

Cash in county treasury	\$ 19,204,330
Accounts receivable	49,843
Due from other funds	209,940
Total Assets	\$ 19,464,113

Liabilities and Fund Balance

Liabilities

Accounts payable	\$ 2,327,233
Total Liabilities	2,327,233

Fund Balance

Restricted	17,136,880
Total Fund Balance	17,136,880
Total Liabilities and Fund Balance	\$ 19,464,113

See the accompanying notes to the financial statements

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
For the Fiscal Year Ended June 30, 2016**

Revenues	
Interest and investment income	\$ 145,072
Total Revenues	<u>145,072</u>
Expenditures	
Other services	170,663
Capital outlay	<u>10,787,912</u>
Total Expenditures	<u>10,958,575</u>
Net change in fund balance	(10,813,503)
Fund Balance at Beginning of Year	<u>27,950,383</u>
Fund Balance at End of Year	<u><u>\$ 17,136,880</u></u>

See the accompanying notes to the financial statements

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest and investment income	\$ 149,000	\$ 145,072	\$ (3,928)
Total Revenues	149,000	145,072	(3,928)
 Expenditures			
Supplies	1,000		1,000
Other services	407,220	170,663	236,557
Capital outlay	20,305,527	10,787,912	9,517,615
Total Expenditures	20,713,747	10,958,575	9,755,172
 Net change in fund balance	\$ (20,564,747)	(10,813,503)	\$ 9,751,244
 Fund Balance at Beginning of Year		27,950,383	
 Fund Balance at End of Year		\$ 17,136,880	

See the accompanying notes to the financial statements

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Fund Structure

The Statement of Revenues, Expenditures and Change in Fund Balance is a statement of financial activities of the Measure CC General Obligation Bond Fund related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, 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 Measure CC General Obligation Bond Fund is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, 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 services rendered).

Cash in the county treasury is recorded at cost, which approximates fair value.

Budget

The Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual includes a column entitled "Budget". The amounts in this column represent the budget adopted by the Board and all amendments throughout the year.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The fund balance of the Measure CC General Obligation Bond Fund is therefore classified as restricted.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure CC General Obligation Bond Fund are determined by its measurement focus. The Measure CC General Obligation 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 Measure CC General Obligation Bond Fund are accounted for in the basic financial statements of the District.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Measure C

On November 4, 2014, a general obligation bond proposition (Measure C) of the district was approved by the voters of the District. Measure C authorized the District to issue up to \$100,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions. No Measure C bonds have been issued as of the date of this report. The bylaws of the Independent Citizen’s Bond Oversight Committee have been revised to expand their duties to include oversight of the expenditures of bond proceeds for both Measure CC and Measure C projects.

NOTE 2: DEPOSITS AND INVESTMENTS

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value and at June 30, 2016 is measured at 100.12% of amortized costs. The District’s deposits in the fund are considered to be highly liquid.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

NOTE 2: DEPOSITS AND INVESTMENTS

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53601, 53635, 53534 and 53648. The county is restricted 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. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commissions (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized costs, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple St, Room 358, Los Angeles, CA 90012.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

NOTE 2: DEPOSITS AND INVESTMENTS

<u>Authorized Investment Type</u>	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%
Collateralized Bank Deposits	5 years	None	None
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
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	"AA" Rating

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District follows Government Code to reduce exposure to investment credit risk. See the previous disclosure for information about the District's investment ratings.

NOTE 3: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no excess of expenditures over appropriations, by major object account.

NOTE 4: BONDED DEBT

On November 5, 2002, the District voters authorized the issuance and sale of general obligation bonds totaling \$100,000,000. In January 2004, August 2009, March 2012, and November 2013, \$41,000,000 of Series A, \$15,000,000 of Series B, \$15,001,122 of Series C and \$16,554,972 of Series D, respectively, were sold under Proposition 39 which provides that proceeds of the bonds

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

NOTE 4: BONDED DEBT

will generally be used to finance the acquisition, construction and modernization of certain District property and facilities approved by the voters and that bond proceeds will not be used for salaries of school administrators or other operation expenses of the District. On October 4, 2012, \$14,470,000 of general obligation refunding bonds were sold in order to refund a portion of Series A bonds. On March 18, 2014, \$17,010,000 of general obligation refunding bonds were sold in order to refund the remaining Series A bonds. On October 27, 2015, \$13,100,000 of general obligation refunding bonds were sold in order to refund a portion of Series B bonds.

On November 4, 2014, the voters within the District approved Measure C which will provide \$100 million in General Obligation Bonds. The funds are designed to be used to update aging classrooms and buildings, repair deteriorating gas and sewer lines, electrical wiring, leaky roofs, improve classroom technology and handicapped accessibility, upgrade campus safety and repair, construction, and acquire facilities and equipment. As of June 30, 2016, bonds have not yet been issued for Measure C.

The outstanding general obligation bonded debt of the District at June 30, 2016 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2015	Issued Current Year	Accreted		Outstanding June 30, 2016
							Interest Charge	Redeemed Current Year	
Series B	8/27/2009	8/1/2034	3.0-6.75	\$15,000,000	\$13,270,000	\$ -	\$ -	\$12,195,000	\$ 1,075,000
Series C	3/22/2012	8/1/2037	2.59-6.65	15,001,122	16,173,651	-	528,344	165,000	16,536,995
2012 Refunding	10/4/2012	7/1/2023	2.00-5.00	14,470,000	14,200,000	-	-	965,000	13,235,000
Series D	11/13/2013	8/1/2039	2.52-6.62	16,554,972	17,761,926	-	1,097,346	70,000	18,789,272
2014 Refunding	3/18/2014	7/1/2028	1.00-5.00	17,010,000	16,745,000	-	-	85,000	16,660,000
2015 Refunding	10/27/2015	8/1/2034	2.00-5.00	13,100,000	-	13,100,000	-	-	13,100,000
Total				<u>\$91,136,094</u>	<u>\$78,150,577</u>	<u>\$13,100,000</u>	<u>\$ 1,625,690</u>	<u>\$13,480,000</u>	<u>\$ 79,396,267</u>

The annual debt service requirements are as follows:

Year Ending June 30,	Accreted			Total
	Principal	Interest	Interest	
2017	\$ 1,922,434	\$ 2,559,950	\$ 2,566	\$ 4,484,950
2018	1,876,493	2,491,600	8,507	4,376,600
2019	2,106,690	2,409,512	23,310	4,539,512
2020	2,357,208	2,315,087	42,792	4,715,087
2021	2,600,991	2,202,912	69,009	4,872,912
2022-2026	17,551,542	8,859,988	928,458	27,339,988
2027-2031	21,453,601	4,525,815	9,031,399	35,010,815
2032-2036	15,392,696	2,574,561	25,127,304	43,094,561
2037-2040	14,134,612	634,444	17,930,388	32,699,444
Total	<u>\$79,396,267</u>	<u>\$28,573,869</u>	<u>\$53,163,733</u>	<u>\$161,133,869</u>

The repayment of the debt related to the general obligation bonds is accounted for in the District's Bond Interest and Redemption Fund which is part of the District's basic financial statements. The recognition of premiums on bonds is recorded as long-term liabilities in the basic financial statements of the District.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

NOTE 5: PURCHASE COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2016, the District was committed under various capital expenditure purchase agreements for bond projects totaling approximately \$3,826,000.

Litigation

The District is involved in various claims and legal actions related to various construction projects. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Districts' Measure CC General Obligation Bond Fund.

NOTE 6: INTERFUND TRANSACTIONS

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The amount due from other funds of \$209,940 is from the Capital Outlay Fund for capital project construction subsequently reimbursed by proceeds received from Proposition 1D State Bond Funds.



**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***

The Board of Trustees
The Citizens' Bond Oversight Committee
Compton Community College District

We have audited, 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, the Measure CC General Obligation Bond Fund financial statements of the Compton Community College District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's Measure CC General Obligation Bond Fund financial statements, and have issued our report thereon dated November 10, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the 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.

**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***

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 non-compliance 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.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 10, 2016

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2016**

There were no findings related to the financial audit of the Measure CC General Obligation Bond Fund for the year ended June 30, 2016. In addition, there were no findings related to the financial audit of the Measure CC General Obligation Bond Fund for the year ended June 30, 2015.

PERFORMANCE AUDIT OF GENERAL OBLIGATION BOND MEASURE CC

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Bond Oversight Committee
Compton Community College District

We have conducted a performance audit of the Compton Community College District (the District) Measure CC General Obligation Bond Fund for the year ended June 30, 2016.

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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 19 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure CC General Obligation Bond Fund under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

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 internal controls were adequate to help 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. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that, in all significant respects, the District expended Measure CC General Obligation Bond funds for the fiscal year ended June 30, 2016, only for the specific projects developed by the District's Board of Trustees, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP
Glendora, California
November 10, 2016

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

BACKGROUND INFORMATION

June 30, 2016

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions.

On November 5, 2002, a general obligation bond proposition (Measure CC) of the District was approved by the voters of that District. Measure CC authorized the District to issue up to \$100,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

On November 4, 2014, a general obligation bond proposition (Measure C) of the District was approved by the voters of the District. Measure C authorized the District to issue up to \$100,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions. No Measure C bonds have been issued as of the date of this report. The bylaws of the Independent Citizen's Bond Oversight Committee have been revised to expand their duties to include oversight of the expenditures of bond proceeds for both Measure CC and Measure C projects.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Trustees of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure CC bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Measure CC General Obligation Bond Fund have been expended only for the authorized bond projects. Consistent with this provision, Section 15286 of the California Education Code requires the performance audit to be conducted in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States and be submitted to the Citizens' Bond Oversight Committee by March 31st of each year.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**OBJECTIVES
June 30, 2016**

The objectives of our performance audit were to:

- Determine the expenditures charged to the District Measure CC General Obligation Bond Fund.
- Determine whether expenditures charged to the Measure CC General Obligation Bond Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure CC in November 2002.
- Note incongruities, system weaknesses, or non-compliance with specific California Education Code sections related to bond oversight and provide recommendations for improvement.
- Provide the District Board and the Measure CC Citizens' Bond Oversight Committee with a performance audit as required under the provisions of the California Constitution and California Education Code.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**SCOPE OF THE AUDIT
June 30, 2016**

The scope of our performance audit covered the fiscal period from July 1, 2015 to June 30, 2016. The sample of expenditures tested included 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, 2016, were not reviewed or included within the scope of our audit or in this report.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

PROCEDURES PERFORMED

June 30, 2016

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2016, for the Measure CC General Obligation Bond Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure CC with regards to the approved bond projects list. We performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set out in the Measure CC election documents.
- We selected a sample of expenditures for the year ended June 30, 2016, and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.
- We verified on a sample basis that funds from the Measure CC General Obligation Bond Fund were expended on the authorized bond projects and not used for salaries of school administrators or other operating expenses of the District.

We reviewed documentation, including the District's website, to verify compliance with certain bond oversight requirements of the California Education Code, including the membership make-up of the Citizens' Bond Oversight Committee, publication of committee proceedings, and the issuance of an annual report to the public.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**CONCLUSION
June 30, 2016**

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Measure CC General Obligation Bond Fund and that such expenditures were made on authorized bond projects and not expended for salaries of school administrators or other operating expenditures.

In addition, the results of our tests indicated that, in all significant respects, the District complied with applicable California Education Code requirements, for which the purpose of a Citizens' Bond Oversight Committee is established.

**COMPTON COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND FUND**

**SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2016**

There were no findings related to the performance audit of the Measure CC General Obligation Bond for the year ended June 30, 2016. In addition, there were no findings related to the performance audit of the Measure CC General Obligation Bond for the year ended June 30, 2015.