

**COMPTON
COMMUNITY COLLEGE DISTRICT**

**MEASURE CC GENERAL OBLIGATION BOND
AUDIT REPORT**

JUNE 30, 2012

**COMPTON
COMMUNITY COLLEGE DISTRICT**

**MEASURE CC GENERAL OBLIGATION BOND
FINANCIAL AUDIT**

JUNE 30, 2012

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

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INDEPENDENT AUDITORS' REPORT

Board of Trustees and
Citizens' Oversight Committee
Compton Community College District
Compton, California

We have audited the accompanying financial statements of the Measure CC General Obligation Bond (the Bond Fund) of Compton Community College District (the District) as of June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of America. 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 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 of the Notes to Financial Statements, the financial statements present only the Bond Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, as discussed in Note 2 of the Notes to Financial Statements, the Bond Fund's financial statements are prepared on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position - modified accrual basis of the Measure CC General Obligation Bond of Compton Community College District as of June 30, 2012, and the results of its operations - modified accrual basis for the year then ended, in conformity with the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012, on our consideration of the District's internal control over financial reporting for the Measure CC General Obligation Bond 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* and should be considered in assessing the results of our audit.

Rancho Cucamonga, California
December 7, 2012

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

**BALANCE SHEET - MODIFIED ACCRUAL BASIS
JUNE 30, 2012**

ASSETS

Investments	\$ 23,490,203
Accounts receivable	44,076
Due from other funds	<u>1,191,461</u>
Total Assets	<u><u>\$ 24,725,740</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued liabilities	<u>\$ 392,865</u>
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FUND BALANCE

Restricted	<u>24,332,875</u>
Total Liabilities and Fund Balance	<u><u>\$ 24,725,740</u></u>

See the accompanying notes to financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

REVENUES

Local revenues \$ 131,196

EXPENDITURES

Supplies 17,095
Professional services and other operating expenditures 1,582,358
Capital outlay 3,503,096
Total Expenditures 5,102,549

EXCESS OF EXPENDITURES OVER REVENUES (4,971,353)

OTHER FINANCING SOURCES

Proceeds from sale of bonds 15,255,011

**EXCESS OF REVENUES AND OTHER FINANCING
SOURCES OVER EXPENDITURES**

10,283,658

FUND BALANCE, BEGINNING OF YEAR

12,926,880

RESTATEMENT

1,122,337

FUND BALANCE, END OF YEAR

\$ 24,332,875

See the accompanying notes to financial statements.

COMPTON COMMUNITY COLLEGE DISTRICT MEASURE CC GENERAL OBLIGATION BOND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The General Obligation Bond Fund (the Bond Fund) is a governmental fund of Compton Community College District (the District). This fund is used to account for the activity of the Proposition 39 General Obligation Bond approved by the voters of the District. These financial statements present only the Bond Fund and do not purport to, and do not, present fairly the financial position of the District and the changes in its financial position in conformity with accounting standards generally accepted in the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Financial Statement Presentation

The financial statements of the Bond Fund have been prepared on the modified accrual basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The statement of revenues, expenditures, and changes in fund balance is a statement of financial activities of the Bond Funds related to the current reporting period. Using this method, revenues are recognized when they are both measurable and available, and expenses are recognized when goods are received or services are rendered. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 45 or 60 days.

Fund Balance - Governmental Funds

As of June 30, 2012, the fund balance of the Measure CC General Obligation Bond Fund was 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.

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 reported amounts of assets and liabilities at the reporting date, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets and Long-Term Obligations

The accounting and reporting treatment applied to the capital assets and long-term obligations 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 basic financial statements of Compton Community College District.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3 - 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 instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements 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. The pool is managed by the Los Angeles County Treasurer and is not registered as an investment company with the Securities Exchange Commission. Oversight of the pool is the responsibility of the County Treasury Oversight Committee. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the Treasurer follows.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit 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 to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Investment Pool. The District maintains an investment of \$23,490,203 with the Los Angeles County Investment Pool for Measure CC. The fair value of this investment is approximately \$23,562,205 with an average weighted maturity of 617 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Los Angeles County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2012.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 - ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2012, is made up of the following. All amounts have been determined by management to be fully collectable.

Interest	<u>\$ 44,076</u>
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NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Due from other funds balance at June 30, 2012, in the amount of \$1,191,461 consists of the following:

Due from General Fund	\$ 346,076
Due from Capital Outlay Fund	845,385
	<u>\$ 1,191,461</u>

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable at June 30, 2012, in the amount of \$392,865 represents an amount owed to vendors for both ongoing and completed construction projects.

NOTE 7 - FUND BALANCE

Fund balance is composed of the following element:

Restricted	<u>\$ 24,332,875</u>
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NOTE 8 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District is involved with various long-term construction and renovation projects throughout the campus. The projects are in various stages of completion and are funded primarily through the voter-approved general obligation bonds.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Litigation

The District may be involved in legal proceedings during the normal course of business related to construction through the Measure CC General Obligation Bond Fund. At this time, District management believes any current proceedings are not material to the financial statements of the Measure CC General Obligation Bond Fund.

NOTE 9 - RESTATEMENT OF PRIOR YEAR FUND BALANCES

The District's prior year fund balance for the Bond Fund has been restated as of June 30, 2012. Accordingly, the beginning fund balance for the Bond Fund has been restated.

Bond Fund

Fund Balance - Beginning	\$ 12,926,880
Decrease accounts payable	426,451
Increase due from other funds	<u>695,886</u>
Fund Balance - Beginning, as Restated	<u><u>\$ 14,049,217</u></u>



**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***

Board of Trustees and
Citizens' Oversight Committee
Compton Community College District
Compton, California

We have audited the accompanying financial statements for the Measure CC General Obligation Bond (the Bond Fund) of Compton Community College District (the District) for the year ended June 30, 2012, and have issued our report thereon dated December 7, 2012. 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.

As discussed in Note 1 of the Notes to Financial Statements, the financial statements present only the Bond Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, as discussed in Note 2 of the Notes to Financial Statements, the Bond Fund's financial statements are prepared on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

Management of Compton Community College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Compton Community College District's internal control over financial reporting for the Measure CC General Obligation Bond fund as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Compton Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Compton Community College District's internal control over financial reporting.

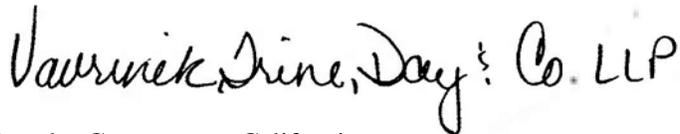
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Compton Community College District's Bond Fund's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Compton Community College District's Bond Fund is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended solely for the information and use of the Special Trustee and Board of Trustees, District management, the California Community Colleges Chancellor's Office, and the District's Citizens' Oversight Committee, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Vaurin, Irine, Day & Co. LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 7, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2012**

The following finding represents an instance of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding

The District is required under the provisions of Proposition 39 Article XIII A, Section 1(b)(3)(C) of the California Constitution to form a Citizens' Oversight Committee to review progress on the construction projects. This committee is to be made up of seven members and is to meet at least three times each year. During the 2011-2012 fiscal year, the Citizens' Oversight Committee was re-formed and met in May and June 2012. This did not meet the requirements of the required Code Section.

Questioned Costs

None.

Recommendation

The District should continue to work to ensure the ongoing compliance with requirements for the Citizens' Oversight Committee both in the makeup of the committee members and the number of meetings held during the year.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012**

None reported.

**COMPTON
COMMUNITY COLLEGE DISTRICT**

**MEASURE CC GENERAL OBLIGATION BOND
PERFORMANCE AUDIT**

JUNE 30, 2012

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

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INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Board of Trustees and
Citizens' Oversight Committee
Compton Community College District
Compton, California

We were engaged to conduct a performance audit of Compton Community College District (the District) Proposition 39 Measure CC General Obligation Bond Fund (the Bond Fund) for the year ended June 30, 2012.

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. 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 Proposition 39 Measure CC General Obligation Bond 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.

Rancho Cucamonga, California
December 7, 2012

COMPTON COMMUNITY COLLEGE DISTRICT MEASURE CC GENERAL OBLIGATION BOND

JUNE 30, 2012

AUTHORITY FOR ISSUANCE

The Measure CC Bond Funds 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 were authorized to be issued by a resolution adopted by the Board of Supervisors of the County on November 5, 2002, (the County Resolution), pursuant to a request of the District made by a resolution adopted by the Board of Trustees of the District.

The District received authorization at an election held on November 5, 2002, to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$100,000,000 to repay the District's certain outstanding general obligation bond anticipation notes and to finance the acquisition, construction, and modernization of certain District property and facilities. The projects were approved by eligible voters within the District. The Measure required approval by at least 55 percent of the votes cast by eligible voters within the District. The first series of the authorized bonds issued was in January 2004 as Series 2004A in the amount of \$41,000,000. The second series of authorized bonds issued was in August 2009 as Series 2009B in the amount of \$15,000,000. In the current fiscal year, the District issued the third series of authorized bonds, Series 2012C, in March of 2012. The issuance was in the amount of \$15,001,122.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the 2002 Authorization will be used for the purposes specified in the District bond proposition submitted at election, which will include repaying the District's certain outstanding general obligation bond anticipation notes and to finance the acquisitions, construction, and modernization of certain District property and facilities in accordance with the ballot measure for the Bond.

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:

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 operating expenses.

The District must list the specific 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.

COMPTON COMMUNITY COLLEGE DISTRICT MEASURE CC GENERAL OBLIGATION BOND

JUNE 30, 2012

Requires the appointment of a Citizens' Oversight Committee to review and monitor the various projects and report to the community the progress of the projects.

Requires an annual independent financial 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.

Requires an annual independent performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States to ensure that the funds have been expended only on the specific projects listed.

OBJECTIVES OF THE AUDIT

The objective of our audit is to meet the compliance requirement to perform a "performance audit" as referred to in Proposition 39 and outlined in Subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. Our audit was conducted in accordance with generally accepted standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to provide conclusions to our audit objectives.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2011 to June 30, 2012. 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, 2012, were included within the scope of our audit for the purpose of determining the proper accounting period for the expenditure.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2012, for the General Obligation Bond Fund (Measure CC). 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 Measure CC as to the approved bond project list. We performed the following procedures:

1. We reviewed District procedures for disbursement of funds related to the voter approved Measure CC General Obligation Bonds in order to determine if procedures were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees.
2. We reviewed the detailed account of expenditures to determine if proceeds are being spent on administrative salaries or any other expense that would otherwise be the obligation of the General Fund.

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

JUNE 30, 2012

3. We selected a sample of expenditures for the period July 1, 2011 through June 30, 2012, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the voter approved bond language. Our sample included transactions totaling \$4,748,064 of the total \$5,102,549 expenditures.
4. We analyzed the balance of the Bond Funds available for future projects as of June 30, 2012. The available unspent funds as of June 30, 2012, were \$24,332,875.
5. We reviewed the minutes of meetings of the Citizens' Oversight Committee.

CONCLUSION

The results of our tests indicated that, in all significant respects, Compton Community College District has properly accounted for the expenditures held in the General Obligation Bond Fund (Measure CC), and that such expenditures were made for authorized Bond projects. Except as noted in the accompanying Schedule of Findings and Questioned Costs, there were no salaries of administrators charged to the Bond Funds for District general administration or operations.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2012**

Finding

The District is required under the provisions of Proposition 39 Article XIII A, Section 1(b)(3)(C) of the California Constitution to form a Citizens' Oversight Committee to review progress on the construction projects. This committee is to be made up of seven members and is to meet at least three times each year. During the 2011-2012 fiscal year, the Citizens' Oversight Committee was re-formed and met in May and June 2012. This did not meet the requirements of the required Code Section.

Questioned Costs

None.

Recommendation

The District should continue to work to ensure the ongoing compliance with requirements for the Citizens' Oversight Committee both in the makeup of the committee members and the number of meetings held during the year.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012**

None reported.