

**SAN LUIS OBISPO COUNTY  
COMMUNITY COLLEGE DISTRICT**

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**GENERAL OBLIGATION BOND FUND  
(MEASURE L)**

**FINANCIAL AND PERFORMANCE AUDITS**

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**JUNE 30, 2015**

**SAN LUIS OBISPO COUNTY  
COMMUNITY COLLEGE DISTRICT**

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**GENERAL OBLIGATION BOND FUND  
(MEASURE L)**

**FINANCIAL AUDIT**

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**JUNE 30, 2015**

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**FINANCIAL AUDIT  
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JUNE 30, 2015**

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees and Citizens' Bond Oversight Committee  
San Luis Obispo County Community College District  
San Luis Obispo, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the San Luis Obispo County Community College District's (the District), General Obligation Bond Fund (Measure L), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Obligation Bond Fund (Measure L) of the District at June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the General Obligation Bond Fund (Measure L) and are not intended to present fairly the financial position and changes in financial position of the District 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 February 4, 2016, on our consideration of the District's General Obligation Bond Fund (Measure L) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's General Obligation Bond Fund (Measure L) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California  
February 4, 2016

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**BALANCE SHEET  
JUNE 30, 2015**

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**ASSETS**

Investments \$ 59,826,501

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable \$ 978,940

**FUND BALANCE**

Restricted

Capital projects 58,847,561

**Total Liabilities and Fund Balance** \$ 59,826,501

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

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

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

<b>REVENUES</b>	
Local revenues	\$ 83,647
<b>EXPENDITURES</b>	
Current Expenditures	
Supplies and materials	2,779
Services and other expenditures	3,739,601
Capital outlay	38,614
<b>Total Expenditures</b>	<u>3,780,994</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(3,697,347)
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	(12,245,378)
Other sources - proceeds from bond issuance	74,790,286
<b>Total Other Financing Sources (Uses)</b>	<u>62,544,908</u>
<b>CHANGE IN FUND BALANCE</b>	58,847,561
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 58,847,561</u></u>

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

# SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BOND FUND (MEASURE L)

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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### *NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies of San Luis Obispo County Community College District (the District) General Obligation Bond Fund (Measure L) conforms to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). San Luis Obispo County Community College District Bond Funds account for the financial transactions in accordance with the policies and procedures of the California Community Colleges Budget and Accounting Manual.

#### **Financial Reporting Entity**

The audited financial statements include only the General Obligation Bond Fund (Measure L) of San Luis Obispo County Community College District. This Fund was established to account for the receipt of proceeds of general obligation bond issuances and the expenditures of the proceeds under the General Obligation Bond Election of November 2014. These financial statements are not intended to present fairly the financial position and the changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

#### **Fund Accounting**

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

#### **Basis of Accounting**

The General Obligation Bond Funds (Measure L) are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

#### **Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's Board of Trustees adopts an operating budget in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's Board of Trustees satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenues and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

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

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**Encumbrances**

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

**Use of Estimates**

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

**Fund Balance - General Obligation Bond Fund (Measure L)**

As of June 30, 2015, the fund balance of the General Obligation Bond Fund (Measure L) 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.

**NOTE 2 - INVESTMENTS**

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury 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 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 accompanying 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 are recorded on the amortized cost basis.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

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

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**General Authorizations**

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Luis Obispo County Investment Pool. The District maintains an investment of \$59,826,501 with the San Luis Obispo County Investment Pool. The fair value of this investment is approximately \$59,884,707 with a weighted average maturity of 344 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 San Luis Obispo County Investment Pool is rated AAA/V1 by Fitch Investor Service.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

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

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**NOTE 3 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2015, consist of the following:

Vendor payables	<u>\$ 978,940</u>
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**NOTE 4 - FUND BALANCE**

Fund balance is composed of the following element:

Restricted Capital projects	<u>\$ 58,847,561</u>
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**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

As of June 30, 2015, the General Obligation Bond Fund (Measure L) had the following significant construction commitments as defined by the bond documents:

<u>CAPITAL PROJECTS</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Bldg 1100 Roof/HVAC Replacement	\$ 179,637	November 30, 2015
Bldg 4200 Roof/HVAC Replacement	146,955	June 30, 2016
Bldg 4500 Roof/HVAC Replacement	146,955	November 30, 2015
Bldg 4600 Roof/HVAC Replacement	146,955	November 30, 2015
	<u>\$ 620,502</u>	

**Litigation**

The District's General Obligation Bond Fund (Measure L) is not currently a party to any legal proceedings.

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***INDEPENDENT AUDITOR'S REPORT***

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**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***

Board of Trustees and Citizens' Bond Oversight Committee  
San Luis Obispo County Community College District  
San Luis Obispo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the San Luis Obispo County Community College District (the District) General Obligation Bond Fund (Measure L), as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated February 4, 2016.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the General Obligation Bond Fund (Measure L) and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's General Obligation Bond Fund (Measure L) financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

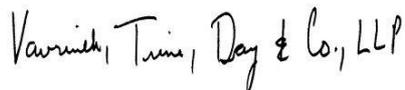
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not 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 General Obligation Bond Fund (Measure L) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

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



Rancho Cucamonga, California  
February 4, 2016

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2015**

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None reported.

**SAN LUIS OBISPO COUNTY  
COMMUNITY COLLEGE DISTRICT**

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**GENERAL OBLIGATION BOND FUND  
(MEASURE L)**

**PERFORMANCE AUDIT**

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**JUNE 30, 2015**

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**PERFORMANCE AUDIT  
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JUNE 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE**

Board of Trustees and Citizens' Bond Oversight Committee  
San Luis Obispo County Community College District  
San Luis Obispo, California

We were engaged to conduct a performance audit of San Luis Obispo County Community College District (the District) General Obligation Bond Fund (Measure L) for the year ended June 30, 2015.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

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

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

The results of our tests indicated that the District expended General Obligation Bond Funds (Measure L) only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution.

*Vavrinek, Trine, Day & Co., LLP*  
Rancho Cucamonga, California  
February 4, 2016

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**JUNE 30, 2015**

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***AUTHORITY FOR ISSUANCE***

The Measure L General Obligation Bonds (the Bonds) were issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code, Article XIII A of the State Constitution, and other applicable provisions of law. The District received authorization from an election held on November 4, 2014, to issue bonds of the District in an aggregate principal amount not to exceed \$275,000,000 to finance the repair, upgrading, acquisition, construction, and equipping of certain District property and facilities and includes the refinancing of outstanding lease obligations and payment of the cost of issuance of the Federally Taxable Bonds. The measure required approval by at least 55 percent of the votes cast by eligible voters within the District.

In February 2015, the District issued the Election of 2014 General Obligation Bonds, Series A and Series A-1 in the amount of \$75,000,000. The Series A and Series A-1 were authorized by a resolution by the Board of Trustees of the District adopted on February 4, 2015.

***PURPOSE OF ISSUANCE***

The net proceeds of the Bonds issued under the 2014 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction and repairs, upgrading, acquisition, and equipping of certain District property and facilities, and to pay the costs of issuance associated with the Bonds. A portion of the proceeds of the Bonds will also be used to refinance outstanding lease obligations.

***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 district, community college districts, or county offices of education for the following: "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 reduction of the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other District operating expenses.
2. The District must list the specific facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety and information technology needs in developing the project list.
3. Requires the District to appoint a Citizens' Bond Oversight Committee.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**JUNE 30, 2015**

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4. Requires the District to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until after all of the proceeds have been expended.
5. Requires the District to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

***OBJECTIVES OF THE AUDIT***

1. Determine whether expenditures charged to the General Obligation Bond Fund (Measure L) have been made in accordance with the Bond project list approved by the voters through the approval of Measure L.
2. Determine whether salary transactions charged to the General Obligation Bond Fund (Measure L) were in support of Measure L and not for the District's general administration or operations.

***SCOPE OF THE AUDIT***

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

***PROCEDURES PERFORMED***

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2015, for the General Obligation Bond Fund (Measure L). 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 L as to the approved bond projects list. We performed the following procedures:

1. Determine District procedures for disbursement of funds related to the voter approved General Obligation Bonds (Measure L) were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees.
2. Review the detailed accounting 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.
3. We reviewed expenditures and other uses totaling 79 percent of all expenditures and other uses from the detailed accounting of expenditures and other uses to determine if proceeds expended are for specific projects as listed in the voter approved bond language. Our sample included transactions totaling \$12,586,395 of the total expenditures and other uses of \$16,026,372.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

**JUNE 30, 2015**

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***CONCLUSION***

The results of our tests indicated that, in all significant respects, San Luis Obispo County Community College District has properly accounted for the expenditures held in the General Obligation Bond Fund (Measure L) and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Bond Funds for the District's general administration or operations. District procedures for disbursement of funds were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees.

**SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BOND FUND (MEASURE L)**

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

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None reported.