

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C
AND ELECTION OF 2005, SERIES A AND B)
WITH
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2008

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C
AND ELECTION OF 2005, SERIES A AND B)**

JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Citizen's Oversight Committee
San Francisco Community College District
San Francisco, California

We have audited the accompanying financial statements of the General Obligation Bond Funds (Election of 2001, Series A, B, and C and Election of 2005, Series A and B) (the Bond Funds) of San Francisco Community College District (the District) as of June 30, 2008, 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 Funds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2008, 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 Funds' 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 above present fairly, in all material respects, the financial position - modified accrual basis of the Bond Funds of San Francisco Community College District as of June 30, 2008, 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 August 18, 2009, on our consideration of the District's internal control over financial reporting for the Bond Funds 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 is important for assessing the results of our audit.

Rancho Cucamonga, California
August 18, 2009

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C
AND ELECTION OF 2005, SERIES A AND B)**

**BALANCE SHEET - MODIFIED ACCRUAL BASIS
JUNE 30, 2008**

| | 2001 Series A, B, C GO Bonds | 2005 Series A, B GO Bonds | Total GO Bonds |
|---|------------------------------------|---------------------------------|-----------------------|
| ASSETS | | | |
| Investments | \$ 17,859,522 | \$ 139,414,821 | \$ 157,274,343 |
| Accounts receivable | 1,646,018 | 7,514,552 | 9,160,570 |
| Total Assets | \$ 19,505,540 | \$ 146,929,373 | \$ 166,434,913 |
| LIABILITIES AND FUND BALANCE | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 5,236,154 | \$ 5,705,824 | \$ 10,941,978 |
| Deferred revenue | - | 613,956 | 613,956 |
| Total Liabilities | 5,236,154 | 6,319,780 | 11,555,934 |
| FUND BALANCE | | | |
| Fund Balances | | | |
| Unreserved | | | |
| Designated | 14,269,386 | 140,609,593 | 154,878,979 |
| Total Liabilities and Fund Balance | \$ 19,505,540 | \$ 146,929,373 | \$ 166,434,913 |

See the accompanying notes to financial statements.

**SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND FUNDS
(ELECTION OF 2001, SERIES A, B, AND C
AND ELECTION OF 2005, SERIES A AND B)**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2008**

| | 2001 | 2005 | |
|--|-----------------------|--------------------|-----------------|
| | Series A, B, C | Series A, B | Total |
| | GO Bonds | GO Bonds | GO Bonds |
| REVENUES | | | |
| State revenues | \$ 1,655,760 | \$ 8,175,918 | \$ 9,831,678 |
| Local revenues | 20,423,281 | 8,031,744 | 28,455,025 |
| Total Revenues | 22,079,041 | 16,207,662 | 38,286,703 |
| EXPENDITURES | | | |
| Salaries and benefits | 112,568 | 627,444 | 740,012 |
| Professional services | 530,836 | 2,180,639 | 2,711,475 |
| Capital outlay | 29,357,974 | 41,456,323 | 70,814,297 |
| Interest and other cost of issuance | 8,250 | 898,515 | 906,765 |
| Total Expenditures | 30,009,628 | 45,162,921 | 75,172,549 |
| EXCESS OF EXPENDITURES OVER REVENUES | (7,930,587) | (28,955,259) | (36,885,846) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers out | (19,068,003) | (1,984,062) | (21,052,065) |
| Other sources | - | 114,019,349 | 114,019,349 |
| Other uses | - | (3,122,384) | (3,122,384) |
| Total Other Financing Sources (Uses) | (19,068,003) | 108,912,903 | 89,844,900 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (26,998,590) | 79,957,644 | 52,959,054 |
| FUND BALANCE, BEGINNING OF YEAR | 41,267,976 | 60,651,949 | 101,919,925 |
| FUND BALANCE, END OF YEAR | \$ 14,269,386 | \$140,609,593 | \$154,878,979 |

See the accompanying notes to financial statements.

