San Francisco Community College District

PROPOSITION A PARCEL TAX FUND (ELECTION OF 2012)

AUDIT REPORT

JUNE 30, 2016

SAN FRANCISCO COMMUNITY

FINANCIAL AUDIT TABLE OF CONTENTS JUNE 30, 2016 FINANCIAL SECTION

Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS FOR THE YEAR ENDED JUNE 30, 2016

REVENUES Parcel Tax revenues	\$ 15,073,163

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of San Francisco Community College District (the District) and the Proposition A Parcel Tax Fund (Election of 2012) conform 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 Francisco Community College District accounts for the financial transactions related to the Proposition A Parcel Tax in accordance with the policies and procedures of the California Community Colleges Budget and Accounting Manual.

Financial Reporting Entity

These audited financial statements include only the activities of the Proposition A Parcel Tax Fund (Election of 2012). This fund was established to account for the receipt of proceeds of the Proposition A Parcel Tax approved by the voters within the District boundaries in November 2012. 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 activities of the Proposition A Parcel Tax Fund (Election of 2012) 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 Proposition A Parcel Tax Fund is 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 no later than July 1 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 revenue 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.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

General Authorizations

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

	Maximum Remaining	Maximum Percentage	Maximum Investment
Authorized Investment Type	Maturity	of Portfolio	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

			

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of

INDEPENDENT AUDITOR'S REPORT

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Proposition A Parcel Tax Fund (Election of 2012) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, notprElecEtcr.142 uD [(pr)0.8 (f)6.9 (o(s)-dD [(pr)-4 (ov)1t.2])]

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS JUNE 30, 2016

None reported.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

PROPOSITION A PARCEL TAX FUND (ELECTION OF 2012)

PERFORMANCE AUDIT

JUNE 30, 2016

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JUNE 30, 2016

For 2015-2016, our sample included payroll related transactions totaling \$2,384,529. This represents 22.2 percent of the payroll related expenditures. Additionally, we selected non-payroll related expenditures totaling \$634,155, representing 73.8 percent of the non-payroll related expenditures. We

SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2016

None reported.