

**SAN JOSÉ/EVERGREEN COMMUNITY  
COLLEGE DISTRICT**

**2010 MEASURE G GENERAL OBLIGATION BONDS  
FINANCIAL STATEMENTS**

June 30, 2015

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
CITIZENS' BOND OVERSIGHT COMMITTEE MEMBERS  
As of June 30, 2015

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The Board of Trustees of the San José/Evergreen Community College District established the Citizens' Bond Oversight Committee. The Committee shall perform only the following duties: (1) inform the public concerning the District's expenditure of bond proceeds, (2) review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Measure G; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses and (3) present to the Board, in public session, an annual written report which shall include the following: a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and a summary of the Committee's proceedings and activities for the preceding year.

The Citizens' Bond Oversight Committee for Measure G members for the fiscal year ended June 30, 2015 were composed of the following members:

<u>Members</u>	<u>Representing</u>	<u>Term Expires</u>
Carol Lizak	Community at-large	February 2017
Daniel Kojiro	Community at-large	February 2017
Elias Portales	Community at-large	January 2017
Johnny Lee	Business Community	October 2015
Matthew Mahood	Business Community	January 2017
Jimmy Nguyen	Taxpayer's Association	February 2017
Rose Regalado	Senior Citizen's Organization	December 2016
Zach Turminini	Student active in a Community College	April 2017
Leo Cortez	Support Organization	November 2015

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT

2010 MEASURE G GENERAL OBLIGATION BONDS  
June 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
San José/Evergreen Community College District  
San Jose, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of San José/Evergreen Community College District (the "District") 2010 Measure G General Obligation Bond activity included in the 2010 General Obligation Bond Funds of the District (the "2010 Bond Funds") of the District 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 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 from 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 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.

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(Continued)

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 2010 Bond Funds of San José/Evergreen Community College District as of June 30, 2015, and the 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 District's 2010 Bond Funds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2015, 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. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of the San José/Evergreen Community College District's 2010 Measure G General Obligation Bond Funds. The Purpose of Bond Issuance on pages 10 and 11 of this report and the Citizen's Bond Oversight Committee Members are presented for purposes of additional analysis and are not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the 2010 Bond Funds. 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 internal control over financial reporting or on compliance for the Bond Funds. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San José/Evergreen Community College District's internal control over financial reporting and compliance for the Bond Funds.

  
Crowe Horwath LLP

Sacramento, California  
December 14, 2015

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
BALANCE SHEET  
June 30, 2015

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**ASSETS**

Cash and cash equivalents	\$ 20,650,020
Receivables	382,936
Due from other funds	<u>66,577,872</u>
Total assets	<u>\$ 87,610,828</u>

**FUND BALANCE**

Restricted fund balance	<u>\$ 87,610,828</u>
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See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
For the Year Ended June 30, 2015

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Revenues:		
Interest income	\$	1,276,424
Other income		<u>10,011</u>
Total revenues		<u>1,286,435</u>
Expenditures:		
Salaries and benefits		346,287
Supplies, materials and other operating expenses		2,983,207
Capital outlay		<u>45,388,023</u>
Total expenditures		<u>48,717,517</u>
Change in fund balance		(47,431,082)
Restricted fund balance, July 1, 2014		<u>135,041,910</u>
Restricted fund balance, June 30, 2015	\$	<u>87,610,828</u>

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See accompanying notes to financial statements.

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

San José/Evergreen Community College District (the "District") accounts for its 2010 General Obligation Bond Funds' ("Bond Funds") financial transactions in accordance with policies and procedures of the State Chancellor's Office's *California Community Colleges Budget and Accounting Manual*. The accounting policies of the 2010 Bond Funds conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

Financial Reporting Entity: The financial statements include only the Bond Funds' 2010 General Obligation Bond Resources of the District. The funds were established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds (Election of 2010, Series A, B and C). The authorized issuance amount of the bonds is \$268,000,000. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements represent the 2010 General Obligation Bond Funds of the District and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Cash and Cash Equivalents: For the purpose of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Santa Clara County Treasury are considered cash equivalents.

Due from District: At June 30, 2015, an interfund receivable totaling \$66,577,872 was due from the District's general fund to the Bond Funds.

Restricted Fund Balance: Restricted fund balance includes resources which are legally or contractually restricted by external third parties. Fund balance is restricted for capital projects of the 2010 Bond Funds in accordance with the Bond Project List for 2010 Measure G General Obligation Bonds.

Accounting Estimates: The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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.

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30, 2015.

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(Continued)

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
 2010 MEASURE G GENERAL OBLIGATION BONDS  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

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**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at June 30, 2015 consisted of \$20,650,020 held in the County Treasury investment pool.

Credit Risk: In accordance with Education Code Section 41001, the Bond Funds maintain all of their cash in the Santa Clara County Treasury. The County Treasurer of Santa Clara County acts as the Measure G General Obligation Bonds Fiscal Agent. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the Bond Funds' deposits are maintained in a recognized pooled investment fund under the care of a third party and the Bond Funds' share of the pooled investment fund does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable State laws, the Santa Clara County Treasurer may invest in derivative securities. However, at June 30, 2015, the Santa Clara County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
County Pooled Investment Fund	None	None	None

Disclosures Relating to 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.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

<u>Investment Type</u>	<u>Weighted Average Maturity (in Years)</u>
Santa Clara County Investment Pool	2.73

Concentration of Credit Risk: The District's investment policy places limits on the amount it may invest in any one issuer. At June 30, 2015, the District had no concentration of credit risk.

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(Continued)

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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**NOTE 3 – PURPOSE OF BOND ISSUANCE**

**Bond Authorization:** By approval of the proposition for Measure G by at least 55% of the registered voters voting on the proposition at the election held on November 2, 2010, San José Evergreen Community College District was authorized to issue and sell bonds of up to \$268,000,000 in aggregate principal amount.

**Purpose of Bonds:** The proceeds of the Bonds may be used:

"To better prepare San Jose City College/ Evergreen Valley College students for good paying jobs and transfer to four-year colleges, shall San Jose Evergreen Community College District upgrade, acquire, construct energy-efficient, technology-driven teaching classrooms, labs, sites, facilities/ equipment for health/ science, general education/ job-training, upgrade outdated electrical, plumbing, heating/ ventilation systems, by issuing \$268 million in bonds at legal rates, qualifying for matching funds, with citizen oversight, no money for administrator salaries, all funds staying local?"

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrative salaries and other school operating expenses.

**NOTE 4 – GENERAL OBLIGATION BOND ISSUANCES**

The Bonds represent an obligation of the District payable solely from *ad valorem* property taxes levied and collected by the County of Santa Clara on properties within the District. The Board of Supervisors of Santa Clara County has power and is obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District without limitation of rate or amount, except as to certain personal property which is taxable at limited rates.

In February 2012, the District issued the 2010 General Obligation Bonds, Series A in the amount of \$70,000,000. The bonds mature beginning on August 1, 2012 through August 1, 2041, with interest yields ranging from two to four percent.

In February 2012, the District issued 2010 General Obligation Bonds, Series B in the amount of \$20,000,000. The bonds mature beginning on August 1, 2012 through August 1, 2032, with interest yields ranging from two to four percent.

In April 2014, the District issued 2010 General Obligation Bonds, Series C in the amount of \$120,000,000. The bonds mature beginning on September 1, 2015 through September 1, 2043, with interest yields ranging from two to five percent.

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(Continued)

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
 2010 MEASURE G GENERAL OBLIGATION BONDS  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015

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**NOTE 4 – GENERAL OBLIGATION BOND ISSUANCES** (Continued)

The general long-term liabilities maturity schedules for the 2010 General Obligation Bonds Series A, B and C are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	\$ 2,221,944	\$ 2,221,944
2017	-	2,221,944	2,221,944
2018	-	2,221,944	2,221,944
2019	-	2,221,944	2,221,944
2020	-	2,221,944	2,221,994
2021-2025	-	11,109,720	11,109,720
2026-2030	1,125,000	11,045,284	12,170,284
2031-2035	8,700,000	10,194,000	18,894,000
2036-2040	23,655,000	6,001,950	29,656,950
2041-2042	<u>12,845,000</u>	<u>613,150</u>	<u>13,458,150</u>
	<u>\$ 46,325,000</u>	<u>\$ 50,073,824</u>	<u>\$ 96,398,824</u>

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	\$ 702,800	\$ 702,800
2017	-	702,800	702,800
2018	25,000	702,425	727,425
2019	140,000	699,950	839,950
2020	260,000	692,650	952,650
2021-2025	3,475,000	3,152,550	6,627,550
2026-2030	7,050,000	2,072,300	9,122,300
2031-2033	<u>5,895,000</u>	<u>398,125</u>	<u>6,293,125</u>
	<u>\$ 16,845,000</u>	<u>\$ 9,123,600</u>	<u>\$ 25,968,600</u>

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(Continued)

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015

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**NOTE 4 – GENERAL OBLIGATION BOND ISSUANCES (Continued)**

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,050,000	\$ 5,117,319	\$ 10,167,319
2017	2,925,000	4,993,694	7,918,694
2018	190,000	4,917,719	5,107,719
2019	355,000	4,909,544	5,264,544
2020	515,000	4,899,069	5,414,069
2021-2025	5,465,000	24,077,494	29,542,494
2026-2030	12,095,000	21,984,719	34,079,719
2031-2035	21,465,000	17,850,219	39,315,219
2036-2040	33,820,000	11,670,594	45,490,594
2041-2044	<u>38,120,000</u>	<u>3,292,515</u>	<u>41,412,515</u>
	<u>\$ 120,000,000</u>	<u>\$ 103,712,886</u>	<u>\$ 223,712,886</u>

**NOTE 5 – CONSTRUCTION COMMITMENTS**

As of June 30, 2015, the District has approximately \$26.5 million in outstanding commitments on 2010 General Obligation Bond construction contracts.

**SUPPLEMENTARY INFORMATION**

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
PURPOSE OF BOND ISSUANCE  
(Unaudited)

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**LEGISLATIVE HISTORY**

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 real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

**SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, 2010 MEASURE G**

The San José/Evergreen Community College District, Santa Clara County, California Election of 2010 General Obligation Bonds, Measure G were authorized at an election of the registered voters of the San José/Evergreen Community College District held on November 2, 2010 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$268,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. A summary of the text of the ballot language was as follows:

"To better prepare San Jose City College/ Evergreen Valley College students for good paying jobs and transfer to four-year colleges, shall San Jose Evergreen Community College District upgrade, acquire, construct energy-efficient, technology-driven teaching classrooms, labs, sites, facilities/ equipment for health/ science, general education/ job-training, upgrade outdated electrical, plumbing, heating/ ventilation systems, by issuing \$268 million in bonds at legal rates, qualifying for matching funds, with citizen oversight, no money for administrator salaries, all funds staying local?"

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(Continued)

SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT  
2010 MEASURE G GENERAL OBLIGATION BONDS  
PURPOSE OF BOND ISSUANCE  
(Unaudited)

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**SAN JOSÉ/EVERGREEN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, 2010  
MEASURE G (Continued)**

The District's Board of Trustees developed the following Bond Project List for the 2010 Measure G Bonds:

- Upgrade labs for science and medical training programs.
- Provide classrooms for math, science, writing, and other core academic classes.
- Update classrooms and facilities for improved job training and career technical education.
- Update classrooms and educational facilities to meet current fire and safety codes and provide access for students with disabilities.
- Upgrade facilities to improve energy efficiency and reduce operating expenses, allowing more funding for classroom instruction and student services.
- Establish a technology endowment to maintain up-to-date computer learning necessary for a 21<sup>st</sup> Century education.

**FURTHER SPECIFICATIONS**

No Administrator Salaries: Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

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*

To the Board of Trustees  
San José/Evergreen Community College District  
San Jose, 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 financial statements of San José/Evergreen Community College District (the "District") 2010 General Obligation Bond Funds (the "2010 Bond Funds") 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 December 14, 2015.

**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 over 2010 Bond Fund financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Bond Funds.

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 entity's 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.

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(Continued)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the San José/Evergreen Community College District's 2010 Bond Funds' financial statements are free of material misstatement, we performed tests of the Bond Funds' 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 over financial reporting 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 for the 2010 Bond Funds. 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 for the 2010 Bond Fund. Accordingly, this communication is not suitable for any other purpose.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Sacramento, California  
December 14, 2015