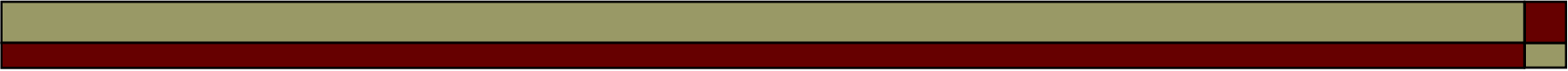


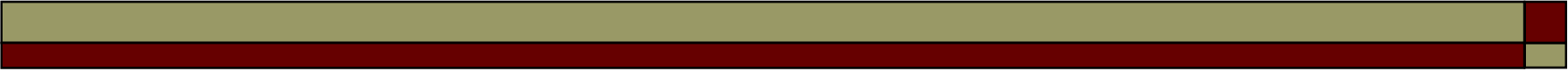
Proposition R Bond Fund

Presented by:
Kenneth H. Pun, CPA
Partner
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A Subsidiary of Marcum LLP
Certified Public Accountants
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Email: ken.pun@marcumllp.com



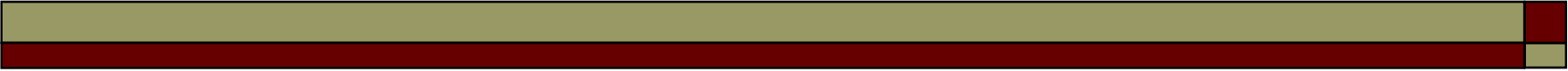
C&L Background

- ❑ Established in 1989
- ❑ Over 20 years of experience in Government throughout the State of California
- ❑ 4 Partners and 40 Professional Staff
- ❑ Offices located in San Diego, Irvine, and the Bay Area



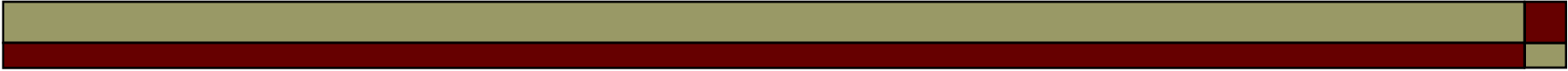
Merger with Stonefield Josephson

- ❑ On March 1, 2001 C&L merged its operations and became a wholly owned subsidiary of Stonefield Josephson (SJ)
- ❑ Expanding SJ's Governmental Practice
- ❑ 30 Principals and 120 Professional Staff
- ❑ Offices located in Los Angeles, Irvine, San Diego, San Francisco, San Jose, Walnut Creek and Hong Kong.



Merger with Marcum LLP

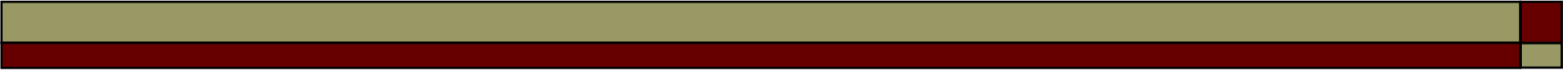
- ❑ On October 1, 2010, SJ merged its operations into Marcum LLP
- ❑ One of the largest independent public accounting and advisory firms in the nation
- ❑ Ranked 14th among the Top 100 Firms by Accounting Today
- ❑ 150 Partners and 1,100 Professional Staff
- ❑ 23 Offices throughout New York, New Jersey, Massachusetts, Connecticut, Pennsylvania, California, Florida, Grand Cayman, China and Hong Kong.



Scope of work

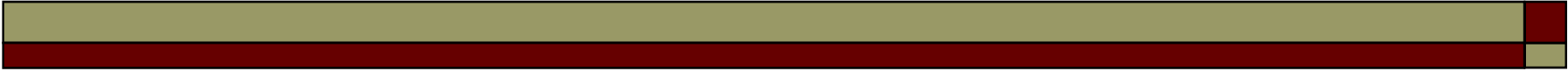
□ Financial Audit

- Express an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles (GAAP)
- Review and evaluate internal control related to the financial statements and related to compliance with laws, regulations, and the provisions of contracts or grant agreements.



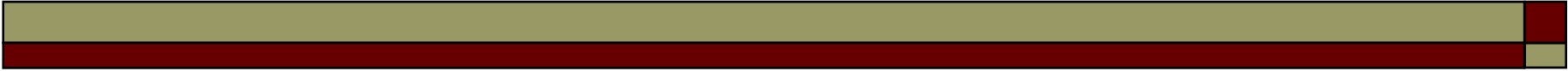
□ Performance Audit

- Determine whether the expenditures charged to the Bond Fund have been made in accordance with the bond project list approved by the voters
- Determine whether investment income for unused bond monies were accounted for and recorded to the Bond Fund



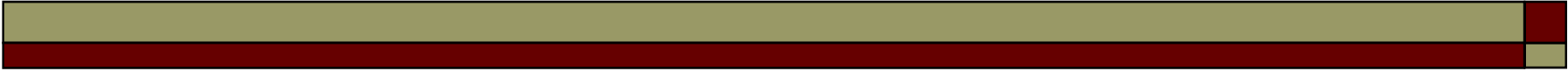
Management's Responsibility

- ❑ Present District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP)
- ❑ Adopt sound accounting policies
- ❑ Provide reasonable accounting estimates
- ❑ Establish and maintain internal controls
- ❑ Prevent and detect fraud



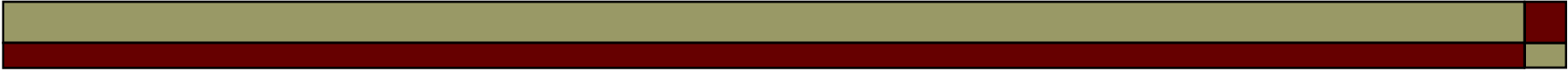
C&L's Responsibility

- ❑ Obtain reasonable assurance that the financial statements are free of material misstatement
- ❑ Examine, on a test basis, evidence supporting amounts and disclosures
- ❑ Assess accounting principles used, estimates made, and evaluate the overall financial statement presentation
- ❑ Review the internal control policies and procedures
- ❑ Express an opinion on the financial statements



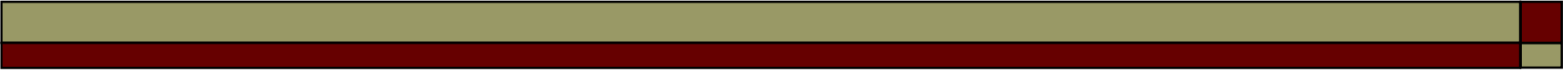
Audit Efforts

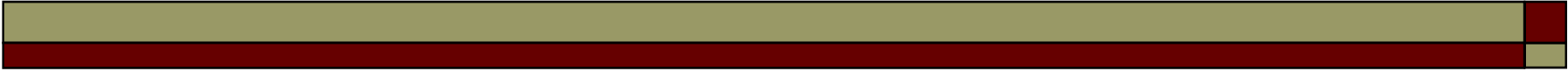
- Financial Audit
 - Assessed the accounting principles
 - Reviewed and evaluated internal controls
 - Validated the significant account balances to supporting documents
 - Received direct correspondence from attorneys, banks and others
 - Performed analytical procedures
 - Prepared financial statements and audit reports

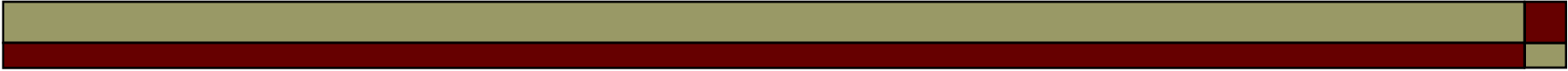


□ Performance Audit

- Obtain and Review the Master Plan Bond Project publicized list of intended projects
- Obtain an understanding of the internal controls over the procurement process
- Obtain detailed expenditures schedules for the intended Bond Projects for the fiscal year ended

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- Verify the expenditure by site and project on the District financial statements provided to the Committee and agree to expenditures reported in the Bond Fund
 - Select sample of expenditures in the fiscal year and review supporting documentation to ensure that funds were properly expended on the specific projects outlined on the publicized list and met the requirements for bidding, as applicable

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- Verify that the funds expended were:
 - Appropriately categorized
 - Used for school facilities project specified in the bond documents only such as construction, acquisition, furnishing and equipping of District facilities and not used for salaries of school administrators or other operating expenses
 - District policies and State laws and regulations were followed in awarding bids and expenditure of funds

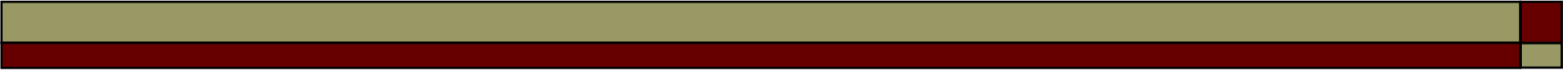


Audit Results

☐ Financial Audit

☒ Unqualified Opinion issued

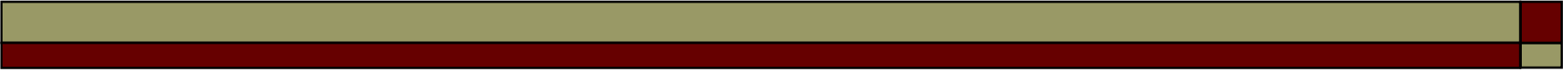
- ☐ Financial Statements are fairly presented in all material respects
- ☐ Significant accounting policies have been consistently applied
- ☐ Estimates are reasonable
- ☐ Disclosures are properly reflected in the financial statements

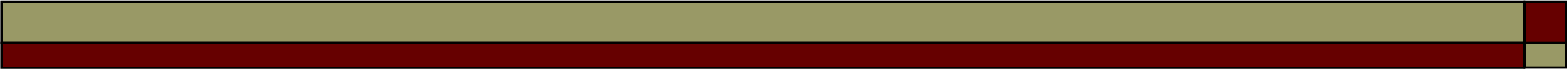


□ Performance Audit

■ Unqualified Opinion issued

- The District complied, in all material respects, with the performance requirements of the Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.
- No instance of noncompliance

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- ❑ No disagreement with District Management
 - ❑ No significant deficiencies or material weaknesses in internal control over financial reporting and performance were identified
 - ❑ No indication of fraudulent or inappropriate activities were noted



**Thank you for Allowing C&L to
Provide Professional Services
to the
Southwestern Community College District**