CERRITOS COMMUNITY COLLEGE DISTRICT

GENERAL OBLIGATION BONDS

FINANCIAL AUDIT
AND
AGREED-UPON PROCEDURES REPORT

JUNE 30, 2008
CERRITOS COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND CONSTRUCTION FUND

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JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

Governing Board and Citizens Bond Oversight Committee
Cerritos Community College District General Obligation Bond
Cerritos, California

We have audited the accompanying financial statements of the Measure CC General Obligation Bonds (the Bond Funds) of Cerritos 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 Fund 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 1 of the Notes to Financial Statements, the Bond Fund's 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 Measure CC General Obligation Bonds of Cerritos 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 1.

Vavrinek, Trine, Day & Co., LLP
Rancho Cucamonga, California
December 11, 2008

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Fresno * Laguna Hills * Palo Alto * Pleasanton * Rancho Cucamonga
CERRITOS COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND CONSTRUCTION FUND

BALANCE SHEET
JUNE 30, 2008

ASSETS
   Investments $ 28,866,335
   Accounts receivable 302,233
Total Assets $ 29,168,568

LIABILITIES AND FUND EQUITY

LIABILITIES
   Accounts payable $ 5,405,167

FUND EQUITY
   Fund balances
     Undesignated 23,763,401
Total Liabilities and Fund Equity $ 29,168,568

The accompanying notes are an integral part of these financial statements.
CERRITOS COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>$ 1,781,382</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local revenues</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Expenditures</td>
<td></td>
</tr>
<tr>
<td>Books and supplies</td>
<td>4,427</td>
</tr>
<tr>
<td>Services and operating expenditures</td>
<td>2,980,585</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>17,637,231</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>20,622,243</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCESS OF REVENUES (UNDER) EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(18,840,861)</strong></td>
<td></td>
</tr>
</tbody>
</table>

| EXCESS OF REVENUES AND OTHER EXPENDITURES | (18,840,861) |
| EXCESS OF REVENUES AND OTHER USES        |             |
| FUND BALANCE, BEGINNING OF YEAR          | 42,604,262  |
| FUND BALANCE, END OF YEAR                | **$ 23,763,401** |

The accompanying notes are an integral part of these financial statements.
NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Cerritos Community College District (the District) General Obligation Bond Construction Fund (the Fund) 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. The District's General Obligation Bond Construction Fund accounts for financial transactions in accordance with the policies and procedures of the California State System's Office Contracted District Audit Manual.

Financial Reporting Entity

The audited financial statements include only the General Obligation Bond Construction Fund of the District. This Fund was established to account for the expenditures of the Measure CC general obligation bonds issued under the General Obligation Bonds Election of March 2, 2004. These financial statements are not intended to present fairly the financial position and the changes in financial position of the District as a whole. The voters authorized a total of $210,000,000 to be issued under Measure CC. Of the originally issued bonds in the amount of $72,160,000, $23,763,401 remains available for ongoing projects.

Fund Accounting

The operations of the General Obligation Bond Construction Fund 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

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 General Obligation Bond Construction Fund is a governmental fund which is accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on the general obligation bonds, which are recognized when due.

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/expenses during the reporting period. Actual results could differ from those estimates.
NOTE 2 – INVESTMENTS

Investments at June 30, 2008, held on behalf of the General Obligation Bond Construction Fund of the District consist of deposits in the County of Los Angeles Treasury:

<table>
<thead>
<tr>
<th>Deposits with county treasurer</th>
<th>Reported Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 28,866,335</td>
<td>$ 28,834,316</td>
</tr>
</tbody>
</table>

Deposits with county treasurer are an external investment pool sponsored by the County of Los Angeles. Community colleges are required to deposit all receipts and collections of monies with their county treasurer (Education Code Section 15146(b)).

Therefore, the District is considered to be an involuntary participant in an external investment pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

NOTE 3 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2008, consist of the following:

Interest                                          $ 302,233

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2008, consist of the following:

Vendor payables                                    $ 5,405,167

NOTE 5 – FUND BALANCE

Fund balance is composed of the following element:

Unreserved
  Undesignated                                     $ 23,763,401
NOTE 6 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2008, the General Obligation Bond Construction Fund had the following commitments as defined by the bond documents:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Remaining Commitment</th>
<th>Expected Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernization at various sites</td>
<td>$ 3,980,231</td>
<td>12/5/2009</td>
</tr>
<tr>
<td>SCCTT (new auto technology building)</td>
<td>100,000</td>
<td>8/1/2008</td>
</tr>
<tr>
<td>Swing Space at Tech Education</td>
<td>500,000</td>
<td>11/15/2008</td>
</tr>
<tr>
<td>R &amp; D building demolition/steam building demo</td>
<td>1,500,000</td>
<td>2/2/2010</td>
</tr>
<tr>
<td>Auto tech modernization</td>
<td>1,200,000</td>
<td>11/15/2008</td>
</tr>
<tr>
<td>Tennis courts substation relocation</td>
<td>560,000</td>
<td>6/30/2008</td>
</tr>
<tr>
<td>Tennis courts resurface existing/ exterior lighting</td>
<td>14,678,592</td>
<td>2/30/2008</td>
</tr>
<tr>
<td>Central plant infrastructure all phases</td>
<td>235,000</td>
<td>On Going</td>
</tr>
<tr>
<td>Campus utility locating/accessibility plan</td>
<td>1,300,000</td>
<td>9/30/2010</td>
</tr>
<tr>
<td>Exterior signage</td>
<td>7,000,000</td>
<td>9/1/2009</td>
</tr>
<tr>
<td>Aquatic center</td>
<td>14,052,061</td>
<td>12/30/2009</td>
</tr>
<tr>
<td>Classroom/Lab/Office</td>
<td>14,000,000</td>
<td>3/31/2011</td>
</tr>
<tr>
<td>Liberal Arts - new building</td>
<td>875,650</td>
<td>3/31/2012</td>
</tr>
<tr>
<td>Fire alarm upgrades and new mass notification system</td>
<td>6,744,000</td>
<td>1/1/2010</td>
</tr>
<tr>
<td>Facilities building</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 66,725,534</strong></td>
<td></td>
</tr>
</tbody>
</table>

These projects are anticipated to be paid from current and future issuances of the Measure CC general obligation bond funds.
Cerritos Community College District

2004 Election

General Obligation Bonds

Agreed-Upon Procedures Report

June 30, 2008
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Governing Board and Citizens Bond Oversight Committee
Cerritos Community College District General Obligation Bond
Cerritos, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the
management of Cerritos Community College District (the District) for the purpose of determining compliance
with Measure CC General Obligation Bond (the Bond Funds) requirements for the period ended June 30, 2008.
This engagement to perform Agreed-Upon Procedures was performed in accordance with attestation standards
established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely
the responsibility of the specified users of the report. Consequently, we make no representation regarding the
sufficiency of the procedures described below either for the purpose for which this report has been requested or
for any other purpose.

The procedures we performed and the results of findings and recommendations are described within this report.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of
an opinion relating to the matters included in the Agreed-Upon Procedures. Accordingly, we do not express such
an opinion. Had we performed additional procedures, other matters might have come to our attention that would
have been reported to you.

This report is intended solely for the use of the Cerritos Community College District governing board, Citizens
Bond Oversight Committee, and District administrators and is not intended to be and should not be used by
anyone other than those specified parties.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 11, 2008
AGREED-UPON PROCEDURES
JUNE 30, 2008

A. Determine District procedures for disbursement of Bond Funds were applied in accordance with laws and regulations as described in the State of California Education Code, the California System's Office Budget and Accounting Manual, as well as approved Cerritos Community College District Board policies for expenditures through review and testing of actual invoices, purchase orders, budget, and construction bid documents.

B. Determine compliance with expenditure allowances for the 2007-2008 fiscal year within the Measure CC Bond Initiative placed on the Local Election Ballot held on March 2, 2004.

C. Review appropriateness of Bond expenditures selected in Procedure (B) to the object code classification within the general ledger.

D. Analyze the balance of Measure CC Bond Funds available at June 30, 2008, for future expenditures.
Agreed-Upon Procedures (A)

Procedure

Determined District procedures for disbursement of Bond Funds were applied in accordance with laws and regulations specific to Proposition 39 Bond Funds as described in the State of California Education Code, the California System's Office Budget and Accounting Manual, as well as approved Cerritos Community College District Board policies for expenditures through review and testing of actual invoices, purchase orders, budget, and construction bid documents.

Results

At the request of the District, we included a minimum of 60 percent of all expenditures charged to the Measure CC Bond Funds for the 2007-2008 fiscal year in our examination. Based upon our examination of 63 percent of actual expenditures incurred during the 2007-2008 year, there were no exceptions noted in the District's procedures related to the disbursement of Measure CC Bond Funds. The District used formal bid procedures for those contracts over the construction bid level requirements and informal bid procedures for those contracts below the construction bid level to select contractors for the various projects in accordance with Education Code requirements and District policy. Budgets for specific projects have been approved and monitored in accordance with Board requirements.
CERRITOS COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND

AGREED-UPON PROCEDURES
JUNE 30, 2008

Agreed-Upon Procedure (B)

Procedure

Determine compliance with expenditure allowances within the Measure CC Bond Initiative placed on the Local Election Ballot held on March 2, 2004, through review of the ballot language related to various construction, renovation, and repair projects. Specifically, we reviewed expenditures to determine any on-going District charges or administrative charges. The following table notes the expenditures reported for the 2007-2008 fiscal year and the sample selected for audit.

<table>
<thead>
<tr>
<th>Category of Expense</th>
<th>Expenditures Incurred</th>
<th>Expenditures Tested</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies and materials</td>
<td>$ 4,427</td>
<td>$ 1,996</td>
<td>45%</td>
</tr>
<tr>
<td>Services and operating expenses</td>
<td>2,980,585</td>
<td>11,414</td>
<td>0%</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>17,637,231</td>
<td>13,068,970</td>
<td>74%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 20,622,243</td>
<td>$ 13,082,380</td>
<td>63%</td>
</tr>
</tbody>
</table>

Results

Based on our examination of the invoices selected for Procedure (A), there were no exceptions noted in the expenditures tested of the Measure CC Bond Funds. The District has not charged on-going expenditures that are the responsibility of the District to the Measure CC Bond Fund, nor has an administrative or indirect cost been charged to the Measure CC Bond Fund.

Agreed-Upon Procedure (C)

Procedure

Review appropriateness of Bond expenditures selected in Procedure (A) to the object code classification within the general ledger.

Results

For all items noted in Agreed-Upon Procedure (A), we reviewed the appropriateness of the expenditures to the object code classification within the general ledger to ensure proper classification and coding. There were no exceptions noted. The expenditures reflected within the general ledger object code classifications were proper and in accordance with provisions of the Budget and Accounting Manual issued by the California Community Colleges System's Office.
CERRITOS COMMUNITY COLLEGE DISTRICT
MEASURE CC GENERAL OBLIGATION BOND

AGREED-UPON PROCEDURES
JUNE 30, 2008

Agreed-Upon Procedure (D)

Procedure

Analyze the balance of Measure CC Bond Funds available at June 30, 2008, for future expenditures.

Results

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>GO Bond Fund - All Series</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>Proceeds from sale of bonds</td>
</tr>
<tr>
<td>2005-2006</td>
<td>Interest local</td>
</tr>
<tr>
<td>2006-2007</td>
<td>Interest local</td>
</tr>
<tr>
<td>2007-2008</td>
<td>Proceeds from sale of bonds</td>
</tr>
<tr>
<td>2007-2008</td>
<td>Interest local</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>Expenses</td>
</tr>
<tr>
<td>2005-2006</td>
<td>Expenses</td>
</tr>
<tr>
<td>2006-2007</td>
<td>Expenses</td>
</tr>
<tr>
<td>2007-2008</td>
<td>Expenses</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
</tr>
</tbody>
</table>

Net Fund Balance at June 30, 2008

$ 23,763,401

As stated in the District's unaudited financial statements (CCFS 311) as of June 30, 2008, the total expenditures and other uses from the Measure CC Bond Fund were $20,622,243 for fiscal year 2007-2008, totaling $39,716,477 to date. Current year interest of $1,781,382 provide a cumulative total available revenue of $23,763,401 from initial issuance for future expenditures. There were no adjustments to the District's financial records as a result of our procedures.