CERRITOS COMMUNITY COLLEGE DISTRICT

PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE CC BOND PROGRAM
PERFORMANCE AUDIT

For the Six Months Ended December 31, 2005
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INDEPENDENT AUDITOR’S REPORT

The Board of Trustees
The Measure CC Citizens’ Oversight Committee
Cerritos Community College District
11110 East Alondra Boulevard
Norwalk, CA 90650

We have examined the Cerritos Community College District’s compliance with the performance requirements for the Proposition 39/Measure CC General Obligation Bonds for the six months ended December 31, 2005, under the applicable provisions of Section 1(b)(3)(C) of Article XIIIa of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for the Cerritos Community College District’s compliance with those requirements. Our responsibility is to express an opinion on the Cerritos Community College District’s compliance with such requirements thereof based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Cerritos Community College District’s compliance with specified requirements.

In our opinion, the Cerritos Community College District complied, in all material respects, with the aforementioned requirements for the six months ended December 31, 2005.

Vicenti, Lloyd & Stutzman LLP

January 17, 2006
CERRITOS COMMUNITY COLLEGE DISTRICT

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OBJECTIVES

The objectives of our Performance Audit were to:

• Document the expenditures charged to the Cerritos Community College District Revenue Bond Construction Fund – Measure CC Bond Program.

• Determine whether expenditures charged to the Revenue Bond Construction Fund – Measure CC Bond Program, have been made in accordance with the bond project list approved by the voters through the approval of Measure CC in March 2004.

• Note any incongruities or system weaknesses and provide recommendations for improvement.

• Provide the District Board and the Measure CC Citizens’ Oversight Committee with a performance audit as required under the provisions of the California Constitution and Proposition 39.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2005 to December 31, 2005. The expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to December 31, 2005, were not reviewed or included within the scope of our audit or in this report.
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BACKGROUND INFORMATION

In November, 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. In March 2004, a general obligation bond proposition (Measure CC) of the Cerritos Community College District was approved by the voters of the District. Measure CC authorized the District to issue up to $210,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

Pursuant to the requirements of Proposition 39, and related State legislation, the Board of Trustees of the District has established a Citizens’ Oversight Committee and appointed its initial members. The principal purpose of the Citizens’ Oversight Committee, as set out in State law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure CC bond authorization. The Citizens’ Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct, an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Revenue Bond Construction Fund – Measure CC Bond Program have been expended only for the authorized bond projects.
PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the period of July 1, 2005 to December 31, 2005, for the Revenue Bond Construction Fund – Measure CC Bond Program. Within the six months audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Proposition 39 and Measure CC as to the bond projects. We performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set out in the Measure CC election documents.

- We selected a sample of expenditures for the period under audit and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.

- We verified that funds from the Revenue Bond Construction Fund – Measure CC Bond Program were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects and we verified that funds held in the Revenue Bond Construction Fund – Measure CC Bond Program were not used for salaries of school administrators or other operating expenses of the District.
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CONCLUSION

Based upon our procedures performed, we found that for the items tested, the Cerritos Community College District has properly accounted for the expenditures of the funds held in the Revenue Bond Construction Fund – Measure CC Bond Program and that such expenditures were made for authorized bond projects. Furthermore, it was noted that the funds held in the Revenue Bond Construction Fund – Measure CC Bond Program, and expended by the District, were not expended for salaries of school administrators or other operating expenditures.
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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Six Months Ended December 31, 2005

There were no findings and recommendations for the period ended December 31, 2005.
Findings for the six months ended December 31, 2004 were implemented by the fiscal year ended June 30, 2005. There were no findings for the fiscal year June 30, 2005.