We have audited the financial statements of the Sonoma County Junior College District (the District), Santa Rosa Junior College Foundation, and Measure A Bond Fund for the year ended June 30, 2014. Professional standards require that we provide you with the following information related to our audit. We are providing the District’s Finance Committee with information regarding the scope and results of the audit to assist the Committee in overseeing management’s financial reporting and disclosure process. This information is intended solely for the use of the District’s Board of Trustees, the Foundation’s Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. The following pages summarize these required communications.
### Auditors’ Responsibilities under Generally Accepted Auditing Standards (GAAS), Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and, as applicable, the Contracted District Audit Manual, issued by the California Community Colleges Chancellor’s Office.

The financial statements are the responsibility of management. As stated in our engagement contract, our responsibility is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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.

Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the District’s compliance with the types of compliance requirements described in the “U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement” applicable to each of its major federal programs for the purpose of expressing an opinion on the District’s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District’s compliance with those requirements.

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We issued unmodified opinions on the financial statements of the District, Foundation, and Measure A Bond Fund for the year ended June 30, 2014.
## Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our amended engagement contract, we will advise management about the appropriateness of accounting policies and their application.

The significant accounting policies used by the District and Foundation are described in the Notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2014.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

## Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The most sensitive estimates affecting the District’s and Foundation’s financial statements were:

- Management’s estimate of the fair market value of certain investments is based on assumptions and estimations made by investment managers.
- Management’s estimate of the selection of useful lives and related depreciation expense of capital assets is based on Management’s estimate of how long certain capital assets will remain useful.
- Management’s estimate of the collectability of accounts and pledges receivable are based on historical experience and assessment of likelihood of payment from individual donors.
- Management’s estimate of the valuation of other postemployment liability is based on actuarial projections.
- Management’s estimate of liabilities under charitable remainder trusts is based on life expectancy tables, and present value calculations using historical interest rates.
- Management’s estimate of the collectability of accounts receivable related to total computational revenue (revenue from property taxes, enrollment fees, and State apportionment) is based on historical experience and projections provided by the State Chancellor’s Office.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. In addition, the related financial statement disclosures are neutral, consistent, and clear.
## INTERACTIONS WITH MANAGEMENT

<table>
<thead>
<tr>
<th>Planned Scope and Timing of the Audit</th>
<th>We performed the audits according to the planned scope and timing previously communicated in our engagement contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Consultations with Other Independent Accountants</td>
<td>To our knowledge, there were no such consultations with other accountants.</td>
</tr>
<tr>
<td><strong>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.</strong></td>
<td></td>
</tr>
<tr>
<td>Disagreements with Management</td>
<td>We are pleased to report that no such disagreements arose during the course of our audit.</td>
</tr>
<tr>
<td><strong>For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report.</strong></td>
<td></td>
</tr>
<tr>
<td>Management Representations</td>
<td>We have requested certain representations from management that are included in letters to us.</td>
</tr>
<tr>
<td><strong>We encountered no significant difficulties in dealing with management in performing and completing our audit. Management and staff were well prepared and very cooperative.</strong></td>
<td></td>
</tr>
</tbody>
</table>
### OTHER MATTERS

<table>
<thead>
<tr>
<th><strong>Other Audit Findings or Issues</strong></th>
<th>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Conditions of noncompliance were identified during the audit of the District that were required to be reported under the <em>Contracted District Audit Manual</em>, issued by the California Community Colleges Chancellor’s Office. These conditions are presented in the Schedule of Audit Findings and Questioned Costs Section of the District’s report.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corrected and Uncorrected Misstatements</strong></td>
<td>The following material misstatement detected as a result of audit procedures was corrected by management: Debit Capital State Apportionment Revenue and credit Unearned Revenue for $877,197.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other Audit Findings or Issues</strong></th>
<th>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</th>
</tr>
</thead>
</table>
**Required Supplementary Information**

Government Accounting Standards Board (GASB) requires certain supplementary information to accompany the District's basic financial statements to be in conformity with generally accepted accounting principles. Such information has been subjected to limited procedures such as inquires of management about the methods of preparing the information and comparing the information for consistency with the basic financial statements, however, we do not express an opinion because of the limited nature of our procedures.

The following required supplementary information is required to accompany the District's basic financial statements and subjected to limited procedures, but no opinion has been expressed:

- Management’s Discussion and Analysis
- Schedule of Funding Progress for Other Postemployment Benefits

**Supplementary Information**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The supplementary information section as listed in the table of contents is presented for the purpose of U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the Contracted District Audit Manual, issued by the California Community Colleges Chancellor’s Office and in our opinion is fairly stated in all material respects in relation to the financial statements as a whole.