



PROPOSAL TO PROVIDE INDEPENDENT AUDIT SERVICES

RFP No. 1307

JANUARY 5, 2011

Perry-Smith LLP
400 Capitol Mall, Suite 1200
Sacramento, California 95814
(916) 441-1000
Contact: Tina M. Treis, Partner
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January 5, 2011

Mr. Kevin McElroy
Vice Chancellor of Business Services
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, California 94022

Dear Mr. McElroy:

On behalf of the partners and professional team at Perry-Smith LLP, we are very pleased to present our proposal to continue to provide professional services to Foothill-De Anza Community College District. Our proposal was prepared based on our extensive understanding of the District's operations and the expectations for performance set by the Board and management. Accordingly, we believe that Perry-Smith LLP is uniquely qualified to continue serving as your independent auditors:

- ***Assembling your engagement team from the top down with professionals that are committed to Community Colleges.*** Partners and vice presidents assigned to your engagement work extensively in our Education/Community College Practice. Expertise with large, multi-campus districts is proven and verifiable with our references. We understand the challenges confronting California's Community Colleges and will continue to share "best practices" and solutions to emerging issues identified from our extensive network of clients.
- ***Anticipating your needs through ongoing discussions regarding your business strategies and objectives.*** Our professionals are immersed in the Community College Industry and bring a business perspective that is second to none. Our ongoing dialogue with the California Community College Chancellor's Office and the Department of Education, combined with our extensive network of community college clients, will ensure that "best practices" and new developments are promptly communicated with management.
- ***Building relationships "one day at a time".*** Our service philosophy has successfully persevered the test of time and truly embraces the theory that long-term relationships are earned, day-by-day. We are proud to have earned an enduring relationship with Foothill-De Anza Community College District. Our professional relationships result from the exercise of technical expertise, sound business judgment and our entrepreneurial spirit. While we are independent in fact and appearance, we are committed to continuing our close working relationship with the Audit and Finance Committee, Board of Trustees and your management team.

- ***Incorporating our business perspective in addressing critical accounting matters.*** As your trusted business advisor, we embrace a forward-thinking approach on upcoming accounting pronouncements and work with the District to ensure timely implementation and training.
- ***Providing an effective and efficient audit resulting in valuable insights to enhance the effectiveness of internal controls.*** Audit quality is at the core of who we are. Our risk-based approach ensures that critical issues are promptly resolved.
- ***Pricing our services to continue long-term relationships.*** Our "Fairness Doctrine" ensures that our professional fees are all encompassing and designed to avoid surprises. We have never charged for telephone conversations or periodic meetings with management.

The fees presented in our proposal reflect our extensive knowledge of the operations of the District and the changes in the current *Contracted District Audit Manual*. Our full service approach will ensure that you are updated throughout the year as changes occur to the regulatory environment and to the audit requirements related to Federal and State programs. We commit to performing the audit services within the parameters contained in the Request for Proposal Number 1307 for audits of the Foothill-De Anza Community College District, the Foothill-De Anza Community Colleges Foundation, the California History Center Foundation and the Measure C performance and financial audit, including the timely completion of all required reports. Tina Treis is authorized to make representations on behalf of the Firm and her contact information is on the cover of this proposal.

Our proposal provides solutions to your current and future service needs and we look forward to reviewing its content with you in person. We recognize that there is no substitute for our depth of resources, technical proficiency and good business judgment. We welcome this opportunity to describe the many factors that differentiate our Firm from our competition and how we can continue to deliver the quality service Foothill-De Anza Community College District deserves.

Very truly yours,

Tina M. Treis

Tina M. Treis
Partner



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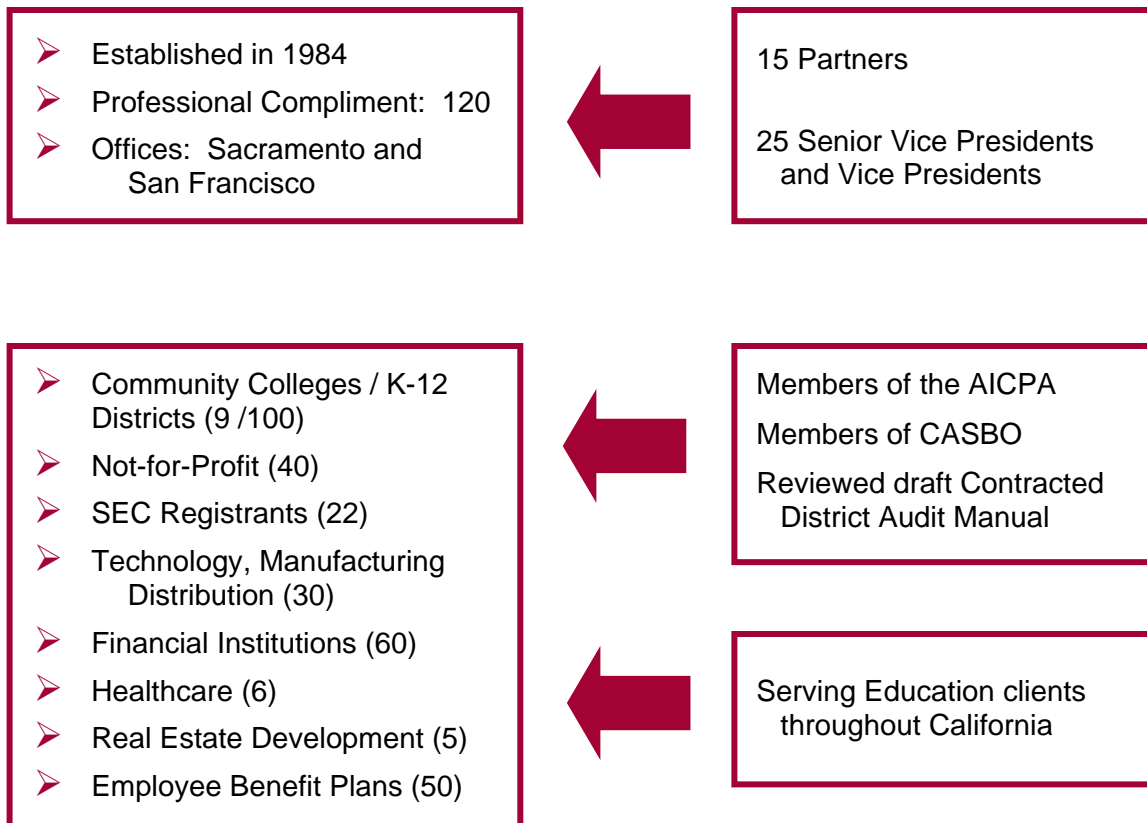
Section

1

BUSINESS PROFILE: THE PERRY-SMITH SOLUTION

EXECUTIVE SUMMARY

PERRY-SMITH: 26 YEARS YOUNG



CLIENT SERVICE PHILOSOPHY

"Confidence, trust and long-term relationships are earned. We measure our success as a Firm by the tenure of each client relationship."

We understand your expectations of our performance and we intend to earn your confidence through our performance. Accordingly:

- As new accounting-related pronouncements become effective (such as GASB 45, GASB 54 and FASB Staff Position 117-1), we will review them with you and we will be available to assist you with their timely implementation.
- You will have direct access to Tina Treis, Engagement Partner, Tom Perry-Smith, Technical Review Partner, Jeffrey Jensen, Senior Vice President and Jennifer Hill, Vice President.
- All audit procedures will be performed by Perry-Smith employees and we will not use any subcontractors.
- We have never billed Foothill-De Anza for routine phone conversations regarding audit, accounting or other matters; timely communications throughout the year will help us to maintain a strong professional relationship.
- All critical accounting and auditing matters will be resolved promptly by the partners working directly with you. In providing guidance on technical or other business related matters, we will offer timely solutions tempered by business perspective.
- We will not surprise you with unexpected changes to our fees; our commitment is to timely communications throughout the year.
- Perry-Smith LLP was established in 1984 and is a Limited Liability Partnership registered in the State of California with the Department of Consumer Affairs. Tina Treis is authorized to sign on the Firm's behalf.
- We are independent from Foothill-De Anza Community College District. We are not aware of any known personal or business relationships involving the District and our Firm.
- The Firm maintains professional liability insurance in excess of \$2 million.
- Perry-Smith has adopted quality control procedures to ensure the highest level of technical expertise. The Firm has not had any audit reports rejected by the California Community Colleges Chancellor's Office. Perry-Smith is not currently subject to any pending or threatened litigation or professional disciplinary action.

AN ENDURING PROFESSIONAL RELATIONSHIP

As a regional professional services firm, we measure our success by the tenure of our client relationships. We have earned the privilege of serving many of our education clients for over 20 years. Clients such as Lake Tahoe Community College, Sierra Joint Community College, and San Juan Unified School District appreciate and value the unique combination of technical expertise, business perspective and value we bring to each professional relationship.

INDEPENDENCE

Independence is extensively defined by our professional standards and encompasses a host of obligations that we pay close attention to. Our approach to ensuring that we remain independent of Foothill-De Anza in fact and in appearance is extensive:

- Each member of the engagement team is required to confirm in writing that they are independent of Foothill-De Anza as defined by professional standards.
- There are no less than three partners participating in the delivery of professional services to the District; two audit partners and one tax partner and each is charged with oversight for the delivery of professional services.
- We have rotated the audit partners and the vice presidents off of our relationship with you from time to time to ensure that our independence is beyond question.
- The audit partner personally confirms to the Board annually, in writing, that we are independent.

A “FRESH LOOK”

The foundation of our approach to the audit of the District’s financial statements is a dynamic, carefully tailored Client Service Plan. At the conclusion of each year’s audit, the Client Service Plan for the following year is drafted incorporating “what went well” with those areas of the audit that must be expanded or completed differently in the following year. We specifically incorporate “unpredictability” into each year’s Client Service Plan:

- We alter the nature of the testing performed at Foothill and De Anza Colleges.
- The timing of the procedures performed and extent of the testing is changed.
- Management and the Audit and Finance Committee have expressed interest in having specific audit procedures applied and our Client Service Plan is adjusted to include these procedures.

A “FRESH LOOK” (Continued)

- Each year, we select an area of District operations for expanded detail testing in our continuing search to bring value to the “Findings and Recommendations” included with the District’s financial statements.

THE VALUE PROPOSITION

Our objective is to bring value to each professional relationship. Our efforts to create value for Foothill-De Anza have been successful in many different ways:

- Our relationship with the California Community Colleges Chancellor’s Office has presented opportunities to serve as an advocate for the District on contentious accounting issues in past years. Further, we are frequently requested to comment on specific accounting developments by the Chancellor’s office providing advance notice of potential accounting issues.
- Our extensive Education practice provides the opportunity to promptly communicate emerging issues as well as “best practices” within the industry.
- Findings and Recommendations presented with the financial statements have a broader focus than just State and Federal compliance issues; comments will continue to include recommendations to enhance operating efficiency.
- When ever we have been requested to assist with an important matter on behalf of the District (for example, the Chancellor’s Office concern over FTES reported for Athletics), we have deployed the resources needed promptly and effectively.

STABILITY IN CHANGING TIMES

Your confidence in our professional services has been earned while working with new Board Members, Chancellors, Vice Chancellors of Business Services and transitions in key management positions. Throughout these important transitions, we have been a source of perspective about the District’s past decisions and important strategic goals and objectives. Further, this stability has translated into important benefits inuring to the District:

- We have met every reporting date for the District’s financial statements and we will continue to commit the resources and personnel to ensure that all reporting dates are met in the future.
- Changes in the District Office management team will not impact audit efficiency; we have the business perspective and depth of understanding to ensure that an efficient, effective audit is completed each year.
- New members of the District’s Team will have unlimited access to our workpaper files from all years to assist in completing their responsibilities.

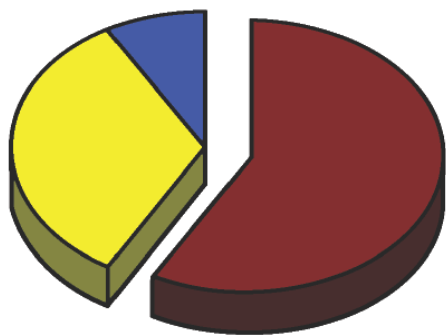
THE FIRM . . . 26 YEARS YOUNG

While the landscape for the delivery of professional services has changed dramatically in recent years, our commitment to client service and the development of a close working relationship has not wavered. We truly understand that confidence, trust and long-term relationships are earned, day-by-day. As a result, we measure our success as a firm by the tenure of each client relationship, some of which have endured for 26 years. We are proud of our long-term relationship we developed with the District. We believe that this philosophy is unique and truly separates us from our competition.

INDUSTRY SPECIALIZATIONS AND DEPTH

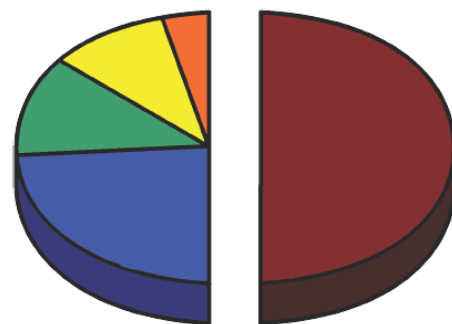
Firm Profile

Services



■ Audit ■ Tax ■ Consulting

Industry Specializations



■ Financial Services ■ Education / Government
 ■ Commerce ■ Not-For-Profit
 ■ Employee Benefit Plans

INDUSTRY SPECIALIZATIONS AND DEPTH (Continued)

Our current industry specializations are varied and include community colleges/education/government, not-for-profit, financial services, commerce and employee benefit plans.

Community Colleges/Education/Government

Since our inception 26 years ago we have remained focused on providing professional services to the Community Colleges/Education/Government Industry, the depth of our technical resources is represented by our 120 professionals. Our education services group spends virtually their entire career committed to the Governmental Industry. Our quality assurance standards ensure that all engagement teams are extensively trained before they begin working with our clients. Our professional staff is routinely exposed to an extensive training regimen that incorporates industry specific training programs specifically focused on issues facing the education/government environment. For the past two years, our entire team has received over 160 hours of continuing professional education with over 80 hours specifically focused on auditing California Community Colleges.

Self Insurance

We provide audit services to over 25 entities with worker's compensation and health care self-insured programs. We have extensive experience in analyzing claims data and actuarial assessments, including evaluating the impact of claims actuarial projections on the District's future operations.

Foundations

The Firm has an extensive not-for-profit practice including over 20 foundations, including foundations with assets of \$200,000,000. We have been instrumental in assisting these foundations with the implementation of the new accounting guidance for endowments (FASB Staff Position 117-1). In addition, our tax executives have provided technical assistance and implementation tools in the transition to the new IRS Form 990.

Proposition 39 Bond Performance Audits

We are experienced in completing bond performance audits in compliance with Proposition 39, including proactively working with local Citizen's Bond Oversight Committees and District's to ensure compliance with recent changes enacted by California Senate Bill 1473. In 2010, we completed over 40 bond performance audits.

EXECUTIVE RESOURCE COMMITMENT

Our commitment to the Community College Industry starts with our allocation of Partner and Vice President hours to each engagement, which approximates 25% of total budgeted hours. This approach will ensure that you have direct access to our executive level resources throughout the engagement. Further, this approach will promote open lines of communication, the development of a close working relationship, and the timely resolution of engagement related matters. We have also developed specialized qualifications for each professional serving on our engagement teams. These qualifications promote engagement efficiency and the application of both professional and regulatory standards.

PROMINENT CALIFORNIA PROVIDER

Our firm's full service audit approach has allowed us to become a prominent provider of audit services to community colleges, county offices of education, schools districts, charter schools and special districts in California. Perry-Smith audits over 100 governmental entities in these categories, including 40 with A-133 Single Audit requirements. Our firm works closely with the California Community College Chancellor's Office and the California Department of Education, ensuring that our clients receive timely policy updates and direct access to these regulatory offices. Our in-depth knowledge of your unique market coupled with our collaborative working style, allows us to provide you with the very highest level of service.

"We are experts in delivering Community College District audits and professional services."

Section

PERFORMANCE STANDARDS

2



PERFORMANCE STANDARDS

We will audit the Foothill-De Anza Community College District, Foothill-De Anza Colleges Foundation, Measure C and the California History Center Foundation financial statements for the year ending June 30, 2011 in accordance with Generally Accepted Auditing Standards. Prior to the conclusion of our fieldwork, we will present drafts of the financial statements, which will incorporate any changes required by new accounting pronouncements or changes in the nature of your operations.

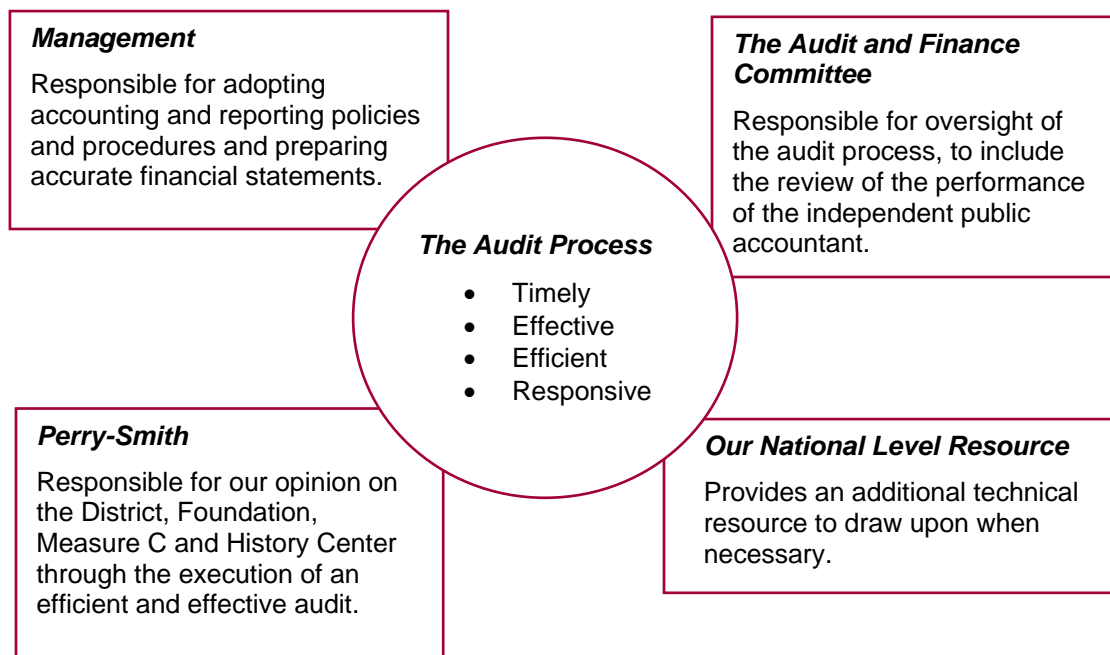
The planning process will commence immediately upon reappointment as the District's auditors. Critical elements of our planning process are:

- Discussion with District leadership related to the conduct of the audit.
- Communication with management through periodic meetings to review engagement planning status.
- Communication with the Audit and Finance Committee and the Board of Trustees to provide an overview of the planned audit approach prior to commencing fieldwork.

In developing the customized audit plan for the District, we have considered all areas of potential risk or exposure to the District. Our audit plan has taken into consideration all of the District's operations including college bookstores, De Anza Campus Center, Flint Center, associated student groups, Measure C and E bond programs, your fiscal independence and new Banner systems. We have also considered the impact of the current state budget and the effect it may have on the District's mission. Our audit approach will ensure the District has complied with the laws and regulations related to the over \$24 million in Federal funds expended in the most recent fiscal year.

A COLLABORATIVE EFFORT . . . THE AUDIT PROCESS

At the core of our Firm's philosophy is a deep-rooted commitment to client service. As shown in the diagram below, the audit process must be collaborative in nature and achieve the goals set by the Audit and Finance Committee, management and the independent auditor. With the understanding that we work for the Board of Trustees but work with management, we ensure that lines of communication are open throughout the engagement, resulting in an audit that is conducted effectively and efficiently.

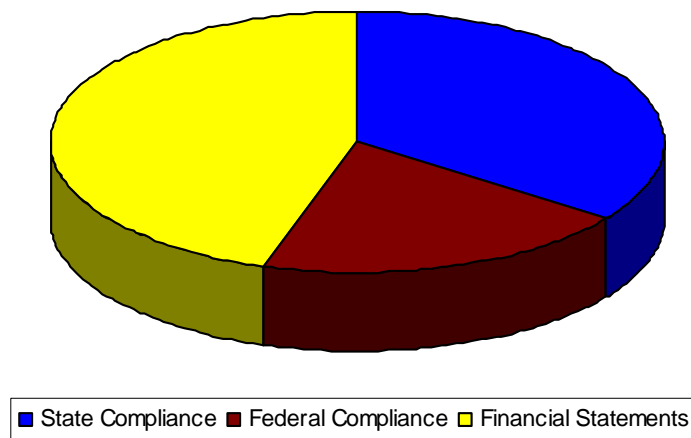


***DEPENDENT ON THE CONTROL ENVIRONMENT . . .
THE AUDIT APPROACH***

Our approach to audit services includes extensive planning by the engagement partner, senior vice president and vice president to ensure that a comprehensive understanding of your control environment drives our engagement approach. Our audit approach will be:

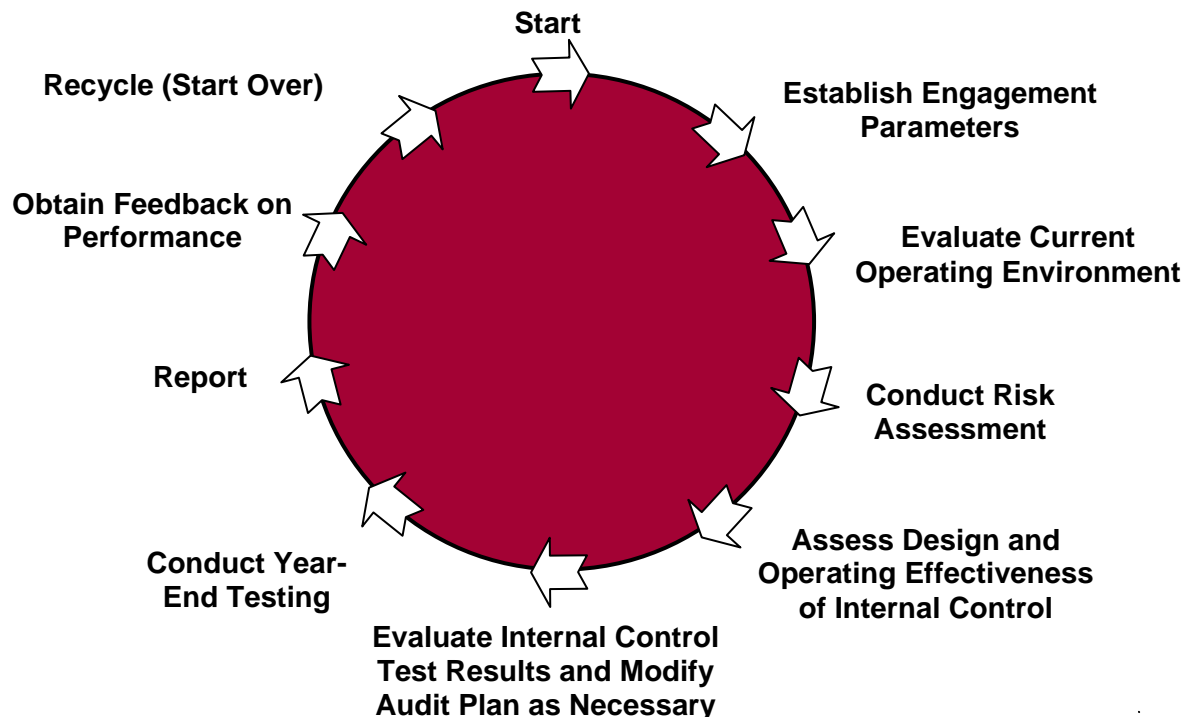
- Risk-based.
- Focused on key reporting issues as they develop.
- Tailored to your operating environment.
- Integrated with your operational audit functions.
- Efficiently completed through utilization of an electronic "paperless" strategy.
- Designed to provide practical and insightful management letter comments to enhance your operations.

Components of The Audit



OUR AUDIT APPROACH

The diagram below outlines our audit approach. Following the diagram is a summary of how each state of the process will be accomplished.



Establish Engagement Parameters

We will perform an integrated audit of the District's financial statements, including state and Federal compliance and its component unit, beginning with the year ending June 30, 2011, in accordance with auditing and related professional practice standards established by the American Institute of Certified Public Accountants, OMB Circular A-133, Government Auditing Standards and California Community College Contracted District Audit Manual.

Evaluate Current Operating Environment

The senior members of our engagement team will develop a thorough understanding of your operating environment to assist us in the development of a risk-based audit approach that gives consideration to the qualitative factors associated with your existing control environment.

These areas include:

- Tone at the top, including your board committees and organizational structure.
- Implementation of your strategic plan, specifically leverage of your staff and focus on core competencies.
- Design and scope of operational audit activities.
- Risk management strategies and their integration into opportunities and threats.

OUR AUDIT APPROACH (CONTINUED)

Conduct Risk Assessment

We perform a risk assessment to identify financial reporting matters that pose the greatest potential for misstatement of your financial statements. This is accomplished by developing an understanding of the control environment, completing analytic procedures and conducting interviews with management. We work with management to evaluate the question, “what can go wrong”? From this understanding will come our testing strategy for the engagement.

Assess Design and Operating Effectiveness of Internal Control

Based upon updating our extensive knowledge of the District’s internal controls, we will ensure our audit approach incorporates elements of “unpredictability”. We will carefully select elements of your operations for expanded testing; we will alternate colleges selected for on-site visits. Our objective is to ensure that our audit results in expanded audit coverage and a *fresh look* at controls and procedures each audit cycle.

Internal controls will be documented and tested to evaluate their effectiveness in preparing reliable financial data. Our electronic workpapers will be designed to allow for them to be efficiently updated in subsequent years for changes to your procedures.

We will document and test each of the District’s internal control cycles to include:

- Cash management
- Cash disbursements
- Cash receipts
- Capital assets
- Payroll
- Treasury
- Self Insurance
- Attendance
- Information technology
- Federal program expenditures
- Financial reporting
- Inventory
- Net asset restrictions

Our objective will be to update our understanding of your accounting systems and to design specific tests of account balances based on our evaluation of the effectiveness of controls.

We will also document and test the District’s compliance with requirements outlined in the Contracted District Audit Manual and OMB Circular A-133. We have an in-depth knowledge of the District’s federal programs, including programs specific to the District such as NASA/AMES Internship Program and the District’s many National Science Foundation grants.

OUR AUDIT APPROACH (CONTINUED)

Evaluate Internal Control Test Results and Modify Audit Plan as Necessary

We continually evaluate test results and adjust our audit approach in response to such tests. We will monitor the testing performed by your operational audit provider in addition to conducting our own independent testing to ensure that we are efficiently and effectively completing our engagement services.

Conduct Year-End Testing

Our testing is focused on the District's financial position and operations under the GASB 35 business-type reporting model. We perform these audit procedures in two parts. First, in the Spring, we conduct our preliminary audit procedures on all significant risks that affect the financial position and operations that are identified during our risk assessment process. Second, we will roll forward our preliminary risk assessment to year end and complete our testing.

Report

Reporting requirements are ongoing throughout the year. We will present our audit plan to the Audit and Finance Committee. We will communicate with the Audit and Finance Committee and management our interim procedures and we will conduct our annual required communications with the Audit and Finance Committee upon completion of our audit process.

Obtain Feedback on Performance

At the end of our engagement we will ask both the Audit and Finance Committee and management to rate our performance. Based upon their feedback, we will examine our engagement approach for opportunities to improve our performance and overall engagement efficiency.

Recycle (Start Over)

The journey never ends! What went exceptionally well during the most recent cycle must be accentuated into the future. Areas for improvement must become learning experiences and a mandate for change. We will never settle for the "status quo" in the delivery of our engagement services. We will continue to earn your confidence based upon our performance, one year at a time.

APPROACH TO CRITICAL AUDIT AREAS

Our risk-based audit approach is designed to timely identify and evaluate the application of financial reporting standards to critical accounting estimates and significant transactions. We take a collaborative approach to working through critical accounting matters with both management and the Audit and Finance Committee.

In addition to our standard audit procedures, our audit approach has been customized to specifically address areas of higher risk. Based on gaining an in depth understanding of the District we will plan to focus our audit procedures on the following areas:

Significant Accounts or Cycles	Planned Test of Internal Controls	Confirm With Outside Third Parties	Properly Expended in Accordance with Bond or Contract Provisions	Sample Cash Receipts	Sample Warrants	Recalculate Computed Balances	Compliance Procedures for State and Federal Purposes	Other Substantive Audit Procedures	Selected Financial Information for Financial Reporting
Cash and Investments	Yes	✓		✓	✓	✓			✓
Inventory	No					✓			
Capital Assets	Yes		✓		✓	✓	✓		✓
Accrued Liabilities	No					✓		✓	
Long-Term Liabilities	No	✓			✓	✓		✓	✓
Proposition 39 Bonds	No	✓	✓			✓	✓	✓	✓
Net Assets	No					✓	✓		✓
Tuition and Student Fees	Yes			✓		✓	✓	✓	
State and Federal Funds	Yes		✓	✓	✓		✓		
Apportionment / Property Taxes	No	✓		✓		✓	✓	✓	
Auxiliary Fees	Yes			✓		✓		✓	
ASB	Yes	✓		✓	✓			✓	
Student Financial Aid	Yes		✓	✓	✓	✓	✓	✓	✓
Other Grants	Yes		✓	✓	✓	✓	✓	✓	✓
Operating Expenses	Yes		✓		✓	✓	✓	✓	
Payroll	Yes		✓		✓	✓	✓	✓	
IT General Controls	Yes							✓	

"Our audit approach is "Risk"based."

ENGAGEMENT MANAGEMENT

We recognize the importance of staff continuity in the efficiency of the audit process. While we believe our Firm has very low turnover, it would be unrealistic to represent that it does not occur. Our approach to ensuring engagement efficiency includes the following:

- Tina Treis will work as the lead partner on the engagement.
- Tom Perry-Smith will serve as the technical review partner and Jeff Jensen and Jennifer Hill will coordinate the engagement as the Senior Vice President and Vice President, respectively, assigned to the District.
- Approximately 25% of the budgeted audit hours will be provided by the Partner, Senior Vice President and Vice President.
- With over 100 professionals in our Audit Department in our Sacramento and San Francisco offices, we will ensure we assign highly trained auditors with the requisite technical experience and business perspective.

Audit Assistance

During our time serving as the District's auditors, we have worked collaboratively with District management to update the audit document request list to ensure only necessary documentation is prepared by the District's staff. We have worked with the District to use schedules from your internal financial reporting systems to meet our documentation requests. We will present management with audit preparation worksheets that we will ask be completed before the actual fieldwork begins. At this time, we will also assess the need for any downloads of data files for data mining and analysis.

Other Reporting Matters

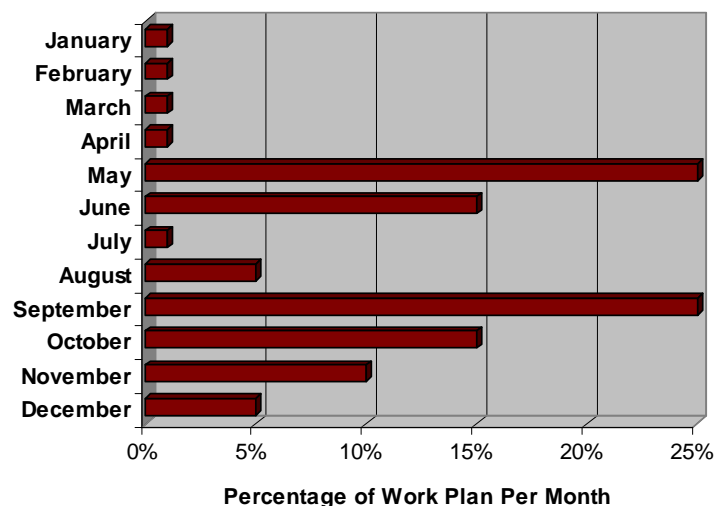
All reports will be reviewed with management prior to issuance. We have found that this is particularly important as it relates to audit findings and will eliminate the opportunity for a misunderstanding to occur. All reports will be personally presented by the Partner to the Board of Trustees.

"Our approach will ensure there are no "surprises""

ENGAGEMENT MANAGEMENT (CONTINUED)**TAILORED WORK PLAN**

The following proposed tailored work plan has been prepared to outline the specific time estimates for each significant segment of the audit, the team members who will participate and timeframe for communicating the progress of the engagement:

TASKS	TIMEFRAME	Partner	Senior Vice President	Vice President	Seniors	Associates
<i>Planning Meeting with Management and the Audit and Finance Committee</i>	March 2011	✓	✓	✓		
<i>Risk Assessment, Testing of Internal Controls and State and Federal Compliance</i>	May / June 2011	✓	✓	✓	✓	✓
<i>Interim Exit Meeting with District Management and Chancellor's Cabinet</i>	June 2011	✓	✓	✓	✓	
<i>Audit Status Update to Audit and Finance Committee</i>	August 2011	✓	✓	✓		
<i>Testing of Account Balances and Preparation of Audited Financial Statements</i>	September 2011	✓	✓	✓	✓	✓
<i>Exit Meeting and Finalize Audit Report Findings and Recommendations</i>	October 2011	✓	✓	✓		
<i>Deliver Final Audited Financial Statements</i>	November 2011	✓				
<i>Present Financial Statements to the Audit and Finance Committee and the Board of Trustees</i>	December 2011	✓				

TAILORED WORK PLAN DEFINED BY PERCENTAGES PER MONTH

Section

EXPERTISE: THE PERRY-SMITH SOLUTION

3



OUR PRACTICE AND THE DISTRICT

We are experienced in auditing community colleges of similar size and complexity. We truly believe in building lasting relationships one day at a time and will never stop working to exceed your expectations. Over the years we have been privileged to provide the following professional services to Foothill-De Anza Community College District:

- Assistance in determining the Industrial Volleyball League (IVL) reported FTEs.
- Application review of PROMPT Construction Accounting Software.
- IT systems documentation of Banner security profiles.
- Performance audits of Measure C expenditures.
- Study of faculty workload compensation.
- De Anza Associated Students Operations Review.
- Bookstore Operations Review.
- Flint Center Operations Review.

"We truly understand that confidence, trust and long-term relationships are earned, day-by-day."

Our current industry specializations include education/government, not-for-profit, self-insurance pools, retirement plans, financial institutions, real estate development, healthcare and SEC registrants. Our education client base ranges from relatively small organizations to organizations with multiple sites and complex operations. Our governmental presence in California is exemplified by the prestigious clients that we proudly serve, a sample of which includes:

- Foothill-De Anza Community College District
- State Center Community College District
- San Joaquin Delta Community College District
- Sierra Joint Community College District
- Marin Community College District
- Gavilan Joint Community College District
- Ohlone Community College District
- Lake Tahoe Community College District
- Feather River Community College District
- Los Angeles County Office of Education (SAS 70)
- Berryessa Union School District
- Campbell Union High School District
- Moreland School District
- Mount Pleasant School District
- Mountain View-Los Altos Union High School District
- Fresno Unified School District
- Elk Grove Unified School District
- Sacramento City Unified School District
- San Juan Unified School District
- West Contra Costa Unified School District
- Roseville Joint Union High School District
- Salinas Union High School District
- Dry Creek Joint Elementary School District
- Western Placer Unified School District
- Tahoe-Truckee Unified School District
- San Lorenzo Unified School District
- Monterey Peninsula Unified School District
- Central Unified School District (Fresno)
- Eureka Union School District
- San Leandro Unified School District
- Salinas City Elementary School District
- Vacaville Unified School District
- Modesto City Schools
- Dublin Unified School District

Section

STAFFING: YOUR ENGAGEMENT TEAM

4

***THE ENGAGEMENT TEAM . . .
DEPTH AND EXPERIENCE***

We have selected a team of specialists from our Firm to ensure that you receive the expertise you need. Should any changes to key personnel be required, we would discuss them with you in advance.



TINA M. TREIS, CPA, *Engagement Partner*

With 30 years of experience serving governmental, not-for-profit and financial institution clients, Tina has the demonstrated technical expertise to ensure the consistent delivery of outstanding professional services. Tina serves our community college clients, leads our Joint Powers Authorities insurance audit practice and has substantial experience with not-for-profit and financial institutions entities.



TOM PERRY-SMITH, CPA, *Technical Advisory Partner*

Tom has been involved in auditing educational agencies since 1979. He currently serves as the director of our audit practice and is the engagement partner for three community college clients. As the technical advisory partner, Tom will have overall responsibility for reviewing the financial statements to ensure compliance with Firm quality control standards.



JEFFREY A. BERTLESON, CPA, *Partner, Tax Services*

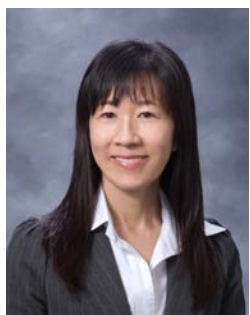
Jeff has over thirty-one years of experience working with tax compliance and consulting engagements in the not-for-profit industry. He has extensive consulting experience in tax planning strategies to minimize unrelated business income tax impacts. He also specializes in serving high-net worth individuals, trusts and closely-held businesses.

THE ENGAGEMENT TEAM . . . DEPTH AND EXPERIENCE (CONTINUED)**JEFFREY A. JENSEN, CPA, *Senior Vice President***

Jeff will direct the daily fieldwork of the engagement and bring his extensive knowledge of community colleges into the audit approach. He has over ten years of experience with the Firm and serves over thirty education clients and five foundations. Jeff is also involved and presents topics at the annual California Association of School Business Officials conference.

**TIM L. BRYAN, CPA, CISA, CITP, *Senior Vice President***

Tim has over ten years of experience and is an IT audit, consulting and forensic expert. He leads the IT Services department, including four computer auditors, and is responsible for reviewing internal controls over information systems applicable to general computer controls and all major applications.

**PATRICIA K. BESSO, CPA, *Vice President***

Patty has over nine years of experience in public accounting. Her career has been focused on tax filings for not-for-profit organizations, tax compliance and planning for individuals and their business activities and preparation of partnership and corporate tax returns. She has been instrumental in assisting our clients in the new Form 990 reporting requirements.

**JENNIFER R. HILL, CPA, *Vice President***

Jennifer has six years of experience and serves over twenty education clients. Jennifer specializes in A-133 compliance audit requirements and regularly conducts training for our associates and clients. As an engagement Vice President, Jennifer helps coordinate all services, communications and engagement fieldwork.

THE ENGAGEMENT TEAM . . . DEPTH AND EXPERIENCE (CONTINUED)

Your proposed engagement team has significant experience in terms of years and expertise in critical audit areas:

	Tina Treis	Tom Perry-Smith	Jeff Jensen	Jennifer Hill
	Engagement Partner	Technical Partner	Senior Vice President	Vice President
Years of Experience	30	32	11	6
Executive Level Point of Contact or the District, Audit and Finance Committee and Board of Trustees	✓	✓	✓	✓
Designs Community College Audit Programs			✓	✓
Oversees Completion of Audit Testing and Site Visits			✓	✓
Supervision and Review of the Engagement Team	✓		✓	✓
Provides Regular Engagement Status Report to District Management	✓		✓	✓
Collaborates with the Engagement Partner; Reviews all Deliverables for Accuracy	✓	✓	✓	
Presentation of All Deliverables to the District	✓		✓	
Presentation to the Board of Final Deliverables	✓			
Available to Consult with the District on Accounting and Auditing Matters	✓	✓	✓	✓

"The engagement team combines direct, "hands-on", supervision with relevant experience."

TINA M. TREIS

POSITION:	Partner, Assurance Services
YEARS OF EXPERIENCE:	Thirty
INDUSTRY EXPERTISE:	Government, not-for-profits, joint powers authorities
EDUCATION:	Bachelor of Science, Accounting California State University, Sacramento
PROFESSIONAL MEMBERSHIPS:	American Institute of Certified Public Accountants California Society of Certified Public Accountants
CAREER PATH:	Ernst & Young (1980 - 1991; Senior Manager) Perry-Smith LLP (1991 - Present; Partner)
ENGAGEMENT EXPERIENCE:	Foothill-De Anza Community College District Sierra Joint Community College District Ohlone Community College District Marin Community College District Lake Tahoe Community College District Feather River Community College District College of Marin Foundation Sierra College Foundation Feather River Foundation Ohlone College Foundation California Student Aid Commission Mills-Peninsula Hospital Foundation Marin General Hospital Foundation Bay Area Community College District Joint Powers Authority Northern California Community College Pool Schools Excess Liability Fund Santa Clara Schools Insurance Group Northern California Community College SIA
OTHER:	Tina has served governmental agencies for her entire professional career, from one of the first state agency single audits in 1982 to concurring review on many of our governmental clients. She has served community college districts for over ten years. In addition, she has assisted three agencies in securing the Certificate of Achievement from the Government Finance Officers Association (GFOA). She heads up our extensive not-for-profit practice, currently serving six community colleges, twenty not-for-profit organizations and ten joint powers authorities.



THOMAS PERRY-SMITH

POSITION:	Partner, Assurance Services
YEARS OF EXPERIENCE:	Thirty-two
INDUSTRY EXPERTISE:	Government, not-for-profit, employee benefit plans
EDUCATION:	Bachelor of Science, Accounting California State University, Sacramento
PROFESSIONAL MEMBERSHIPS:	American Institute of Certified Public Accountants California Society of Certified Public Accountants
CAREER PATH:	Arthur Young & Co. (1978 - 1989; Principal) Perry-Smith LLP (1989 - Present; Partner)
ENGAGEMENT EXPERIENCE:	Foothill-De Anza Community College District Sierra Joint Community College District Lake Tahoe Community College District Marin Community College District Foothill-De Anza College Foundation Sutter Roseville Medical Foundation Center Mills-Peninsula Hospital Foundation Marin General Hospital Foundation California Student Aid Commission California Dental Association Nevada County Superintendent of Schools San Juan Unified School District Folsom Cordova Unified School District San Joaquin County Office of Education and Affiliated Districts
OTHER:	Tom has been involved in auditing community college districts for over 32 years. He has taught regional classes with the State Chancellor's Office on several occasions. Tom is the concurring reviewer for the community college clients and much of our local educational agency K-12 practice.

JEFFREY A. BERTLESON

POSITION:	Partner, Tax Services
YEARS OF EXPERIENCE:	Thirty-one
INDUSTRY EXPERTISE:	Not-for-profit, insurance, closely-held businesses, financial institutions
EDUCATION:	Bachelor of Science, Finance Santa Clara University Masters in Business Administration University of California, Los Angeles
PROFESSIONAL MEMBERSHIPS:	American Institute of Certified Public Accountants California Society of Certified Public Accountants Sacramento Estate Planning Council
CAREER PATH:	Arthur Andersen LLP (1979 - 1995; Senior Manager) PricewaterhouseCoopers, LLP (1995 - 2003; Client Service Director) Perry-Smith LLP (2003 - Present; Partner)
ENGAGEMENT EXPERIENCE:	Foothill-De Anza Colleges Foundation Delta College Foundation Ohlone College Foundation Sacramento Region Community Foundation California Dental Association Foundation California Housing Opportunities Corporation EdFund Sacramento Area Commerce and Trade Association (SACTO) Center for AIDS Research and Education – Sacramento (CARES) Self-Insurer's Security Fund California Association of Health Plans NorCal Community Bancorp American River Ventures Premier Access Insurance Company Golden Bear Insurance Company
OTHER:	Jeff has significant experience working with tax compliance and consulting engagements. He has assisted our not-for-profit clients in the transition to the new Form 990.

JEFFREY A. JENSEN

POSITION: Senior Vice President, Assurance Services

YEARS OF EXPERIENCE: Eleven

INDUSTRY EXPERTISE: Government, not-for-profit, insurance

EDUCATION: Bachelor of Science, Business Administration/Accounting Option
California State University, Fresno

PROFESSIONAL MEMBERSHIPS: American Institute of Certified Public Accountants
California Society of Certified Public Accountants
California Association of School Business Officials

CAREER PATH: Perry-Smith LLP (1999 - Present; Senior Vice President)

ENGAGEMENT EXPERIENCE: Foothill-De Anza Community College District
State Center Community College District
Marin Community College District
Sierra Joint Community College District
Gavilan Joint Community College District
Gavilan College Foundation
Fresno Unified School District
Foothill-De Anza College Foundation
College of Marin Foundation
Central Unified School District
West Fresno Elementary School District
Modesto City Schools
Fairfield Suisun Unified School District
Monterey-Peninsula Unified School District
Nevada County Superintendent of Schools
California Health Foundation and Trust
Healthcare Foundation of Northern and Central California

OTHER: In addition to serving as a key executive on our community college audits, Jeff has been integrally involved in special projects designed to enhance controls over Foundation, Associated Students and Bookstore operations. He has participated in audits and procedures for over 15 Proposition 39 bonds. Jeff regularly leads internal Firm training related to OMB A-133 compliance requirements and GASB 34, 35 and 45 application.



TIM L. BRYAN

POSITION: Senior Vice President, Management Consulting Services

**YEARS OF
EXPERIENCE:** Ten

**INDUSTRY
EXPERTISE:** Information technology

EDUCATION: Bachelor of Science, Accounting & MIS
University of the Pacific

**PROFESSIONAL
MEMBERSHIPS:** Information Systems Control and Audit Association
American Institute of Certified Public Accountants
American Institute of Certified Public Accountants,
Information Technology Section
California Society of Certified Public Accountants

CAREER PATH: Ernst & Young (2000 - 2006; Manager)
Perry-Smith LLP (2006 - Present; Senior Vice President)

**ENGAGEMENT
EXPERIENCE:** Foothill-De Anza Community College District
Sierra Joint Community College District
EdFund
California Student Aid Commission
California Dental Association
VANS, Inc.
Invitrogen
Mentor
Central Valley Community Bancorp
Premier Valley Bank
Countrywide Bank
Health Net Insurance
California Department of Insurance
CAMICO Mutual Insurance Company (CAMICO)

OTHER: Tim heads up our IT audit and consulting practice and coordinates our IT training programs. He has responsibility for reviewing internal control over information systems applicable to general computer controls and all major applications. In addition, he and his team of computer auditors are available to consult with your management team regarding IT strategic issues.

PATRICIA K. BESSO

POSITION:	Vice President, Tax Services
YEARS OF EXPERIENCE:	Nine
INDUSTRY EXPERTISE:	Not-for-profit, insurance, closely-held businesses, professional service organizations
EDUCATION:	Bachelor of Arts, Economics University of California, Los Angeles Master of Science, Taxation Golden Gate University
PROFESSIONAL MEMBERSHIPS:	American Institute of Certified Public Accountants California Society of Certified Public Accountants
CAREER PATH:	S.J. Gallina & Co., LLP (2001 - 2003, Associate) Tate, Propp, Beggs & Sugimoto (2003 - 2008; Supervisor) Perry-Smith LLP (2008 - Present; Vice President)
ENGAGEMENT EXPERIENCE:	Foothill-De Anza Colleges Foundation San Joaquin Delta Community College District California Waterfowl Association California Hospital and Patient Safety Organization California Rangeland Trust California Housing Opportunities Corporation Sacramento Area Commerce and Trade Association (SACTO) Californians for Patient Care Sacramento Region Community Foundation Sutter Medical Group

JENNIFER K. HILL

POSITION: Vice President, Assurance Services

YEARS OF EXPERIENCE: Six

INDUSTRY EXPERTISE: Education, insurance, financial institutions, manufacturing, employee benefit plans

EDUCATION: Bachelor of Science, Accounting
California State University, Sacramento

PROFESSIONAL MEMBERSHIPS: American Institute of Certified Public Accountants
California Society of Certified Public Accountants

CAREER PATH: Perry-Smith LLP (2004 - Present; Vice President)

ENGAGEMENT EXPERIENCE: Foothill-De Anza Community College District
Foothill-De Anza Colleges Foundation
San Juan Unified School District
Elk Grove Unified School District
Mountain View-Los Altos Union High School District
Marysville Joint Unified School District
Salinas City Elementary School District
Soledad Unified School District
Washington Unified School District
Mount Pleasant School District
San Mateo Union High School District
Roseville Joint Union High School District
Salinas Union High School District

Section

RELATED EXPERIENCE: OUR CLIENTS

5



PRESENTATION OF RELEVANT AUDIT EXPERIENCE

<i>Community College Districts</i>	<i>Contact and Position</i>	<i>FTES</i>	<i>Years of Service</i>
State Center Community College District 1525 E. Weldon Avenue Fresno, CA 93704	Mr. Edwin Eng, Director of Finance (559) 244-5920	30,108	1 year
San Joaquin Delta Community College District 5151 Pacific Avenue Stockton, CA 95207	Mr. Mike Hill, Interim Vice President of Business Services (209) 954-5022	17,713	2 years
Sierra Joint Community College District 5000 Rocklin Road Rocklin, CA 95677	Ms. Linda Fisher, Manager Finances (916) 660-7605	15,763	Over 10 years
Ohlone Community College District 43600 Mission Blvd. Fremont, CA 94539	Ms. Joanne Schultz, Dean, Business Services (510) 659-6146	8,332	5 years
Gavilan Joint Community College District 5055 Santa Teresa Blvd. Gilroy, CA 95020	Mr. Joseph Keeler , Vice President, Administrative Services (408) 848-4715	5,660	1 year
Marin Community College District 1800 Ignacio Blvd. Novato, CA 94949	Mr. Albert Harrison, Vice President, College Operations (415) 883-2211 x8100	4,639	7 years
Lake Tahoe Community College District One College District South Lake Tahoe, CA 96150	Mr. Marc Sabella, Director, Fiscal Services (530) 541-4660 x. 268	1,935	Over 10 years
Feather River Community College District 570 Golden Eagle Avenue Quincy, CA 95971	Mr. Jim Scoubes, Director of Business Services (530) 283-0202	1,539	Over 10 years

PRESENTATION OF RELEVANT AUDIT EXPERIENCE (CONTINUED)

<i>School Districts</i>	<i>Contact and Position</i>	<i>ADA</i>	<i>Years of Service</i>
Fresno Unified School District 2309 Tulare Street Fresno, CA 93703	Ms. Ruth Quinto, Deputy Superintendent (559) 457-6226	68,045	5 years
Elk Grove Unified School District 9510 Elk Grove – Florin Rd. Elk Grove, CA 95624	Mr. Rich Fagan, Associate Superintendent (916) 686-7744	58,598	Over 10 years
San Juan Unified School District 3738 Walnut Avenue Carmichael, CA 95609	Mr. Michael Dencavage, Chief Financial Officer (916) 971-7293	45,178	Over 10 years
Sacramento City Unified School District 5735 47th Avenue Sacramento, CA 95824	Ms. Patty Hagemeyer, Chief Business Officer (916) 643-7840	41,995	Over 10 years
Stockton Unified School District 701 North Madison Stockton, CA 95202	Mr. Wayne Martin, Executive Director (209) 933-7055 xt. 2091	36,258	6 years
Twin Rivers Unified School District 5115 Dudley Blvd. McClellan, CA 95652	Mr. Rob Ball, Associate Superintendent (209) 933-7055 xt. 2091	26,486	1 year
West Contra Costa Unified School District 1108 Bissell Avenue Richmond, CA 94801	Ms. Sheri Gamba, Associate Superintendent (916) 566-1600 xt. 1351	26,486	7 years
Hayward Unified School District 24411 Amador Street Hayward, CA 94544	Ms. Monica Ching, Director of Budget (510) 784-2613	24,101	6 years
Fairfield-Suisun Unified School District 2490 Hilborn Road Fairfield, CA 94534	Ms. Kelly Morgan, Assistant Superintendent (707) 399-5123	22,242	7 years

Section

COST AND RATES: YOUR PROFESSIONAL FEES

6

***PRESENTATION OF FEES . . .
A FULL SERVICE APPROACH***

Our fees are based upon a schedule of hourly rates for each team member assigned to the engagement. These rates, which vary in proportion to the team member's level of experience and responsibility, are applied to the hours actually expended on the engagement.

In developing our schedule of proposed fees for this engagement, we considered the following internal factors:

- Depth and expertise of District management
- Scope and quality of accounting services
- Financial condition of the District

Our consideration of these factors contributed positively to the budgeted hours for audit services. To the extent possible, we will utilize your “existing” schedules and workpapers in our audit processes and employ technology to the extent practical.

Classification	Number of Audit Personnel Assigned	Number of Tax Personnel Assigned	Discounted Rates	Budgeted Hours	Budgeted Fees
Partners	2	1	\$260	85	\$ 22,100
SVP / Vice Presidents	2	1	\$200	175	35,000
Senior Associates	2	1	\$130	300	39,000
Associates	5	2	\$110	<u>490</u>	<u>53,900</u>
				<u>1,050</u>	150,000
Clerical assistance, report production, travel costs					<u>5,000</u>
					<u>\$ 155,000</u>

Our proposed reduction in professional fees from the June 30, 2010 engagement reflects our understanding of the District's budget constraints, the effect of the current condition of the budget for the State of California and the efficiency we intend to realize through your cooperation with us.

We value the opportunity to serve on your professional services team and believe we can help the District in these challenging economic times. Our proposed fees include all costs including for such items as clerical assistance and processing of reports.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
Total Professional Services	\$ 150,000	\$ 150,000	\$ 152,000	\$ 154,000	\$ 158,000	\$ 764,000
Administrative Costs	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>25,000</u>
Total Proposed Fees	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ 157,000</u>	<u>\$ 159,000</u>	<u>\$ 163,000</u>	<u>\$ 789,000</u>

Our fee structure for special projects includes the following rates per hour:

<i>Team Member</i>	<i>Hourly Rate</i>
Partners	\$ 260
Senior Vice Presidents	\$ 225
Vice Presidents	\$ 175
Supervisors	\$ 160
Senior Associates	\$ 130
Associates	\$ 110
Administrative	\$ 50

"Our billing practices are intended to promote a long-term relationship."

***THE FAIRNESS DOCTRINE . . .
BILLING PRACTICES WITHOUT SURPRISES***

Our billing practices are designed to promote a long-term relationship and not to result in surprises. We will not expand our services for any reason without your prior approval. In the event that the scope of our audit services has been increased due to changes in law or regulations or changes in your operations, we will reach agreement with you regarding any new fee arrangements before proceeding. Further, we remain committed to the following billing practices:

- We have never billed for time associated with routine telephone conversations.
- Our audit fees include our participation in Board Meetings as may be requested.
- Scoping and cost for additional procedures will always be discussed with you in advance and commence upon written approval.
- Requests for additional services will be billed at the hourly rates presented in our proposal.

*"We intend to build efficiency into the audit process
that translates into expanded audit coverage."*

PEER REVIEW REPORT

Appendix





September 13, 2007

To the Partners of
Perry-Smith, LLP

and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Perry-Smith, LLP (the "Firm") applicable to non-SEC issuers in effect for the year ended May 31, 2007. The Firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board ("PCAOB") is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the "AICPA"). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Perry-Smith, LLP in effect for the year ended May 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

KraftCPAs PLLC

SAMPLE AUDIT REPORTS

Appendix

B



We have provided for you on page 18 an extensive sample of clients we currently serve. We have provided with this proposal copies of the audited financial statements of four community college districts whose reporting requirements are most similar to Foothill-De Anza Community College District.



Foothill-De Anza Community College District



State Center Community College District



Sierra Joint Community College District



Marin Community College District



Appendix

REQUESTED SCHEDULES

C

January 5, 2011

Mr. Hector Quinonez
Controller
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, California 94022

Dear Hector:

This is to confirm that we have scheduled May 31 – June 10, 2011 to visit your District to perform interim procedures related to our audit of your District's financial statements for the year ended June 30, 2011.

During our interim visit, we will perform procedures in the following areas:

A. Internal accounting controls:

- Cash Disbursements
- Payroll
- Cash Receipts
- Electronic Data Processing
- Journal Entries
- Capital Assets
- Financial Accounting and Reporting

Compliance testing will be performed for the following Federal and State programs:

- Federal Programs
 - Student Financial Aid
 - Compliance testing for major programs
- State Programs
 - Attendance
 - Required Data Elements
 - Instructional Service Agreements/Contracts
 - CalWORKS – Use of State and Federal TANF Funding
 - Students Actively Enrolled
 - Student Fees – Instructional Materials and Health Fees
 - Residence Determination for Credit Courses
 - Concurrent Enrollment of K-12 Students
 - Enrollment Fee
 - Open Enrollment

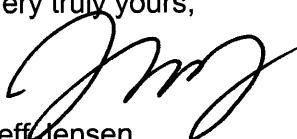
To assist us during this interim visit, we have prepared the following list of items and schedules we would appreciate having available on or before May 31, 2011.

1. Board minutes from July 2010 through the most recent meeting.
2. Copy of the Quarterly Financial Status Report for March 31, 2011.
3. Copies of lease agreements entered into during the 2010-2011 fiscal year.
4. Copies of all new debt agreements (COPs, Bonds) entered into during the 2010-2011 fiscal year.
5. Schedule of funds created or closed during the 2010-2011 fiscal year.
6. Copies of systems documentation prepared since our last audit.
7. Copy of the Chart of Accounts.
8. Copies of audit reports resulting from examinations by Federal, State and local agencies during the year and the District's responses.
9. Detailed general ledger by program for Federal and State Categorical programs.
10. List of all attorneys used by the District during the 2010-2011 fiscal year, including firm name, address and phone number, and principle contact. Please have available for our review copies of all attorney invoices paid during the 2010-2011 fiscal year.
11. First and second 2010-2011 Apportionment Attendance reports.
12. Course tabulations for attendance accounting for summer, fall, winter and spring.
13. Copy of academic calendar 2010-2011.
14. Class schedules for summer, fall, winter and spring courses.
15. Schedule of all census dates during 2010-2011.
16. Prepare a list of all Instructional Service Agreements/Contracts for which apportionment is claimed.
17. List of Federal and State grants in which the college participated during 2010-2011, the amount of each grant, the amounts expended to date, the amounts budgeted, grant dates, and applications and/or reports filed. Also please complete Attachment A and designate new Federal programs for 2010-2011.
18. Listing of all 2010-2011 Student Financial Aid Recipients. This report should be sorted by Program and include all disbursements to date.

19. Copy of the United States Department of Education "Official Notice of Funding for the SEOG, CWS Grants and/or Perkins Loan Programs" for 2010-2011.
20. Copy of most current "Pell Grant Program Statement of Account."
21. Listing of all expenditures charged to CalWORKS during the 2010-2011 fiscal year.
22. Provide a listing of all students at Foothill College who received cash aid funded by CalWORKS during 2010-2011.
23. Provide a listing of courses in which students are required to pay instructional materials fees.
24. Provide a listing of all courses in which students are required to pay instructional materials fees to the District.
25. Copy of Matriculation plan, if revised since the last audit.
26. Please have available a detailed inventory record of all federally-funded equipment.
27. Listing of all classes of which 50% of the class roster was also concurrently enrolled at a K-12 school. List all applicable classes offered at Foothill in Summer 2010, Fall 2010 and Winter 2011 quarters.
28. Please provide the current status of prior year Findings and Recommendations.
29. Please provide copies of any new District policies and procedures.

Please send Attachment A to our office on or before May 31, 2011 so we may complete the planning aspects of our engagement. Thank you for your assistance with this request. If you have any questions concerning our interim visit, please do not hesitate to call.

Very truly yours,



Jeff Jensen
Senior Vice President

Attachments

STATE AND FEDERAL FINANCIAL ASSISTANCE PROGRAMS

[illegible]

January 5, 2011

Mr. Hector Quinonez
Foothill-De Anza Community
College District
12345 El Monte Road
Los Altos Hills, California 94022

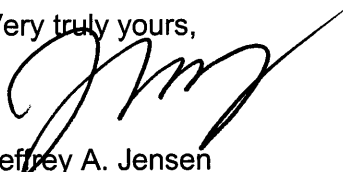
Dear Hector:

This is to confirm that we have scheduled the weeks of September 19 and 26, 2011 to visit your District to perform the year-end phase of our audit work. Attached is a list of items we would appreciate having available in order to complete your audit. If these items can be copied and sent to us by September 12, 2011, the audit process will proceed more efficiently and with fewer interruptions to your staff. The list is applicable to all funds unless otherwise stated. A separate request letter for Flint Center items has been mailed directly to Paula Davis of Domus Aurea.

In addition to the year-end phase of our audit work, we will also be completing any open items held over from our interim field work.

Please do not hesitate to call if you have any questions concerning our year-end visit.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Jensen', with a long, sweeping horizontal line extending to the right.

Jeffrey A. Jensen
Senior Vice President

Attachments

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
YEAR-END AUDIT ITEMS REQUESTED**

June 30, 2011

1. Detailed general ledger by object code for all funds at June 30, 2011.
2. Please make available MERS reports from July 1, 2010 to present.
3. Provide a copy of District-prepared financial statements including the Statement of Net Assets, the Statement of Revenues, Expenses and Change in Net Assets, the Statement of Cash Flows, and a final calculation of budget to actual variances as of June 30, 2011.
4. Final 2010/2011 budget for all funds.
5. CCFS-311 with 2010/2011 actual data completed and supporting schedules for funds combined on the CCFS-311 and reconciled to the general ledger at June 30, 2011.
6. Schedule reconciling beginning net assets at July 1, 2010, to the ending net assets reported in the June 30, 2010 audit report. Please include a schedule of any entries that were posted directly to net assets. Also, please include a schedule of amounts applicable to the reserved and unreserved sections of net assets.
7. Schedule of funds created and funds closed during 2010/2011, if any. Also, please provide a brief explanation of the purpose of each new fund.
8. Schedule of Funds Awaiting Deposit at June 30, 2011.
9. Documentation of physical counts of Cash on Hand at June 30, 2011, reconciled to the general ledger.
10. Reconciliation of Cash in County Treasury at June 30, 2011.
11. Reconciliation of Bank of the West spreadsheet to Bank of the West.
12. Provide the County of Santa Clara General Ledger Account Analysis.
13. Provide the ZBA Account Activity and Average Daily Balance in the Concentration Account at Bank of the West.
14. Schedule of investments for all funds, to include description, purchase date, maturity date (if applicable), cost, interest rate, and fair market value at June 30, 2011. Also, please provide support for your calculation of the fair market value. Please remember that investments held in external investment pools (LAIF and Cash in County Treasury) should be included.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

YEAR-END AUDIT ITEMS REQUESTED

(Continued)

June 30, 2011

15. Please provide the following for all banks accounts outside the County Treasurer:
 - Reconciliations for all bank accounts outside the County Treasury as of June 30, 2011 (e.g., Revolving Cash, Student Body, Cafeteria, COP's, TRAN's, etc.), to include listings of outstanding checks.
 - Copies of the 2011 June and July bank statements.
16. Complete Attachment III listing bank and book balances as of June 30, 2011.
17. Complete Attachment IV detailing accounts receivables reconciled to the general ledger as of June 30, 2011 (a separate schedule should be completed for each fund).
18. Schedule of Student Accounts Receivable System, Unpaid Transactions at June 30, 2011.
19. Provide schedule supporting allowance for District accounts receivable at June 30, 2011.
20. Complete Attachment V detailing deferred revenues reconciled to the general ledger as of June 30, 2011 (a separate schedule should be completed for each fund).
21. Final inventory detail listing for each applicable fund. Listing should include associated cost for each item represented and be reconciled to the general ledger as of June 30, 2011.
22. Complete Attachment VI, Schedule of Fixed Asset Activity. This should be reconciled for each fund to a final schedule of additions and deletions to land, buildings, furniture and equipment during the year ended June 30, 2011, and related cost data. Please have available a detailed listing of land, buildings, furniture and equipment at June 30, 2011.
23. Schedule of Measure C bond expenditures incurred between July 1, 2010 and June 30, 2011. Expenditures should be sorted and grouped by project number.
24. Schedule Measure C bond revenue and proceeds earned between July 1, 2010 and June 30, 2011 to include interest and investment income and any unrealized gains or losses.
25. Provide the Measure E Management Reporting System of Consolidated Revenues.
26. Schedule of capital gains/losses for investments reconciled to the general ledger at June 30, 2011.
27. Schedule of accounts payable be vendor, reconciled to the general ledger as of June 30, 2011, sorted by fund and object code. Please have all 2011/2012 warrant registers for each fund available for our review.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

YEAR-END AUDIT ITEMS REQUESTED

(Continued)

June 30, 2011

28. Detail of accrued payroll and related accrued benefits reconciled to the general ledger as of June 30, 2011.
29. Detail of compensated absences reconciled to the general ledger as of June 30, 2011. Please provide explanations for any employees exceeding the maximum hours to be accrued as outlined in the District's vacation policy.
30. Detail of Interest Receivable reconciled to the general ledger at June 30, 2011.
31. Schedule of prepaid expense reconciled to the general ledger at June 30, 2011.
32. Schedule of 2010/2011 District Paid Benefits for Retirees.
33. Details of the Alternative Retirement Plan options offered during the current year.
34. Provide lag reports for Medical and Workers Compensation Self Insurance activity.
35. Provide a reconciliation as well as the detail to support interfund transfers for all funds as of June 30, 2011. The sum of all interfund transfers should net to zero (see Attachment VIII).
36. Detail of interfund receivables/payables for all funds reconciled to the general ledger as of June 30, 2011. The sum of all interfund receivables and payables should net to zero (see Attachment IX).
37. District's calculation of the State General Apportionment Revenue. Also, include copies of the following schedules:
 - Exhibit C – 2010/2011 Second Principal Apportionment
 - Exhibit D - Prior year corrections
 - Exhibit B-1 - Summary of General and Grand Total Apportionments
 - Exhibit B-2 - Summary of Categorical Apportionments
 - Exhibit B-3 - Payment Schedule
 - Exhibit B-4 - Payment Schedule
 - Actual Enrollment Fee Revenue report with supporting worksheets
 - Exhibit A
38. Reconciliation of Local Property Tax Revenues for 2010/2011 to the general ledger.
39. Lottery Revenue Remittance Advice for the 4th quarter ended June 30, 2011.
40. Schedule of Interest Income reconciled to the general ledger at June 30, 2011.
41. Schedule of State and Federal Financial Assistance for inclusion in your audit report. Please refer to your 2010 audit report for last year's schedule.
42. Provide an analysis of benefits paid in 2010/2011.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

YEAR-END AUDIT ITEMS REQUESTED

(Continued)

June 30, 2011

43. Supporting documentation for Analysis of Compliance with the 50 Percent Law.
44. Copies of any leases since our interim work, as well as any new debt agreements.
45. Complete Attachment VII detailing activity relating to long-term debt. Please include all activity relating to compensated absences and self insurance obligations as well as issuances of debt (e.g., COP's, TRAN's, G.O. Bonds). Also, please provide a five year lease and long-term debt payment schedule.
46. Report of current-year matriculation expenditures.
47. California Community Colleges Board Financial Assistance Program (BFAP) Status Reports - Annual.
48. California Community Colleges Enrollment Fee Revenue Report, 2010/2011 Apportionment - Annual.
49. For the Capital Projects Fund, provide the following additional information:
 - Schedule of projects for 2010/2011 to include revenue, expenditures and accounts receivable.
 - Copy of claim form(s) submitted to the State for each of the projects.
 - Copies of any outstanding construction contracts or other capital project commitments.

Additional Items Requested From the Trust Accounts

50. Trust Accounts Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended June 30, 2011.
51. Bank statements and reconciliation as of June 30, 2011 and July 31, 2011 for scholarship, loan and other accounts.
52. Support for transfers from the Associated Student Body Fund accounts into the new Trust Accounts. Also, please provide support for any other transfers.

Additional Items Requested From the Associated Student Body Fund

53. Associated Student Body Trust Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended June 30, 2011.
54. Bank statements and reconciliation, to include listing of outstanding checks, as of June 30, 2011 and July 31, 2011 for all Associated Student Body Fund cash and investment accounts.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

YEAR-END AUDIT ITEMS REQUESTED

(Continued)

June 30, 2011

Additional Items Requested From the Associated Student Body Fund (Continued)

- 55. Schedule of De Anza and Foothill Student Body Funds Prepaid Charges reconciled to the general ledger as of June 30, 2011.
- 56. Foothill and De Anza ASB Accounts Investment Summary, to include specific savings and general savings accounts.
- 57. Schedule of Foothill and De Anza ASB liabilities reconciled to the general ledger at June 30, 2011.

Additional Items Requested From the Child Development Fund

- 58. Child Development FY 2010/2011 Amendment for Growth from the California State Department of Education.
- 59. Child Development Program Annual Report, CD9500 as of June 30, 2011.
- 60. Summary of Child Development deferred revenue reconciled to the general ledger at June 30, 2011.
- 61. General ledger summary of Child Development State Revenue as of June 30, 2011.
- 62. Child Development Programs Attendance and Fiscal Report as of June 30, 2011.
- 63. General ledger summary of Child Development Bailout Revenue as of June 30, 2011.
- 64. Summary of Child Development Parent Fees reconciled to the general ledger at June 30, 2011.
- 65. Summary of Child Development Accounts Receivable reconciled to the general ledger at June 30, 2011.

Additional Items Requested From the Campus Centers

- 66. Foothill and De Anza Financial Statements as of June 30, 2011, to include Comparative Balance Sheet and Statement of Revenue, Expenses and Changes in Retained Earnings.
- 67. Bank statements and reconciliations, to include listing of outstanding checks, as of June 30, 2011 and July 31, 2011 for all Campus Center cash and investment accounts.
- 68. Summary of Foothill and De Anza Accounts Receivable reconciled to the general ledger at June 30, 2011.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

YEAR-END AUDIT ITEMS REQUESTED

(Continued)

June 30, 2011

Additional Items Requested From the Campus Centers (Continued)

69. Reconciliation of Foothill and De Anza Campus Centers' Book to Physical Inventory.
 - Rollforward schedule and reconciliation to inventory balance at June 30, 2011.
70. Recap of Foothill and De Anza Campus Centers' Inventory by product type.
71. Copies of Foothill and De Anza Campus Centers' receiving and shipping log for two weeks after date of inventory count.
72. Property and Equipment activity schedule summarizing additions, retirements and transfers for the year ended June 30, 2011 (i.e., July 1, 2010 property and equipment + additions - retirements +/- transfers = June 30, 2011 Property and Equipment).
73. Schedule of Gain/Loss on Sale of Property and Equipment. Include account number, description, date acquired, date disposed, acquisition value, selling price, accumulated depreciation, gain/loss.
74. Schedule of capital expenditures reconciled to the general ledger as of June 30, 2011.
75. Foothill and De Anza State, Local & District Sales & Use Tax Return as of June 30, 2011 supporting the Sales Tax Accrual.
76. Summary of Foothill and De Anza Accrued Vacation reconciled to the general ledger as of June 30, 2011.

Additional Items Requested From the Student Financial Aid

77. For the Student Financial Aid Fund, provide the following additional information:
 - A copy of the 2010/2011 FISAP Report.
 - Schedule of 2010/2011 SFA Cash Requests.
 - Institutional Payment Summary, Pell Grants 2010/2011 Award Year.
 - Copy of the Federal Cash Transaction Report - SFA as of June 30, 2011.
 - Detail support for the FWS district match.
 - Copies of the grant award letters for each Federal program.
 - 2010/2011 Disbursements worksheets for each Federal program.
 - Schedule of Perkins loans receivable as of June 30, 2011.
78. Bank statements and reconciliations, to include listing of outstanding checks, as of June 30, 2011 and July 31, 2011 for all Student Financial Aid cash and investment accounts.
79. Pell, FSEOG, FWS cash requests for June and July, 2011.
80. Student Loan Transaction Summary as of June 30, 2011.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

YEAR-END AUDIT ITEMS REQUESTED

(Continued)
June 30, 2011

Report Information and Other

81. Case names, descriptions and current status of pending litigation as of our field work date.
82. Complete the footnote information on the enclosed sheet for the following:
 - Number of certificated and classified employees for the year ended June 30, 2011 (Attachment X).
 - STRS and PERS employee/employer contributions information for the year ended June 30, 2011 (Attachment X).
 - Early Retirement Incentive Program (Attachment XI), if any.
83. Provide approved 2011-2012 Budget, if not already provided in CCFS-311 packet.
84. Updated organizational chart to be included in audit report.
85. Complete Scheduled Maintenance Program Worksheet (Attachment XII).
86. Copy of the audited financial statements of any JPAs in which the District holds membership for financial statement disclosure.
87. Schedule and detail of ProCard audits performed for the fiscal year ended June 30, 2011.
88. Provide the latest actuarial assessment completed related to GASB 43/45 impact and disclosure.

FOUNDATIONS

YEAR-END AUDIT ITEMS REQUESTED

June 30, 2011

The following is a list of items we will need to complete the Foundation audits:

1. Copies of the minutes from the Board of Trustees (Foundation) meetings from July 1, 2010 through September 2011.
2. A list of the Board of Trustees for fiscal year 2011. This list should include their name, address, title (if any), their term expiration date and compensation, if any.
3. Financial Statements by classification (restricted/unrestricted) and fund. The Financial Statements should include a Balance Sheet and a Statement of Revenue, Distributions & Funds Held in Trust as of June 30, 2011.
4. A reconciliation of contributions per the Board of Trustee minutes to contributions per the general ledger. The contributions should agree to the lists compiled for number four above.
5. Copy of all new lease agreements.
6. Copy of any revisions made to the By-Laws.
7. Schedule of accounts receivable reconciled to the general ledger at June 30, 2011 for all funds.
8. Schedule of interfund receivables/payables for all funds reconciled to the general ledger as of June 30, 2011.
9. Schedule of accrued interest reconciled to the general ledger at June 30, 2011 for all funds.
10. Schedule of accounts payable reconciled to the general ledger at June 30, 2011 for all funds.
11. Schedule of deferred revenue reconciled to the general ledger at June 30, 2011 for all funds.
12. Schedule of interest income reconciled to the general ledger for the year ended June 30, 2011 for all funds.
13. Schedule of sales (including project sales) and other revenue reconciled to the general ledger for the year ended June 30, 2011 for all funds.
14. Budget for the years ended June 30, 2011 and 2012.
15. Schedule of donated salaries and occupancy costs reconciled to the general ledger for the year ended June 30, 2011.

FOUNDATIONS

YEAR-END AUDIT ITEMS REQUESTED

(Continued)

June 30, 2011

16. Reconciliation of Cash in County Treasury at June 30, 2011.
17. June 30, 2011 and July 31, 2011 bank statements and reconciliations for all accounts outside of the County Treasury, to include a listing of outstanding checks and deposits.
18. Schedule of marketable securities. The schedule should include the description, purchase date, maturity date (if applicable), cost interest rate, and fair market value at June 30, 2011. Please provide support for your calculation of the fair market value. Also, please remember that pooled investments (LAIF and Cash in County Treasury) should be included.
19. Please provide a schedule of investment activity for the 2010/2011 year, including acquisitions, sales and gain or loss on disposal.
20. Schedule of Monthly Interest Income for all investments by investment type for the year reconciled to the general ledger at June 30, 2011.
21. Statement of revenues, support, expenses and changes (income statement) for unrestricted funds only.

Additional Items Requested From the Colleges Foundation

22. Schedule of activity in the Kaider Foundation Fund for separate disclosure.

Additional Items Requested From the California History Center

23. Copy of the 2010/2011 financial statements.
24. Copy of the 2010/2011 adopted budget.
25. Copy of the inventory record reconciled to the general ledger as of June 30, 2011.
26. Schedule of additions and deletions to the book and artifact collections reconciled to the general ledger as of June 30, 2011.
27. Schedule of investment activity reconciled to the general ledger as of June 30, 2011.
28. Schedule of interfund receivables/payables for all funds reconciled to the general ledger as of June 30, 2011.
29. Schedule of deferred revenue reconciled to the general ledger as of June 30, 2011.
30. Schedule of donated services and occupancy costs reconciled to the general ledger as of June 30, 2011.
31. Schedule of any major donations received in 2010/2011.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

CASH BALANCES (BANK AND BOOK) - ALL FUNDS

June 30, 2011

<u>Fund / Description</u>	<u>Bank 1 Balance</u>	<u>Book Balance</u>	<u>Bank 2 Balance</u>	<u>Book Balance</u>	<u>Bank 3 Balance</u>	<u>Book Balance</u>	<u>Total</u>	
							<u>Bank Balances</u>	<u>Book Balances</u>
General Fund Revolving								
Enterprise Fund Book Store								
Food Services								
Student Body Campus 1								
Campus 2								
Campus 3								
Totals								
	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	XXX	XXX
							\$	\$

Note: The above funds are
 for example purposes.
 Please list all funds of
 the District.

ACCOUNTS RECEIVABLE as of June 30, 2011

FUND _____

[illegible]

General Ledger Balance as of June 30, 2011

§ _____

DEFERRED REVENUE as of June 30, 2011

FUND _____

[illegible]

General Ledger Balance as of June 30, 2011

\$ _____

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FIXED ASSET ACTIVITY
For the Year Ended June 30, 2011

	<u>Balance</u> <u>July 1,</u> <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2011</u>
Land				
Building and				
Improvements				
Equipment				
Totals	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF LONG-TERM DEBT

For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
G.O. Bonds				
Certificates of Participation				
Capitalized lease obligations				
Compensated absences				
Self Insurance obligations				
Other				
Totals				

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF INTERFUND TRANSFERS

JUNE 30, 2011

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
General Fund	\$ XXXX	
Revenue Bond Fund		\$ XXXXX
Enterprise Funds	XX	
Deferred Maintenance Fund	XXXXX	
Building Fund		XX
Capital Projects Fund	XXXXXX	
Student Financial Aid Fund		XXXX
Certificates of Participation Fund	<u>XXXXX</u>	<u> </u>
Totals	<u>\$ XXXXXXXX</u>	<u>\$ XXXXXXXX</u>

Note: The above funds are for example purposes. Please list all funds of the District.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DUE TO / DUE FROM FUNDS

JUNE 30, 2011

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General	\$ XXXXX	\$ XXXXXX
Special Revenue: Child Development	XXXXXXX	
Capital Projects: Certificates of Participation		<u>XXXXXXX</u>
Totals	<u>\$ XXXXXXXX</u>	<u>\$ XXXXXXXX</u>

Note: The above funds are for example purposes. Please list all funds of the District.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENT FOOTNOTE INFORMATION

1. Maximum number of certificated employees employed by the District during the fiscal year ended June 30, 2011:

2. Maximum number of classified employees employed by the District during the fiscal year ended June 30, 2011:

3. Total payroll to certificated employees employed by the District during the fiscal year ended June 30, 2011:

4. Total payroll to classified employees employed by the District during the fiscal year ended June 30, 2011:

STRS AND PERS INFORMATION

	<u>Number of Employees Covered</u>	<u>Total Employee Contributions</u>	<u>Total Employer Contributions</u>	<u>District's Current Year Covered Payroll</u>
STRS	<u>(1)</u>	<u> </u>	<u> </u>	<u>(3)</u>
PERS	<u>(2)</u>	<u> </u>	<u> </u>	<u>(4)</u>

(1) This number should be less than or equal to item #1.

(2) This number should be less than or equal to item #2.

(3) This number should be less than or equal to item #3.

(4) This number should be less than or equal to item #4.

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

EARLY RETIREMENT INCENTIVE PROGRAM

- 1) Total number of employees retired in exchange for an additional ____ years of service credit _____.
- 2) Age and service credit, before the additional ____ years, of each retiree (please list each retiree separately):

	<u>Position Vacated</u>	<u>Employee Age</u>	<u>Service Credit</u>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Average		<hr/> <hr/>	<hr/> <hr/>

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

EARLY RETIREMENT INCENTIVE PROGRAM (Continued)

3) Detail of costs generated by incentive program.

Retirement costs (a)	\$ _____
Post retirement Health Benefit costs	_____
Administrative costs (b)	_____
Total additional costs	\$ _____

(a) Retirement costs include interest expense, if applicable.

(b) Administrative costs include the following costs associated with this Retirement Incentive Program:

1. College District's or County Office of Education's Reimbursement of Administrative costs incurred by the Teacher's Retirement Board.
2. College District's Reimbursement of Administrative costs incurred by the County Office of Education.
3. County Office of Education's Reimbursement of Administrative costs incurred by the Superintendent of Public Instruction.

4) Detail of costs savings generated by incentive program calculated as follows: (please list each retiree separately)

<u>Position Vacated</u>	<u>Retiree Salary</u>	<u>Retiree Benefits</u>	<u>Replacement Employee, if applicable</u>	
			<u>Salary</u>	<u>Benefits</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals	=====	=====	=====	=====

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

SCHEDULED MAINTENANCE PROGRAM
MAINTENANCE OF EFFORT WORKSHEET

1. 1995-96 Operations and Maintenance Expenditures
(Actual from 1998-99 Annual Audit Report or contact the
Chancellor's Office).

\$ _____

2010-2011 Expenditures

2. General Fund Expenditures – Routine Maintenance and
Operation of Plant (Activity Code 6500)

\$ _____

Physical Property and Related Acquisitions (Activity Code 7100)
All Fund Sources

3. Total Scheduled Maintenance and Special Repairs Grant Project
Expenditures Claimed for Reimbursement (includes State and
District Share)

\$ _____

4. District/Other Funded Scheduled Maintenance and Special Repairs
Expenditures

\$ _____

5. Total Expenditures (Add lines 2, 3, and 4)

\$ _____

6. Line 1 Plus Line 3

\$ _____

Maintenance of Effort test is met if line 5 equals or exceeds line 6.

January 5, 2011

Ms. Paula Davis
Domus Aurea, Inc.
P.O. Box 1897
Cupertino, California 95015

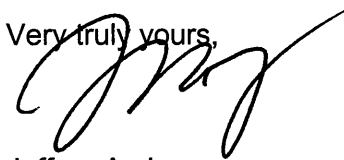
Dear Paula:

This is to provide you with the dates for our year-end audit work of Foothill-De Anza Community College District. The audit has been scheduled for the weeks of September 19 and 26, 2011. Attached is a list of items we would appreciate having available in order to complete the portions of the audit related to the Flint Center. If these items can be made available upon our arrival, the audit process will proceed with greater efficiency and fewer interruptions.

In addition to the year-end phase of our audit, we will also be completing any open items from our interim fieldwork.

Please do not hesitate to call if you have any questions concerning our year-end visit.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jensen', written over the words 'Very truly yours,'.

Jeffrey A. Jensen
Senior Vice President

Attachment

cc: Hector Quinonez

**FLINT CENTER
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT**

YEAR-END AUDIT ITEMS REQUESTED

June 30, 2011

1. Access to the detailed general ledger for the year ended June 30, 2011.
2. Consolidated income statement for the year ended June 30, 2011, to include District, Domus Aurea and Combined.
3. Consolidated balance sheet as of June 30, 2011, to include District, Domus Aurea and Combined.
4. Documentation of physical counts of cash on hand at June 30, 2011.
5. Reconciliations for each of the Flint Center bank accounts at June 30, 2011.
6. Access to original bank statements from July 1, 2010 to the present.
7. Schedule of accounts receivable reconciled to the combined general ledger balance at June 30, 2011.
8. Schedules of fixed asset additions, deletions and depreciation. Also, please provide a schedule that reconciles the prior year fixed asset balance as reported in the 2010 audited financial statements to the general ledger balance at June 30, 2011.
9. Schedule of accounts payable reconciled to the combined general ledger balance at June 30, 2011.
10. Access to the check registers for all disbursements made from July 1, 2011 to the present.
11. Schedule of deferred revenue reconciled to the combined general ledger balance at June 30, 2011.
12. Schedule of year-to-date revenue by event (Event Profit or Loss for All Events) reconciled to the combined general ledger balance for the year ended June 30, 2011.
13. Schedule of year-to-date event income and expenses reconciled to the combined general ledger balance (Event Profit or Loss for All Cost Centers) for the year ended June 30, 2011.