

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT

**2006 GENERAL OBLIGATION BONDS
Agreed-Upon Procedures Report
June 30, 2007**



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

San Jose/Evergreen Community College District
Independent Citizen's Oversight Committee

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the management of the San Jose/Evergreen Community College District (the District) for the sole purpose of determining compliance with Measure G General Obligation Bond requirements for the period of July 1, 2006 through June 30, 2007. Management is responsible for San Jose Evergreen Community College District's compliance with election documents, district resolutions, and the project priority list. This engagement to perform Agreed-Upon Procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the San Jose/Evergreen Community College District Board of Trustees, Independent Citizen's Oversight Committee, and District administrators and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 27, 2007

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT
MEASURE G GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2007**

1. Observe that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with approved San Jose-Evergreen Community College District Board policies. This will be accomplished through the inspection of specified documents evidencing disbursement transactions and detailed supporting documentation including, but not limited to, purchase orders, invoices, requests for bids, contracts, notices of completion, warrant registers, and general ledgers.
2. Select 35% of the expenditures and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials, district resolutions, and master plans.
3. Prepare a schedule of all costs incurred from July 1, 2006 through June 30, 2007, by project, for the general obligation bond funding.
4. Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2007. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT
MEASURE G GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2007**

Agreed-Upon Procedure (1)

Procedure

Observe that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with approved San Jose-Evergreen Community College District Board policies. This will be accomplished through the inspection of specified documents evidencing disbursement transactions and detailed supporting documentation including, but not limited to, purchase orders, invoices, requests for bids, contracts, notices of completion, warrant registers, and general ledgers.

Results

The results of our procedures noted no exceptions in the procedures related to the disbursement of funds from the Measure G voter approved general obligation bond funds.

Agreed-Upon Procedure (2)

Procedure

Verify compliance with project expenditures as detailed in the Bond Initiative documents placed on the November 2, 2004 Local Election Ballot.

Results

At the request of the District, we included 35 percent of all current year expenditures charged to the Bond Funds in our examination. Based upon our examination of actual invoices and purchase orders, expenditures examined were in compliance with the language of the Bond Initiative documents placed on the November 2, 2004 Local Election Ballot.

Agreed-Upon Procedure (3)

Procedure

Prepare a schedule of all costs incurred from July 1, 2006 through June 30, 2007, by project, for the general obligation bond funding.

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT
 MEASURE G GENERAL OBLIGATION BOND
 AGREED-UPON PROCEDURES
 JUNE 30, 2007**

Results

Measure G Fund Project Description	Category of Expense	Expenditures To Date
San Jose City College		
Campus Master Plan	Sites	\$ 510,932
	Repairs	1,629,942
	Personal	245,453
	Rentals	58,750
Subtotal		<u>2,445,077</u>
GE Classroom Upgrade	Repairs	<u>44,446</u>
Science/Math Complex	Buildings	7,726,278
	Equipment	1,347,902
Subtotal		<u>9,074,180</u>
Sports Complex Master Plan Design	Buildings	<u>32,202</u>
Student Union Remodel	Buildings	3,114,029
	Equipment	124
Subtotal		<u>3,114,153</u>
Applied Science Complex	Buildings	<u>385,615</u>
Utilities Extension Phase 3	Repairs	<u>19,619</u>
Facility Master Plan	Personal	<u>50,492</u>
GE Class Room Upgrade	Repairs	<u>6,243</u>
Signage	Buildings	<u>93,573</u>
Student Services/ Career Center	Legal Expense	155,460
	Buildings	12,634
Subtotal		<u>168,094</u>

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT
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Campus Master Plan	Personal Services	199,689
	Buildings	1,312,227
	Repairs	887,266
	Sites	453,538
	Equipment	19,666
	Rentals	71,000
Subtotal		<u>2,943,386</u>
EVC Classroom Upgrade	Repairs	<u>2,089</u>
EVC Library/ETC 2nd Effects	Buildings	77,398
	Equipment	165,526
Subtotal		<u>242,924</u>
Bookstore/Reprographics Expansion	Repairs	<u>14,609</u>
District Office Master Plan	Equipment	77,749
	Sites	134,983
	Personal services	29,102
	Repairs	41,215
Subtotal		<u>283,049</u>
Deferred Scheduled Maintenance	Repairs	<u>115,881</u>
EVC Signage	Buildings	<u>459,353</u>
EVC Facility Master Plan	Personal services	<u>50,742</u>
EVC Safety Upgrades	Sites	<u>94,387</u>
Facilities and Planning - unallocated	Services	<u>59,485</u>
Legal Services - unallocated	Legal Expense	<u>89,520</u>
Business and Accounting Services - unallocated	Services	<u>31,280</u>
Total Expenditures		<u><u>\$ 19,820,399</u></u>

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT
 MEASURE G GENERAL OBLIGATION BOND
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Agreed-Upon Procedure (4)

Procedure

Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2007. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

Results

As stated in the District's unaudited financial statements (CCFS 311) as of June 30, 2007, the total expenditures from the Measure G Bond Fund was \$19,820,399 for fiscal year 2006-2007 totaling \$40,709,997 to date. Bond proceeds in the amount of \$45,000,000, in addition to interest revenue earned to date of \$2,871,183 and other local revenue of \$1,243,814, provide \$8,405,000 from the initial issuance available for future expenditures prior to consideration of any construction commitments or subsequent issuance of additional series of the bonds. There were no adjustments to the District's financial records as a result of our procedures.

<u>Year</u>	<u>Income</u>	<u>Amount</u>
2004/2005	Bond proceeds	\$ 45,000,000
2004/2005	Interest Earned	119,309
2005/2006	Interest Earned	1,642,511
2005/2006	Other Local Revenue	1,243,814
2006/2007	Interest Earned	1,109,363
	Subtotal	49,114,997
<u>Year</u>	<u>Expenditures</u>	
2004/2005	Expenditures	2,279,993
2005/2006	Expenditures	18,609,605
2006/2007	Expenditures	19,820,399
	Subtotal	40,709,997
	Remaining Balance @ 6/30/07	\$ 8,405,000