

**SAN JOSE/EVERGREEN COMMUNITY  
COLLEGE DISTRICT**

**2004 GENERAL OBLIGATION BONDS  
Agreed-Upon Procedures Report  
June 30, 2010**



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) and the Committee for the sole purpose of determining compliance with Measure G General Obligation Bond requirements for the period of July 1, 2009 through June 30, 2010. 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 3, 2010

# SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT

## MEASURE G GENERAL OBLIGATION BOND AGREED-UPON PROCEDURES JUNE 30, 2010

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### Exhibit A

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, 2009 through June 30, 2010, 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, 2010. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

#### *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.

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT**

**MEASURE G GENERAL OBLIGATION BOND  
 AGREED-UPON PROCEDURES  
 JUNE 30, 2010**

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*Agreed-Upon Procedure (3)*

**Procedure**

Prepare a schedule of all costs incurred from July 1, 2009 through June 30, 2010, by project, for the general obligation bond funding.

**Results**

<b>Measure G Fund Project Description</b>	<b>Current Year Expenditures</b>
<b>San Jose City College</b>	
Facility master plan	\$ 180,416
Modernization of existing facilities	22,746
Site and parking improvements	464,411
Humanities/Arts/Math buildings	1,456,607
Maintenance and operations	6,656
Multi-use athletic/softball field	397,860
Minor facilities modifications	118,584
Furniture and equipment	173,473
<b>Evergreen Valley College</b>	
Classroom complex for the Visual/Performing Arts	2,931,296
Facility master plan	132,114
Modernization of existing facilities	7,192,860
Site and parking improvements	440,980
Health/Physical Ed (Fitness Center)	176,403
Utilities infrastructure	185,295
Furniture and equipment	141,887
<b>District Office</b>	
District office relocation	196,038
<b>Districtwide</b>	
Legal fees	200,009
Scheduled maintenance	101,405
Project administration	492,094
Districtwide sustainability	52,683
Safety/security improvements	1,448,206
Technology upgrades	1,664,362
Total Current Year Expenditures	\$ 18,176,385

**SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT**

**MEASURE G GENERAL OBLIGATION BOND  
 AGREED-UPON PROCEDURES  
 JUNE 30, 2010**

*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, 2010. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

**Results**

Measure G bond fund expenditures during fiscal year 2009-2010 were \$18,176,385 and project to date expenditures totaled \$102,272,487. Bond proceeds in the amount of \$45,000,000 and \$97,999,946, in addition to interest revenue earned to date of \$7,299,985 and other local revenue of \$1,352,278, provided \$151,652,209 available for expenditures. The available remaining amount as of June 30, 2010, prior to consideration of any construction commitments, potential arbitrage, or subsequent issuance of additional series of the bonds was \$49,379,722. There were no adjustments to the District's financial records as a result of these procedures.

Summary of Amounts Available:

Description	Prior Years	Current Year	Total to Date
<b>Income</b>			
Bond proceeds	\$ 142,999,946	\$ -	\$ 142,999,946
Interest Earned	6,651,111	648,874	7,299,985
Other Local Revenue	1,243,814	108,464	1,352,278
<b>Subtotal</b>	150,894,871	757,338	151,652,209
 <b>Expenditures</b>	 84,096,102	 18,176,385	 102,272,487
 <b>Amount Available Before Commitments</b>	 \$ 66,798,769	 \$ (17,419,047)	 \$ 49,379,722

Summary of Bond Sales:

	2004 Series A	2004 Series B	Total
Bond Issuance			
Principal issued	\$ 55,391,474	\$ 97,999,946	\$ 153,391,420
Premiums	1,825,025	5,023,229	6,848,254
Issuance costs	(1,162,834)	(1,523,068)	(2,685,902)
Reserved for debt service	(667,615)	(3,500,161)	(4,167,776)
Deposited to escrow to pay lease revenue bonds	(10,386,050)	-	(10,386,050)
Bond funds available for projects	\$ 45,000,000	\$ 97,999,946	\$ 142,999,946