

**SAN MATEO COUNTY COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND
PERFORMANCE REPORT**

JUNE 30, 2004

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Measure C Citizens' Oversight Committee
San Mateo County Community College District
San Mateo, California

We have performed the agreed-upon procedures listed below, which were agreed to by the management of the San Mateo County Community College District and the Measure C Citizen's Oversight Committee, solely to review at least 25% of the expenditures of the 2001 General Obligation Bond funds for the period of July 1, 2003 through June 30, 2004 for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents, District resolutions, the master plan and the revised master plan as guidance for the intended use of the funds. For any expenditures in question, we recommended that the District obtain the opinion of legal counsel and we informed this committee as to the issues. Management is responsible for San Mateo County Community College District's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for either the purpose for which this report has been requested or for any other purpose.

Financial Summary

1. The general obligation bond funds were authorized at an election of the registered voters of the District held on November 6, 2001. The bonds were authorized at an issuance of \$207,000,000 principal amount for the purpose of financing the addition and modernization of school facilities. The first series of the bonds were issued in 2002 and sold in the amount of \$96,875,613.
2. Total expenditures and encumbrances through June 30, 2004, were \$78,905,861.
3. An analysis of expenditures is as follows:

	Prior Periods	7/1/03 to 6/30/2004	Total
Expenditures			
Books and supplies	\$ 21,679	\$ 36,624	\$ 58,303
Services and operating expenses	1,517,856	3,800,808	5,318,664
Capital Outlay	7,559,920	21,150,785	28,710,705
Retentions on construction	541,569	1,706,088	2,247,657
Land purchase	7,607,701	8,832,647	16,440,348
Total expenditures	<u>17,248,725</u>	<u>35,526,952</u>	<u>52,775,677</u>
Other uses of funds			
Bond issuance costs	1,161,750	-	1,161,750
Transfer to capital outlay fund for projects	1,318,256	928,886	2,247,142
Total expenditures and other uses	<u>\$ 19,728,731</u>	<u>\$ 36,455,838</u>	<u>56,184,569</u>
Contract commitments, June 30, 2004			22,721,292
Total expenditures and commitments			<u><u>\$78,905,861</u></u>

4. Available unspent funds from the first series of bonds as of June 30, 2004 are:

	Prior Periods	7/1/03 to 6/30/2004	Total
Series A 2001 general obligation bonds principal	\$ 96,875,613	\$ -	\$96,875,613
Bond premium	1,199,606	-	1,199,606
Bond proceeds available	98,075,219	-	98,075,219
Interest earned in building fund	3,222,667	2,167,621	5,390,288
Total revenues received	<u>\$ 101,297,886</u>	<u>\$ 2,167,621</u>	103,465,507
Total expenditures and commitments			(78,905,861)
Amount available			<u>\$24,559,646</u>

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds were accounted for separately in the accounting records to allow for accountability.
2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts by obtaining settlement statement for the new bond issue and verifying amounts deposited into the building and bond interest and redemption funds.
3. Select 25% 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 plan. See supplemental information for list of expenditures reviewed.
4. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

Results of Procedures

1. The general obligations bond fund expenditures were accounted for separately in the capital outlay – bond fund of the District.
2. There were no proceeds from bond sales during the current period.
3. Our review of the expenditures for the period July 1, 2003, through June 30, 2004, did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds as approved by the registered voters of the District on November 6, 2001. We did not request that management of the District consult with legal counsel on any expenditures during the current period.
4. Our review of the policies over awarding of contracts revealed no exceptions to the policies of the District or the requirements of the State as they relate to awarding of contracts. Our review of the District policies over disbursement of funds revealed no exceptions to the disbursement policies of the District.

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 information and use of the San Mateo County Community College District and the Measure C Citizen's Fiscal Oversight Committee 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

October 1, 2004

Invoice Date	Description	Item Number in Exhibit A of Election Doc	Item Number in Facilities Project List	Amount	Location Coding	District wide 490xx and 49409	Canada 49300	CSM 494xx	Skyline 492xx	Authorized by Exhibit A of Election Doc	Traced to Bond Project Worksheet	
												1
Chevron												
5/27/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	361,825.48	49001-1149-6210-715000	361,825.48				✓	✓	
5/27/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	361,825.48	49001-1149-6210-715004	361,825.48				✓	✓	
6/14/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	834,808.04	49001-1149-6210-715004	834,808.04				✓	✓	
4/29/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	1,443,239.40	49001-1149-6210-715000	1,443,239.40				✓	✓	
11/24/2003	Energy Efficiency Project	4-9	I.T.1 thru 6	3,532,820.75	49001-1149-6210-715000	3,478,060.75		54,760.00		✓	✓	
11/24/2003	Energy Efficiency Project	4-9	I.T.1 thru 6	54,760.00	49409-1149-6210-715000	54,760.00				✓	✓	
				<u>6,589,279.15</u>								
Deposit to Escrow												
7/21/2003	Skyline Land Acquisition (in WIP)	51	III.D.2	3,748,287.00	49011-1001-7110-716000	3,748,287.00				✓	✓	
4/7/2004	Skyline Land Acquisition (in WIP)	51	III.D.2	4,325,561.00	49011-1001-7110-716000	4,325,561.00				✓	✓	
				<u>8,073,848.00</u>								
Sugimura & Associates												
12/31/2003	Skyline College Seismic Retrofit, Gym Bldg	13	I.O/P/Q	39,511.85	49202-1149-6211-715000				39,511.85	✓	✓	
2/25/2004	Skyline College Seismic Retrofit, Gym Bldg	13	I.O/P/Q	42,554.03	49202-1149-6211-715000				42,554.03	✓	✓	
				<u>82,065.88</u>								
Swinerton Management & Consulting												
8/1/2003	Capital Improvement Program	51	DW	101,028.00	49004-1149-5690-715000	101,028.00				✓	✓	
7/1/2003	Capital Improvement Program	51	DW	112,237.00	49004-1149-5690-715000	112,237.00				✓	✓	
4/1/2004	Capital Improvement Program	51	DW	101,640.00	49004-1149-5690-715000	101,640.00				✓	✓	
2/1/2004	Capital Improvement Program	51	DW	116,018.00	49004-1149-5690-715000	116,018.00				✓	✓	
12/1/2003	Capital Improvement Program	51	DW	115,530.00	49004-1149-5690-715000	115,530.00				✓	✓	
11/1/2003	Capital Improvement Program	51	DW	304,997.00	49004-1149-5690-715000	304,997.00				✓	✓	
10/1/2003	Capital Improvement Program	51	DW	108,623.00	49004-1149-5690-715000	108,623.00				✓	✓	
				<u>960,073.00</u>								
P.L. Annuzzi, Inc.												
5/7/2004	Skyline College Bldg 3 Swing Space	51	I.O/P/Q	103,889.03	49207-1149-6210-715000				103,889.03	✓	✓	
6/2/2004	Skyline College Bldg 3 Swing Space	51	I.O/P/Q	164,993.09	49207-1149-6210-715000				164,993.09	✓	✓	
				<u>268,882.12</u>								
Mcguire and Hester, Inc.												
5/31/2004	Skyline Swing Space Site Prep	51	III.D.2	157,275.00	49207-1149-6210-715000					✓	✓	
6/15/2004	Skyline Summer 2004 Infrastructure Project	32	I.L/M/T.1&2;II B	412,421.40	49211-1149-6120-715000				157,275.00	✓	✓	
				<u>569,696.40</u>					412,421.40			
Marchetti Construction Inc.												
5/14/2004	Canada Bldg 3 (Theater) Phase I Modernization	51	I.O/P/Q	104,058.00	49301-1149-6210-715000				104,058.00	✓	✓	
2/17/2004	Same as above	51	I.O/P/Q	304,676.00	49301-1149-6210-715000				304,676.00	✓	✓	
1/28/2004	Same as above	51	I.O/P/Q	469,061.00	49301-1149-6210-715000				469,061.00	✓	✓	
12/19/2003	Same as above	51	I.O/P/Q	459,901.00	49301-1149-6210-715000				459,901.00	✓	✓	
11/25/2003	Same as above	51	I.O/P/Q	240,867.00	49301-1149-6210-715000				240,867.00	✓	✓	
11/7/2003	Same as above	51	I.O/P/Q	194,874.00	49301-1149-6210-715000				194,874.00	✓	✓	
4/23/2004	Same as above	51	I.O/P/Q	150,827.55	49301-1149-6210-715000				150,827.55	✓	✓	
9/3/2003	Canada Summer 2003 Classroom Renovation:	51	I.O/P/Q	265,500.00	49301-1149-6210-715000				265,500.00	✓	✓	
				<u>2,189,764.55</u>								
Gonsalves & Stronck Construction Co.												
8/28/2003	Canada Child Development Center	51	I.O/P/Q, II.H/J	341,264.45	49313-1149-6215-715000				341,264.45	✓	✓	
RMT Landscape Contractors, Inc.												
11/10/2003	Canada Bldg 19-22, Lanseaping	26	I.O/P/Q, II.H/J	168,675.93	49317-1149-6120-715000				168,675.93	✓	✓	

Invoice Date	Description	Item Number in Exhibit A of Election Doc	Item Number in Facilities Project List	Amount	Location Coding	1		2		3
						District wide 490xx and 49409	Canada 49300	CSM 494xx	Skyline 492xx	
O. C. Jones and Sons, Inc.										
11/24/2003	2003 Asphalt Paving & Site Work Repair	21	DW	118,453.49	49318-1149-6110-715000 49213/49318/49423-1149-6110-715000	118,453.49			✓	✓
7/22/2003	AC Repaire	6	DW	394,436.35 <u>512,889.84</u>		184,567.50	127,581.30	82,287.55	✓	✓
Preston Pipelines										
1/19/2004	CSM Sanitary Sewer at Tennis Courts	3	I.L/M/T.1&2, II.B	217,673.90	49413-1149-6120-715000		217,673.90		✓	✓
KMD/K2A										
2/29/2004	Skyline Student Center	46	I.O/P/Q	195,214.90	49203-1149-6211-715003			195,214.90	✓	✓
1/31/2004	Skyline Student Center	46	I.O/P/Q	128,915.50	49203-1149-6211-715003			128,915.50	✓	✓
10/31/2003	Skyline Student Center	46	I.O/P/Q	116,477.25 <u>440,607.65</u>	49203-1149-6211-715003			116,477.25	✓	✓
Noll & Tam										
5/31/2004	Canada College Library/LRC/Student Serv	51	III.D.2	109,495.68	49303-1149-6211-715003	109,495.68			✓	✓
3/31/2004	Canada College Library/LRC/Student Serv	51	III.D.2	288,700.43	49303-1149-6211-715003	288,700.43			✓	✓
1/31/2004	Canada College Library/LRC/Student Serv	51	III.D.2	212,797.02 <u>610,993.13</u>	49303-1149-6211-715003	212,797.02			✓	✓
McCarthy Building Companies										
7/9/2004	CSM Science Bldg 36	41	III.B.1	579,084.00	49403-1149-6210-715003			579,084.00	✓	✓
6/8/2004	CSM Science Bldg 36	41	III.B.1	1,254,165.00 <u>1,833,249.00</u>	49403-1149-6210-715003			1,254,165.00	✓	✓
TBP Architecture										
9/22/2003	CSM Bridging Document (ISC)	41	III.B.1	283,819.94	49403-1149-6211-715003			283,819.94	✓	✓
Harris Corp. Broadcast Division										
9/25/2003	KCSM Digital TV Master Control Syst Invoices Tested	33	II.E	223,238.67 <u>23,366,022</u>	49409-1149-6450-715004			223,238.67	✓	✓
	Total 03-04 Expenditures per GL			35,526,952				6,208,156		
	Percent Tested			66%				58%		
								5,282,180		
								2,740,323		
								1,443,540		
								3,530,331		
								41%		