

**SAN MATEO COUNTY COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND
PERFORMANCE REPORT**

JUNE 30, 2003



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 25% of the expenditures of the 2001 General Obligation Bond funds for the period of July 1, 2002 through June 30, 2003 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.

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 2001 and sold in the amount of \$96,875,613.
2. Total expenditures and encumbrances through June 30, 2003, were \$42,562,061.
3. An analysis of expenditures is as follows:

Table with 4 columns: Expenditures, Prior Periods, 7/1/02 to 6/30/2003, Total. Rows include Books and supplies, Services and operating expenses, Capital Outlay (Retentions on construction, Land purchase), Total expenditures, Other uses of funds (Bond issuance costs, Transfer to capital outlay fund for projects), Total expenditures and other uses, Contract commitments, June 30, 2003, and Total expenditures and commitments.

4. Available unspent funds from the first series of bonds as of June 30, 2003 are:

| | | | |
|--|---------------------|---------------------|----------------------------|
| Series A 2001 general obligation bonds principal | \$96,875,613 | \$ - | \$96,875,613 |
| Bond premium | 1,199,606 | - | 1,199,606 |
| Bond proceeds available | <u>98,075,219</u> | - | <u>98,075,219</u> |
| Interest earned in building fund | 117,877 | 3,104,790 | 3,222,667 |
| Total revenues received | <u>\$98,193,096</u> | <u>\$ 3,104,790</u> | <u>101,297,886</u> |
| Total expenditures and commitments | | | <u>(42,562,061)</u> |
| Amount available | | | <u><u>\$58,735,825</u></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, 2002, through June 30, 2003, 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. However, we suggest that in the future the District improve the documentation retained to support the allocation of project expenditures between other funding sources, such as State funding, and bond funding sources.

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.

Vavrine K, Trine, Day & Co LLP

Pleasanton, California

October 3, 2003

San Mateo County Community College District
 Bond Expenditures
 6/30/2003

| 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 |
|---------------------------------------|------------------------------------|--|--|---------------------|------------------------|-------------------------------|--------------|-----------|---------------|---|----------------------------------|
| Chevron | | | | | | | | | | | |
| 6/17/2003 | Energy Efficiency Project | 4-9 | I.T.1 thru 6 | 2,394,083.66 | 49001-1149-6210-715000 | 2,394,083.66 | | | | ✓ | ✓ |
| 6/17/2003 | KCSM Digital Project | 33 | II.E | 492,839.00 | 49409-1149-6210-715000 | 492,839.00 | | | | ✓ | ✓ |
| | | | | <u>2,886,922.66</u> | | | | | | | |
| SignaSys | | | | | | | | | | | |
| 4/2/2003 | KCSM Digital Project | 33 | II.E | 111,414.29 | 49409-1149-6450-715004 | 111,414.29 | | | | ✓ | ✓ |
| | | | | <u>111,414.29</u> | | | | | | | |
| Deposit to Escrow | | | | | | | | | | | |
| 7/12/2002 | Skyline Land Acquisition (in WIP) | 51 | III.D.2 | 7,607,701 | 49011-1001-7110-716000 | 7,607,701.00 | | | | ✓ | ✓ |
| | | | | <u>7,607,701</u> | | | | | | | |
| DES Architects | | | | | | | | | | | |
| 1/26/2003 | Building 3 modernization (theater) | 23-25 | I.O/P/Q | 66,540.10 | 49301-1149-6211-715000 | | 66,540.10 | | | ✓ | ✓ |
| 4/27/2003 | Building 3 modernization (theater) | 23-25 | I.O/P/Q | 16,956.76 | 49301-1149-6211-715000 | | 16,956.76 | | | ✓ | ✓ |
| | | | | <u>83,496.86</u> | | | | | | | |
| Noll & Tam | | | | | | | | | | | |
| Campus modernization program | | | | | | | | | | | |
| 1/31/2003 | space programming | 51 | III.D.2 | 16,993.89 | 49304-1149-6211-715000 | | 16,993.89 | | | ✓ | ✓ |
| 2/28/2003 | Same as above | 51 | III.D.2 | 31,261.59 | 49304-1149-6211-715000 | | 31,261.59 | | | ✓ | ✓ |
| 3/31/2003 | Same as above | 51 | III.D.2 | 33,873.43 | 49304-1149-6211-715000 | | 33,873.43 | | | ✓ | ✓ |
| 4/30/2003 | Same as above | 51 | III.D.2 | 5,142.11 | 49304-1149-6211-715000 | | 5,142.11 | | | ✓ | ✓ |
| | | | | <u>87,271.02</u> | | | | | | | |
| Lionakis Beaumont Design Group | | | | | | | | | | | |
| Campus programming and space plan | | | | | | | | | | | |
| 10/31/2002 | plan | 51 | III.D.2 | 26,323.08 | 49304-1149-6211-715000 | | 26,323.08 | | | ✓ | ✓ |
| 11/15/2002 | Same as above | 51 | III.D.2 | 20,028.20 | 49304-1149-6211-715000 | | 20,028.20 | | | ✓ | ✓ |
| | | | | <u>46,351.28</u> | | | | | | | |
| TBP Architecture | | | | | | | | | | | |
| 12/22/2002 | ISC Programming | 41 | III.B.1 | 65,000.00 | 49403-1149-6211-715003 | | | 65,000.00 | | ✓ | ✓ |
| 4/7/2003 | CSM Science Center | 41 | III.B.1 | 71,215.88 | 49403-1149-6211-715003 | | | 71,215.88 | | ✓ | ✓ |
| 6/20/2003 | CSM Science Center | 41 | III.B.1 | 40,369.46 | 49403-1149-6211-715003 | | | 40,369.46 | | ✓ | ✓ |
| 6/20/2003 | CSM bld 10,11,12 | 23-25 | I.O/P/Q | 12,500.00 | 49420-1149-6211-715000 | | | 12,500.00 | | ✓ | ✓ |
| 6/20/2003 | CSM bld 1,5,6 | 23-25 | I.O/P/Q | 26,719.73 | 49410-1149-6211-715000 | | | 26,719.73 | | ✓ | ✓ |
| | | | | <u>215,805.07</u> | | | | | | | |
| Andy's Roofing | | | | | | | | | | | |
| 9/3/2002 | Building I roofing replacement | 1 | I.A | 46,890.90 | 49209-1149-6210-715000 | | | | 46,890.90 | ✓ | ✓ |
| 12/16/2002 | Building I roofing replacement | 1 | I.A | 57,030.05 | 49209-1149-6210-715000 | | | | 57,030.05 | ✓ | ✓ |
| 3/6/2003 | Building I roofing replacement | 1 | I.A | 25,447.37 | 49209-1149-6210-715000 | | | | 25,447.37 | ✓ | ✓ |
| | | | | <u>129,368.32</u> | | | | | | | |
| Invoices Tested | | | | | | | | | | | |
| Total 02-03 Expenditures per GL | | | | | | 10,606,038 | 217,119 | 215,805 | 129,368 | | |
| Percent Tested | | | | | | 71% | 39% | 37% | 22% | | |
| | | | | | | 15,040,785 | 563,686 | 589,674 | 581,241 | | |
| | | | | | | | | | | | |