

**SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY –
BOND FUND 2001 ELECTION
PERFORMANCE REPORT**

JUNE 30, 2010



**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, 2009 through June 30, 2010, 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 expenditure 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 and is intended to meet the compliance requirements as outlined in subparagraph (c) of paragraph (3) of subdivision (b) of section 1 of article XIII of the California Constitution. 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.

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
December 3, 2010

Financial Summary

1. The 2001 general obligation bonds 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 2001 bonds were issued in three series with principal amounts as follows: \$96,875,613 issued June 4, 2002; \$69,995,032 issued February 9, 2005; and \$40,124,660 issued April 11, 2006.
2. Total expenditures and encumbrances through June 30, 2010, were \$50,526.

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds was 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 bond sales related to the 2001 bond in the current year.
3. Our review of the expenditures for the period July 1, 2009, through June 30, 2010, 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 have requested that management of the District consult with legal counsel on certain expenditures charged to the 2001 bond 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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**2001 BONDS
INVOICES SELECTED
FOR THE YEAR ENDED JUNE 30, 2010 (CONTINUED)**

<u>Date</u>	<u>Vendor</u>	<u>Facilities Project List</u>	<u>Amount</u>
6/13/2010	Kutak Rock Arbitrage Consulting, LLP	A	\$ 2,000
6/13/2010	Kutak Rock Arbitrage Consulting, LLP	A	2,000
5/4/2010	The Bank of New York Melton Trust Co.	A	325
5/4/2010	The Bank of New York Melton Trust Co.	A	325
5/4/2010	The Bank of New York Melton Trust Co.	A	325
5/4/2010	The Bank of New York Melton Trust Co.	A	325
10/7/2009	Swinerton Management	III D 2	8
10/7/2009	Swinerton Management	III D 2	142
9/23/2009	Swinerton Management	III D 2	34
9/23/2009	Swinerton Management	III D 2	647
8/12/2009	Swinerton Management	III D 2	86
8/12/2009	Swinerton Management	III D 2	1,630
9/8/2009	Maintenance Connection, Inc.	II D	1,519
8/4/2009	Maintenance Connection, Inc.	A	137
9/28/2009	Bid D Pacific Builders	III D 2	35,000
	Total Amount of Invoices Tested		<u>\$ 44,502</u>
	Total 2005 Bond Expenditures and Transfers Out		<u>\$ 46,862</u>
	Percent Tested		94.96%

A = Legal opinion obtained.