

STATE CENTER COMMUNITY COLLEGE DISTRICT

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED UPON
PROCEDURES PERFORMED
RELATED TO
MEASURE E COMPLIANCE AND PERFORMANCE

JUNE 30, 2008

Prepared by:
Vavrinek, Trine, Day & Co., LLP
Fresno, California

**ANNUAL INDEPENDENT ACCOUNTANTS'
REPORT ON AGREED UPON PROCEDURES
RELATING TO COMPLIANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**



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

Bond Oversight Committee
State Center Community College District
Fresno, California

We have performed the procedures enumerated below, which were agreed to by the management of the State Center Community College District, solely to determine whether the internal controls and procedures developed and implemented by the District are appropriate to protect, control, and account for the General Obligation Bond funds authorized at an election of the registered voters of the District held on November 5, 2002. The Bonds were authorized at an issuance of \$161,000,000 principal amount for the purpose of financing the addition and modernization of school facilities. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Procedures Performed

1. Verify that the 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.
3. Verify that all interest earned on the Bond Funds were deposited in the Bond Accounts.
4. Verify that the internal controls and procedures for the accounts of the Bond funds are sufficient to protect and control the funds.
5. Verify that the funds expended complied with the purpose that was specified to the registered voters of the District in the November 5, 2002, election.
6. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.
7. Verify that competitive price is used for purchases of materials and supplies.
8. Verify that competitive price is used for the contracting of labor that is not covered by bid requirements.

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

Stated Findings

A. Financial Summary

1. Revenue

Net available from sale of General Obligation Bonds as of June 2003.	Capital Projects- Building Fund ¹
Net available from sale of General Obligation Bonds as of July 2004.	\$ 20,000,000
Net available from sale of General Obligation Bonds as of June 2007.	25,000,000
Interest and other local revenues through June 30, 2008.	66,000,000
Transfer in from General Fund	6,325,112
Total Available for Capital Projects	<u>6,657,440</u>
	<u>\$ 123,982,552</u>

2. Total expenditures (excluding encumbrances) through June 30, 2008, were \$54,697,559.

3. Analysis of Expenditures

	7/1/02-6/30/07	7/1/07-6/30/08 ¹	Total ²
Construction	\$ 20,319,691	\$ 7,669,951	\$ 27,989,642
Architect services	7,762,880	2,700,321	10,463,201
Other services and labor	3,654,667	2,382,478	6,037,145
Materials and equipment	228,350	133,042	361,392
Land acquisition	9,286,638	-	9,286,638
Operating transfers out	-	559,541	559,541
Total Expenditures	<u>\$ 41,252,226</u>	<u>\$ 13,445,333</u>	<u>\$ 54,697,559</u>

¹ Revised totals as of June 30, 2008, due to District closing entries including interest accrual and accounts payable.

² Includes Project Management Costs.

4. Available uncommitted funds as of June 30, 2008, were \$69,284,993.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

B. Compliance Summary

1. The General Obligations Bond funds were accounted for separately in the Building Fund of the District.
2. The net proceeds from the sale of the General Obligation Bonds were deposited into the appropriate accounts.
3. All interest earned on the Bond Funds were deposited in the bond accounts.
4. All areas to which we applied our procedures appeared to have appropriate internal controls and procedures in place to protect and control the General Obligation Bond funds.
5. Our review of the expenditures for the period July 1, 2007 through June 30, 2008, revealed no items that were paid from the General Obligation Bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on November 5, 2002.
6. Our review of the awarding of contracts and the disbursement of funds revealed no exceptions to the policies of the State and the District.
7. Competitive pricing was used for purchases of materials and supplies.
8. Competitive pricing was used for the contracting of labor that was not covered by bid requirements.

C. General Summary

The \$54,697,559 to date expenditures of Bond Funds have been expended as intended by the registered voters of the District.

Additionally, the District wide audit was completed with no findings noted that involved the compliance and controls involving the District's Building Fund or Bond project expenditures.

We were not engaged to, and did not perform an examination of the Bond projects specifically, the objective of which would be the expression of an opinion on the District's Internal Control System. 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.

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

This report is intended for the use of the State Center Community College District, and should not be used by those who have not agreed to the procedures and have taken responsibility for the sufficiency of the procedures for their purpose.

Vavrinek, Chire, Day & Co, LLP

Fresno, California
January 9, 2009

**ANNUAL INDEPENDENT ACCOUNTANTS'
REPORT ON AGREED UPON PROCEDURES
RELATING TO PERFORMANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES PERFORMED

We have performed the procedures enumerated in the Scope of Procedures Performed for the Schedule of Project Status, Schedule of Project Costs, Cash Flow Analysis, and the Bond Issuance Timing projection which were agreed to by the State Center Community College District, solely to assist you with respect to summarizing the status of on-going construction projects utilizing Measure E Bond proceeds and recapping past and future projections on those projects. It is understood that this report is only for the information of the management of the State Center Community College District and the Citizens Oversight Committee for use in evaluating the status of said projects. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the Institute of Certified Public Accountants. The sufficiency of the procedures for the purposes of the District is solely the responsibility of the State Center Community College District, California. 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.

Procedures Performed

1. Verify that the expenditure data presented by the District in the attached Schedule of Project Costs appeared reasonable and materially agreed to the Audited financial information contained in the District's Annual Independent Auditors' Report.
2. Review the Schedule of Project Status presented by the District and verify that the project status presented appears reasonable based on project billings reviewed during the Compliance Audit phase.
3. Review the Cash Flow Analysis "actual expenses" columns to ensure they agree to historically reviewed general ledger activity.
4. Review the Bond Issue Timing schedule to determine, based on the District's projections in the Cash Flow Analysis, that the projections appear reasonable in regards to bond sale timing and cash flow needs. Based on the current bond issuance timing and cash flow projections, the District is ahead of the initial bond issuance projections.

We were not engaged to, and did not, perform an audit of attached Schedules however, we did perform the procedures enumerated above. 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 Citizens Oversight Committee and management of the State Center Community College District as the specified users of this report and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Vavnick, Irvine, Day & Co., LLP

Fresno, California
January 9, 2009

**STATE CENTER COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF PROJECT STATUS
 JUNE 30, 2008**

Site	Project Description	Design Phase*	Construction Phase*
Fresno City College	Lan/Wan	100%	100%
	Applied Technology	100%	100%
	Old Administration Bldg. (OAB) Phase 1	100%	5%
	Health Fitness Center	100%	100%
	Gym HVAC & Practice Court	100%	100%
	Student Services Modernization	100%	100%
Reedley College	New Classrooms	100%	100%
	Modernization	100%	10%
	Residence Hall	100%	07/2008*
	Ag Canopy	100%	100%
North Centers	Madera Vocational Labs	100%	09/2008*
	Renovate Madera Student Ctr.	0%	0%
	Madera Health & Fitness Ctr.	100%	100%
	Oakhurst Classrooms	100%	03/2009*
	Willow International Phase 1		
	Child Development Center	100%	100%
	Food Service/Bookstore	100%	100%
	Off Site Development	100%	100%
	Building Development	100%	100%
	Willow International Phase 2		
	Building Development	100%	07/2008*
Parking Lots Expansion	100%	07/2008*	
Southeast Site	Site Acquisition-4th Center	100%	N/A
	Southeast Center	10%	12/2012*

*Projected Start Date

**STATE CENTER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROJECT COSTS
JUNE 30, 2008**

Location and Project	Measure E Allocation	Cumulative Expenses 7/1/02-6/30/07	2007-08 Expenses	Cumulative Expenses 7/1/02-6/30/08	Measure E Balance
Fresno City College					
Lan/Wan	\$ 6,000,000	\$ 4,830,794	\$ 1,173,040	\$ 6,003,834	\$ (3,834)
Applied Technology	3,651,000	2,202,069	2,203	2,204,272	1,446,728
Old Administration Bldg. (OAB)	30,000,000	3,168,633	4,142,057	7,310,690	22,689,310
Secondary Effects OAB	2,496,000	-	-	-	2,496,000
Parking	2,632,000	35,789	-	35,789	2,596,211
Health Fitness Center	1,168,000	1,594,468	1,598	1,596,066	(428,066)
Gym HVAC & Practice Court	3,744,000	3,772,381	29,890	3,802,271	(58,271)
Student Services Modernization	1,794,000	200,228	92,035	292,263	1,501,737
Police Academy Sec Effects	572,000	-	-	-	572,000
Subtotal FCC	52,057,000	15,804,362	5,440,823	21,245,185	30,811,815
Reedley College					
New Classrooms	3,744,000	3,868,960	2,109	3,871,069	(127,069)
Modernization	13,923,656	801,736	1,309,802	2,111,538	11,812,118
Ag Canopy	368,344	93,993	274,351	368,344	-
Residence Hall	9,970,000	336,779	559,591	896,370	9,073,630
Subtotal RC	28,006,000	5,101,468	2,145,853	7,247,321	20,758,679
North Centers					
Madera Vocational Labs	3,589,000	74,898	126,468	201,366	3,387,634
Renovate Madera Student Ctr.	598,000	-	-	-	598,000
Madera Health & Fitness Ctr.	300,000	222,204	-	222,204	77,796
Oakhurst Classrooms	290,000	16,123	13,566	29,689	260,311
Willow International Phase 1	23,680,000	-	-	-	11,712,935
Building Development	-	5,211,727	35,133	5,246,860	-
Bookstore/Foodservice	-	447,195	2,037,482	2,484,677	-
Child Development Ctr.	-	1,460,367	941,234	2,401,601	-
Offsite	-	1,559,786	274,141	1,833,927	-
Willow International Phase 2	12,480,000	-	-	-	10,426,055
Building Development	-	1,497,335	328,352	1,825,687	-
Phase 2-Parking Lot	-	-	228,258	228,258	-
Subtotal North Centers	40,937,000	10,489,635	3,984,634	14,474,269	26,462,731

¹ Additional funding received from Statewide Bond. Compliance audit scope limited to Measure E portion only.

² State Funding anticipated with a successful 2010 Statewide Bond.

See Independent Accountants' Report on Agreed Upon Procedures Performed.

**STATE CENTER COMMUNITY COLLEGE DISTRICT
SCHEDULE OF PROJECT COSTS
JUNE 30, 2008**

Location and Project	Measure E Allocation	Cumulative Expenses 7/1/02-6/30/07	2007-08 Expenses	Cumulative Expenses 7/1/02-6/30/08	Measure E Balance
Southeast Site					
Site Acquisition-4th Center	\$ 10,000,000	\$ 9,688,368	\$ 280	\$ 9,688,648	\$ 311,352
Southeast Center	30,000,000	121,046	730,232	851,278	29,148,722
Subtotal Southeast Site	40,000,000	9,809,414	730,512	10,539,926	29,460,074
GRAND TOTAL	\$ 161,000,000	\$ 41,204,879	\$ 12,301,822	\$ 53,506,701	\$ 107,493,299

Measure E General Program Management estimated to be \$1,475,000 will be paid from interest earning from Measure E.

¹ Additional funding received from Statewide Bond. Compliance audit scope limited to Measure E portion only.

² State Funding anticipated with a successful 2010 Statewide Bond.

**STATE CENTER COMMUNITY COLLEGE DISTRICT
 FUND 43 – MEASURE E FUNDS
 PROJECT STATUS SUMMARY
 JUNE 30, 2008**

Location Project	Project Measure E Allocation	Completed Project Expenditure	Funds Budgeted for Project	Funds Available for Reallocation	Grand Total
Fresno City College					
Applied Technology	\$ 3,651,000	\$ -	2,220,631	\$ 1,430,369	
Health Fitness Center	1,168,000	-	1,596,066	(428,066)	
Gym HVAC and Practice Court ©	3,744,000	3,802,271	-	(58,271)	
Student Services Modernization	1,794,000	-	292,413	1,501,587	
Lan/Wan	6,000,000	-	6,089,661	(89,661)	
OAB Phase 1 (no F&E included)	30,000,000	-	52,447,277	(22,447,277)	
Parking (Measure E Complete)	2,632,000	35,789	-	2,596,211	
Secondary Effects OAB	2,496,000	-	-	2,496,000	
Pol. Acdmy Sec Effects	572,000	-	-	572,000	
Subtotal FCC	52,057,000	3,838,060	62,646,048	(14,427,108)	\$ 52,057,000
		Other Sources of Funding		14,612,425	
				185,317	
Subtotal All Funds FCC (Bond Interest \$6 m., Found. \$2 m., XXO \$6.6 m)					
North Centers					
Mad. Health & Fitness Ctr. ©	300,000	222,204	-	77,796	
Willow International Phase 1	23,680,000	-	12,161,263	11,518,737	
Oakhurst Classrooms	290,000	-	550,000	(260,000)	
Madera Voc. Labs	3,589,000	-	4,093,471	(504,471)	
Willow International Phase 2	12,480,000	-	21,006,600	(8,526,600)	
Renovate Mad. Student Ctr.	598,000	-	-	598,000	
Subtotal North Centers	40,937,000	222,204	37,811,334	2,903,462	\$ 40,937,000
Reedley College					
New Classrooms ©	3,744,000	3,871,069	-	(127,069)	
Ag Canopy ©	-	368,344	-	(368,344)	
Modernization	14,292,000	-	9,979,269	4,312,731	
Residence Hall	9,970,000	-	10,175,670	(205,670)	
Subtotal RC	28,006,000	4,239,413	20,154,939	3,611,648	\$ 28,006,000

See Independent Accounts' Report on Agreed Upon Procedures Performed.

STATE CENTER COMMUNITY COLLEGE DISTRICT
 FUND 43 – MEASURE E FUNDS
 PROJECT STATUS SUMMARY
 JUNE 30, 2008

Location Project	Project Measure E Allocation	Completed Project Expenditure	Funds Budgeted for Project	Funds Available for Reallocation	Grand Total
Southeast Site					
Site Acquisition-4th Ctr. ©	\$ 10,000,000	\$ 9,924,614	\$ -	\$ 75,386	
Southeast Center	30,000,000	-	29,384,689	615,311	
Subtotal Southeast Site	40,000,000	9,924,614	29,384,689	690,697	\$ 40,000,000
GRAND TOTAL	\$ 161,000,000	\$ 18,224,291	\$ 149,997,010	\$ 7,391,124	\$ 161,000,000
					\$ 175,612,425

Bond Issuance Timing

