

# STATE CENTER COMMUNITY COLLEGE DISTRICT

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

JUNE 30, 2009

Prepared by:  
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Fresno, California

**ANNUAL INDEPENDENT ACCOUNTANTS'  
REPORT ON AGREED UPON PROCEDURES  
RELATING TO COMPLIANCE  
FOR THE FISCAL YEAR ENDING JUNE 30, 2009**



**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**

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Stated Findings

A. Financial Summary

1. Revenue

	<u>Capital Projects- Building Fund<sup>1</sup></u>
Net available from sale of General Obligation Bonds as of June 2003.	\$ 20,000,000
Net available from sale of General Obligation Bonds as of July 2004.	25,000,000
Net available from sale of General Obligation Bonds as of June 2007.	66,000,000
Interest and other local revenues through June 30, 2009.	8,290,777
Transfer in from General Fund	6,657,440
Total Available for Capital Projects	<u>\$ 125,948,217</u>

2. Total expenditures (excluding encumbrances) through June 30, 2009, were \$111,028,128.

3. Analysis of Expenditures

	<u>7/1/02-6/30/08</u>	<u>7/1/08-6/30/09<sup>1</sup></u>	<u>Total<sup>2</sup></u>
Construction	\$ 27,989,642	\$ 52,393,524	\$ 80,383,166
Architect services	10,463,201	2,416,760	12,879,961
Other services and labor	6,037,145	1,498,522	7,535,667
Materials and equipment	361,392	21,763	383,155
Land acquisition	9,286,638	-	9,286,638
Operating transfers out	559,541	-	559,541
Total Expenditures	<u>\$ 54,697,559</u>	<u>\$ 56,330,569</u>	<u>\$ 111,028,128</u>

<sup>1</sup> Revised totals as of June 30, 2009, due to District closing entries including interest and retention accruals and accounts payable.

<sup>2</sup> Includes Project Management Costs.

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

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4. Available uncommitted funds as of June 30, 2009 were \$14,920,089.

### **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, 2008 through June 30, 2009, 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 \$111,028,128 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**

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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.

*Vannink, Trine, Day & Co., LLP*

Fresno, California  
January 7, 2010

**ANNUAL INDEPENDENT ACCOUNTANTS'  
REPORT ON AGREED UPON PROCEDURES  
RELATING TO PERFORMANCE  
FOR THE FISCAL YEAR ENDING JUNE 30, 2009**



## 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.

*Vannink, Trine, Day & Co., LLP*

Fresno, California  
January 7, 2010



**STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PROJECT STATUS  
JUNE 30, 2009**

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<b>Site</b>	<b>Project Description</b>	<b>Design Phase*</b>	<b>Construction Phase *</b>
<b>Fresno City College</b>	LAN/WAN ©	100%	100%
	Applied Technology	100%	100%
	Health Fitness Center	100%	100%
	Gym HVAC & Practice Court	100%	100%
	Student Services Modernization	100%	100%
	Old Administration Bldg. (OAB) Phase 1	100%	55%
<b>Reedley College</b>	New Classrooms	100%	100%
	Ag Canopy	100%	100%
	Modernization	100%	60%
	Residence Hall	100%	70%
	Old Residence Hall Demo/Site Remediation	0%	0%
<b>North Centers</b>	Madera Health & Fitness Ctr.	100%	100%
	Oakhurst Classrooms	100%	100%
	Willow International Phase 1:		
	Child Development Center	100%	100%
	Food Service/Bookstore	100%	100%
	Off Site Development	100%	100%
	Building Development	100%	100%
	Madera Vocational Labs	100%	97%
	Willow International Phase 2:		
	Building Development	100%	65%
	Parking Lots Expansion	100%	100%
Willow Site Access & Parking	0%	0%	
<b>Southeast Site</b>	Site Acquisition-4th Center	100%	N/A
	Southeast Center	10%	12/2012*

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\* Projected start date.

© Project complete.

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PROJECT COSTS  
JUNE 30, 2009**

<b>Location and Project</b>	<b>Adjusted Measure E Allocation</b>	<b>Cumulative Expenses 7/1/02-6/30/08</b>	<b>2008-09 Expenses</b>	<b>Cumulative Expenses 7/1/02-6/30/09</b>	<b>Measure E Balance</b>	
<b>Fresno City College</b>						
LAN/WAN ©	\$ 6,089,661	\$ 6,003,834	\$ 85,827	\$ 6,089,661	\$ -	
Applied Technology ©	2,220,631	2,204,272	16,359	2,220,631	-	1
Parking ©	35,789	35,789	-	35,789	-	
Health Fitness Center ©	1,596,066	1,596,066	-	1,596,066	-	
Gym HVAC & Practice Court ©	3,802,271	3,802,271	-	3,802,271	-	
Student Services Modernization ©	292,413	292,263	150	292,413	-	1
Old Administration Bldg. (OAB)	38,020,169	7,310,690	27,121,982	34,432,672	3,587,497	
<b>Subtotal FCC</b>	<b>52,057,000</b>	<b>21,245,185</b>	<b>27,224,318</b>	<b>48,469,503</b>	<b>3,587,497</b>	
<b>Reedley College</b>						
New Classrooms ©	3,871,070	3,871,070	-	3,871,070	-	
Ag Canopy ©	368,344	368,344	-	368,344	-	
Modernization	13,590,916	1,743,194	4,879,145	6,622,339	6,968,577	
Residence Hall	9,175,670	896,370	6,265,558	7,161,928	2,013,742	
Old Residence Hall Demo/Site Remediation	1,000,000	-	-	-	1,000,000	
<b>Subtotal RC</b>	<b>28,006,000</b>	<b>6,878,978</b>	<b>11,144,703</b>	<b>18,023,681</b>	<b>9,982,319</b>	

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

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PROJECT COSTS  
JUNE 30, 2009**

<b>Location and Project</b>	<b>Adjusted Measure E Allocation</b>	<b>Cumulative Expenses 7/1/02-6/30/08</b>	<b>2008-09 Expenses</b>	<b>Cumulative Expenses 7/1/02-6/30/09</b>	<b>Measure E Balance</b>	
<b>North Centers</b>						
Madera Health & Fitness Ctr. ©	222,205	222,205	-	222,205	-	
Willow International Phase 1:	12,187,078				-	1
Phase 1 Building Development ©		5,246,860	107	5,246,967		
Phase 1 Bookstore/Foodservice ©		2,484,677	219,906	2,704,583		
Phase 1 Child Development Ctr. ©		2,401,601	-	2,401,601		
Phase 1 Offsite ©		1,833,927	-	1,833,927		
Madera Vocational Labs	4,093,471	201,366	3,478,719	3,680,085	413,386	
Oakhurst Classrooms	400,000	29,689	264,363	294,052	105,948	
Willow International Phase 2:	20,933,976			-	5,519,733	1
Phase 2 Building Development		1,825,687	11,412,977	13,238,664		
Phase 2 Parking Expansion		228,258	1,947,321	2,175,579		
Willow Site Access & Parking	3,100,270				3,100,270	
<b>Subtotal North Centers</b>	<b>40,937,000</b>	<b>14,474,270</b>	<b>17,323,393</b>	<b>31,797,663</b>	<b>9,139,337</b>	
<b>Southeast Site</b>						
Site Acquisition-4th Center	9,688,734	9,688,648	86	9,688,734	0	
Southeast Center	30,311,266	851,278	86,985	938,263	29,373,003	1, 2
<b>Subtotal Southeast Site</b>	<b>40,000,000</b>	<b>10,539,926</b>	<b>87,071</b>	<b>10,626,997</b>	<b>29,373,003</b>	
<b>GRAND TOTAL</b>	<b>\$ 161,000,000</b>	<b>\$ 53,138,359</b>	<b>\$ 55,779,485</b>	<b>\$ 108,917,844</b>	<b>\$ 52,082,156</b>	

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.

© Project complete.

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
FUND 43 – MEASURE E FUNDS  
PROJECT STATUS SUMMARY  
JUNE 30, 2009**

<b>Location and Project</b>	<b>Original Measure E Allocation</b>	<b>Completed Project Expenditure</b>	<b>Funds Budgeted for Project</b>	<b>Funds Available for Reallocation</b>	<b>Grand Total</b>
<b>Fresno City College</b>					
LAN/WAN ©	\$6,000,000	\$6,089,661		(\$89,661)	
Applied Technology ©	\$3,651,000	\$2,220,631		\$1,430,369	
Student Services Modernization ©	\$1,794,000	\$292,413		\$1,501,587	
Parking ©	\$2,632,000	\$35,789		\$2,596,211	
Health Fitness Center ©	\$1,168,000	\$1,596,066		(\$428,066)	
Gym HVAC and Practice Court ©	\$3,744,000	\$3,802,271		(\$58,271)	
Secondary Effects OAB ®	\$2,496,000	\$0	\$0	\$2,496,000	
Police Academy Secondary Effects ®	\$572,000	\$0	\$0	\$572,000	
OAB Phase 1 (no F&E included)	\$30,000,000	\$0	\$52,447,277	(\$22,447,277)	
<b>Subtotal FCC</b>	<b>\$52,057,000</b>	<b>\$14,036,831</b>	<b>\$52,447,277</b>	<b>(\$14,427,108)</b>	<b>\$52,057,000</b>
Other Sources of Funding (Bond Interest \$6m plus other non Measure E sources)				<b>\$14,427,108</b>	<b>\$14,427,108</b>
<b>North Centers</b>					
Mad. Health & Fitness Ctr. ©	\$300,000	\$222,205		\$77,795	
Willow International Phase 1:	\$23,680,000			\$23,680,000	
Phase 1 Building Development ©		\$5,246,967		(\$5,246,967)	
Phase 1 Bookstore/Foodservice ©		\$2,704,583		(\$2,704,583)	
Phase 1 Child Development Ctr ©		\$2,401,601		(\$2,401,601)	
Phase 1 Offsite ©		\$1,833,927		(\$1,833,927)	
Renovate Mad. Student Ctr. ®	\$598,000	\$0	\$0	\$598,000	
Oakhurst Classrooms	\$290,000		\$400,000	(\$110,000)	
Madera Voc. Labs	\$3,589,000		\$4,093,471	(\$504,471)	
Willow International Phase 2:	\$12,480,000			\$12,480,000	
Phase 2 Building Development			\$18,739,000	(\$18,739,000)	
Phase 2 Parking Expansion			\$2,194,976	(\$2,194,976)	
Willow Site Access & Parking	\$0		\$3,100,270	(\$3,100,270)	
<b>Subtotal North Centers</b>	<b>\$40,937,000</b>	<b>\$12,409,283</b>	<b>\$28,527,717</b>	<b>\$0</b>	<b>\$40,937,000</b>

© Project complete.

® Project funds reallocated.

See Independent Accounts' Report on Agreed Upon Procedures Performed.

**STATE CENTER COMMUNITY COLLEGE DISTRICT  
 FUND 43 – MEASURE E FUNDS  
 PROJECT STATUS SUMMARY  
 JUNE 30, 2009**

<b>Location and Project</b>	<b>Original Measure E Allocation</b>	<b>Completed Project Expenditure</b>	<b>Funds Budgeted for Project</b>	<b>Funds Available for Reallocation</b>	<b>Grand Total</b>
<b>Reedley College</b>					
New Classrooms ©	\$3,744,000	\$3,871,070		(\$127,070)	
Ag Canopy ©	\$0	\$368,344		(\$368,344)	
Modernization	\$14,292,000		\$13,590,916	\$701,084	
Residence Hall	\$9,970,000		\$9,175,670	\$794,330	
Old Residence Hall Demo/Site Remediation	\$0		\$1,000,000	(\$1,000,000)	
<b>Subtotal RC</b>	<b>\$28,006,000</b>	<b>\$4,239,414</b>	<b>\$23,766,586</b>	<b>\$0</b>	<b>\$28,006,000</b>
<b>Southeast Site</b>					
Site Acquisition-4th Ctr. ©	\$10,000,000	\$9,688,734		\$311,266	
Southeast Center	\$30,000,000		\$30,311,266	(\$311,266)	
<b>Subtotal Southeast Site</b>	<b>\$40,000,000</b>	<b>\$9,688,734</b>	<b>\$30,311,266</b>	<b>\$0</b>	<b>\$40,000,000</b>
<b>GRAND TOTAL</b>	<b>\$161,000,000</b>	<b>\$40,374,262</b>	<b>\$135,052,846</b>	<b>\$0</b>	<b>\$175,427,108</b>

© Project complete.

® Project funds reallocated.

### Bond Issuance Timing

Original Plan Current Plan

\$ Millions

