

SANTA CLARITA COMMUNITY COLLEGE DISTRICT

**GENERAL OBLIGATION BONDS
WITH
REPORT OF INDEPENDENT AUDITORS' ON
APPLYING AGREED-UPON PROCEDURES**

JUNE 30, 2002



December 31, 2002

Santa Clarita Community College District
Independent Citizen's Oversight Committee

We have performed the agreed-upon procedures enumerated in Exhibit A, which were agreed to by the Santa Clarita Community College District for the purpose of determining compliance with the General Obligation Bond requirements for the period ended June 30, 2002. This engagement to perform Agreed-Upon Procedures was performed in accordance with standards established by the American Institute of Certified Public Accountant. The sufficiency of the procedures is solely the responsibility of the specified users of the report. 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.

The procedures we performed and the results of findings and recommendations are described within this report.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion relating to the matters included in the Agreed-Upon Procedures. 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 specified users listed above 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.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, CA
December 31, 2002

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2002**

1. Observe that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with laws and regulations, as well as approved Board policies. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof. Included, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our review.
2. Observe compliance with expenditure allowances related to local bond funding in accordance with approved contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.
3. Prepare a schedule of all costs incurred through June 30, 2002, by project, for the local bond measure funding.
4. Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2002. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2002**

Agreed-Upon Procedure (1)

Procedure

Observe that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with laws and regulations as well as approved Board policies. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof. Included, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our review.

Results

There were no exceptions noted in the internal control procedures over the disbursement process for the Bond Funds. The District applies all governing board approved process and approvals for the disbursement process related to the general obligation bonds. As part of our testing, we physically observed and tested 100 percent of the invoices related to the total expenditures through June 30, 2002, in the amount of \$1,276,805.92.

Agreed-Upon Procedure (2)

Procedure

Observe compliance with expenditure allowances related to local bond funding in accordance with approved contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.

Results

There were no exceptions noted in the District's procedures related to the allowance of expenditures to be charged to the bond project fund. The District used both formal and informal bid procedures to select contractors for the various projects in accordance with Education Code requirements and District procedures. The expenditures tested were in accordance with the projects listed in the Local Election Ballot and allowable under the Bond Initiative documents.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2002**

Agreed-Upon Procedure (3)

Procedure

Prepare a schedule of all costs incurred through June 30, 2002, by project, for the local bond measure funding.

The following table notes the expenditures reported and the sample audited:

<u>Category of Expense</u>	<u>Expenditures Incurred</u>	<u>Expenditures Tested</u>	<u>Percentage of Total</u>
Vocational/Technical Building Expense	\$ 208,694.55	\$ 208,694.55	100.0%
Costs of Issuance of Bonds	\$ 386,472.74	\$ 389,472.74	100.0%
Architectural Barrier Removal	\$ 231,044.30	\$ 231,044.30	100.0%
Scheduled Maintenance Projects (98-99)	\$ 209,454.76	\$ 209,454.76	100.0%
Scheduled Maintenance Projects (99-00)	\$ 142,954.87	\$ 142,954.87	100.0%
Scheduled Maintenance Projects (00-01)	\$ 142,954.87	\$ 142,954.87	100.0%
Music/Dance Building	\$ 11,296.00	\$ 11,296.00	100.0%
Canyon Country Education Center	\$ 5,023.41	\$ 5,023.41	100.0%
Total	<u>\$ 1,276,805.92</u>	<u>\$ 1,276,805.92</u>	<u>100.0%</u>

Results

There were no exceptions noted in the expenditures tested of the Bond funds. The District has not charged on-going expenditures that are the responsibility of the District to the Bond Fund, nor has an administrative or indirect costs been charged to the Bond Fund.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2002**

Agreed-Upon Procedure (4)

Procedure

Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2002. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

Results

The District has issued \$21,625,000 in bonds and has received \$73,359.61 in interest and investment revenue through June 30, 2002. This provides a total of 23,696,359.61 in funds available for the various approved projects. Our examination included a review of the project budgets and expenditures to date. Based upon our examination and discussions with management, we noted no exception in the budget process and it appears the available balance of \$20,419,553.69 will provide the funding necessary for the outstanding contracts at June 30, 2002. Any deviations in future budgeting procedures and project parameters may impact the availability of the funds for future use.