

**OHLONE COMMUNITY COLLEGE DISTRICT**

**Fremont, California**

**INDEPENDENT AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**YEAR ENDED JUNE 30, 2004**

**OHLONE COMMUNITY COLLEGE DISTRICT**

**YEAR ENDED JUNE 30, 2004**

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**Gilbert Associates, Inc.**  
CPAs and Advisors

**INDEPENDENT AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**Members of the Board of Trustees  
Ohlone Community College District  
Fremont, California**

We have performed the procedures enumerated in the Procedures and Conclusion section, which were agreed to by the Ohlone Community College District (the District) and the Independent Bond Oversight Committee for Measure A (the Committee), solely to assist the Committee in evaluating District management's assertions concerning the District's compliance with the 2002 General Obligation Bonds, Series A regarding disbursement of bond funds for the period July 1, 2003 through June 30, 2004. 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 District and the Committee. Consequently, we make no representation regarding the sufficiency of the procedures described in the Procedures and Conclusion sections, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and conclusions reached as a result of these procedures are identified in Procedures and Conclusion section.

We were not engaged to, and did not, perform an examination, the objective of which would be an expression of an opinion of management's assertions. Accordingly, we do not express such an opinion. Had we performed other 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 Ohlone Community College District and the Independent Bond Oversight Committee for Measure A 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.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**

**October 22, 2004**

**OHLONE COMMUNITY COLLEGE DISTRICT  
BACKGROUND INFORMATION**

**LEGISLATIVE HISTORY**

On November 27, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by schools districts, or county offices of education, “for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities,” upon approval by 55% of the electorate.

**OHLONE COMMUNITY COLLEGE DISTRICT MEASURE A GENERAL OBLIGATION BONDS**

On March 5, 2002, the electorate of the Ohlone Community College District approved the issuance of up to \$150 million Measure A general obligation bonds with greater than 55% of the votes in favor. The text of the ballot language is summarized as follows: To finance the acquisition, construction and modernization of property and school facilities.

**OHLONE COMMUNITY COLLEGE DISTRICT  
PROCEDURES PERFORMED AND CONCLUSIONS**

**PROCEDURES PERFORMED**

- Selected a sample of fifty expenditures totaling \$ 2,051,848. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The audit sample represented 63% of the total expenditure value. Our objective was to verify that funds were used for the acquisition, construction and modernization of property and school facilities and that funds were not spent for salaries or other administrative expenses.
- Obtained an understanding of the system used by the District for monitoring project expenditures and reviewed expenditures for appropriate compliance with the system.

**CONCLUSION**

- Except as reported in attachment 2, each expenditure tested represented valid bond expenditures, were properly charged to the location indicated, were properly coded as to the nature of the expenditure, and were determined to represent the acquisition, construction and modernization of property and school facilities and were not spent for salaries or other administrative expenses.

**OHLONE COMMUNITY COLLEGE DISTRICT  
FINDINGS AND RECOMMENDATIONS  
ATTACHMENT 2**

**FINDINGS**

It was noted during the Proposition 39 testing that supplies were purchased with Fund 42 monies for the bond manager. Supplies are an allowable cost if not used for any other purpose other than Proposition 39, including other school operation expenses.

**RECOMMENDATIONS**

We recommend the bond manager purchase the supplies directly and then invoice the district for those expenses.

**DISTRICT RESPONSE**

The District concurs and will coordinate with the bond manager to implement the recommendation.

**OHLONE COMMUNITY COLLEGE DISTRICT  
 AGREED-UPON PROCEDURES REPORT  
 ATTACHMENT 1**

#	Date	Description	Selected Transaction		Amt
			Program/Dept		
1	8/12/2003	Department of Toxic Substance	Sites		\$ 17,214.50
2	8/19/2003	Stegeman and Kastner, Inc	Bond Program Management		20,400.00
3	9/2/2003	Consolidated CM	Construction Management		3,468.75
4	9/2/2003	Consolidated CM	Construction Management		1,764.75
5	9/30/2003	D.L. Falk Construction	Buildings		167,898.69
6	9/30/2003	MBT Architecture	Architectural Services		213,076.35
7	10/14/2003	Dex Systems Engineering	Architectural Services		1,525.00
8	10/14/2003	D.L. Falk Construction	Buildings		117,143.37
9	10/14/2003	D.L Falk Construction	Buildings		70,870.80
10	10/20/2003	Stegeman and Kastner, Inc	Bond Program Management		24,000.00
11	11/5/2003	MBT Architecture	Architectural Services		62,972.17
12	11/5/2003	Jerry Haag	Design Consultants		8,810.00
13	11/5/2003	Corlett, Skaer & Devoto Arch	Architectural Services		4,648.33
14	11/14/2003	Coast Business Communications	New Equipment		133,987.00
15	11/17/2003	Corporate Express	Office Supplies		310.70
16	11/18/2003	Mac Electric	Sites		10,374.00
17	11/18/2003	Fugro West, Inc	Design Consultants		15,552.25
18	11/26/2003	D.L. Falk Construction	Buildings		36,798.70
19	12/16/2003	Stegeman and Kastner, Inc	Bond Program Management		32,227.95
20	12/16/2003	Sugimura & Associates	Architectural Services		4,180.33
21	12/16/2003	Treadwell and Rollo	Sites		5,879.53
22	12/19/2003	Sugimura & Associates	Architectural Services		5,462.85
23	12/19/2003	Martin Scott	Inspector of Records		1,600.00
24	1/13/2004	Coast Business Communications	New Equipment		122,567.00
25	1/23/2004	Stegeman and Kastner, Inc	Bond Program Management		26,957.94
26	2/4/2004	Lab Interior Solutions	New Equipment		62,018.10
27	2/5/2004	Coast Business Communications	New Equipment		43,311.55
28	2/5/2004	Opening Technologies, Inc	Buildings		3,935.29
29	2/5/2004	IBM	New Equipment		19,893.50
30	3/16/2004	Sugimura & Associates	Architectural Services		4,856.82
31	3/18/2004	Corlett, Skaer & Devoto Arch	Architectural Services		11,986.60
32	3/18/2004	Opening Technologies, Inc	Buildings		7,638.79
33	3/18/2004	Fugro West, Inc	Design Consultants		13,028.88
34	3/23/2004	Stradling Yocca Carlson	Land Purchase		6,937.00
35	3/24/2004	D.L Falk Construction	Buildings		65,829.67
36	3/29/2004	Kaplan Mclaughlin Diaz	Architectural Services		52,340.00
37	4/20/2004	Eternal Construction	Buildings		35,640.00
38	4/27/2004	Coast Business Communications	New Equipment		43,311.00
39	4/27/2004	Peninsula Digital Imaging	Other Non-Instr Materials and Supplies		5,165.08
40	4/27/2004	MBT Architecture	Architectural Services		178,864.45
41	4/27/2004	MBT Architecture	Architectural Services		178,864.45
42	4/27/2004	Corlett, Skaer & Devoto Arch	Architectural Services		6,438.87
43	6/4/2004	Communication Installation	Sites		2,018.00
44	6/4/2004	Eternal Construction	Buildings		3,960.00
45	6/4/2004	Coast Business Communications	New Equipment		8,166.57
46	6/14/2004	D.L. Falk Construction	Buildings		24,729.72
47	6/14/2004	MBT Architecture	Architectural Services		128,516.35
48	6/21/2004	BKF Engineers, Surveyors	Topographic Services		2,810.72
49	6/14/2004	Stegeman and Kastner, Inc	Bond Program Management		13,895.49
50	6/24/2004	Stegeman and Kastner, Inc	Bond Program Management		18,000.00
					<u>\$ 2,051,848</u>