

**MONTEREY PENINSULA
COMMUNITY COLLEGE DISTRICT
2002 ELECTION, SERIES A
GENERAL OBLIGATION BONDS**

AGREED-UPON PROCEDURES PERFORMANCE AUDIT

JUNE 30, 2007



Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants



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

Governing Board and Citizens' Oversight Committee
Monterey Peninsula Community College District
Monterey, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the management of Monterey Peninsula Community College District (the District) for the purpose of determining compliance with Measure I General Obligation Bond requirements for the year ended June 30, 2007. This engagement to perform Agreed-Upon Procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 Monterey Peninsula Community College District Governing Board, Independent Citizens' Oversight Committee, and District administrators and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 21, 2007

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND**

**AGREED-UPON PROCEDURES
JUNE 30, 2007**

Our engagement will be designed to perform the following agreed-upon procedures:

1. Verify that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with applicable laws and regulations, as well as policies approved by the Monterey Peninsula Community College Board of Trustees. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof, including, 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. Verify 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. Verify that the local bond proceeds and expenditure of funds are accounted for separately as required.
4. Select and test at least 25 percent of total dollar expenditures for the year ended June 30, 2007. Obtain supporting documentation (invoices, purchase orders, receiving documentation, contracts, etc.) and verify that the funds expended complied with the purpose that was specified to the registered voters of the District. Election materials, District resolutions, master plan, and other documents available at the District will be used to determine the purpose of expenditures.
5. Analyze the balance of Measure I Bond Funds available at June 30, 2007, for future expenditures.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND**

**AGREED-UPON PROCEDURES
JUNE 30, 2007**

Agreed-Upon Procedure (1)

Procedure

Verify that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with applicable laws and regulations, as well as policies approved by the Monterey Peninsula Community College Board of Trustees. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof, including, 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

The results of our procedures noted no exceptions in the procedures for disbursement of funds related to voter approved general obligation bonds as described to us.

Agreed-Upon Procedure (2)

Procedure

Verify 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

The results of our procedures noted no exceptions in compliance with expenditure allowances related to local bond funding.

Agreed-Upon Procedure (3)

Procedure

Verify that the local bond proceeds and expenditure of funds are accounted for separately as required.

Results

Based on our examination, the local bond proceeds and expenditures are accounted for separately as required in the Building Fund.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND**

**AGREED-UPON PROCEDURES
JUNE 30, 2007**

Agreed-Upon Procedure (4)

Procedure

Select and test at least 25 percent of total dollar expenditures for the year ended June 30, 2007. Obtain supporting documentation (invoices, purchase orders, receiving documentation, contracts, etc.) and verify that the funds expended complied with the purpose that was specified to the registered voters of the District. Election materials, District resolutions, master plan, and other documents available at the District will be used to determine the purpose of expenditures.

Results

We selected a total of 51 percent of all expenditures charged to the Measure I General Obligation Bond for the 2006-2007 fiscal year. All expenditures tested complied with the purpose that was specified to the registered voters of the District.

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BOND**

**AGREED-UPON PROCEDURES
JUNE 30, 2007**

Agreed-Upon Procedure (5)

Procedure

Analyze the balance of Measure I Bond Funds available at June 30, 2007, for future expenditures.

Results

Financial Summary

		General Obligation Bond Fund - Series A	<u>Building Fund</u>
1. REVENUES			
2003-2004	Proceeds from sale of bonds		\$ 40,000,000
2003-2004	Interest income earned and paid		485,875
2004-2005	Interest income earned and paid		799,782
2005-2006	Interest income earned and paid		1,529,143
2005-2006	Proceeds from Refunding of Bonds		4,240,051
2006-2007	Interest income earned and paid		1,441,914
	Subtotal		<u>48,496,765</u>
2. EXPENSES			
2003-2004	Expenses		1,318,755
2004-2005	Expenses		2,815,133
2005-2006	Expenses		9,574,342
2006-2007	Expenses		20,713,267
	Subtotal		<u>34,421,497</u>
	Net Fund Balance at June 30, 2007		<u><u>\$ 14,075,268</u></u>

3. Available unspent funds as of June 30, 2007, were \$14,075,268.

As stated in the District's unaudited financial statements (CCFS 311) as of June 30, 2007, the total expenditures and other outgo to date from the Measure I Bond Fund were \$20,713,267 for fiscal year 2006-2007, totaling \$34,421,497 to date. Interest revenue earned during the current fiscal year of \$1,441,914, provide \$14,075,268 from initial issuance and the partial refunding for future expenditures. There were no adjustments to the District's financial records as a result of our procedures.