

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT**

**MEASURE E**

**REVENUE**

**JUNE 30, 2004**



INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

Gavilan Joint Community College District  
Gilroy, California

We have performed the agreed-upon procedures for Gavilan Joint Community College District to review at least 25% of the total expenditures of 2004 Measure E General Obligation Bond funds for the period of July 1, 2003 to June 30, 2004 for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents, District resolutions, and other documents as guidance for the intended use of the funds. For any expenditures in question we will advise the District obtain the opinion of legal counsel and we will inform the District as to the issues. Management is responsible for Gavilan Joint Community College District as to the issues. Management

consultation which was enacted as a result of Proposition 39. The sufficiency of these procedures is solely the responsibility of those responsible for the design and implementation of these procedures.

Financial Summary

1. The general obligation bond funds were authorized by the District held on March 2, 2004. The bonds were authorized at an issuance of \$108,000,000 principal amount for the purpose of constructing and modernization of school facilities and to refund certain lease obligations of the College. The first and second series of the bonds were issued on March 2, 2004.

2. Total expenditures and account balances as of June 30, 2004:

3. An analysis of expenditures is as follows:

EXPENDITURES

Books and supplies	\$ 3,700
Services and operating expenditures	177,966
<u>Total Expenditures</u>	<u>181,666</u>

4. Available unspent funds from the first and second bond series as of June 30, 2004 were:

General obligation bond proceeds; series A	\$ 29,170,000
General obligation bond proceeds; series B	2,000,000
Bond premiums (Series A & B)	128,150
Transfer to other fund	(3,023,190)
Required deposit to bond sinking fund	(202,403)
Bond issuance costs	(1,000,000)
<u>Total bond financing sources and uses</u>	<u>26,361,028</u>
Interest earned	9,988
Local revenues	164,456
Less expenditures and commitments	(2,242,606)
<u>Amount available</u>	<u>\$ 26,353,806</u>

Agreed Upon Procedures Performed

of the funds.

Results of Procedures

1. The general obligation bond fund expenditures were accounted for separately in the bond construction fund (fund 60) of the District.

2. Our review of the expenditures for the year ended June 30, 2004, did not reveal any 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 March 9, 2004. We did not request that management of the District obtain any legal opinions on expenditures from the general obligation bond fund for the year ended June 30, 2004. See supplemental information for list of expenditures reviewed.

3. Our review of the internal control procedures followed on selected invoices revealed no

4. Our review of the awarding of contracts and the disbursement of funds revealed no exceptions to the notices of the State and the District and the District.

We were not engaged to and did not conduct an audit of the financial statements of the District. In addition, we did not express an opinion on the financial statements. Accordingly, we do not express such an opinion. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you.

Vavirek, Ture, Day & Co LLP

Pleasanton, California  
January 14, 2005

GAVILAN JOINT COMMUNITY COLLEGE DISTRICT

BOND CONSTRUCTION FUND  
 EXPENDITURE TESTING  
 FOR THE YEAR ENDED JUNE 30, 2004

Warrant #	Vendor Invoice #	Date	Object	Reference	Vendor	Description	Amount
124379	06336	5/10/2004	5813	06336	San Benito County	Electric Costs	51,633.90
n/a	n/a	4/30/2004	5813	JE1821-18	Santa Clara County	Electric Costs	100,322.00

<b>Total Invoices Reviewed</b>	151,955.90
<b>Total Project Expenditures</b>	181,666.00
<b>Percent Tested</b>	<u>83.6%</u>