

**PERALTA COMMUNITY COLLEGE DISTRICT**

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MEASURE A GENERAL OBLIGATION BONDS  
WITH  
INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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**JUNE 30, 2008**



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

Peralta Community College District  
Board of Trustees and Independent  
Citizen's Oversight Committee  
Oakland, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the management of the Peralta Community College District (the District) for the sole purpose of determining compliance with Measure A General Obligation Bond requirements for the year ending June 30, 2008. The District's management is responsible for maintaining compliance with Proposition 39 requirements. 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 in Exhibit A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the results are described within this report as Exhibit B.

We were not engaged to, and did not, conduct an audit, 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 Peralta Community College District Board of Trustees, Audit Committee, Independent Citizen's Oversight Committee, and District management 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  
June 23, 2009

**PERALTA COMMUNITY COLLEGE DISTRICT  
MEASURE A GENERAL OBLIGATION BOND  
AGREED-UPON PROCEDURES  
JUNE 30, 2008**

- A. Verify the proceeds of Measure A Bond Funds were deposited in total into the District's accounts and accounted for within the District's financial statements in accordance with generally accepted accounting principles. We will obtain the settlement statement for new bond issuances during the period July 1, 2007 through June 30, 2008, and verify the amounts deposited into the building and bond interest and redemption funds are appropriate.
- B. Verify the expenditure of funds have been accounted for separately in the accounting records of the District to allow for transparency and accountability of the expenditures.
- C. Select a minimum sample size of 40 percent of all expenditures charged to the Measure A General Obligation Bond Fund for the period July 1, 2007 through June 30, 2008. Verify that the funds have been expended in compliance with the purpose that was specified to the registered voters of the District through election materials, District resolution and project budgets, and the District's Bond Master Plan.
- D. Prepare a schedule of all costs incurred from inception through June 30, 2008, by project, from the Measure A General Obligation Bond funding. This schedule will include the project budget compared to the actual expenditure.
- E. Verify State and District policies were followed in awarding bids and expenditure of Bond funds through comparing the bid procedures with established, approved District policies and guidance from the State Chancellor's Office and Education Codes.
- F. Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2008.

**PERALTA COMMUNITY COLLEGE DISTRICT  
MEASURE A GENERAL OBLIGATION BOND  
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**Agreed-Upon Procedure (A)**

Procedure

Verify the proceeds of Measure A Bond Funds were deposited in total into the District's accounts and accounted for within the District's financial statements in accordance with generally accepted accounting principles. We will obtain the settlement statement for new bond issuances during the period July 1, 2007 through June 30, 2008, and verify the amounts deposited into the building and bond interest and redemption funds are appropriate.

Results

We examined the settlement statement for the proceeds of Series A for the aggregate principal amount of \$100,000,000 that was issued during the period of July 1, 2007 through June 30, 2008. Entries made on the District's general ledger were accounted for within the District's financial statements in accordance with generally accepted accounting principles and were reviewed without exception. Supporting documentation from legal counsel and underwriters, as well as the certification from the Tax-Collector for the County of Alameda supporting the transaction, were examined without exception. Amounts deposited into the building and bond interest and redemption funds appear to be appropriate.

**Agreed-Upon Procedure (B)**

Procedure

Verify the expenditure of funds have been accounted for separately in the accounting records of the District to allow for transparency and accountability of the expenditures.

Results

Expenditures of Bond funds have been accounted for in a separate fund in the general ledger of the District. Supporting backup documentation for expenditure of funds for the Measure A General Obligation Bond Fund was compared to accounting records of the District without exception.

**Agreed-Upon Procedure (C)**

Procedure

Select a minimum sample size of 40 percent of all expenditures charged to the Measure A General Obligation Bond Fund for the period July 1, 2007 through June 30, 2008. Verify that the funds have been expended in compliance with the purpose that was specified to the registered voters of the District through election materials, District resolution and project budgets, and the District's Bond Master Plan.

**PERALTA COMMUNITY COLLEGE DISTRICT  
MEASURE A GENERAL OBLIGATION BOND  
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Results

We examined 47 percent of all expenditures charged to the Measure A Bond Funds. Project expenditures appear to be in compliance as detailed in the Bond Initiative documents placed on the June 6, 2006, Local Election Ballot. All of the expenditures reviewed were approved by the Board in accordance with the "budget and needs allocation for 2007-2008". All expenditures were derived from the budget and needs allocation for 2007-2008 as certified by the Vice Chancellor of General Services.

**Agreed-Upon Procedure (D)**

Procedure

Prepare a schedule of all costs incurred from inception through June 30, 2008, by project, from the Measure A General Obligation Bond funding. This schedule will include the project budget compared to the actual expenditure.

**PERALTA COMMUNITY COLLEGE DISTRICT  
MEASURE A GENERAL OBLIGATION BOND  
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JUNE 30, 2008**

## Results

Cost Center	Cost Center Description	Budget	Inception-to-Date Expenses June 30, 2008
0000	Capital Program Support Services	\$ 13,417,349	\$ 10,976,148
2301	Laney Art Building Instructional Equipment	927,314	347,286
2302	Peralta's Sustainability - Environment	100,700	100,350
2303	Merritt Short-Term Construction Project	8,637,420	4,220,063
2304	COA Short-Term to Mid-Term Project Management Services	216,344	169,326
2305	Laney Short-Term to Mid-Term Project Management Services	717,964	684,982
2306	Merritt Short-Term to Mid-Term Project Management Services	100,340	100,340
2307	District Short-Term to Mid-Term Project Management Services	307,400	272,639
2308	COA Short-Term to Mid-Term Projects	500,000	264,151
2309	Laney Short-Term to Mid-Term Projects	600,000	579,577
2310	Merritt Short-Term to Mid-Term Projects	560,800	217,208
2311	Project Controls Implementation	118,601	107,620
2312	Upgrade Emergency Blue Phone System	285,814	285,813
2313	Furniture and Millwork for PCCD Conference Room	132,221	124,101
2314	Laney Short-Term Construction Projects	15,243,280	10,600,164
2315	COA Short-Term Construction Project	8,181,456	3,040,934
2316	Re-Paving Parking Lots at COA, Laney, and Merritt	1,310,433	1,241,191
2317	Facility Consulting and Energy Management	68,000	65,000
2318	Modernize Laney College Student Center	1,708,500	407,400
2319	Facilities Planning Services	139,500	124,566
2320	COA Sidewalk Replacement	2,742,556	2,307,961
2321	District Center Renovation Phase III	1,563,034	1,005,664
2322	Laney Beginners Inn Culinary Kitchen	6,000,000	4,695,455
2323	BCC Short-Term Construction Projects	1,364,250	65,130
2324	Merritt Library/Learning Center Renovation	6,000,000	21,430
2325	Districtwide Elevator Cabs, Controls, and Finish Upgrades	250,000	9,489
2326	Upgrades - Sidewalk and Lighting District Administration	500,000	13,710
2327	COA Roof Walkway Waterproofing and Repairs Buildings C and D	750,000	27,218
2328	Districtwide Security System Upgrade	120,000	67,443
2330	Building G - Weight Room and Locker Room Modifications	773,655	67,184
2332	Miscellaneous Restroom Upgrades	775,354	4,596
2333	Miscellaneous Renovations	1,428,224	19,806
2334	Districtwide Way Finding and Room Identification	98,000	49,900
2335	Project Budget for Built-Out Project	2,900,000	45,292
2336	Interim Housing Portables and Site Preparation	775,000	460
2337	Recycling Program Equipment Districtwide	250,000	139,903
2338	Laney Athletic Complex Baseball and Multi-Purpose	14,000,000	158
2339	Master Planning for Districtwide Facilities	3,092,700	687,648
		<u>\$ 96,656,209</u>	<u>\$ 43,157,306</u>

**PERALTA COMMUNITY COLLEGE DISTRICT  
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**Agreed-Upon Procedure (E)**

Procedure

Verify State and District policies were followed in awarding bids and expenditure of Bond funds through comparing the bid procedures with established, approved District policies and guidance from the State Chancellor's Office and Education Codes.

Results

Bid packages were reviewed for adherence to State and District policies in accordance with the awarding of bids and approval of Measure A General Obligation Bond Fund expenditures through guidance from the State Chancellor's Office of Education Codes without exception.

**Agreed-Upon Procedure (F)**

Procedure

Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2008.

**PERALTA COMMUNITY COLLEGE DISTRICT  
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## Results

The total expenditures from the Measure A Bond Fund were \$37,359,691 for fiscal year 2007-2008 totaling \$43,157,306 to date. Bond proceeds in the amount of \$177,323,095, in addition to interest revenue earned to date of \$7,993,513, provide \$142,159,302 from initial issuance available for future expenditures. There was an adjustment to the District's financial records as a result of our procedures to decrease fund balance in the amount of \$3,044,749 for services rendered that were not properly accrued as liabilities at year end.

<u>Year</u>	<u>Income</u>	<u>Amount</u>
2006-2007	Bond Proceeds	\$ 76,042,100
2006-2007	Interest Earned	2,900,149
2007-2008	Interest Earned	5,093,364
2007-2008	Bond Proceeds	101,280,995
<b>Subtotal</b>		<u>185,316,608</u>
	<u>Expenditures</u>	
2006-2007	Expenditures	5,797,615
2007-2008	Expenditures	37,359,691
<b>Subtotal</b>		<u>43,157,306</u>
<b>Remaining Balance at June 30, 2008</b>		<u><u>\$ 142,159,302</u></u>