



Annual Report

July 1, 2006 – June 30, 2007



El Camino Community College District
Citizens' Bond Oversight Committee

Citizens' Bond Oversight Committee Annual Report 2006-2007

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Executive Summary

The charter of the El Camino College Citizens' Bond Oversight Committee is to inform the public concerning bond revenue expenditures and to actively "review and report" on the expenditure of these funds. Our committee comprises a cross section of the citizenry who have volunteered their time to represent various constituencies, and fulfill the responsibilities listed above.

During this fifth year of existence, our committee has met on a regular basis; reviewing expenditures, touring campus renovations, asking questions, and expressing our concerns and recommendations. This Annual Report of the El Camino College Citizens' Bond Oversight Committee documents the results of these activities and serves to fulfill the basic tenets of our charter.

Within this report are the agendas and minutes of our open public meetings, as well as the independent audit for the fiscal year ending June 30, 2007, performed by the firm of Vicenti Lloyd Stutzman LLP. Our committee examined and reviewed this audit, the results of which are contained herein.

A summary of Bond Expenditures for the FY ending June 30, 2007:

| | |
|---------------------------------------|----------------------|
| Additional Classrooms & Modernization | \$ 26,480,949 |
| Health & Safety Improvements | 10,886,556 |
| Information Technology & Equipment | 790,516 |
| Campus Site Improvements | 242,405 |
| Energy Efficiency Improvements | 1,634,236 |
| Subtotal | <u>40,034,662</u> |
| Bond Related Expenses | 622,850 |
| Total Expenditures | <u>\$ 40,657,512</u> |

Chris Powell
Chairman
El Camino College Citizens' Bond Oversight Committee

Statement of Compliance

In compliance with requirements of Article XIII A, Section 1 (b)(3) of the California Constitution and meeting requirements of the Certificate of Disclosure contained herein, we the undersigned members of the Citizens' Bond Oversight Committee as of June 30, 2007 do verify that this is a true and valid Annual Report, July 1, 2006 through June 30, 2007. Dated this _____ day of _____, 2008.

Lou Garcia (deceased)

Judith Gibson

Robert Hammond

Darlene Love

David Nordel

Chris Powell

Thomas Quintana

Citizens' Bond Oversight Committee 2007

Lou Garcia, a Redondo Beach resident, is the former city manager of Redondo Beach. In addition to serving in several management positions in a variety of cities across California, he also ran his own consulting firm. Mr. Garcia is also a member of the El Camino College Foundation Board. He has a master's degree in public administration and a bachelor's degree in police science and administration, both from California State University, Los Angeles. He is a member of his Homeowner's Association and serves as a taxpayer association representative.

Judith Gibson, of Torrance, is a member of the Torrance Planning Commission and a founding member of the Torrance Education Foundation. She will serve on the oversight committee as the representative for Trustee Area 5. Ms. Gibson was a member of the Torrance Unified School District Facilities Ad Hoc Committee, and is a 17-year PTA member. In the community, she has been a Parks and Recreation Commissioner, and a Community Services Commissioner, among many other leadership positions.

Robert Hammond, of Manhattan Beach, is a retired financial manager and serves as an at-large member of the committee. He was a vice president in the Private Client Services group of Goldman, Sachs & Co., working as a financial manager from 1976 until his retirement in 1997. Hammond has also been a student at El Camino College for two years, taking 32 units of science and math courses.

Darlene Love, of Hawthorne, serves as the senior organization representative. She is active in Women's Club, Gad-Abouts, and is a Civil Service Committee Member for the City of Hawthorne.

Chris Powell, an El Segundo resident, is the chief financial officer at Washington Iron Works in Gardena and represents Trustee Area 4 on the oversight committee. He was president of the El Segundo Unified School District Board of Education, where he has been a member since 1995. As a school board member, he oversaw \$65 million in modernization and new construction to district facilities, and served as board liaison to the facilities, oversight, and construction steering committees.

David Nordel is a freshman at El Camino College, studying electrical engineering. After graduation, he plans to transfer to UCLA, followed by law school. He is a member of the award-winning El Camino College forensics team where he competes in parliamentary debate, extemporaneous speaking, and impromptu speaking. David is also the ASO student senate leader as well as senator for the Mathematics and Science Division. He is an Eagle Scout and a Torrance resident.

Thomas Quintana, a Hawthorne resident, is a public relations consultant for the City of Hawthorne, the Hawthorne School District and the Centinela Valley Union High School District. He serves as the business organization representative for the Citizen's Bond Oversight Committee. Quintana is active in a variety of community organizations, serving as a three-term past president of the Hawthorne Family YMCA; a past president and current secretary of Rotary Club of Hawthorne; and past president, executive director of the Hawthorne Chamber of Commerce, among others. He is a graduate of El Camino College and California State University, Dominguez Hills.

Citizens' Bond Oversight Committee

| <i>Name</i> | <i>City of Residence</i> | <i>Occupation</i> | <i>Representing</i> | <i>Length of Term</i> |
|---------------------|--------------------------|----------------------------|-----------------------------|------------------------|
| Mr. Lou Garcia | Redondo Beach | Independent Scholar | Taxpayer Organizations | Two Years 3/06-3/08 |
| Ms. Judith Gibson | Torrance | | Foundation Representative | Two Years 3/06-3/08 |
| Mr. Robert Hammond | Manhattan Beach | Retired Stock Broker | Community Representative | Two Years 3/05-3/07 |
| Ms. Darlene Love | Hawthorne | | Senior Representative | Two Years 7/06-7/08 |
| Mr. David Nordel | Torrance | Student | Student Body Representative | One Year 3/06-3/07 |
| Mr. Chris Powell | El Segundo | CFO, Washington Iron Works | Community Representative | Two Years 3/06-3/08 |
| Mr. Thomas Quintana | Hawthorne | Consultant | Business Representative | Two Years 3/07-3/09 |

Each Term may be repeated once. Student members serve one year only.

Year Five Commentary

July 1, 2006 through June 30, 2007

During the fifth year of El Camino College's facilities master plan work, the college began several new substantial projects and continued construction on others. Funding for this work has come from 2003 Series A, 2005 Series A refinance, and the 2006 Series B issuance. In addition \$8,001,192.00 of interest was earned during the fiscal year.

Milestones:

- Issued 2006 Series B bonds from 2002 bond election, in the net amount of \$150,000,000.00.
- Completed work on Phase 1 electrical project with Vector Resources.
- Continued work on Humanities building construction with an anticipated completion date of January 2008.
- Entered into a contract with LPA, Inc to provide design services for a new food service building in the planned Humanities Mall.
- Awarded contracts for construction of the Learning Resource Center.
- Awarded contract for construction of Phase 1 Infrastructure Project.
- Awarded contract for construction of the Central Plant Project through use of Government Code section 4217 allowing for negotiation of a contract rather than using a competitive bid process.
- Entered into multiple negotiated contracts with Maas Companies, LLC for professional services related to various construction projects utilizing applicable Government Code section not requiring competitive bids.
- The college began to look at modifying the construction project schedule in order to optimize state matching funds.

Challenges:

- Construction inflation continues, although at a somewhat slower pace. During the fiscal year numerous discussions were held at oversight committee meetings about the need to both begin the process of informing the public on the implications of this increased inflation and to significantly modify the master plan to allow for the largest number and highest priority projects to be completed with available funds. To date no formal report has been made to the committee on decisions by the board to address these two issues.
 - The college reformatted the monthly project list of expenditures to more accurately reflect the actual committed expenditures to date. Approval was relayed that the report would be revised to more accurately show the affect of increased construction inflation, including the increases made to budgets on completed or in-process projects in order to match actual committed costs. It was agreed that both the original and revised budget would be reflected on the report. This reformat is still in process.
 - The committee also held numerous discussions on the need to develop a formal board policy clarifying what equipment items can be purchased from bond funds. While Proposition 39 clearly allows for the purchase of equipment from bond funds, both the issue of using twenty-five year funds to purchase items with a substantially shorter life span and utilizing precious bond funds for equipment purchases rather than reserving these funds for building projects needs to be addressed by the board and college administration. A decision regarding this policy has not yet been presented to the committee.
-
- Proposition 39 requires a minimum of seven (7) members to serve on the oversight committee. It also is very specific as to the make-up of the committee. During the later part of the fiscal year and continuing

into the next fiscal year the committee was not able to maintain the correct membership make-up to meet the provisions of this law. Good faith attempts have been made by college staff to recruit new members without success. It is critical that the committee be brought back into compliance as soon as possible.

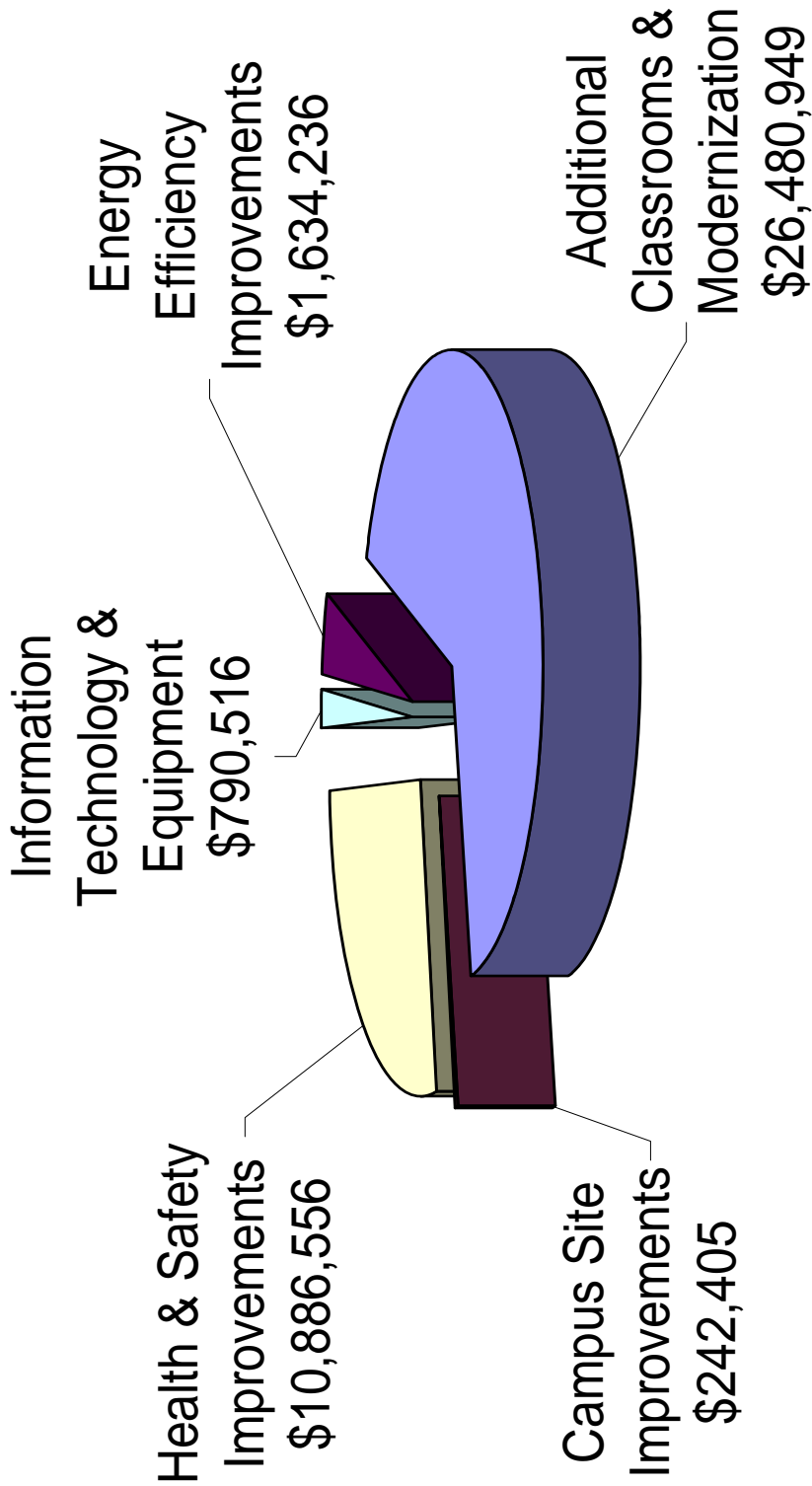


Facilities Master Plan Funding*

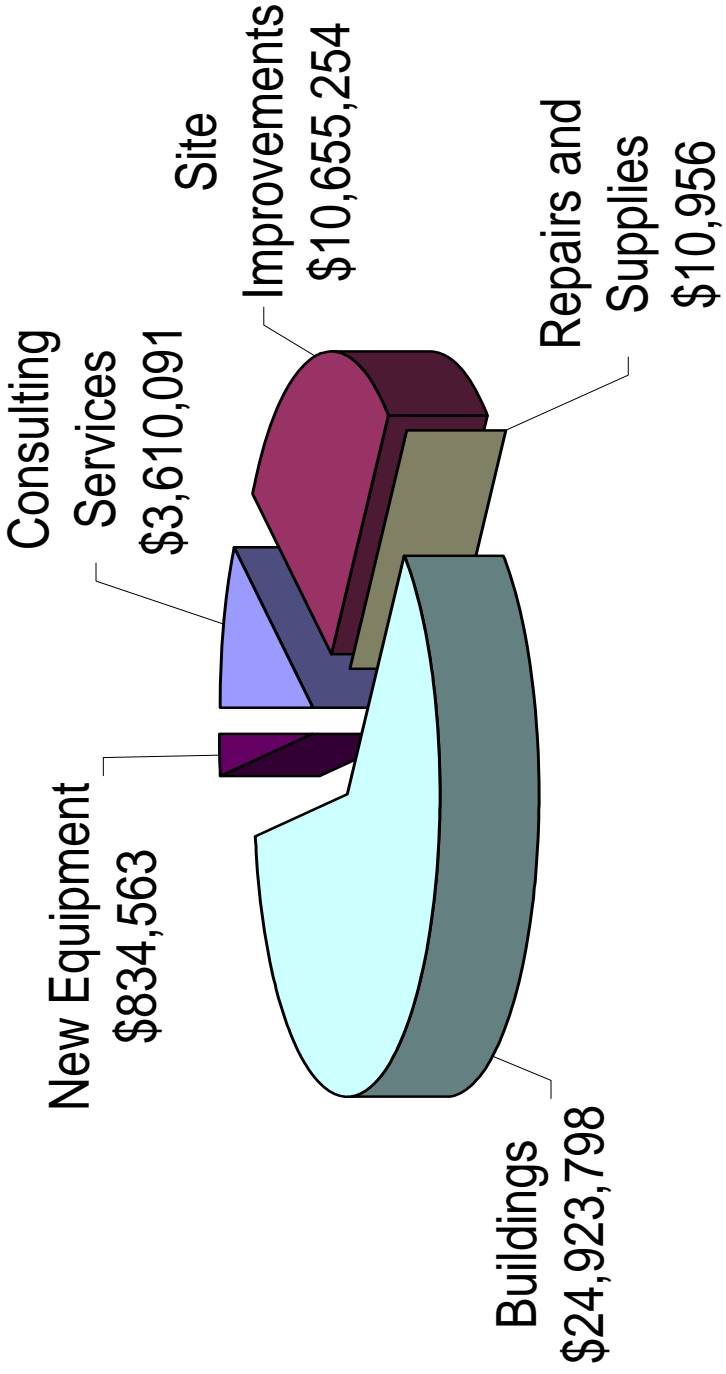
| Source | Total Income Budget | Income Received as of June 30, 2007 | Uncollected Income as of July 1, 2007 |
|---|--------------------------------|--|--|
| State Capital Construction Program | \$33,900,000 | \$1,329,901 | \$32,570,099 |
| State Scheduled Maintenance Program | 15,600,000 | 2,241,567 | 13,358,433 |
| State Hazardous Substance Abatement Program | 2,200,000 | 412,414 | 1,787,586 |
| Redevelopment Funds | 1,300,000 | 397,624 | 902,376 |
| Campus Center Fees | 2,000,000 | 0 | 2,000,000 |
| Parking Fees | 700,000 | 180,000 | 520,000 |
| Bookstore/Food Services | 700,000 | 0 | 700,000 |
| State Equipment & Library Materials Program | 9,100,000 | 2,091,856 | 7,008,144 |
| General Fund Unrestricted | 1,619,000 | 1,619,000 | 0 |
| Measure E Bond Funds | 394,516,464 | 213,700,000 | 180,816,464 |
| Interest | 8,418,472 | 8,418,472 | 0 |
| Refunding Income | <u>6,866,756</u> | <u>6,866,756</u> | <u>0</u> |
| Total | <u>\$476,920,692</u> | <u>\$237,257,590</u> | <u>\$239,663,102</u> |

**This chart includes income from Voter Approved Bond Construction Funds and other sources.*

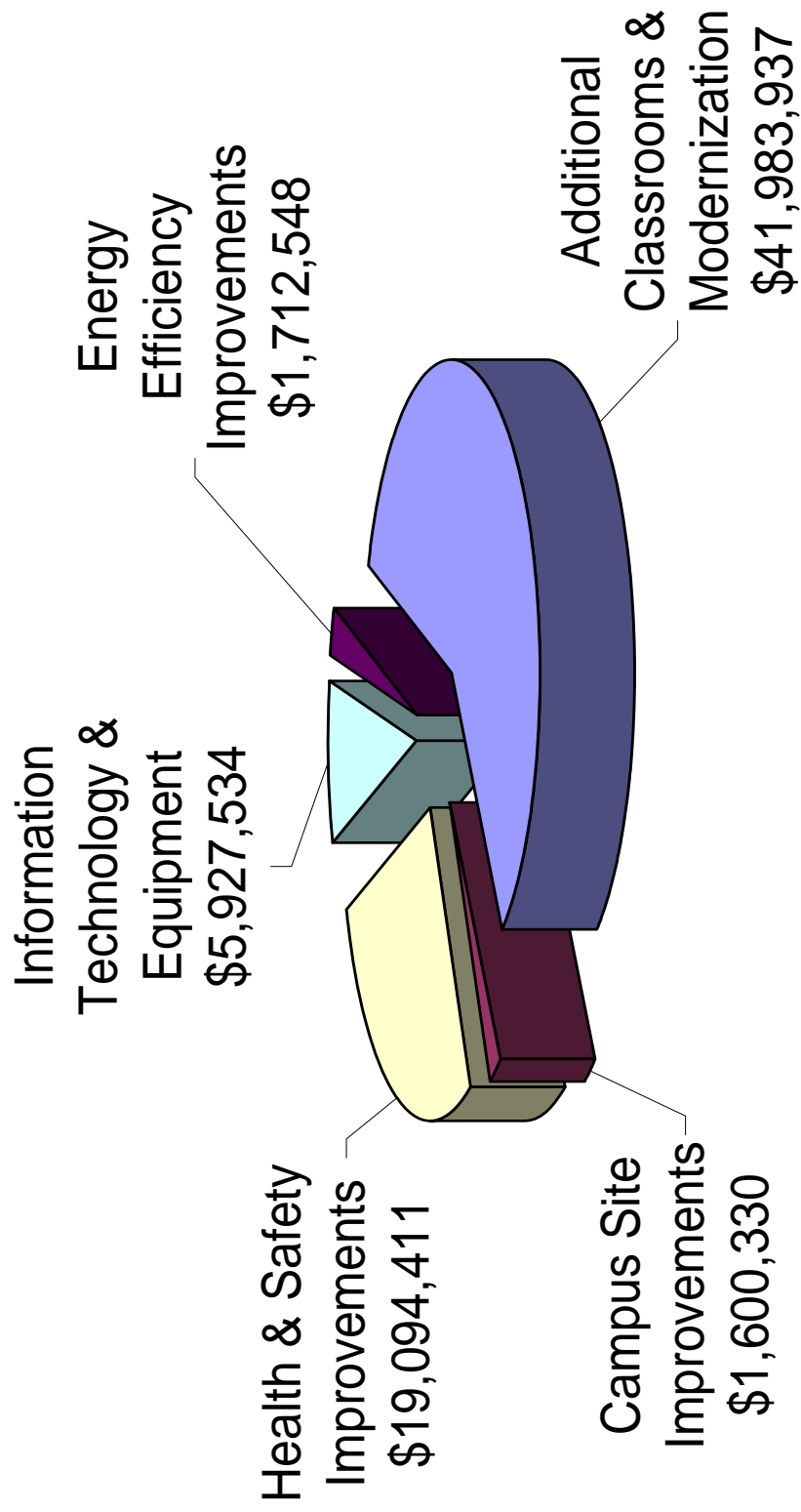
General Obligation Bond Fund Expenditures FY 2006-2007 (by Category)



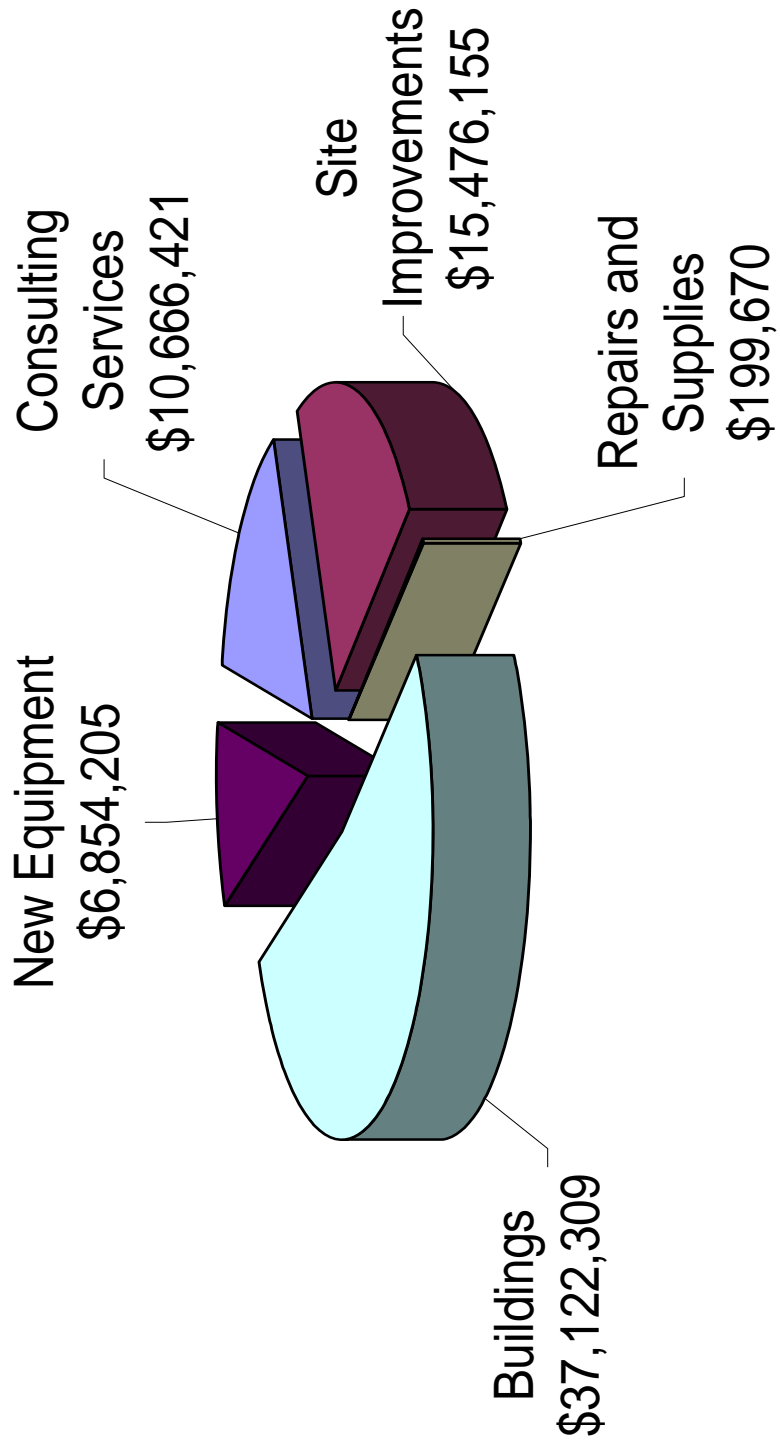
General Obligation Bond Fund Expenditures FY 2006-2007



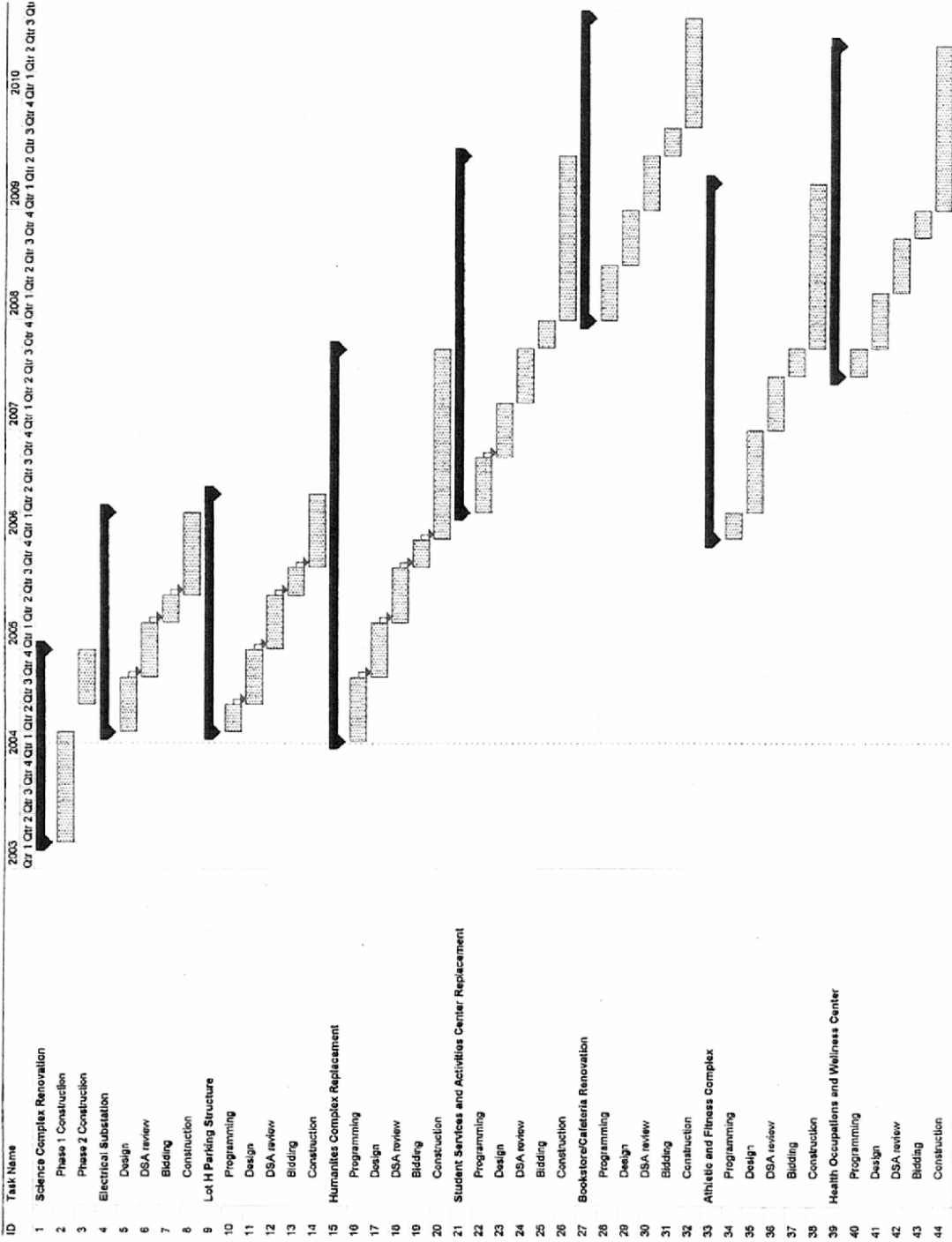
General Obligation Bond Fund Expenditures Five Years 2002-2007 (by Category)



General Obligation Bond Fund Expenditures Five Years 2002-2007

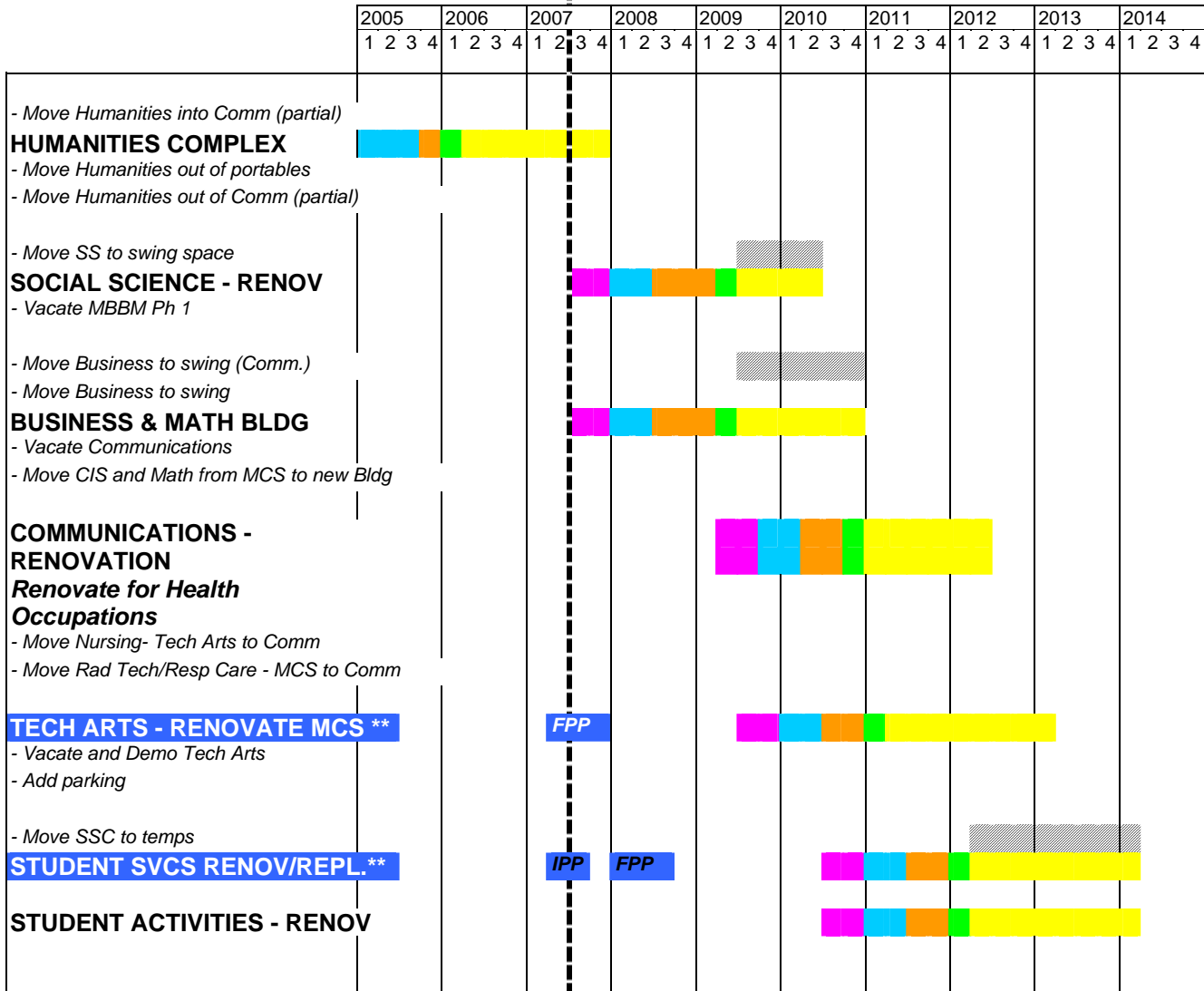


FACILITIES MASTER PLAN INITIAL PROJECTS TIMELINE








Source Data: Colleague Financial System

EL CAMINO COLLEGE - Sequencing Schedule OPTION B



LEGEND:

| | | | | | |
|---|--------|---|--------------------------|---|----------------------|
|  | Design |  | DSA Review and Approvals |  | Construction |
|  | CDs |  | Bidding and Negotiation |  | Swing Space Required |

Continuing Disclosure Certificate

The Continuing Disclosure Certificate is executed and delivered by the El Camino Community College District in connection with issuance of \$63,700,000 General Obligation Bonds, Election of 2002, Series 2003A, \$40,252,335 in Refunding Bonds issued in 2005, and \$150,000,000 General Obligation Bonds, Series 2003B issued in 2006.

The Bonds are issued pursuant to a resolution of the Board of Supervisors of Los Angeles County adopted on February 11, 2003. The District Resolution and the County Resolution are heretofore referred to as the Resolution.

(See appendix iv for full text of the Continuing Disclosure Certificate)

In compliance with Section 4, Number 2 of the Certificate of Disclosure, here are specific answers relating to the period of July 1, 2006 through June 30, 2007.

- (A) *State funding received by the District for the last completed fiscal year (2006-2007)* **Combined General Fund unrestricted and restricted- \$72,299,565**

- (B) *Enrollment for the District for the last completed fiscal year (2006-2007)* **Average enrollment - 23,560**

- (C) *Outstanding District indebtedness*
The District had \$208,037,396 of general obligation bonds outstanding as of June 30,2007.

- (D) *Assessed valuation for real property in the District for the last completed fiscal year (2006-2007)*
Assessed Valuation - \$74,232,431,439

- (E) *List of 10 largest taxpayers, together with their assessed valuation of percentage of total assessed valuation for the District for the last completed fiscal year; to the extent such information is available from Los Angeles County.*
On file in the County Assessor's office

- (F) *Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the fiscal year.*
Information contained in annual reports from the District is available through the Office of the Vice President of Administrative Services.

GENERAL OBLIGATION BOND FUND CATEGORIES AND PROJECTS

as of 6/30/07

| | ORIGINAL BUDGET | REVISED BUDGET 1/25/07 | TOTAL EXPENDED | COMMITTED | BALANCE |
|--|--------------------|------------------------------|-------------------|-------------------|--------------------|
| <u>Additional Classrooms and Modernization (ACM)</u> | | | | | |
| Acquisitions (0201) | \$ 5,000,000 | 5,000,000 | 705,867 | - | 4,294,133 |
| Architectural Barrier Removal Phase 2 (0202) | 1,529,000 | 1,529,000 | 18,582 | - | 1,510,418 |
| Athletic Education and Fitness Complex (0203) | 15,718,000 | 15,718,000 | 285,367 | 380,901 | 15,051,733 |
| Bookstore/Cafeteria Conversion to Administration (0204) | 10,700,000 | 6,084,896 | 538,557 | 312,362 | 5,233,977 |
| Business Building Replacement (0205) | 10,700,000 | 10,926,189 | 142,392 | 270,640 | 10,513,157 |
| Central Plant (0206) | 14,274,000 | 15,085,000 | 5,294,204 | 8,499,941 | 1,290,856 |
| Child Development Center Phase 2 (0207) | 2,525,000 | 2,525,000 | 30,573 | 48,379 | 2,446,049 |
| Crenshaw Blvd. Frontage Enhancement (0208) | 1,100,000 | 700,000 | 13,418 | - | 686,582 |
| Fire Academy Structure (0209) | 791,375 | 791,375 | 129,925 | - | 661,450 |
| Fire Program Facility (0210) | 123,000 | 123,000 | 1,656 | - | 121,344 |
| Health Occupations and Wellness Center (0211) | 12,200,000 | - | - | - | - |
| Humanities Complex Replacement (0212) | 20,500,000 | 30,896,287 | 20,266,808 | 7,357,439 | 3,272,040 |
| Learning Resource Center Addition (0213) | 7,100,000 | 7,100,000 | 2,508,723 | 2,153,619 | 2,437,658 |
| Manhattan Beach Blvd. Parking Structure and Entrance (0214) | 10,400,000 | 216,232 | 812 | - | 215,420 |
| Remodeling Phase One-Three (0215-0217) | 46,177,500 | 8,873,500 | 624,273 | 252,281 | 7,996,946 |
| Reproduction and Publishing Center (0218) | 668,000 | - | - | - | - |
| Science Complex Renovation (0219) | 3,986,000 | 6,721,738 | 6,514,414 | - | 207,324 |
| Signage and Wayfinding (0224) | - | 2,600,000 | 101,418 | 87,877 | 2,410,705 |
| Student Services and Activities Replacement (0220) | 20,300,000 | 31,928,118 | 1,439,269 | 2,199,455 | 28,289,394 |
| Temporary Space and Relocation Costs (0221) | 2,000,000 | 3,469,200 | 3,373,624 | 15,203 | 80,373 |
| Vocational Education Complex (0222) | 11,500,000 | - | - | - | - |
| Master Planning (0223) | | | (5,945) | 1,546,316 | (1,540,372) |
| Reserve for Contingencies (0299) | 7,339,027 | 25,583,648 | - | - | 25,583,648 |
| Total Additional Classrooms and Modernization | 204,630,902 | 175,871,183 | 41,983,937 | 23,124,413 | 110,762,834 |
| <u>Campus Site Improvements: Accessibility, Safety / Security (CSI)</u> | | | | | |
| Asphalt Resurfacing - All Lots (0301) | 400,000 | 400,000 | 14,975 | - | 385,025 |
| Emergency Generators and Distribution (0302) | 1,400,000 | 122,673 | 122,673 | - | - |
| Emergency Power to Security Lighting (0303) | 175,000 | 4,289 | 4,289 | - | - |

| | | | | | |
|---|-------------------|-------------------|------------------|----------------|-------------------|
| Entrance - Redondo Beach Blvd. to Lot H (0304) | 400,000 | 400,000 | 29,508 | - | 370,492 |
| Fencing Replacement and Additions (0305) | 375,000 | 375,000 | 5,777 | - | 369,223 |
| Landscaping and Irrigation System Replacements (0306) | 2,540,000 | 2,540,000 | 42,403 | - | 2,497,597 |
| Lighting - Redondo Beach Blvd. (0307) | 230,000 | - | - | - | - |
| Lighting - Upgrade / Replace All Lots (0308) | 2,500,000 | 2,440,000 | 59,807 | - | 2,380,193 |
| Lot F Parking Structure Improvements (0309) | 1,632,000 | 1,632,000 | 32,732 | - | 1,599,268 |
| Lot H Parking Structure (0310) | 10,400,000 | 8,348,666 | 1,101,506 | 525,407 | 6,721,753 |
| Paving Replacement - All Walks and Driveways (0311) | 2,187,000 | 2,187,000 | 61,062 | - | 2,125,938 |
| Pedestrian Walks at Manhattan Beach Blvd. and Lot E (0312) | 81,600 | 81,600 | 637 | - | 80,963 |
| Security Video (0313) | 180,000 | 7,831 | 7,831 | - | - |
| Voice / Data / Signal Site Duct Bank (0314) | 1,200,000 | 117,130 | 117,130 | - | - |
| Reserve for Contingencies (0399) | 4,734,548 | 1,757,784 | - | - | 1,757,784 |
| Total Campus Site Improvements: Accessibility, Safety / Security | 28,435,148 | 20,413,974 | 1,600,330 | 525,407 | 18,288,236 |
| <u>Energy Efficiency Improvements (EEI)</u> | | | | | |
| Energy Efficiency Improvements Phase One (401) | 9,184,855 | - | - | - | - |
| Energy Efficiency Improvements Phase Two (0402) | 4,496,995 | 2,818,000 | 1,712,548 | 76,571 | 1,028,881 |
| Reserve for Contingencies (0499) | 3,137,248 | 215,653 | - | - | 215,653 |
| Total Energy Efficiency Improvements | 16,819,098 | 3,033,653 | 1,712,548 | 76,571 | 1,244,534 |
| <u>Health and Safety Improvements (HSI)</u> | | | | | |
| Administration (0501) | 3,736,372 | 4,367,732 | 96,525 | 1,884 | 4,269,323 |
| Art & Behavioral Sciences (0502) | 5,046,800 | 12,247,136 | 291,552 | - | 11,955,584 |
| Infrastructure Phase I (0503) | 1,119,716 | 20,701,679 | 8,752,288 | 3,897,629 | 8,051,763 |
| Auxiliary Warehouse (0504) | 105,042 | 105,042 | 1,305 | - | 103,737 |
| Campus Theatre (0505) | 1,814,262 | - | - | - | - |
| Chilled Water System (0506) | 3,574,600 | - | - | - | - |
| Communications (0507) | 1,359,812 | 8,223,354 | 219,531 | - | 8,003,823 |
| Construction Technology (0508) | 1,140,822 | 943,970 | 16,505 | - | 927,465 |
| Domestic Water System (0509) | 2,488,800 | 110,208 | 110,208 | - | - |
| Facilities and Receiving (0510) | 1,046,150 | 1,985,416 | 156,440 | - | 1,828,976 |
| Fire Alarm (0511) | 286,700 | 279,694 | 277,817 | 1,877 | (0) |
| Firelines (0512) | 3,580,700 | 119,905 | 119,905 | - | - |

| | | | | | |
|---|-------------------|--------------------|-------------------|------------------|--------------------|
| Hazardous Materials Abatement (0513) | 2,400,000 | 200,000 | 93,470 | 16,320 | 90,209 |
| Heating Water System (0514) | 1,252,330 | - | - | - | - |
| Library (0515) | 2,326,540 | 7,876,509 | 432,072 | - | 7,444,437 |
| Marsee Auditorium (0516) | 5,225,992 | 6,670,843 | 142,473 | - | 6,528,370 |
| Math & Computer Sciences (0517) | 4,330,512 | 10,761,643 | 194,727 | - | 10,566,916 |
| Music (0518) | 2,832,840 | 8,896,846 | 226,592 | - | 8,670,254 |
| Natural Gas System (0519) | 341,600 | 13,852 | 13,852 | - | - |
| North Gymnasium (0520) | 2,145,126 | 3,248,993 | 257,027 | - | 2,991,966 |
| Physical Education and Men's Shower (0521) | 2,462,936 | 4,216,871 | 67,293 | - | 4,149,578 |
| Planetarium (0522) | 285,480 | 559,465 | 12,838 | - | 546,627 |
| Pool and Health Center (0523) | 2,018,573 | 8,273,592 | 326,367 | 937 | 7,946,288 |
| Primary Electrical Distribution System (0524) | 18,934,400 | 5,480,458 | 4,965,693 | 186,358 | 328,407 |
| Reimbursements (0525) | 1,800,000 | 1,456,353 | 1,414,353 | - | 42,000 |
| Security Systems (0526) | 1,363,350 | 30,245 | 30,245 | - | - |
| Sewer System (0527) | 1,964,200 | 55,449 | 55,449 | - | - |
| Social Sciences (0528) | 1,807,918 | 7,415,520 | 198,422 | 189 | 7,216,909 |
| South Gymnasium (0529) | 733,586 | - | - | - | - |
| Storm Drain System (0530) | 481,656 | 30,644 | 30,644 | - | - |
| Technical Arts (0531) | 1,891,976 | 5,600,000 | 377,482 | - | 5,222,518 |
| Women's Shower and Locker (0532) | 2,918,484 | - | - | - | - |
| Shops (0533) | - | 10,600,000 | 213,338 | - | 10,386,662 |
| Reserve for Contingencies (0599) | 1,190,001 | 8,337,328 | - | - | 8,337,328 |
| Total Health and Safety Improvements | 84,007,276 | 138,808,746 | 19,094,411 | 4,105,194 | 115,609,141 |
| Information Technology and Equipment (ITE) | | | | | |
| Behavioral and Social Sciences (0601) | 579,077 | 654,077 | 111,547 | - | 542,530 |
| Business (0602) | 1,123,650 | 1,143,650 | 477,596 | - | 666,054 |
| Facilities Planning and Services (0603) | 1,818,724 | 1,925,724 | 357,110 | 25,263 | 1,543,351 |
| Fine Arts (0604) | 2,805,096 | 2,870,096 | 397,254 | 29,957 | 2,442,885 |
| Health Sciences and Athletics (0605) | 1,203,993 | 1,269,987 | 268,755 | - | 1,001,232 |
| Humanities (0606) | 607,033 | 625,978 | 214,540 | 1,351 | 410,087 |
| Industry and Technology (0607) | 1,771,641 | 1,883,641 | 548,500 | 24,993 | 1,310,147 |

| | | | | | |
|--|--------------------|--------------------|-------------------|-------------------|--------------------|
| Information Technology (0608) | 14,557,510 | 14,557,510 | 1,837,564 | - | 12,719,946 |
| Learning Resources (0609) | 4,665,775 | 4,940,775 | 260,085 | 325 | 4,680,365 |
| Math (0610) | 688,661 | 723,061 | 231,191 | - | 491,870 |
| Natural Sciences (0611) | 3,002,285 | 3,063,431 | 667,686 | - | 2,395,745 |
| Nursing (0612) | 252,651 | 252,651 | 116,478 | - | 136,173 |
| Student and Community Advancement (0613) | 567,500 | 645,925 | 221,664 | 767 | 423,494 |
| Interfund Transfer (0614) | - | 141,150 | 141,150 | - | - |
| Campus Police (0621) | - | 68,500 | 66,650 | - | 1,850 |
| Purchasing (0622) | - | 10,000 | 9,418 | - | 582 |
| Phase II, III, IV Purchases (0697) | 17,025,000 | 12,686,900 | - | - | 12,686,900 |
| Installation Contingency (0698) | 4,464,194 | 4,464,194 | 349 | - | 4,463,845 |
| Reserve for Contingencies (0699) | 3,541,949 | 3,746,018 | - | - | 3,746,018 |
| Total Information Technology and Equipment | 58,674,739 | 55,673,268 | 5,927,534 | 82,657 | 49,663,076 |
| Physical Education Facilities Improvements (PEFI) | | | | | |
| Baseball Field (0701) | 1,091,800 | 1,091,800 | - | - | 1,091,800 |
| North Field (0702) | 481,600 | 481,600 | - | - | 481,600 |
| Sand Volleyball (0703) | 12,300 | 12,300 | - | - | 12,300 |
| Reserve for Contingencies (0799) | 363,601 | 121,349 | - | - | 121,349 |
| Total Physical Education Facilities | 1,949,301 | 1,707,049 | - | - | 1,707,049 |
| Total Allocated | 394,516,464 | 395,507,873 | 70,318,760 | 27,914,242 | 297,274,870 |
| Unallocated Funds | 6,866,776 | 5,875,366 | - | - | 5,875,366 |
| | \$ | | | | |
| | 401,383,240 | 401,383,239 | 70,318,760 | 27,914,242 | 303,150,236 |

EL CAMINO COMMUNITY COLLEGE DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
REVENUE BOND CONSTRUCTION FUND
MEASURE E
PERFORMANCE AUDIT**

Fiscal Year Ending June 30, 2007

EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
REVENUE BOND CONSTRUCTION FUND
MEASURE E
PERFORMANCE AUDIT

June 30, 2007

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District

We have examined the El Camino Community College District's compliance with the performance requirements for the Proposition 39/Measure E General Obligation Bonds for the period ended June 30, 2007, under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for the El Camino Community College District's compliance with those requirements. Our responsibility is to express an opinion on the El Camino Community College District's compliance with such requirements thereof based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on El Camino Community College District's compliance with specified requirements.

In our opinion, the El Camino Community College District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2007.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

January 24, 2008

**EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE E BOND PROGRAM
PERFORMANCE AUDIT
June 30, 2007**

OBJECTIVES

The objectives of our Performance Audit were to:

- Document the expenditures charged to the El Camino Community College District Revenue Bond Construction Fund — Measure E Bond Program.
- Determine whether expenditures charged to the Revenue Bond Construction Fund — Measure E Bond Program, have been made in accordance with the bond project list approved by the voters through the approval of Measure E in November 2002.
- Note any incongruities or system weaknesses and provide recommendations for improvement.
- Provide the District Trustees and the Measure E Citizens' Bond Oversight Committee with a performance audit as required under the provisions of the California Constitution and Proposition 39.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2006 to June 30, 2007. The expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2007 were not reviewed or included within the scope of our audit or in this report.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE E BOND PROGRAM
PERFORMANCE AUDIT
June 30, 2007**

BACKGROUND INFORMATION

In November, 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. On November 5, 2002, a general obligation bond proposition (Measure E) of the El Camino Community College District was approved by the voters of that District. Measure E authorized the District to issue up to \$394,516,464 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

Pursuant to the requirements of Proposition 39, and related State legislation, the Board of Trustees of the District established a Citizens' Bond Oversight Committee and appointed its members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in State law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure E bond authorization. The Citizens' Bond Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1 (b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct, an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Revenue Bond Construction Fund — Measure E Bond Program have been expended only for the authorized bond projects.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE E BOND PROGRAM
PERFORMANCE AUDIT
June 30, 2007**

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the period of July 1, 2006 to June 30, 2007, for the Revenue Bond Construction Fund — Measure E Bond Program. Within the period audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Proposition 39 and Measure E as to the bond projects. We performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set out in the Measure E election documents.
- We selected a sample of expenditures for the period under audit and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.
- We verified that funds from the Revenue Bond Construction Fund — Measure E Bond Program were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects and we verified that funds held in the Revenue Bond Construction Fund — Measure E Bond Program were not used for salaries of school administrators or other operating expenses of the District.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE E BOND PROGRAM
PERFORMANCE AUDIT
June 30, 2007**

CONCLUSION

Based upon our procedures performed, we found that for the items tested, the El Camino Community College District has properly accounted for the expenditures of the funds held in the Revenue Bond Construction Fund — Measure E Bond Program and that such expenditures were made for authorized bond projects. Furthermore, it was noted that the funds held in the Revenue Bond Construction Fund — Measure E Bond Program, and expended by the District, were not expended for salaries of school administrators or other operating expenditures.

We did not have any new findings and recommendations as a result of our audit.

EL CAMINO COMMUNITY COLLEGE DISTRICT

PROPOSITION 39 GENERAL OBLIGATION BONDS

MEASURE E BOND PROGRAM

PERFORMANCE AUDIT

June 30, 2007

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

There were no findings and recommendations for the fiscal year ended June 30, 2007

EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE E BOND PROGRAM
PERFORMANCE AUDIT
June 30, 2007

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

There were no prior year findings and recommendations for the fiscal year ended June 30, 2006.

EL CAMINO COMMUNITY COLLEGE DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
REVENUE BOND CONSTRUCTION FUND
MEASURE E
FINANCIAL AUDIT**

Fiscal Year Ending June 30, 2007

EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
REVENUE BOND CONSTRUCTION FUND
MEASURE E
FINANCIAL AUDIT

June 30, 2007

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the Revenue Bond Construction Fund of the El Camino Community College District as of and for the fiscal year ended June 30, 2007. These statements are the responsibility of the District's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit of the Revenue Bond Construction Fund in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements for the Revenue Bond Construction Fund are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Revenue Bond Construction Fund financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the Revenue Bond Construction Fund of the El Camino Community College District as of June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2008 on our consideration of the El Camino Community College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP

January 24, 2008

EL CAMINO COMMUNITY COLLEGE DISTRICT

**BALANCE SHEET
REVENUE BOND CONSTRUCTION FUND**

June 30, 2007

ASSETS

| | |
|-------------------------|------------------|
| Cash in County Treasury | \$ 166,284,086 |
| Accounts Receivable | <u>3,320,169</u> |

TOTAL ASSETS **\$ 169,604,255**

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|--------------------------|---------------------|
| Accounts Payable | \$ <u>7,284,123</u> |
| TOTAL LIABILITIES | <u>7,284,123</u> |

FUND BALANCE

| | |
|---------------------------|--------------------|
| Designated | <u>162,320,132</u> |
| TOTAL FUND BALANCE | <u>162,320,132</u> |

TOTAL LIABILITIES AND FUND BALANCE **\$ 169,604,255**

See the accompanying notes to the financial statements.

EL CAMINO COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
REVENUE BOND CONSTRUCTION FUND**

For the Fiscal Year Ended June 30, 2007

REVENUES

Revenue from Local Sources

Interest and Investment Income \$ 8,001,192

TOTAL REVENUES 8,001,192

EXPENDITURES

Other Services 3,621,045

Capital Outlay 36,377,892

TOTAL EXPENDITURES 39,998,937

Deficiency of revenues over expenditures (31,997,745)

OTHER FINANCING SOURCES

Proceeds from Sale of Bonds 150,000,000

TOTAL OTHER FINANCING SOURCES 150,000,000

Excess of revenues over expenditures and other sources 118,002,255

Fund Balance at Beginning of Year 44,317,877

Fund Balance at End of Year \$ 162,320,132

See the accompanying notes to the financial statements.

EL CAMINO COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - REVENUE BOND CONSTRUCTION FUND**

For the Fiscal Year Ended June 30, 2007

| | <u>Budget *</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------------|-----------------------|---|
| REVENUES | | | |
| Revenue from Local Sources | | | |
| Interest and Investment Income | \$ 7,000,000 | \$ 8,001,192 | \$ 1,001,192 |
| TOTAL REVENUES | <u>7,000,000</u> | <u>8,001,192</u> | <u>1,001,192</u> |
| EXPENDITURES | | | |
| Other Services | 33,056,667 | 3,621,045 | 29,435,622 |
| Capital Outlay | <u>332,421,211</u> | <u>36,377,892</u> | <u>296,043,319</u> |
| TOTAL EXPENDITURES | <u>365,477,878</u> | <u>39,998,937</u> | <u>325,478,941</u> |
| Deficiency of revenues over expenditures | <u>(358,477,878)</u> | <u>(31,997,745)</u> | <u>326,480,133</u> |
| OTHER FINANCING SOURCES | | | |
| Proceeds from Sale of Bonds | <u>150,000,000</u> | <u>150,000,000</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES | <u>150,000,000</u> | <u>150,000,000</u> | <u>-</u> |
| Excess of revenues over expenditures and other sources | <u>\$ (208,477,878)</u> | 118,002,255 | <u>\$ 326,480,133</u> |
| Fund Balance at Beginning of Year | | <u>44,317,877</u> | |
| Fund Balance at End of Year | | <u>\$ 162,320,132</u> | |

* The budget for revenues and other sources reflects estimated amounts to be received in the current year. The budget for expenditures reflects amounts remaining and available for current and subsequent years' expenditures and does not necessarily coincide with actual planned expenditures in the current year.

See the accompanying notes to the financial statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants.

FUND STRUCTURE

The Statement of Revenues, Expenditures, and Change in Fund Balance is a statement of financial activities of the Revenue Bond Construction Fund related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

BASIS OF ACCOUNTING

The Revenue Bond Construction Fund is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

During the year, Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

BUDGET

The Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual includes a column entitled “Budget”. The amounts in this column represent the budget adopted by the Board and all amendments throughout the year.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

CAPITAL ASSETS AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Revenue Bond Construction Fund are determined by its measurement focus. The Revenue Bond Construction funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Revenue Bond Construction Fund are accounted for in the basic financial statements of the El Camino Community College District.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

There were no excesses of expenditures over appropriations, by major object accounts.

NOTE 3 – BONDED DEBT:

On November 5, 2002, the District voters authorized the issuance and sale of general obligation bonds totaling \$394,516,464 which provides that proceeds of the bonds will be used to finance the acquisition and improvement of real property.

The outstanding related bonded debt for the El Camino Community College District at June 30, 2007 is:

| <u>Date of Issue</u> | <u>Interest Rate %</u> | <u>Maturity Date</u> | <u>Amount of Original Issue</u> | <u>Outstanding July 1, 2006</u> | <u>Issued Current Year</u> | <u>Redeemed Current Year</u> | <u>Outstanding June 30, 2007</u> |
|----------------------|------------------------|----------------------|---------------------------------|---------------------------------|----------------------------|------------------------------|----------------------------------|
| 3/20/2003 | 2.5 - 5.0% | 8/1/2013 | \$ 63,700,000 | \$ 12,395,000 | \$ | \$ 1,365,000 | \$ 11,030,000 |
| 8/30/2005 | 3.0 – 5.0% | 8/1/2022 | 40,252,335 | 40,252,335 | | 8,249,810 | 32,002,525 |
| 9/12/2006 | 3.75 - 5.0% | 8/1/2031 | 150,000,000 | | 150,000,000 | | 150,000,000 |
| | | | <u>\$ 253,952,335</u> | <u>\$ 52,647,335</u> | <u>\$ 150,000,000</u> | <u>\$ 9,614,810</u> | <u>\$ 193,032,525</u> |

**EL CAMINO COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007**

NOTE 3 – BONDED DEBT: (continued)

Series A

On March 20, 2003, \$63,700,000 of general obligation bonds were sold. The annual requirements to amortize Series A bonds payable, outstanding as of June 30, 2007, are as follows:

| Year Ended June 30, | Principal | Interest | Total |
|--------------------------------|-----------------------------|----------------------------|-----------------------------|
| 2008 | \$ 1,405,000 | \$ 450,250 | \$ 1,855,250 |
| 2009 | 1,450,000 | 407,425 | 1,857,425 |
| 2010 | 1,495,000 | 352,038 | 1,847,038 |
| 2011 | 1,560,000 | 287,200 | 1,847,200 |
| 2012 | 1,625,000 | 215,375 | 1,840,375 |
| 2013-2014 | 3,495,000 | 176,875 | 3,671,875 |
| | <u>\$ 11,030,000</u> | <u>\$ 1,889,163</u> | <u>\$ 12,919,163</u> |

**EL CAMINO COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007**

NOTE 3 – BONDED DEBT: (continued)

Refunding

On August 30, 2005, \$40,252,335 of general obligation bonds were sold in order to refund a portion of Series A bonds. The annual requirements to amortize Refunding bonds payable, outstanding as of June 30, 2007, are as follows:

| Year Ended June 30, | Principal | Interest | Accreted Interest Component | Total |
|--------------------------------|----------------------|----------------------|--|----------------------|
| 2008 | \$ 966,324 | \$ 1,252,250 | \$ 233,676 | \$ 2,452,250 |
| 2009 | 860,028 | 1,252,250 | 339,972 | 2,452,250 |
| 2010 | 762,231 | 1,252,250 | 432,769 | 2,447,250 |
| 2011 | 681,228 | 1,252,250 | 518,772 | 2,452,250 |
| 2012 | 603,762 | 1,252,250 | 591,238 | 2,447,250 |
| 2013-2017 | 6,158,953 | 6,184,375 | 5,451,047 | 17,794,375 |
| 2018-2022 | 17,845,000 | 3,348,875 | | 21,193,875 |
| 2023 | 4,125,000 | 103,125 | | 4,228,125 |
| | <u>\$ 32,002,525</u> | <u>\$ 15,897,625</u> | <u>\$ 7,567,475</u> | <u>\$ 55,467,625</u> |

Capital appreciation bonds were issued as part of the 2005 refunding issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long term debt balance on the El Camino Community College District's financial statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007**

NOTE 3 – BONDED DEBT: (continued)

Series B

On September 12, 2006, \$150,000,000 of general obligation bonds were sold. The annual requirements to amortize Series B bonds payable, outstanding as of June 30, 2007, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|------------------------------|------------------------------|------------------------------|
| 2008 | \$ 4,600,000 | \$ 6,870,368 | \$ 11,470,368 |
| 2009 | 3,250,000 | 6,713,369 | 9,963,369 |
| 2010 | 3,000,000 | 6,573,369 | 9,573,369 |
| 2011 | 1,800,000 | 6,453,369 | 8,253,369 |
| 2012 | 2,250,000 | 6,368,994 | 8,618,994 |
| 2013-2017 | 22,200,000 | 29,561,341 | 51,761,341 |
| 2018-2022 | 29,140,000 | 23,738,125 | 52,878,125 |
| 2023-2027 | 37,035,000 | 15,668,556 | 52,703,556 |
| 2028-2032 | 46,725,000 | 5,754,506 | 52,479,506 |
| | <u>\$ 150,000,000</u> | <u>\$ 107,701,996</u> | <u>\$ 257,701,996</u> |

NOTE 4 – PURCHASE COMMITMENTS

As of June 30, 2007, the District was committed under various capital expenditure purchase agreements for bond projects totaling approximately \$27,914,000.



**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District

We have audited the Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the Revenue Bond Construction Fund of the El Camino Community College District as of and for the fiscal year ended June 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered El Camino Community College District's internal control over the Revenue Bond Construction Fund financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the fund financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's Revenue Bond Construction Fund financial statement that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the Revenue Bond Construction Fund financial statements will not be prevented or detected by the District's internal control.

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Our consideration of internal control over Revenue Bond Construction Fund financial reporting was for the limited purpose described in the first paragraph of this section and could not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Camino Community College District's Revenue Bond Construction Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests of the Revenue Bond Construction Fund disclosed no instances of noncompliance and other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the District's Board of Trustees, the Citizens' Oversight Committee and District management. It is not intended to be and should not be used by anyone other than these specified parties.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

January 24, 2008

**EL CAMINO COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2007**

There were no findings and questioned costs related to the financial audit of the Revenue Bond Construction Fund for the year ended June 30, 2007.

Appendix

Citizens' Bond Oversight Committee Agendas

www.elcamino.edu/administration/bond/minutes.asp

Citizens' Bond Oversight Committee Minutes

www.elcamino.edu/administration/bond/minutes.asp

Citizens' Bond Oversight Committee Bylaws

www.elcamino.edu/administration/bond/docs/Ositebylaws406.pdf

Measure E Expenditures Approved by Board of Trustees, El Camino Community College District

www.elcamino.edu/administration/bond/minutes.asp

Original Resolution 2002-1 and Exhibit B

www.elcamino.edu/administration/bond/cboc_resolutions/

Resolution Authorizing the Issuance of General Obligation Bonds, Series 2006B

www.elcamino.edu/administration/bond/cboc_resolutions/

Resolution Authorizing General Obligation Bonds, 2005-1

www.elcamino.edu/administration/bond/cboc_resolutions/

“The Citizens’ Bond Oversight Committee acknowledges with gratitude the cooperation of many departments within El Camino College throughout the past year. The Committee is particularly grateful to the following: Thomas Connolly, Janice Ely, Bob Gann, Ann Garten, Ellen Lorenz, Jeff Marsee, and Ruth Sanchez.”





The El Camino Community College District is committed to providing equal opportunity in which no person is subjected to discrimination on the basis of ethnic group identification, national origin, religion, age, sex, race, color, ancestry, sexual orientation, physical or mental disability or retaliation.