

**SAN JOSE/EVERGREEN
COMMUNITY COLLEGE DISTRICT
MEASURE G GENERAL OBLIGATION BOND**

FINANCIAL AUDIT
AND
REPORT ON APPLYING AGREED-UPON PROCEDURES

JUNE 30, 2006

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT

MEASURE G GENERAL OBLIGATION BOND

TABLE OF CONTENTS

JUNE 30, 2006

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Measure G General Obligation Bond	
Balance Sheet - Modified Accrual Basis	2
Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Accrual Basis	3
Notes to Financial Statements	4
AGREED-UPON PROCEDURES REPORT	8

**SAN JOSE/EVERGREEN
COMMUNITY COLLEGE DISTRICT
MEASURE G GENERAL OBLIGATION BOND**

FINANCIAL AUDIT

JUNE 30, 2006



INDEPENDENT AUDITORS' REPORT

Board of Trustees
San Jose/Evergreen Community College District
San Jose, California

We have audited the accompanying financial statements of the Measure G General Obligation Bond (the Bond Fund) of the San Jose/Evergreen Community College District (the District) as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 of the Notes to Financial Statements, the financial statements present only the Bond Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2006, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, as discussed in Note 2 of the Notes to Financial Statements, the Bond Fund's financial statements are prepared on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - modified cash basis of the Measure G General Obligation Bond of the San Jose/Evergreen Community College District as of June 30, 2006, and the results of its operations - modified accrual basis for the year then ended, in conformity with the basis of accounting described in Note 2.

Rancho Cucamonga, California
November 3, 2006

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT

**MEASURE G GENERAL OBLIGATION BOND
BALANCE SHEET - MODIFIED ACCRUAL BASIS
JUNE 30, 2006**

ASSETS

Cash and investments	\$ 26,628,255
Accounts receivable	<u>487,782</u>
Total Assets	<u>\$ 27,116,037</u>

LIABILITIES AND FUND EQUITY

FUND EQUITY

Fund balances	
Restricted Fund	<u>27,116,037</u>
Total Fund Equity	<u>27,116,037</u>
Total Liabilities and Fund Equity	<u>\$ 27,116,037</u>

The accompanying notes are an integral part of these financial statements.

SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT

**MEASURE G GENERAL OBLIGATION BOND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2006**

REVENUES

Interest income	\$ 1,642,511
Total Revenues	<u>1,642,511</u>

EXPENDITURES

Current Expenditures	
Salaries	91,559
Benefits	29,739
Services and operating expenditures	858,451
Capital outlay	<u>17,629,856</u>
Total Expenditures	<u>18,609,605</u>

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(16,967,094)</u>
---	---------------------

OTHER FINANCING SOURCES (USES)

Refunding bonds	<u>1,243,814</u>
Total Other Financing Sources and Uses	<u>1,243,814</u>

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,723,280)</u>
--	---------------------

FUND BALANCE, Beginning of Year	<u>42,839,317</u>
FUND BALANCE, End of Year	<u>\$ 27,116,037</u>

The accompanying notes are an integral part of these financial statements.

