SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

SCHEDULE OF PROCEEDS AND USE OF GENERAL OBLIGATION BONDS
(ELECTION OF 2001, SERIES A)

For the Period from March 27, 2002 through June 30, 2003
## SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF PROCEEDS AND USE OF GENERAL OBLIGATION BONDS**  
(ELECTION OF 2001, SERIES A)

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INDEPENDENT AUDITOR’S REPORT

The Board of Trustees
San Francisco Community College District
San Francisco, California

We have audited the accompanying Schedule of Proceeds and Use of General Obligation Bonds (Election of 2001, Series A) of the San Francisco Community College District (the District) for the period from March 27, 2002 through June 30, 2003. This schedule is the responsibility of the District’s management. Our responsibility is to express an opinion on this schedule 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 schedule of proceeds and use of general obligation bonds is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of proceeds and use of general obligation bonds. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule of proceeds and use of general obligation bonds. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the schedule of proceeds and use of general obligation bonds has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the schedule of proceeds and use of general obligation bonds referred to in the first paragraph presents fairly, in all material respects, the proceeds and use of the District’s General Obligation Bonds (Election of 2001, Series A) for the period from March 27, 2002 through June 30, 2003, on the basis of accounting described in Note 2.

Certified Public Accountants

Los Angeles, California
May 17, 2004
SAN FRANCISCO COMMUNITY COLLEGE DISTRICT  
GENERAL OBLIGATION BONDS  
(ELECTION OF 2001, SERIES A)  
SCHEDULE OF PROCEEDS AND USE OF GENERAL OBLIGATION BONDS  
FOR THE PERIOD FROM MARCH 27, 2002 THROUGH JUNE 30, 2003

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
<td>$38,000,000</td>
</tr>
<tr>
<td>Original Issue Premium</td>
<td>516,082</td>
</tr>
<tr>
<td><strong>Total Proceeds</strong></td>
<td>38,516,082</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>(516,082)</td>
</tr>
<tr>
<td><strong>Net Bond Proceeds</strong></td>
<td>38,000,000</td>
</tr>
<tr>
<td>Bond Interest Income</td>
<td>310,428</td>
</tr>
<tr>
<td><strong>Net Bond Proceeds and Interest Income</strong></td>
<td>38,310,428</td>
</tr>
</tbody>
</table>

Project Expenditures:
- **New Mission Campus**                                                   | $47,158    |
- **New Chinatown/North Beach Campus**                                      | 206,579    |
- **Acquisition of Property and Seismic Retrofitting at Evans Campus**     | 8,655,701  |
- **Completion of Computer Network and Electrical Upgrades**               | 3,340,667  |
- **Renovation and Remodeling of Aging Facilities and Access for Disabled-Phase II** | 301,953    |
- **Joint Use Academic Facility for Child Development Health Care Studies and Teacher Training** | 212,498    |
- **Community Health and Wellness Center, Including Child Development and Student Health** | 458,430    |
- **Balboa Reservoir-Infrastructure for Future College Use**               | 95,638     |
- **Acquisition and Improvements for Parcel Adjacent to Ocean Campus**     | 15,321     |
- **Community Performing, Cultural and Media Arts Center**                 | 239,576    |

**Total Project Expenditures**                                             | 13,573,521 |

**Ending Balance, as of June 30, 2003**                                    | $24,736,907 |

See accompanying notes to the schedule.
NOTE 1 – BACKGROUND

To increase educational opportunities, raise student achievement, and improve conditions in its neighborhood campuses throughout San Francisco, the voters of the City and County of San Francisco approved a $195 million General Obligation Bond (Bonds) issue for the San Francisco Community College District (District) on November 6, 2001 under the provisions of Article XIIIA of the Constitution of the State of California and Title I, Division 1, Part 10, Chapter 1 of the Education Code of the State of California (commencing at Section 15100). The Bonds were issued pursuant to provisions of the Constitution of the State of California affected by Proposition 39, the Constitutional initiative passed by voters on November 7, 2000, permitting approval of certain general obligation bonds of school and community college districts by a 55% vote. The total net proceeds of $38 million from the Bond Series A issuance received by the District (net of premium and bond issuance costs) are to be spent on construction, renovation and land acquisition for various approved projects.

The specific projects approved by the District Board of Trustee’s to be funded by the bond proceeds include:

New Mission Campus
New Chinatown/North Beach Campus
Acquisition of Property and Seismic Retrofitting at Evans Campus
Completion of Computer Network and Electrical Upgrades
Renovation and Remodeling of Aging Facilities and Access for Disabled-Phase II
Joint Use Academic Facility for Child Development Health Care Studies and Teacher Training
Community Health and Wellness Center, including Child Development and Student Health
Balboa Reservoir-Infrastructure for Future College Use
Acquisition and Improvements for Parcel Adjacent to Ocean Campus
Community Performing, Cultural and Media Arts Center

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The schedule of proceeds and use of general obligation bonds has been prepared on the cash basis of accounting, where the receipts of bond proceeds are reported when received and the disbursements of expenses from bond funds are reported when paid.

B. Bond Proceeds

Bond proceeds are recorded net of bond premium and issuance costs.

C. Project Expenditures

Expenditures are recognized when payments for approved projects are made.
NOTE 3 – BONDED DEBT

On March 27, 2002, $38,000,000 of the general obligation bonds were sold as follows:

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Interest Rate %</th>
<th>Maturity Date</th>
<th>Amount of Original Issue</th>
<th>Outstanding March 27, 2002</th>
<th>Redeemed Current Period</th>
<th>Outstanding June 30, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 27, 2002</td>
<td>2.0-5.375%</td>
<td>June 15, 2026</td>
<td>$38,000,000</td>
<td>$38,000,000</td>
<td>$495,000</td>
<td>$37,505,000</td>
</tr>
</tbody>
</table>

The annual debt service requirements to amortize the bonds payable, outstanding as of June 30, 2003, are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$905,000</td>
<td>$1,827,825</td>
<td>$2,732,825</td>
</tr>
<tr>
<td>2005</td>
<td>$930,000</td>
<td>$1,800,675</td>
<td>2,730,675</td>
</tr>
<tr>
<td>2006</td>
<td>$970,000</td>
<td>$1,763,475</td>
<td>2,733,475</td>
</tr>
<tr>
<td>2007</td>
<td>$1,005,000</td>
<td>$1,724,675</td>
<td>2,729,675</td>
</tr>
<tr>
<td>2008</td>
<td>$1,040,000</td>
<td>$1,690,756</td>
<td>2,730,756</td>
</tr>
<tr>
<td>2009-2013</td>
<td>$5,870,000</td>
<td>$7,793,256</td>
<td>13,663,256</td>
</tr>
<tr>
<td>2014-2018</td>
<td>$7,440,000</td>
<td>$6,218,700</td>
<td>13,658,700</td>
</tr>
<tr>
<td>2019-2023</td>
<td>$10,270,000</td>
<td>$3,992,644</td>
<td>14,262,644</td>
</tr>
<tr>
<td>2024-2026</td>
<td>$9,075,000</td>
<td>$922,250</td>
<td>9,997,250</td>
</tr>
<tr>
<td>Totals</td>
<td>$37,505,000</td>
<td>$27,734,256</td>
<td>$65,239,256</td>
</tr>
</tbody>
</table>

NOTE 4 – REPAYMENT OF CERTIFICATES OF PARTICIPATION

The District used $7,039,779 of the net bond proceeds to repay Certificates of Participation that were used to fund the acquisition of real property on the Evans Campus project.
NOTE 5 – RECONCILIATION BETWEEN CASH AND ACCRUAL BASIS

The following is a reconciliation of project expenditures and revenues between the cash and accrual basis as of June 30, 2003:

Expenditures:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cash Basis</th>
<th>Accrual Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures - Cash Basis</td>
<td>$ 13,573,521</td>
<td></td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(335,216)</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>1,414,115</td>
<td></td>
</tr>
<tr>
<td>Contract Retentions Payable</td>
<td>144,069</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures - Accrual Basis</strong></td>
<td><strong>$ 14,796,489</strong></td>
<td></td>
</tr>
</tbody>
</table>

Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cash Basis</th>
<th>Accrual Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income - Cash Basis</td>
<td>$ 310,428</td>
<td></td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>661,740</td>
<td></td>
</tr>
<tr>
<td>Interest Income - Accrual Basis</td>
<td><strong>$ 972,168</strong></td>
<td></td>
</tr>
</tbody>
</table>

NOTE 6 - COMMITMENTS AND CONTINGENCIES

A. Bond Fund Compliance

The General Obligation Bonds (Election of 2001, Series A) are subject to financial and compliance audits annually. Refer to the Independent Auditor’s Report on Compliance with Article XIII A of the Constitution of the State of California on the Proceeds and Use of General Obligation bonds, which is included in this report.

B. Construction Contracts

The District has outstanding construction commitments of $8,007,332 at June 30, 2003.
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH ARTICLE XIII A
OF THE CONSTITUTION OF THE STATE OF CALIFORNIA ON THE
PROCEEDS AND USE OF GENERAL OBLIGATION BONDS
(ELECTION OF 2001, SERIES A)

The Board of Trustees
San Francisco Community College District
San Francisco, California

We have examined the San Francisco Community College District’s compliance with Article XIII A of the
Constitution of the State of California on the proceeds and use of general obligation bonds for the period
from March 27, 2002 through June 30, 2003. The compliance requirements are as follows:

- The Board of Trustee’s evaluated the list of specific projects to address the District’s needs for
  safety, and information technology.

- Funds were properly expended for the specific projects on the Board of Trustee’s published list.

- Funds were used for financing the acquisition, construction and modernization of certain property
  and District facilities, and no funds were used for teacher and administrator salaries and other
  school operating expenses.

Management is responsible for San Francisco Community College District’s compliance with those
requirements. Our responsibility is to express an opinion on San Francisco Community College District’s
compliance 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 San Francisco Community College District’s compliance with those requirements and by 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
San Francisco Community College District’s compliance with specified requirements.

In our opinion, San Francisco Community College District complied, in all material respects, with the
aforementioned requirements for the period from March 27, 2002 through June 30, 2003.
This report is intended solely for the information and use of District's management, the Board of Trustees, Bond Oversight Committee, and state regulatory officials and is not intended to be and should not be used by anyone other than these specified parties.

Maccar, Fini & Company

Certified Public Accountants

Los Angeles, California
May 17, 2004