

COAST COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF USE OF
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A,
2005 REFUNDING, AND SERIES 2006B & C)
WITH INDEPENDENT AUDITOR'S REPORT**

For the period from July 1, 2006 through June 30, 2007

**COAST COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF USE OF GENERAL OBLIGATION BONDS
 (ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
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MACIAS GINI & O'CONNELL LLP
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

2175 N. California Boulevard, Suite 645
Walnut Creek, CA 94596
925.274.0190

515 S. Figueroa Street, Suite 325
Los Angeles, CA 90071
213.286.6400

402 West Broadway, Suite 400
San Diego, CA 92101
619.573.1112

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Coast Community College District
Costa Mesa, California

We have audited the accompanying schedule of use of general obligation bonds (Election of 2002, Series 2003A, 2005 Refunding, and Series 2006B & C) of the Coast Community College District (the District) for the period from July 1, 2006 through June 30, 2007. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the schedule of use of general obligation bonds, 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.

In our opinion, the schedule of use of general obligation bonds referred to in the first paragraph presents fairly, in all material respects, the use of the District's General Obligation Bonds (Election of 2002, Series 2003A, 2005 Refunding, and Series 2006B & C) for the period from July 1, 2006 through June 30, 2007, in conformity with accounting principles accepted in the United States of America..

Macias Gini & O'Connell LLP

Certified Public Accountants

Los Angeles, California
December 7, 2007

**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
SCHEDULE OF USE OF GENERAL OBLIGATION BONDS (CONTINUED)
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

Project Expenditures:

District Facilities

District Office Permanent Structure	\$ 5,075,580
District Wide Administrative Accounts	453,515
Facilities Planning	94,970
Upgrade Information Systems Software	3,540
Upgrade Information Systems Implementation	1,357,643
Upgrade Information Systems Hardware	611,922
Debt Repayment	9,288,900

Total Expenditures for District Facilities

16,886,070

Orange Coast College

Upgrade Auditorium-Music Complex	1,644,009
Upgrade Social Science and Home Economics Building	1,158,223
Upgrade Large Lecture Halls	39,647
Upgrade Lewis Center - Applied Science	3,150,699
Learning Resource Center	2,968,253
Seawall / Ramps - Sailing Center	46
Upgrade Women's Locker Room - Sailing Center	56,787
Campus-Wide Exterior Lighting	3,543,546
Landscape Project	821
Upgrade Baseball Field	62,719
Upgrade Fitness Center	6,863,187
Upgrade Softball Field	11,034
Upgrade Information Technology System Phase 1	363,458
East / West Campus Utility Upgrade	6,952,443
Upgrade Electrical Houses	111,061
Upgrade Utility Infrastructure	297,104
Upgrade Student Services Gallery and Cafe	2,311,879
Upgrade Student Services - Watson Hall	4,534,377
Upgrade Parking Lots	19,253
Campus-Wide Signage	24,906
Faculty House Phase II	85,192
Upgrade Music Classrooms	78,927
Upgrade Chemistry Classrooms	47,230
Upgrade Literature and Media Technology	79,251
Electrical and Computer Engineering Lab Classroom Addition	15,464
Upgrade Visual and Performing Arts Classrooms	9,885
Upgrade Exterior Light Technology - Skill Center	17,287
New - Interdisciplinary Building	776,192
New - Student Center Building	147,503
Temporary Modular Buildings	27,803
Miscellaneous Planning - General	95,644

Total Expenditures for Orange Coast College

35,493,830

See accompanying notes to the schedule.

**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
SCHEDULE OF USE OF GENERAL OBLIGATION BONDS
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

<i>Golden West College</i>		
Upgrade Eroding Concrete Phase I	\$ 562,096	
Upgrade Information Technology Phase I	(274)	
Upgrade Utilities Campus-Wide Phase I	8,830,577	
Upgrade Swimming Pool / Locker Rooms	4,350,135	
Health Science - Expand Nursing Facility	639,147	
Upgrade International Student Facility	69,844	
Learning Resource Center	1,333,731	
Administration / Facility Planning - General	<u>118,498</u>	
<i>Total Expenditures for Golden West College</i>		15,903,754
 <i>Coastline College</i>		
Westminster Center	7,523	
Upgrade Mechanical Controls / Lighting	<u>947,250</u>	
<i>Total Expenditures for Coastline College</i>		<u>954,773</u>
 Total Project Expenditures for the Period From July 1, 2006 through June 30, 2007		 <u><u>\$ 69,238,427</u></u>

See accompanying notes to the schedule.

**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
NOTES TO THE SCHEDULE OF USE OF GENERAL OBLIGATION BONDS (CONTINUED)
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

NOTE 1 – BACKGROUND

On November 5, 2002 the voters of the Coast Community College District (District) approved the issuance of \$370,000,000 general obligation bonds to be used to finance the acquisition, construction and modernization of certain property and District facilities.

2003A General Obligation Bonds

On May 6, 2003, \$110,000,000 of Coast Community College District, Election of 2002, Series 2003A Bonds were issued with a final maturity date of August 1, 2016 and interest rates ranging from 2.5% to 5%, depending on the maturity of the related bonds.

2005 General Obligation Refunding Bonds

On April 5, 2005, \$74,893,867 of Coast Community College District, 2005 General Obligation Refunding Bonds were issued to advance refund and defease the District's Election of 2002, Tax-Exempt General Obligation Bonds, Series 2003A maturing on and after August 1, 2017, and to pay all legal, financial and contingent costs in connection with the issuance of the Bonds. The Refunding Bonds defeased \$69,545,000 of the old debt with a final maturity date of August 1, 2027. Interest rates range from 3.00% to 5.00%, depending on the maturity of the related bonds. Interest accrues from March 10, 2005 and is payable semiannually on February 1 and August 1 of each year commencing on August 1, 2005.

2006B & C General Obligation Bonds

On August 1, 2006, \$149,859,831 of 2006B General Obligation Bonds were issued. The bonds have a final maturity dated August 1, 2030 and interest rates ranging from 3.65% to 5.08% depending on the maturity of the related bonds. Interest accrues from August 1, 2006 and is payable semiannually on February 1 and August 1 of each year commencing on February 1, 2007.

On August 1, 2006, \$110,140,169 of 2006C General Obligation Bonds were issued. The bonds have a final maturity dated August 1, 2036 and interest rates ranging from 5.00% to 5.50% depending on the maturity of the related bonds. Interest accrues from August 1, 2006 and is payable semiannually on February 1 and August 1 of each year commencing on February 1, 2014

The outstanding principal balance of these bonds at June 30, 2007 was \$353,203,867.

**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
NOTES TO THE SCHEDULE OF USE OF GENERAL OBLIGATION BONDS (CONTINUED)
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

NOTE 1 – BACKGROUND (CONTINUED)

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

District Facilities

- District Office Permanent Structure
- Move District Wide Transportation Maintenance Facility
- District Wide Administrative Accounts
- Facilities Planning
- General Reserves
- Upgrade Information Systems Software
- Upgrade Information Systems Implementation
- Upgrade Information Systems Hardware

Orange Coast College (OCC)

- Upgrade Auditorium-Music Complex
- Upgrade Social Science and Home Economics Building
- Upgrade Large Lecture Halls
- Upgrade Lewis Center - Applied Science
- Learning Resource Center
- Seawall / Ramps - Sailing Center
- Upgrade Women's Locker Room - Sailing Center
- Campus-Wide Exterior Lighting
- Landscape Project
- Upgrade Baseball Field
- Upgrade Fitness Center
- Upgrade Softball Field
- Upgrade Information Technology System Phase 1
- East / West Campus Utility Upgrade
- Upgrade Electrical Houses
- Upgrade Utility Infrastructure
- Upgrade Student Services Gallery and Cafe
- Upgrade Student Services - Watson Hall
- Upgrade Parking Lots
- Campus-Wide Signage
- Faculty House Phase II
- Upgrade Music Classrooms
- Upgrade Chemistry Classrooms

**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
NOTES TO THE SCHEDULE OF USE OF GENERAL OBLIGATION BONDS (CONTINUED)
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

NOTE 1 – BACKGROUND (CONTINUED)

Orange Coast College (OCC)

- Upgrade Literature and Media Technology
- ECE Lab Classroom Addition
- Upgrade Visual and Performing Arts Classrooms
- Upgrade Exterior Light Technology - Skill Center
- Upgrade Exterior Lighting - Technology Building
- New - Interdisciplinary Building
- New - Student Center Building
- Temporary Modular Buildings
- Miscellaneous Planning - General

Golden West College (GWC)

- Upgrade Student Center
- Upgrade Eroding Concrete Phase I
- Upgrade Information Technology Phase I
- Upgrade Utilities Campus-Wide Phase I
- Replace Instructor Technology Equipment
- Upgrade Swimming Pool / Locker Rooms
- Health Science - Expand Nursing Facility
- Upgrade International Student Facility
- Upgrade Classrooms Phase I
- Library Student Success Center
- Learning Resource Center
- Administration / Facility Planning – General

Coastline College

- Westminster Center
- Upgrade Mechanical Controls / Lighting

**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
NOTES TO THE SCHEDULE OF USE OF GENERAL OBLIGATION BONDS
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The schedule of use of general obligation bonds has been prepared on the accrual basis of accounting, where expenditures are recorded when a liability is incurred regardless of the timing of the related cash flow.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

A. Bond Fund Compliance

The General Obligation Bonds (Election of 2002, Series 2003A, 2005 Refunding, and Series 2006B & C) 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 Use of General Obligation Bonds, which is included in this report.

B. Construction Contracts

The District has bond fund related outstanding project construction and other commitments of \$66,663,643 at June 30, 2007.



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Walnut Creek, CA 94596
925.274.0190

515 S. Figueroa Street, Suite 325
Los Angeles, CA 90071
213.286.6400

402 West Broadway, Suite 400
San Diego, CA 92101
619.573.1112

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARTICLE XIII A
OF THE CONSTITUTION OF THE STATE OF CALIFORNIA ON THE
USE OF GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006C)**

The Board of Trustees
Coast Community College District
Costa Mesa, California

We have examined Coast Community College District's compliance with Article XIII A of the Constitution of the State of California on the use of general obligation bond proceeds for the period from July 1, 2006 through June 30, 2007. 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 Coast Community College District's compliance with those requirements. Our responsibility is to express an opinion on Coast 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 Coast 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 Coast Community College District's compliance with specified requirements.

In our opinion, Coast Community College District complied, in all material respects, with the aforementioned requirements for the period from July 1, 2006 through June 30, 2007.

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.

Macias Fini & O'Connell LLP

Certified Public Accountants

Los Angeles, California

December 7, 2007

SUPPLEMENTARY INFORMATION



MACIAS GINI & O'CONNELL LLP
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

3000 S Street, Suite 300
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Los Angeles, CA 90071
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Trustees
Coast Community College District
Costa Mesa, California

We have audited the accompanying schedule of use of general obligation bonds (Election of 2002, Series 2003A, 2005 Refunding, and Series 2006B & C) of the Coast Community College District (the District) for the period from July 1, 2006 through June 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

The accompanying schedule of completed project costs by expenditures type, breakdown of soft costs by category, and soft cost categories as a percent of construction cost are presented for purposes of additional analysis and are not required part of the schedule of the use of general obligation bonds (Election of 2002, Series 2003A, 2005 Refunding, and Series 2006B & C) (the Schedule). Such information has been subjected to the auditing procedures applied in the audit of the Schedule and, in our opinion, is fairly stated in all material respects in relation to the Schedule taken as a whole.

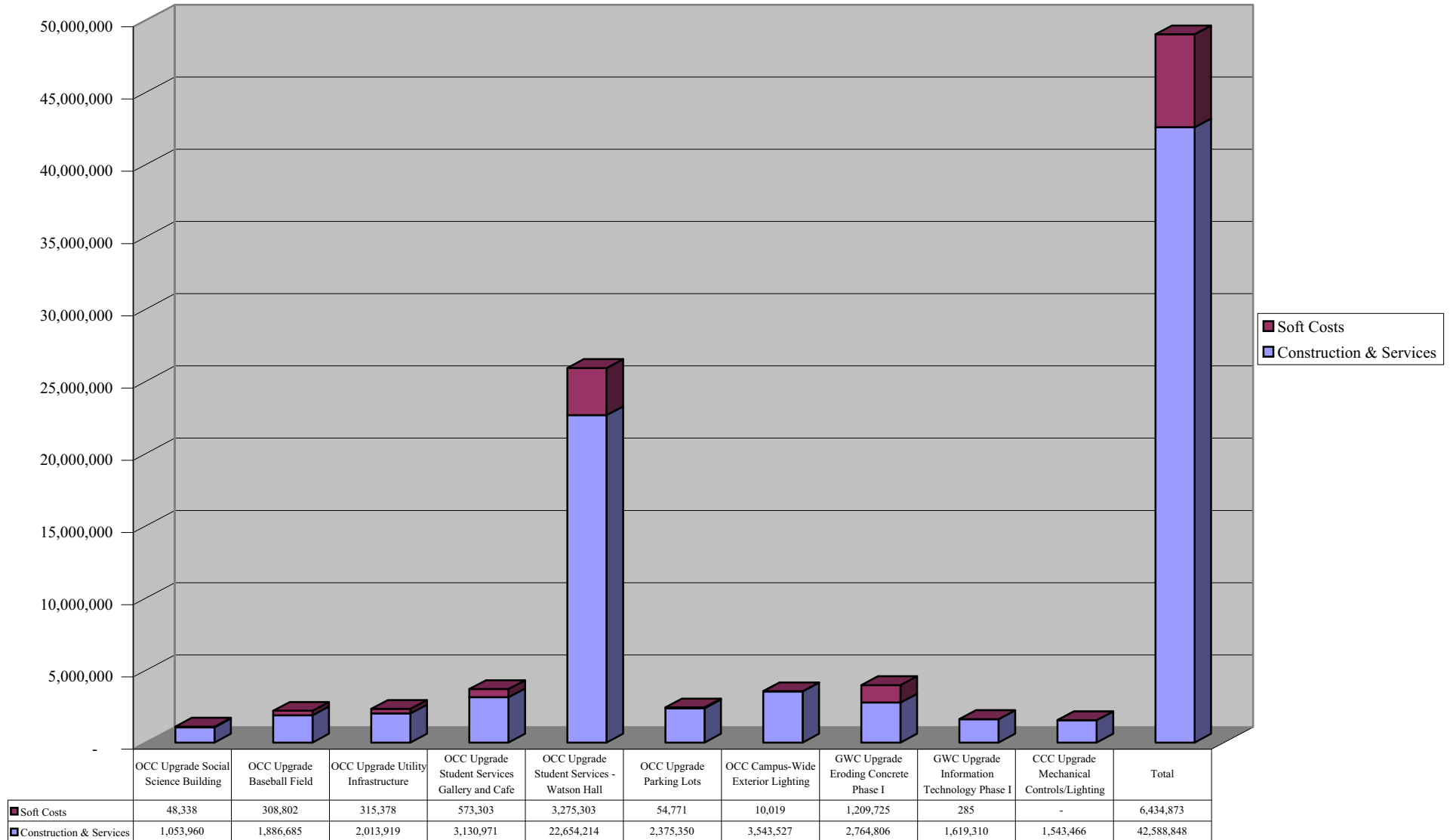
Macias Gini & O'Connell LLP

Certified Public Accountants

Los Angeles, California
December 7, 2007

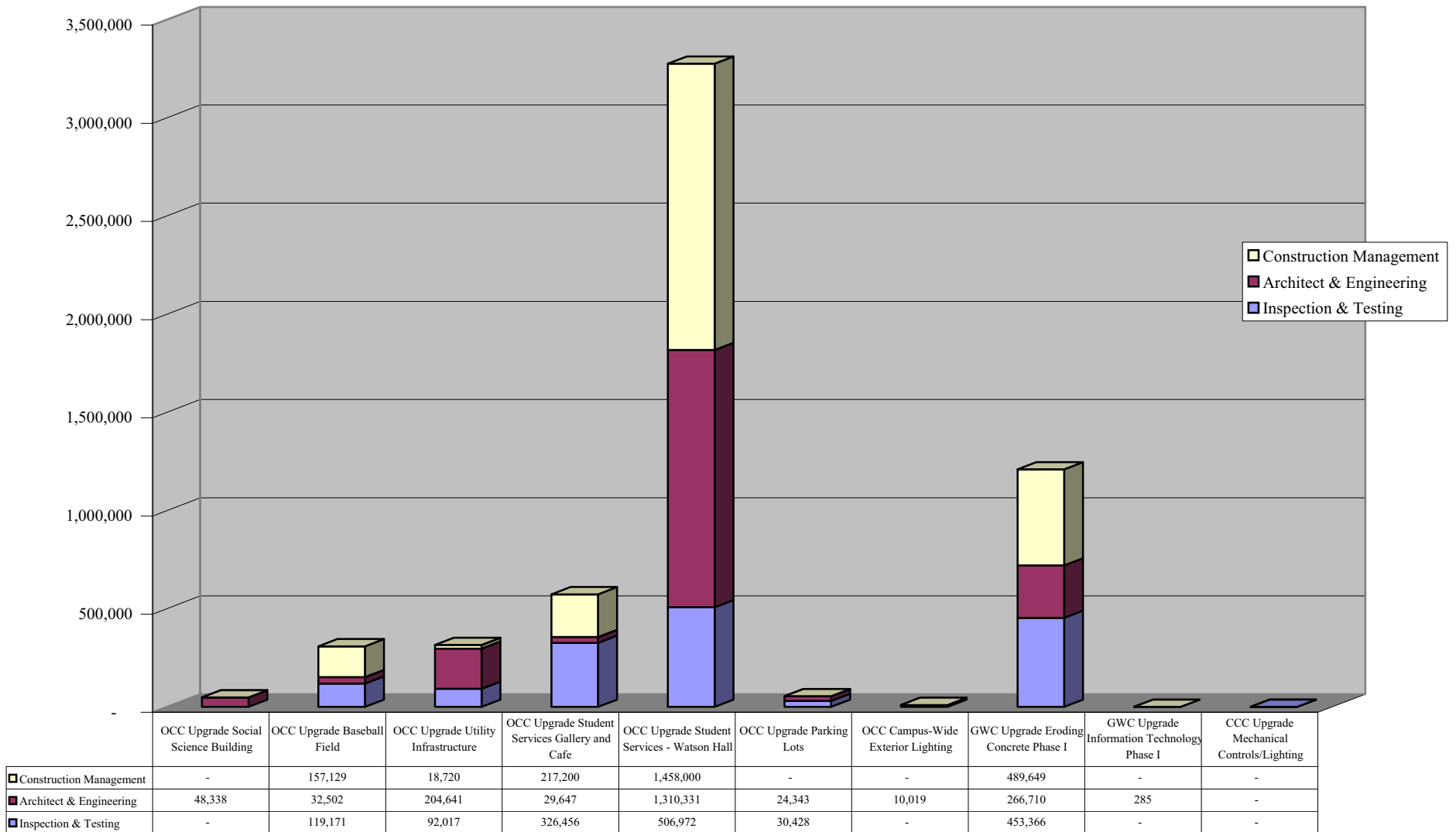
**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B C)
COMPLETED PROJECT COSTS BY EXPENDITURE TYPE
JUNE 30, 2007**

Completed Project Costs by Expenditure Type



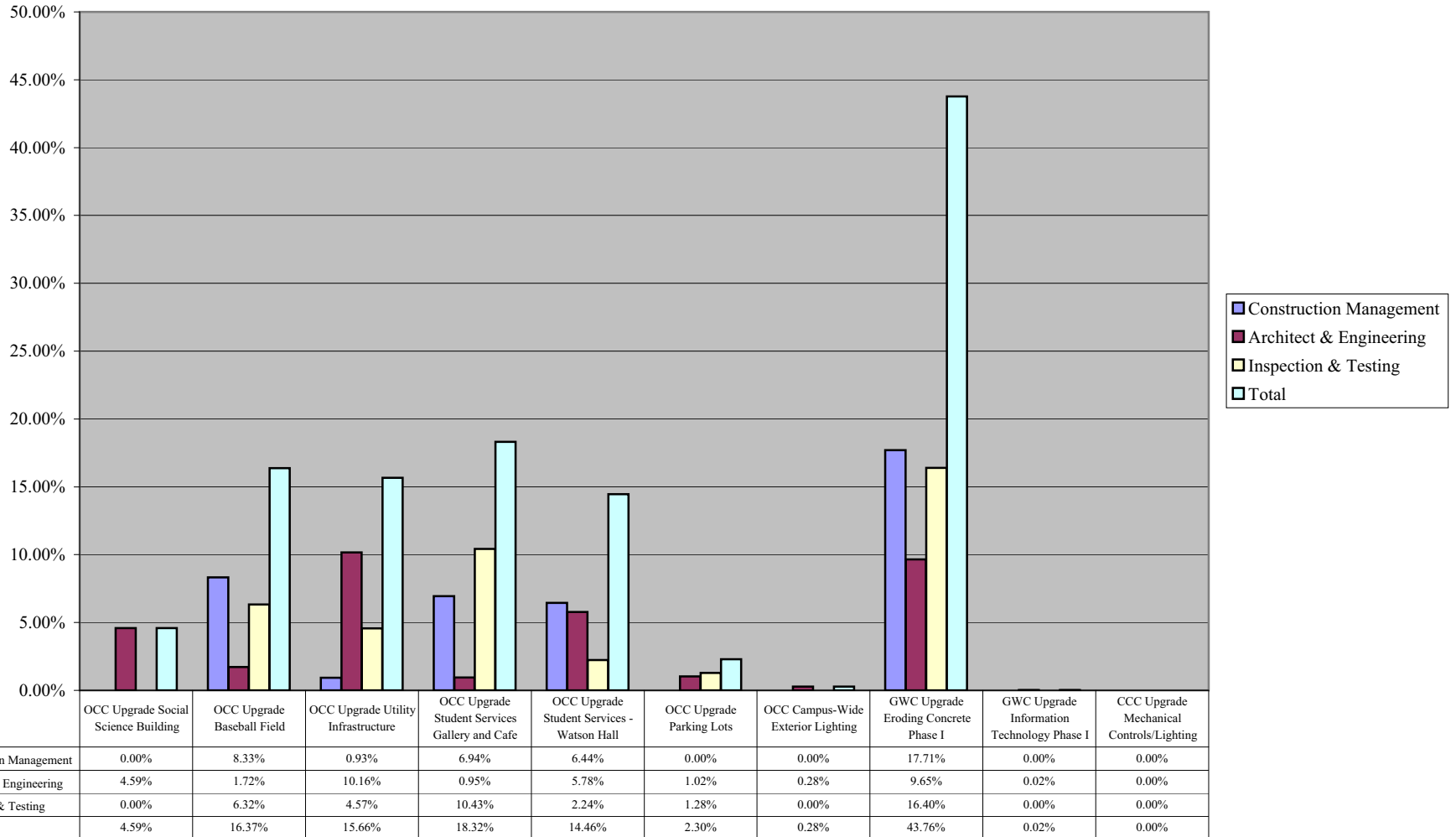
**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B C)
BREAKDOWN OF SOFT COSTS BY CATEGORY
JUNE 30, 2007**

Breakdown of Soft Costs by Category



**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B C)
SOFT COST CATEGORIES AS A PERCENT OF CONSTRUCTION COST
JUNE 30, 2007**

Soft Cost Categories as a Percent of Construction Cost



**COAST COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2002, SERIES 2003A, 2005 REFUNDING, AND SERIES 2006B & C)
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE PERIOD FROM JULY 1, 2006 THROUGH JUNE 30, 2007**

NOTE 1 – COMPLETED PROJECT SOFT COST ANALYSIS

Project soft costs are costs associated with project implementation and other costs. A compilation and comparison of project soft costs for projects that are completed by the District as of June 30, 2007 is shown on page 11. Completed projects were 1) OCC Upgrade Social Science Building, 2) OCC Upgrade Baseball Field, 3) OCC Upgrade Utility Infrastructure, 4) OCC Upgrade Student Services Gallery and Café, 5) OCC Upgrade Student Services - Watson Hall, 6) OCC Upgrade Parking Lots, 7) OCC Campus-Wide Exterior Lighting, 8) GWC Upgrade Eroding Concrete Phase I*, 9) GWC Upgrade Information Technology Phase 1, and 10) CCC Upgrade Mechanical Controls/Lighting. Completed projects that did not have all costs reflected at June 30, 2007 are not included.

The three charts included reflect the following:

- Chart 1 – “Completed Project Costs by Expenditure Type,” illustrates the total project cost including construction and soft costs for each of the ten projects.
- Chart 2 – “Breakdown of Soft Costs by Category,” groups soft costs for the projects by Architectural and Engineering, Inspection and Testing, and Construction Management.
- Chart 3 – “Soft Costs as a Percent of Construction Cost,” illustrates each of the soft cost categories as a percent of construction cost and “Total” soft costs as a percent of construction cost. This is intended to give the proportion of the soft cost elements within each project.

* Project 420285 GWC Upgrade Eroding Concrete Phase I included state funds of \$2,795,438.