

**SONOMA COUNTY JUNIOR
COLLEGE DISTRICT
PROPOSITION 39 AND
MEASURE A GENERAL
OBLIGATION BONDS**

SANTA ROSA, CALIFORNIA

PERFORMANCE AUDIT

YEAR ENDED JUNE 30, 2014

**SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39
AND MEASURE A GENERAL OBLIGATION BONDS**

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JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

**Board of Trustees
Sonoma County Junior College District
Santa Rosa, California**

We have conducted a performance audit of the Sonoma County Junior College District's (the District's) Measure A General Obligation Bonds for the year ended June 30, 2014.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 2 of this report, which includes determining the compliance with the performance requirements for the Proposition 39 Measure A General Obligation Bonds 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 Sonoma County Junior College District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, the Sonoma County Junior College District expended Measure A General Obligation Bond funds for the year ended June 30, 2014, only for the specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

Gilbert Associates, Inc.

**GILBERT ASSOCIATES, INC.
Sacramento, California**

November 4, 2014

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 AND MEASURE A GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2014

OBJECTIVES

The objectives of our performance audit were to document the expenditures charged to Measure A General Obligation Bonds (Measure A) which were approved under Proposition 39; determine whether expenditures for fiscal year ended June 30, 2014, charged to the General Obligation Bond Fund have been made in accordance with project budgets and guidelines; note any incongruities or system weaknesses; and provide recommendations for improvements.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal year ended June 30, 2014. Expenditures incurred after the issuance of the bonds and prior to July 01, 2013, were covered in a previous examination. The expenditures 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 were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2014, were not reviewed or included within the scope of our audit.

BACKGROUND INFORMATION

On March 5, 2002, \$251,700,000 in general obligation bonds were authorized by voters' approval of Measure A. The first series (A) of Bonds in the amount of \$60,000,000 was issued on February 1, 2003. Series A was refunded on September 29, 2005, resulting in an additional \$36,526,697 and defeasing the debt from the original Series A. The second series (B) of Bonds in the amount of \$105,000,000 was issued on September 29, 2005. The third series (C) of Bonds in the amount of \$69,710,000 was issued on September 17, 2007. The fourth and final series (D) of Bonds in the amount of \$16,990,000 was issued on April 2, 2008. In May of 2013, refunding bonds of \$133,215,000 were issued to partially refund Series B and Series C, resulting in a legal defeasance of \$80,430,000 and \$66,095,000 of principal outstanding for Series B and C, respectively. The total proceeds from each bond series less the bond issuance costs are to be used to finance the construction, acquisition, furnishing, and equipping of District facilities.

A Citizens Bond Oversight Committee (the Committee) was appointed on June 11, 2002, to comply with the California Constitution and the Education Code. The purpose of the Committee is to inform the public, at least annually, regarding the appropriate use of the Bond proceeds. California Constitution, Article XIII A, Section 1(b)(3), requires an annual performance audit be conducted to ensure that the funds have been expended only on the specific projects publicized by the District.

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 AND MEASURE A GENERAL OBLIGATION BONDS

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PROCEDURES PERFORMED

We obtained the General Obligation Bond Fund general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2014. Within the year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with Proposition 39 and Measure A General Obligation Bond funding. We performed the following procedures:

- We reviewed the list of projects being performed to verify that the list of intended projects is consistent with the District's Facilities Projects Lists.
- We verified that the District created the required debt service fund and capital outlay fund in order to account for the bond proceeds and expenditures.
- We verified that the proceeds from the sale of bonds were deposited in an appropriate debt service fund and a capital outlay projects fund.
- We selected a sample of expenditures in the fiscal year ended June 30, 2014, and reviewed supporting documentation to ensure that funds were properly expended on the specific projects outlined on the publicized list and met the requirements for bidding, if applicable.
- We verified that funds were used for the construction, acquisition, furnishing, and equipping of District facilities, and we verified that funding was not used for salaries of school administrators or other operating expenses of the District.

RESULTS OF PROCEDURES PERFORMED

The District utilized Measure A Bond funds for 115 projects. The District incurred total expenditures of \$268,654,017 through June 30, 2014, for the Measure A projects listed on the following pages.

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 AND MEASURE A GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2014

EXPENDITURES	SERIES A <u>Total</u>	SERIES B <u>Total</u>	SERIES C <u>Total</u>	SERIES D <u>Prior Year</u>	Expenditures Prior to <u>July 1, 2013</u>	SERIES D <u>2013-2014</u>	Grand <u>Total</u>	Project <u>Budget</u>	Project <u>Status</u>
Eligible Bond Program Costs	\$ 1,363,848	\$ 451,690	\$ 622,090	\$ 21,028	\$ 2,458,656	\$ 28,430	\$ 2,487,086	\$ 2,549,854	In Progress
<u>RENOVATION AND MODERNIZATION</u>									
Upgrade classrooms, laboratories, support service space at all locations:									
Various Classroom/Support Service Upgrades	298,139	11,822			309,961		309,961	309,961	Completed
Albany House Upgrade	92,700	(2,300)			90,400		90,400	90,400	Completed
Bailey Field Food Kiosk		108,684			108,684		108,684	108,684	Completed
Bailey Field Press Booth	24,520				24,520		24,520	24,520	Completed
Bailey Hall Remodel					203,486		203,486	203,486	Completed
Baker Modernization	1,538,231		200,598	2,888	1,562,236		1,562,236	1,562,236	Completed
Baker & Lark Restroom Project			56,171		56,171		56,171	56,171	Completed
Bech Mercury Abatement	173	88,889			89,062		89,062	89,062	Completed
Belden Roof & Flooring		50,739			50,739		50,739	50,739	Completed
Brickyard Remodel	822,156				822,156		822,156	822,156	Completed
Building and Site Scheduled Maintenance	53,681	97,579	60,960		212,220		212,220	212,219	Completed
Burbank Auditorium Project		33,240	190,417		223,657		223,657	223,656	Completed
Bussman Exterior	215,412	203,649			419,061		419,061	419,061	Completed
Bussman Consolidation			44,644		44,644		44,644	44,644	Completed
Campus Signage		40,074	20,470		60,544		60,544	60,544	Completed
College Skills						14,530	14,530	16,775	In Progress
Emeritus Phase III	764,179	53,300			817,479		817,479	817,479	Completed
EMS Control Upgrade Project		706,536	354,243		1,060,779		1,060,779	1,060,779	Completed
Foundation / PR Remodel			29,229	38,332	67,561		67,561	67,561	Completed
Haehl Waterproofing Project			91,424		91,424		91,424	91,424	Completed
Infrastructure		188,280	37,662		225,942		225,942	225,942	Completed
Jesse Peter Museum Expansion	35,875	1,894,789	6,520	1,523	1,938,707		1,938,707	1,938,706	Completed
Maggini Hall Stair Replacement		42,205			42,205		42,205	42,205	Completed
Pedroncelli Project				14,785	14,785		14,785	14,785	Completed
Pioneer Hall						5,410	5,410	5,410	Completed
Planetarium Seating Replacement	74,180				74,180		74,180	74,180	Completed
Quinn Men's Locker Room Remodel	177,532				177,532		177,532	177,532	Completed
Quinn Skylight	202,360	(17,397)			184,963		184,963	184,963	Completed
Race Hall Alterations		75,610	151,511		227,121		227,121	227,120	Completed
Race Hall Reconstruction		200,638	(487,137)		(286,499)		(286,499)	(286,498)	Completed
Shone Farm Projects		218	353,790		354,008		354,008	354,007	Completed
Shone Farm Vineyard Development		15,699	285,131	10,155	310,985		310,985	310,985	Completed
Shuhaw Modernization	145,324	238,472	13,057		396,853		396,853	396,852	Completed
Shuhaw Restroom Project			29,819		29,819		29,819	29,819	Completed
Steve Olson Lane Reconstruction				581,522	581,522		581,522	581,522	Completed
Tauzer Gym Remodel	2,874	96,606			99,480		99,480	99,480	Completed
Upgrade existing restrooms, plumbing and sewer lines:									
Plumbing Replacements	328,432				328,432		328,432	328,432	Completed

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 AND MEASURE A GENERAL OBLIGATION BONDS

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	SERIES A <u>Total</u>	SERIES B <u>Total</u>	SERIES C <u>Total</u>	SERIES D <u>Prior Year</u>	Expenditures Prior to <u>July 1, 2013</u>	SERIES D <u>2013-2014</u>	Grand <u>Total</u>	Project <u>Budget</u>	Project <u>Status</u>
Repair and replace roofs:									
Roofing Scheduled Maintenance	644,023	492,820	293,270		1,430,113		1,430,113	1,430,113	Completed
Paint and re-seal building interiors and exteriors:									
Race Exterior Waterproofing	1,989,315	1,561,391	(3,595,876)		(45,170)		(45,170)	(45,170)	Completed
Upgrade mechanical systems	16,916				16,916		16,916	16,916	Completed
<u>COLLEGE-WIDE SAFETY AND SECURITY IMPROVEMENTS</u>									
Improve seismic safety of buildings:									
Seismic Safety	22,969	45,354			68,323		68,323	68,323	Completed
Upgrade bleachers for safety:									
Bleachers Safety Upgrade	46,997	210,340			257,337		257,337	257,337	Completed
Install / improve intrusion alarms and doorlocks:									
Security, Key, Alarm Systems	281,407	735,932	146,422	49,183	1,212,944		1,212,944	1,212,944	Completed
Strengthen roof anchorage for safety:									
Roof Safety Anchorage	143,981				143,981		143,981	143,981	Completed
Seating replacement projects	208,567				208,567		208,567	208,567	Completed
<u>COLLEGE-WIDE ENERGY EFFICIENCY</u>									
Replace aging, inefficient boilers		279,185			279,185		279,185	279,185	Completed
Replace and upgrade HVAC systems:									
HVAC Scheduled Maintenance	889,631	858,477	140,241		1,888,349		1,888,349	1,888,349	Completed
Replace emergency generator:									
Bussman Generator	277,463	940			278,403		278,403	278,403	Completed
Upgrade lighting and electrical systems:									
Electrical Scheduled Maintenance	19,341		105,952		125,293		125,293	125,293	Completed
Site Lightning Upgrade						29,523	29,523	41,733	In Progress
Lounibos Photovoltaic Energy Conservation	316,000	188,038			504,038		504,038	504,038	Completed
Cogeneration Turbine Replacement	968,089	7,310	25,369		1,000,768		1,000,768	1,000,768	Completed
Energy Conservation	443,325	1,267,834	44,644		1,755,803		1,755,803	1,755,803	Completed
Bussman Hall Computer Room A/C	78,095	5,802			83,897		83,897	83,897	Completed
Emergency Generator			216,650		216,650		216,650	216,650	Completed
PSTC Photovoltaic Project		2,502,159			2,502,159		2,502,159	2,502,159	Completed
<u>COLLEGE-WIDE WIRING AND TECHNOLOGY FOR COMPUTERS, INTERNET ACCESS AND AN EFFECTIVE LEARNING ENVIRONMENT</u>									
Upgrade and expand wireless systems, telecommunications, internet and network connections:									
Building to Building Connectivity	630,964	707,367	975		1,339,306		1,339,306	1,339,306	Completed
Maginni Hall Network Replacement	187,687				187,687		187,687	187,687	Completed
Uninterruptable Power Supply	30,314				30,314		30,314	30,314	Completed
Wireless Systems			46,073		46,073		46,073	46,073	Completed
Upgrade Phone Systems	36,326	32,305	886		69,517		69,517	69,517	Completed
Library Collections and Infrastructure	283,612				283,612		283,612	283,612	Completed

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 AND MEASURE A GENERAL OBLIGATION BONDS

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	SERIES A <u>Total</u>	SERIES B <u>Total</u>	SERIES C <u>Total</u>	SERIES D <u>Prior Year</u>	Expenditures <u>Prior to July 1, 2013</u>	SERIES D <u>2013-2014</u>	Grand <u>Total</u>	Project <u>Budget</u>	Project <u>Status</u>
Upgrade and replace computer and software systems:	15,020				15,020		15,020	15,020	Completed
Integrated Computer System Design	150,389	249,308	699		400,396		400,396	400,395	Completed
Escape Software Conversion			1,013,150		1,013,150		1,013,150	1,150,000	In Progress
Digital Archive Project						54,246	54,246	60,902	In Progress
College Site Software License	477,112	425,067	518,266	331,348	1,751,793	101,188	1,852,981	2,139,823	In Progress
Institutional Computer Upgrade	194,001	130,681	78,384		403,066		403,066	403,067	Completed
Upgrade and replace classroom equipment and instructional aids:									
Language Lab Upgrades		86,070	188,404		274,474		274,474	274,473	Completed
Student Services Assessment and Remote Testing	462				462		462	462	Completed
Technology Equipment	3,421,117	1,963,616	2,187,558	1,035,525	8,607,816	807,311	9,415,127	20,372,253	In Progress
Upgrade media and audio visual equipment:									
Media Equipment - Auditoriums/Fields/Testing	40,513	16,262	42,469		99,244		99,244	99,244	Completed
DVD Format Conversion & Streaming Video Systems	85,957	61,130	10,111		157,198	7,704	164,902	179,857	In Progress
Classroom Media Systems Replacement	770,695	1,105,202	1,010,137	193,786	3,079,820	189,857	3,269,677	3,500,243	In Progress
<u>FACILITIES REPLACEMENT, EXPANSION AND NEW CONSTRUCTION</u>									
Facility / Site Demolition:	313,573	76,408	6,434		396,415		396,415	396,414	Completed
Lark Temps Removal				68,632	68,632		68,632	68,632	Completed
Construction of new facilities:									
Ag Pavilion	5,065,073	1,496,429	201,541		6,763,043		6,763,043	6,763,042	Completed
Shone Farm Reservoir	14,971	98,808	196,503	760	311,042		311,042	311,042	Completed
Math Science Building						5,310	5,310	5,310	Completed
Planning Consultants:									
Space Planning Consultants / Master Planning	366,157	15,780			381,937		381,937	381,937	Completed
PSTC Completion:									
PSTC	5,842	8,787	15,511		30,140		30,140	30,140	Completed
Advanced Lab Facility	27,426	206,300	149,053		382,779	(11,463)	371,316	371,316	Completed
Fire Tower:									
Fire Tower - PSTC	960,555	(15,288)			945,267		945,267	945,267	Completed
Library / Learning Resource Center:									
Library Preliminary Drawings	149,000				149,000		149,000	149,000	Completed
Library Working Drawings	452,399				452,399		452,399	452,399	Completed
Library Construction	11,132,642	1,261,492	488,536	750	12,883,420		12,883,420	12,883,421	Completed
Library Equipment	130,494	422,969			553,463		553,463	553,464	Completed
Analy / Library Connection	505,331				505,331		505,331	505,331	Completed
Analy Village	3,350,035	9,420			3,359,455		3,359,455	3,359,455	Completed
Analy-Related Construction Management	259,064				259,064		259,064	259,064	Completed
Elliott Avenue Improvements	269,969	24,617			294,586		294,586	294,586	Completed
Petaluma Campus Build-Out:									
Petaluma Modulars	1,858,573		132,343		1,990,916		1,990,916	1,990,916	Completed
Petaluma Phase II Drawings	1,989,711	(385)			1,989,326		1,989,326	1,989,326	Completed
Petaluma Phase II Construction	68,287	41,169,131	6,419,059	130,714	47,787,191	10,964	47,798,155	47,798,155	Completed
Petaluma Phase II Equipment		582,152	(56,664)		525,488		525,488	525,489	Completed

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 AND MEASURE A GENERAL OBLIGATION BONDS

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	SERIES A <u>Total</u>	SERIES B <u>Total</u>	SERIES C <u>Total</u>	SERIES D <u>Prior Year</u>	Expenditures <u>Prior to July 1, 2013</u>	SERIES D <u>2013-2014</u>	Grand <u>Total</u>	Project <u>Budget</u>	Project <u>Status</u>
Physical Education Expansion and Renovation:									
Physical Educ Outdoor Facility	33,077	466,672	6,187,406	123,113	6,810,268		6,810,268	6,810,268	Completed
Barnett Hall Replacement:									
Barnett Hall Replacement		52,225			52,225		52,225	52,225	Completed
Warehouse and Site Storage Space:									
Warehouse	3,806,616	(298)			3,806,318		3,806,318	3,806,318	Completed
Student Counseling and Service Center:									
Plover Conversion Preliminary Drawings	115,375				115,375		115,375	115,375	Completed
Plover Conversion Working Drawings	328,867	63,224			392,091		392,091	392,091	Completed
Plover Conversion Construction		8,045,916	17,406	7,673	8,070,995	1,020	8,072,015	8,072,015	Completed
Plover Conversion Equipment	3,962	573,064	9,338		586,364		586,364	586,364	Completed
Student Center:									
Bertolini Student Center	148,751	17,926,788	34,706,285	131,715	52,913,539		52,913,539	52,913,540	Completed
Bertolini Student Center Equipment			1,181,912		1,181,912	9,002	1,190,914	1,190,914	Completed
Culinary Arts Center:									
Culinary Arts Site Selection		36,196	76,435		112,631		112,631	112,631	Completed
Culinary Arts Center		462,292	18,986,698	480,076	19,929,066	10,242	19,939,308	20,090,898	In Progress
Culinary Arts Center Equipment				444,098	444,098	2,915	447,013	447,013	Completed
Graphics Services Center:									
Graphics Replacement and Press Systems	598,218	41,779			639,997		639,997	639,997	Completed
Construct permanent classrooms, laboratories and support space to: replace "portables" and provide adequate classroom space									
<u>LAND AND BUILDING ACQUISITIONS</u>									
Property Acquisitions in Santa Rosa, Petaluma, North and West County to provide services to communities throughout the college district:									
Property Acquisitions	6,984,336	1,666,441	429,776	105	9,080,658	303,318	9,383,976	10,141,475	In Progress
<u>COLLEGE-WIDE PARKING AND TRAFFIC ABATEMENT</u>									
Create new parking spaces at all locations:									
Parking Structure	17,881,359	20,179,864	162,454		38,223,677	30,013	38,253,690	38,253,690	Completed
Other Parking Improvements	332,602	(256)	65,417		397,763		397,763	397,763	Completed
Improve roadways and relieve traffic congestion at all locations:									
Interior Roadways / Pathways	470,431	288,303	300		759,034		759,034	759,033	Completed
Mendocino Avenue Improvements	105,649	10,739			116,388		116,388	116,388	Completed
Bicycle Parking Project		155,512	77,713		233,225		233,225	233,225	Completed
TOTAL EXPENDITURES	<u>\$ 76,538,249</u>	<u>\$ 112,836,693</u>	<u>\$ 74,011,844</u>	<u>\$ 3,667,711</u>	<u>\$ 267,054,497</u>	<u>\$ 1,599,520</u>	<u>\$ 268,654,017</u>	<u>\$ 281,273,319</u>	

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Each of the projects under Measure A has been given a specific project identification number within the District's General Obligation Bond Fund. Budgets for each project are included in the financial reporting system and actual expenditures are matched against this budget.

CONCLUSION

Based upon the procedures performed, we found that for the items tested, the Sonoma County Junior College District has properly accounted for the expenditures of the Measure A General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

MANAGEMENT COMMENTS AND RECOMMENDATIONS

None.