

**SONOMA COUNTY JUNIOR
COLLEGE DISTRICT
PROPOSITION 39 AND
MEASURES H GENERAL
OBLIGATION BONDS**

SANTA ROSA, CALIFORNIA

PERFORMANCE AUDIT

YEAR ENDED JUNE 30, 2018

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

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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) Measures H General Obligation Bonds for the year ended June 30, 2018.

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 and Measure H 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 H General Obligation Bond funds for the year ended June 30, 2018, 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

December 3, 2018

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

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OBJECTIVES

The objectives of our performance audit were to document the expenditures charged to Measure H General Obligation Bonds (the Measure) which was approved under Proposition 39; determine whether expenditures for fiscal year ended June 30, 2018, charged to the Bond Funds 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, 2018. Expenditures incurred prior to July 01, 2017, 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, 2018, were not reviewed or included within the scope of our audit.

BACKGROUND INFORMATION

On November 4, 2014, \$410,000,000 in general obligation bonds was authorized by voters' approval of Measure H. The first series (A) of Bonds in the amount of \$125,000,000 was issued on November 26, 2016. The total proceeds from this bond series less the bond issuance costs are to be used to upgrade, maintain, and improve Santa Rosa Jr. College facilities, classrooms, and technology.

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.

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PROCEDURES PERFORMED

We obtained the General Obligation Bond Funds general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2018. 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 H 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, 2018, 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 Measures H Bond funds for 69 projects. The District incurred total expenditures of \$53,730,784 through June 30, 2018, for the Measure H projects listed on the following pages.

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

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<u>Measure H Projects</u>	<u>Previous Expenditures</u>	<u>2017-2018</u>	<u>Grand Total</u>	<u>Project Budget</u>	<u>Project Status</u>
EXPENDITURES					
Eligible Bond Program Costs	\$ 1,113,283	\$ 1,881,141	\$ 2,994,424	\$ 10,000,125	In Progress
Program Planning / Project Development	3,151,127	1,215,353	4,366,480	6,000,000	In Progress
<u>EXPANSION AND NEW CONSTRUCTION</u>					
Property Acquisition	1,196,532	589,652	1,786,184	8,000,000	In Progress
Facility / Site Demolition	137,396	57,958	195,354	380,000	In Progress
Swing Space	1,633,007	2,788,590	4,421,597	6,025,000	In Progress
Demonstration Classrooms	459,956	31,600	491,556	750,000	In Progress
Modular Classrooms on Elliott Avenue		1,045,724	1,045,724	27,000,000	In Progress
STEM / Chemistry & Math Building - Prelim Plans	60,855	307,098	367,953	65,675,000	In Progress
Barnett Replacement				2,000,000	
PSTC Advanced Labs & Classrooms		6,100	6,100	4,000,000	In Progress
Petaluma Science Wing		398,048	398,048	7,200,000	In Progress
Southwest Center Modulars	146,680		146,680	11,000,000	Completed
Shone Farm Chem Lab & Upgrades		11,389	11,389	3,750,000	In Progress
Parking and Traffic Improvements		57,358	57,358	3,400,000	In Progress
Veteran's Affairs Expansion	377,022	9,098	386,120	500,000	Completed
Petaluma CTE Building				58,800	In Progress
<u>RENOVATION AND MODERNIZATION</u>					
Project Oversight	11,985	1,700	13,685	100,000	In Progress
Burbank Modernization	2,109,290	7,678,025	9,787,315	35,000,000	In Progress
Health, PE & Wellness Center / Tauzer Gym Renovation		302,120	302,120	15,000,000	In Progress
Emeritus Renovation				25,000,000	
Petaluma Student Services & Food Service	13,458	185,876	199,334	8,500,000	In Progress
Plover Remodel	40,265	162,480	202,745	1,000,000	In Progress
Maggini Renovation				3,000,000	
KAD (Pool, Fieldturf, Quinn & Haehl)				18,600,000	
Track Renovation		75,430	75,430	5,000,000	In Progress
Garcia Modernization		213,559	213,559	3,600,000	In Progress
Baker Hall Renovation				2,000,000	
Planetarium Renovation				4,000,000	
Bertolini Modernization		6,656	6,656	600,000	In Progress
PSTC Modernization		718,426	718,426	7,200,000	In Progress
Miscellaneous Projects Greater Than \$50,000 Per Project				6,000,000	
Button Remodel	201,545	56,302	257,847		Completed
Bailey Remodel	174,734	52,195	226,929		In Progress
Bussman Maker Space	223,268	62,263	285,531		Completed
Garcia Remodel	198,276	21,645	219,921		Completed
Bussman Data Center Renovation	7,800	52,032	59,832		In Progress
Forsyth Remodel		2,110	2,110		Completed
Lounibos Remodel		18,900	18,900		Completed
Pioneer Remodel		227,578	227,578		In Progress
Bailey Kiosk (Food Pantry)		6,797	6,797		In Progress
Minor Projects Less Than \$50,000 Per Project	298,982	67,611	366,593		In Progress
Minor Projects / Site & Landscaping	23,724	80,255	103,979		In Progress
Minor Projects / Professional Services	72,523	51,668	124,191		In Progress
Minor Projects / Furniture-Fixtures-Equipment	126,933	11,265	138,198		In Progress
Minor Projects / Moving Services	18,105	35,478	53,583		In Progress

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<u>Measure H Projects</u>	<u>Previous Expenditures</u>	<u>2017-2018</u>	<u>Grand Total</u>	<u>Project Budget</u>	<u>Project Status</u>
<u>INFORMATION TECHNOLOGY</u>					
Network Upgrade	1,655,526	766,275	2,421,801	4,000,000	In Progress
Network Infrastructure Equipment	1,189	609,899	611,088	4,000,000	In Progress
Instructional Computing	1,074,172	570,132	1,644,304	18,000,000	In Progress
Faculty / Staff Computers	480,647	66,256	546,903	4,500,000	In Progress
Technology Equipment - Student Svcs, Admin, HR, Police	8,749	64,660	73,409	500,000	In Progress
Student Information System	20,792	85,346	106,138	11,500,000	In Progress
Health and Safety Learning Module				150,000	
Media Services	552,560	738,278	1,290,838	8,500,000	In Progress
Library	126,997	546,160	673,157	4,500,000	In Progress
<u>INFRASTRUCTURE, MAINTENANCE AND REPAIRS</u>					
Energy - Photovoltaic	101,456	9,496,195	9,597,651	16,700,000	In Progress
Energy - Submetering	2,480	377,296	379,776	2,000,000	In Progress
Energy - LED Lighting	150,946	79,691	230,637	1,500,000	In Progress
Energy - Cogeneration Plant Replacement		798,056	798,056	8,487,000	In Progress
Energy - Geothermal Burbank Plant	71,000	374,004	445,004	5,500,000	In Progress
Energy - Sustainability Equipment	3,133	81	3,214	160,000	In Progress
Energy - Electric Vehicle Charging Stations	181,992	3,465	185,457		In Progress
Site Improvements (Signage/Fuel Storage/Bike Path/Herit Green)				600,000	
Miscellaneous Maint/Repairs Greater Than \$50,000 Per Project				16,064,075	
Maggini Water Intrusion & Roof	1,265,319		1,265,319		Completed
Emeritus Cooling Tower	188,773		188,773		Completed
Groundwater Reclamation	82,558	13,644	96,202		In Progress
Retro Commissioning		313,062	313,062		In Progress
Baker HVAC & Roof	44,691	1,250,293	1,294,984		In Progress
PSTC Pavement Rehabilitation	16,100	412,811	428,911		In Progress
Petaluma Server Room A/C		160,220	160,220		Completed
Bech Lot Transformer Replacement		183,947	183,947		In Progress
Minor Maintenance and Repairs Less Than \$50,000 Per Project	17,415	13,641	31,056		In Progress
Minor Maintenance and Repairs / General Trades	42,225	51,101	93,326		In Progress
Minor Maintenance and Repairs / HVAC	9,366	9,616	18,982		In Progress
Minor Maintenance and Repairs / Electrical	75,623	2,490	78,113		In Progress
Minor Maintenance and Repairs / Roof & Waterproofing	59,864	40,400	100,264		In Progress
Minor Maintenance and Repairs / Site & Landscaping	25,928	131,272	157,200		In Progress
Minor Maintenance and Repairs / Professional Services	6,850	9,500	16,350		In Progress
<u>HEALTH AND SAFETY IMPROVEMENTS</u>					
ADA Compliance				5,000,000	
Access Control	3,080	7,336	10,416	8,000,000	In Progress
Contingencies / TBD				8,000,000	
TOTAL EXPENDITURES	<u>\$ 18,066,177</u>	<u>\$ 35,664,607</u>	<u>\$ 53,730,784</u>	<u>\$ 418,000,000</u>	

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Each of the projects under Measure H has been given a specific project identification number within the District's General Obligation Bond Funds. 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 Measures H 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.