

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

SANTA ROSA, CALIFORNIA

PERFORMANCE AUDIT

YEAR ENDED JUNE 30, 2019

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

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JUNE 30, 2019**

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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, 2019.

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, 2019, 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 CPAs

**GILBERT CPAs
Sacramento, California**

December 3, 2019

SONOMA COUNTY JUNIOR COLLEGE DISTRICT PROPOSITION 39 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, 2019, 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, 2019. Expenditures incurred prior to July 1, 2018, 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, 2019 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.

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

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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, 2019. 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, 2019, 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 68 projects. The District incurred total expenditures of \$119,837,690 through June 30, 2019, for the Measure H projects listed on the following pages.

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

PERFORMANCE AUDIT JUNE 30, 2019

	Previous Expenditures	2018-2019	Grand Total	Project Budget	Status of Project
EXPENDITURES					
Eligible Bond Program Costs	\$ 2,994,424	\$ 1,063,848	\$ 4,058,272	\$ 10,000,125	In Progress
Program Planning and Project Development	4,366,480	601,701	4,968,181	6,000,000	In Progress
<u>EXPANSION AND NEW CONSTRUCTION</u>					
Science, Technology, Engineering and Math (STEM) Building	367,953	2,203,729	2,571,682	65,675,000	In Progress
Modular Classrooms on Elliott Avenue	1,045,724	17,330,133	18,375,857	27,000,000	In Progress
Santa Rosa Southwest Center Modular Buildings	146,680		146,680	11,000,000	Complete
Property Acquisition	1,786,184		1,786,184	8,000,000	In Progress
Science Laboratory - Petaluma Campus	398,048	1,270,726	1,668,774	7,200,000	In Progress
Swing Space	4,421,597	517,629	4,939,226	6,025,000	In Progress
Public Safety Training Center Advanced Labs and Classrooms	6,100	2,213	8,313	4,000,000	In Progress
Shone Farm Chemistry Lab and Site Upgrades	11,389	19,204	30,593	3,750,000	In Progress
Parking and Traffic Improvements	57,358	238,477	295,835	3,400,000	In Progress
Demonstration Classrooms	491,556		491,556	750,000	Complete
Veterans Affairs Expansion	386,120		386,120	500,000	Complete
Facility and Site Demolition	195,354	196,614	391,968	380,000	In Progress
<u>RENOVATION AND MODERNIZATION</u>					
Burbank Auditorium Renovation	9,787,315	16,212,443	25,999,758	35,000,000	In Progress
Emeritus Hall Renovation				25,000,000	
Tauzer Gym Renovation / Health, PE & Wellness Center	302,120	25,763	327,883	15,000,000	In Progress
KAD Renovations (Track, Pool, Fieldturf, Quinn & Heahl)	75,430	1,646,533	1,721,963	23,600,000	In Progress
Petaluma Campus Student Services and Food Service	199,334	319,638	518,972	8,500,000	In Progress
Public Safety Training Center Modernization	718,426	5,895,591	6,614,017	7,200,000	In Progress
Planetarium Renovation				4,000,000	
Garcia Hall Renovation	213,559	32,782	246,341	3,600,000	On Hold
Maggini Hall Renovation				3,000,000	
Baker Hall Renovation				2,000,000	
Barnett Demolition and Parking				2,000,000	
Plover Hall Remodel	162,480	266,709	429,189	1,000,000	In Progress
Bertolini Hall Modernization	6,656	323,231	329,887	600,000	In Progress
Project Oversight	13,686		13,686	100,000	In Progress
Heritage Buildings Modernization					
Miscellaneous Projects Greater Than \$50,000 Per Project (see page 6)	1,345,711	504,562	1,850,273	5,000,000	
Minor Projects Less Than \$50,000 Per Project	786,542	176,873	963,415	1,000,000	
<u>INFORMATION TECHNOLOGY</u>					
Instructional Computing	1,644,304	496,643	2,140,947	18,000,000	In Progress
Student Information System	106,138		106,138	11,500,000	In Progress
Media Services	1,290,839	1,043,448	2,334,287	9,000,000	In Progress
Faculty and Staff Computers	546,902	189,627	736,529	4,500,000	In Progress
Frank P. Doyle and Herold Mahoney Libraries	673,157	66,112	739,269	4,000,000	In Progress
Network Infrastructure Equipment	611,088	282,962	894,050	4,000,000	In Progress
Network Upgrade	2,421,801	429,527	2,851,328	4,000,000	In Progress
Equipment for Student Services, Administration, Human Resources, Police	73,409	88,367	161,776	500,000	In Progress
Health and Safety Learning Module				150,000	

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	<u>Previous Expenditures</u>	<u>2018-2019</u>	<u>Grand Total</u>	<u>Project Budget</u>	<u>Status of Project</u>
<u>INFRASTRUCTURE, MAINTENANCE AND REPAIRS</u>					
Energy Conservation and Sustainability Projects (see page 6)	11,639,794	10,651,968	22,291,762	34,347,000	
Site Improvements (Signage/Fuel Storage/Bike Path/Herit Green/Generator)				600,000	
Miscellaneous Maint/Repairs Greater Than \$50,000 Per Project (see page 6)	3,931,418	3,524,220	7,455,638	15,122,875	
Minor Maintenance and Repairs Less Than \$50,000 Per Project	495,292	281,932	777,224	1,000,000	
<u>HEALTH AND SAFETY IMPROVEMENTS</u>					
Access Control	10,416	179,001	189,417	8,000,000	In Progress
Americans with Disabilities Act (ADA) Compliance		24,700	24,700	5,000,000	In Progress
Contingencies / TBD				8,000,000	
TOTAL EXPENDITURES	<u>\$53,730,784</u>	<u>\$66,106,906</u>	<u>\$119,837,690</u>	<u>\$418,000,000</u>	

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	Previous Expenditures	2018-2019	Grand Total	Status of Project
EXPENDITURE DETAIL - MISCELLANEOUS PROJECTS AND REPAIRS				
Miscellaneous Projects Greater Than \$50,000 Per Project:				
Bailey Hall Remodel	\$ 226,931	\$ 16,211	\$ 243,142	In Progress
Bailey Kiosk (Food Pantry)	6,797	7,728	14,525	Complete
Bussman Data Center Renovation	59,832	25,350	85,182	In Progress
Bussman Maker Space	285,530	1,686	287,216	Complete
Button Building Remodel	257,847		257,847	Complete
Doyle Remodel		171,150	171,150	Complete
Forsyth Remodel	2,110	10,276	12,386	In Progress
Garcia Remodel	219,921		219,921	On Hold
Lounibos Remodel	18,900		18,900	Complete
Maggini AV		231,230	231,230	Complete
Pioneer Remodel	227,579	29,439	257,018	In Progress
Plover Remodel	40,264		40,264	In Progress
Shone Farm Harvest Facility		11,492	11,492	In Progress
TOTAL	\$ 1,345,711	\$ 504,562	\$ 1,850,273	
Miscellaneous Maint and Repairs Greater Than \$50,000 Per Project:				
Baker HVAC and Roof	\$ 1,294,984	\$ 472,298	\$ 1,767,282	Complete
Bech Lot Transformer Replacement	183,947		183,947	Complete
Bussman Roof		297,770	297,770	Complete
Emeritus Cooling Tower	188,773		188,773	Complete
Groundwater Reclamation	96,202	69,240	165,442	In Progress
Lounibos Roof		1,172,693	1,172,693	In Progress
Maggini & Call Energy Control		660,722	660,722	In Progress
Maggini Water Intrusion and Roof	1,265,319		1,265,319	Complete
Pedroncelli Roof		36,018	36,018	In Progress
Petaluma Server Room A/C	160,220		160,220	Complete
Public Safety Training Center Pavement Rehabilitation	428,911	28,958	457,869	Complete
Public Safety Training Center Water Intrusion		50,294	50,294	Complete
Retro Commissioning	313,062	4,577	317,639	In Progress
Shone Farm Ag Pavilion Roof		26,955	26,955	In Progress
Tauzer Roof		704,695	704,695	In Progress
TOTAL	\$ 3,931,418	\$ 3,524,220	\$ 7,455,638	
Energy Conservation and Sustainability Projects:				
Photovoltaic	\$ 9,597,651	\$ 6,718,096	\$ 16,315,747	In Progress
Submetering	379,776		379,776	In Progress
LED Lighting	230,637	(39,290)	191,347	In Progress
Cogeneration Plant Replacement	798,056	195,584	993,640	In Progress
Geothermal Burbank	445,004	3,750,038	4,195,042	In Progress
Sustainability Equipment	3,214	26,644	29,858	In Progress
Electric Vehicle Charging Stations	185,456	896	186,352	In Progress
TOTAL	\$ 11,639,794	\$ 10,651,968	\$ 22,291,762	

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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.