

**SANTA CLARITA
COMMUNITY COLLEGE DISTRICT**

MEASURE M GENERAL OBLIGATION BONDS

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

JUNE 30, 2009



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Santa Clarita Community College District
Independent Citizen's Oversight Committee
Santa Clarita, California

We have performed the Agreed-Upon Procedures enumerated in Exhibit A, which were agreed to by the management of the Santa Clarita Community College District (the District) for the purpose of determining compliance with Measure M General Obligation Bond requirements for the year ending June 30, 2009. The District's management is responsible for maintaining compliance with Proposition 39 requirements. This engagement to perform Agreed-Upon Procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Exhibit A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the results of those procedures are described within this report as Exhibit B.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion relating to the matters included in the Agreed-Upon Procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Santa Clarita Community College District Board of Trustees, Independent Citizen's Oversight Committee, and District administrators and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Trine, Day & Co., LLP.

Rancho Cucamonga, California
December 21, 2009

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2009**

- A. Verify that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with laws and regulations, as well as approved Board policies. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof. Included, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our review and to reach a testing threshold of at least 35 percent of all bond expenditures.
- B. Verify compliance with expenditure allowances related to local bond funding in accordance with Board approved contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.
- C. Prepare a schedule of all costs incurred between July 1, 2008 and June 30, 2009, by project, for the local bond measure funding and totaling inception-to-date expenses.
- D. Prepare a schedule of all projects started and/or completed since the inception of the bond and the total costs incurred from inception of the bond.
- E. Calculate the balance available for expenditure of bond proceeds related to the voter approved projects within the bond project fund at June 30, 2009. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2009**

Agreed-Upon Procedure (A)

Procedure

Verify that District procedures for disbursement of funds related to the voter approved general obligation bonds were applied in accordance with laws and regulations, as well as approved Board policies. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof. Included, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our review and to reach a testing threshold of at least 35 percent of all bond expenditures.

Results

We selected a total of 74 percent of all expenditures charged to the Bond Funds. For the items selected for testing, there were no exceptions noted in the District's procedures related to the disbursement of Measure M Bond Funds. The District utilizes purchase orders to document the approval process for Bond disbursements and uses encumbrance accounting to ensure all approved disbursements have been budgeted and funds are available. Documentation to support transactions included original invoices with approvals necessary to ensure compliance with Proposition 39 regulations and Board policies related to purchasing and contracts. Budgets for specific projects have been approved and monitored in accordance with Bond requirements.

Agreed-Upon Procedure (B)

Procedure

Verify compliance with expenditure allowances related to local bond funding in accordance with Board approved contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.

Results

For all expenditures selected in Agreed-Upon Procedure (A), the explanation of the expenditure was reviewed in conjunction with the actual ballot language included in the Measure M Bond Initiative placed before the voters on November 7, 2006. Allowable projects and expenditures include construction, renovation, and repair projects throughout the College campus. For the items selected, there were no exceptions noted; expenses tested related to specifically noted projects within the bond ballot initiative. Additionally, we noted the District had not charged on-going expenditures that are the responsibility of the District to the Measure M Bond Fund, nor has any administrative or indirect costs been charged to the Measure M Bond Funds. The following table notes the expenditures by category and the amount selected for testing.

Fund 46

<u>Description</u>	<u>Expenditures Incurred</u>	<u>Expenditures Tested</u>	<u>Percentage of Total</u>
Classified Salary Expense	\$ 82,908	\$ 82,908	100%
Classified Benefits Expense	28,675	28,675	100%
Service and Operating Expenditures	10,550	10,300	98%
Capital Outlay	9,027,903	6,613,013	73%
Total Fund	\$ 9,150,036	\$ 6,734,896	74%

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2009**

Agreed-Upon Procedure (C)

Procedure

Prepare a schedule of all costs incurred between July 1, 2008 and June 30, 2009, by project, for the local bond measure funding and totaling inception-to-date expenses.

Results

2006 General Obligation Bonds Fund 46	July 1, 2008 to June 30, 2009 Actual Expenses	Inception-to-Date Expenses June 30, 2009
University Center - East Wing	\$ 172,613	\$ 1,711,267
University Center - West Wing	45,000	45,000
Health and Safety	43,280	43,280
Library Expansion	368,246	710,162
Canyon Country Campus	1,871,497	32,011,265
Repairs and Modernization	1,940,167	2,557,373
Site Upgrades	247,850	1,314,418
Technology	324,653	623,031
Planned Equip and Tech Replacement	560,518	560,518
Hotel Restaurant Management	2,867	6,817
Student Services Admin Building	89	35,382
Mentry Hall	1,136,915	1,309,456
Advanced Technology Building	559,259	683,759
Canyon Country Campus Parking Lot #2	957,530	1,050,875
Secondary Effects:		
Mentry Hall	38,073	53,573
First Floor Bonelli Hall	456,084	523,646
Third Floor Bonelli Hall	228,222	228,222
Student Center (S-130)	19,190	19,190
Management Personnel - Bond Implementation	111,583	222,416
Master Plans	55,850	273,000
Miscellaneous Expenses	10,550	22,010
Cost of Issuance and Other Uses	-	2,602,721
Total	\$ 9,150,036	\$ 46,607,381

Agreed-Upon Procedure (D)

Procedure

Prepare a schedule of all projects started and/or completed since the inception of the bond and the total costs incurred from the inception of the bond.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2009**

Results

Project Description	Total Estimated Cost of Project ¹	Total Anticipated Contributions from Other Sources ¹	Total Estimated Measure M Contribution 2009 ¹
University Center - East Wing (Project also funded using Measure C)	\$ 29,546,083	\$ 26,841,478	\$ 2,704,605
Library Expansion (Project also funded using Measure C)	24,724,000	14,551,854	10,172,146
Canyon Country Campus (Site development, modulars, and expanded scope) (Project also funded using Measure C)	58,011,265	26,000,000	32,011,265
University Center - West Wing	10,210,725	5,217,676	4,993,049
Repairs and Renovations	9,651,239	-	4,276,239
Site Upgrades	5,976,965	-	1,676,965
Health and Safety	3,980,000	-	130,000
Technology	3,370,000	-	1,120,000
Hotel Restaurant Management - New Kitchen	6,817	-	6,817
Del Valle Public Safety Training Facility	15,000,000	-	1,000,000
Student Services/Admin Building	14,046,000	7,051,000	1,000,000
Mentry Hall	11,573,330	-	11,573,330
Advanced Technology Building - Canyon Country Campus	6,000,000	-	6,000,000
Canyon Country Campus Parking Lot #2	1,050,875	-	1,050,875
Canyon Country Campus - Permanent Building 1	16,834,000	13,467,000	-
Canyon Country Campus - Permanent Building 2	18,000,000	14,400,000	-
Canyon Country Campus - Permanent Building 3	21,000,000	16,800,000	-
Secondary Effects:			
Mentry Hall	1,000,000	-	1,000,000
First Floor Bonelli Hall	1,229,470	-	1,229,470
Second Floor Bonelli Hall	1,500,000	-	-
Third Floor Bonelli Hall	228,222	-	228,222
First Floor Seco Building	750,000	-	-
Student Center (S-130)	19,190	-	19,190
Future Planned Equipment and Tech Replacement	10,500,000	-	2,000,000
Debt Service - Existing COPSS	15,125,000	-	-
Management Personnel - Bond Implementation	1,500,000	-	400,000
Master Plans	273,000	-	273,000
Costs of Issuances	2,602,721	-	2,602,721
Miscellaneous Expenses	115,000	-	49,600
Subtotal	283,823,902	124,329,008	85,517,494
Add Arbitrage Holding	208,116	-	208,116
Add Contingency	7,278,279	-	1,255,679
	\$ 291,310,297	\$ 124,329,008	\$ 86,981,289

¹ Estimates updated by District personnel through August 15, 2009. These estimates were not subject to verification.

² Actual costs incurred through June 30, 2009.

Total Estimated Measure M Contributions Future Issuances ¹	Total GO Bond Expenditures Through June 30, 2009 ²	Total Remaining GO Bond Balance Outstanding ¹
\$ -	\$ 1,711,267	\$ 993,338
-	710,162	9,461,984
-	32,011,265	-
-	45,000	4,948,049
5,375,000	2,557,373	1,718,866
4,300,000	1,314,418	362,547
3,850,000	43,280	86,720
2,250,000	623,031	496,969
-	6,817	-
14,000,000	-	1,000,000
5,995,000	35,382	964,618
-	1,309,456	10,263,874
-	683,759	5,316,241
-	1,050,875	-
3,367,000	-	-
3,600,000	-	-
4,200,000	-	-
-	53,573	946,427
-	523,646	705,824
1,500,000	-	-
-	228,222	-
750,000	-	-
-	19,190	-
8,500,000	560,518	1,439,482
15,125,000	-	-
1,100,000	222,416	177,584
-	273,000	-
-	2,602,721	-
65,400	22,010	27,590
73,977,400	46,607,381	38,910,113
-	-	208,116
6,022,600	-	1,255,679
\$ 80,000,000	\$ 46,607,381	\$ 40,373,908

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND
AGREED-UPON PROCEDURES
JUNE 30, 2009**

Agreed-Upon Procedure (E)

Procedure

Calculate the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2009. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

Results

As stated in the District's audited financial statements as of June 30, 2009, the expenditures from the Measure M Bond Funds were \$9,150,036 for fiscal year 2008-2009, and total \$46,607,381 to date. Bond proceeds received to date total \$82,599,990, and interest revenue earned to date of \$4,381,299 provide \$40,373,908 from the initial issuances available for future expenditures. There were no adjustments to the District's financial records as a result of our procedures.