

**SANTA CLARITA
COMMUNITY COLLEGE DISTRICT**

MEASURE C 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 C 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 C 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 C 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 61 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 C 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.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE C GENERAL OBLIGATION BOND
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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 C Bond Initiative placed before the voters on November 6, 2001. 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 C Bond Fund, nor has any administrative or indirect costs been charged to the Measure C Bond Funds. The following table notes the expenditures by category and the amount selected for testing.

Fund 47

Description	Expenditures Incurred	Expenditures Tested	Percentage of Total
Service and operating expenditures	\$ 10,299	\$ 10,299	100%
Capital outlay	1,158,815	708,177	61%
Total Fund	\$ 1,169,114	\$ 718,476	61%

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE C 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

2005 General Obligation Refunding Bonds Fund 42	July 1, 2008 to June 30, 2009 Actual Expenses	Inception-to-Date Expenses June 30, 2009
Library Addition and Warehouse	\$ -	\$ 2,058
Canyon Country Education Center	-	2,910,539
Miscellaneous Projects and Costs of Issuance	-	363,864
Subtotal	-	3,276,461
2002 Series A General Obligation Bonds Fund 45	July 1, 2008 to June 30, 2009 Actual Expenses	Inception-to-Date Expenses June 30, 2009
Repair and Renovation of Existing Facilities	\$ -	\$ 3,391,228
Science Laboratory Building Addition	-	442,937
University Center	-	1,186,603
Classroom Building Adjoining the New Performing Arts Center	-	6,638,474
Health Education/Cardiovascular/Physical Education Center	-	48,040
Voc/Tech Building Addition and General Purpose Classroom Building	-	1,535,409
Classroom Building/High Tech Lab Center	-	3,488,918
Library Addition and Warehouse	-	1,920,811
Canyon Country Education Center	-	875,228
Site Improvements and Renovation	-	1,965,717
Miscellaneous Projects and Costs of Issuance	-	902,200
Subtotal	-	22,395,565

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2005 Series General Obligation Bonds Fund 47	July 1, 2008 to June 30, 2009 Actual Expenses	Inception to Date Expenses June 30, 2009
Repair and Renovation of Existing Facilities	\$ -	\$ 1,888,793
Science Laboratory Building Addition	(34,383)	11,021,803
University Center	-	1,250,568
Classroom Building Adjoining the New Performing Arts Center	-	355,949
Health Education/Cardiovascular/Physical Education Center	699,077	8,643,841
Voc/Tech Building Addition and General Purpose Classroom Building	-	14,495
Classroom Building/High Tech Lab Center	494,121	6,985,744
Canyon Country Education Center	-	11,636,059
Site Improvements	-	3,592,773
Miscellaneous Projects and Costs of Issuance	10,299	2,497,903
Subtotal	1,169,114	47,887,928
2003 Series General Obligation Bonds Fund 48	July 1, 2008 to June 30, 2009 Actual Expenses	Inception to Date Expenses June 30, 2009
Repair and Renovation of Existing Facilities	\$ -	\$ 116,117
Science Laboratory Building Addition	-	1,316,086
University Center	-	62,829
Classroom Building Adjoining the New Performing Arts Center	-	675,898
Health Education/Cardiovascular/Physical Education Center	-	55,730
Voc/Tech Building Addition and General Purpose Classroom Building	-	134,976
Classroom Building/High Tech Lab Center	-	4,502,098
Canyon Country Education Center	-	10,578,175
Site Improvements	-	339,455
Miscellaneous Projects and Costs of Issuance	-	567,087
Subtotal	-	18,348,451
Total All Funds	\$ 1,169,114	\$ 91,908,405

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

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.

Results

Project Description	Total Estimated Cost of Project ¹	Total Anticipated Contributions from Other Sources ¹	Total Estimated GO Bond Contribution ¹	Total GO Bond Expenditures Through June 30, 2009 ²	Total Remaining GO Bond Balance Outstanding ¹
University Center - East Wing (Project continued using Measure M funds)	\$ 29,546,083	\$ 27,046,083	\$ 2,500,000	\$ 2,500,000	\$ -
Library Addition (Project continued using Measure M funds)	24,724,000	24,685,146	38,854	38,854	-
Canyon Country Campus (Land, site development, modulars, and expanded scope) (Project continued using Measure M funds)	58,011,265	32,011,265	26,000,000	26,000,000	-
Repair and Renovation of Existing Facilities	5,396,137	-	5,396,137	5,396,137	-
Laboratory Center Addition	20,506,012	7,725,186	12,780,826	12,780,826	-
Music/Dance Building	7,670,320	-	7,670,320	7,670,320	-
PE Addition	11,952,630	3,205,019	8,747,611	8,747,611	-
Vocational Tech Addition	1,535,410	-	1,535,410	1,535,410	-
Sheriff's Academy Modular	149,470	-	149,470	149,470	-
High Tech Classroom/Lab	23,902,677	8,925,916	14,976,761	14,976,761	-
Warehouse	1,884,015	-	1,884,015	1,884,015	-
Site Improvements/Renovations (Includes infrastructure and central plant)	18,687,638	12,789,692	5,897,946	5,897,946	-
Other Items Not Specific to Above	4,331,055	-	4,331,055	4,331,055	-
Subtotal	208,296,712	116,388,307	91,908,405	91,908,405	-
Add Arbitrage Holding	174,799	-	174,799	-	174,799
	\$ 208,471,511	\$ 116,388,307	\$ 92,083,204	\$ 91,908,405	\$ 174,799

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.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
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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 C Bond Funds were \$1,169,114 for fiscal year 2008-2009, and total \$91,908,405 to date. Bond proceeds received to date total \$87,600,046, and interest revenue earned to date of \$4,483,158 provide \$174,799 from the initial issuances available for future expenditures. There were no adjustments to the District's financial records as a result of our procedures.