

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees and
Citizens' Bond Oversight
Committee for Measure G
Solano Community College District
Fairfield, California

We have performed the procedures enumerated in Attachment II, which were agreed to by Solano Community College District (the "District") and the Citizens' Bond Oversight Committee for Measure G (the "Committee"), solely to assist the Committee in evaluating District management's assertions concerning activity related to bond funds through June 30, 2009 as detailed in Attachments IV and V. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District and the Committee. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment II either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and conclusions reached as a result of these procedures are identified in Attachment II. Attachments I and III provide background information on the Measure G General Obligation Bond issuance.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed other 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 Solano Community College District and the Citizens' Bond Oversight Committee for Measure G and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Perry-Smith LLP

August 2, 2010

**SOLANO COMMUNITY COLLEGE DISTRICT
BACKGROUND INFORMATION**

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

SOLANO COMMUNITY COLLEGE DISTRICT MEASURE G GENERAL OBLIGATION BONDS

On November 5, 2002, the electorate of the Solano Community College District approved the \$124.5 million Measure G general obligation bonds with greater than 55% of the votes in favor. The purpose of the bonds as included in the ballot was as follows:

"To upgrade 30 year-old classrooms, science labs, libraries, electrical wiring, technology, heating/ventilation systems and lighting for student safety; replacement of portable classrooms; upgrade/repair/acquire/construct/equip science labs, facilities, classrooms and sites; expand/establish facilities in Vacaville/Vallejo; prepare Solano College students for jobs/four-year colleges, shall Solano Community College District issue \$124.5 million of bonds at legal rates, appoint Citizens Oversight Committee, and perform annual audits to ensure the legal/proper use of all funds?"

The projects identified in the ballot language were specified in greater detail by Solano Community College District Governing Board Resolution No. 02/03 - 05 approved at the July 17, 2002 meeting. The projects identified in the resolution are included as Attachment III.

**SOLANO COMMUNITY COLLEGE DISTRICT
PROCEDURES PERFORMED AND CONCLUSIONS**

PROCEDURES PERFORMED

Solano Community College District provided a list of all Measure G project expenditures (the "List"). An approximate total of 750 warrants were identified representing \$27,019,405 in expenditures from July 1, 2008 to June 30, 2009. We performed the following procedures to the List of Measure G bond expenditures:

- Verified the mathematical accuracy of the List.
- Selected a sample of 50 expenditures totaling \$16,229,393. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 7% of the total number of expenditures and 60% of the total expenditure value. Examined purchase orders and invoices for each of the expenditures; verified that the expenditures were made for the acquisition, construction, renovation, repair and modernization of District property and facilities and that funds were not spent for salaries or other administrative expenses.

CONCLUSIONS

- The List was mathematically accurate.
- Each of the 50 expenditures tested represented valid Bond expenditures, were properly charged to the location indicated, were properly coded as to the nature of the expenditure, and were determined to represent acquisition, construction, renovation, repair and modernization of District property and facilities and were not spent for salaries or other administrative expenses.

**SOLANO COMMUNITY COLLEGE DISTRICT
MEASURE G BOND PROJECTS**

Renovation and Modernization

Renovation and repairs of deteriorating, outdated facilities and equipment

- Upgrade classrooms, biology, chemistry and other laboratories, support service space
- Upgrade existing restrooms, plumbing and sewer lines
- Repair and replace roofs
- Paint and re-seal building interiors and exteriors
- Upgrade electrical and mechanical systems
- Upgrade play fields, courts, physical education facilities and track
- Improve and expand irrigation systems
- Seismic assessment and upgrades

College-Wide Health and Safety Improvements

Projects which address needed safety and seismic improvements

- Lead abatement
- Seismic improvements
- Bleacher upgrades
- Disabled student access
- Lighting and security systems
- Repair sidewalk/drainage systems, campus roadways
- ADA compliance
- Fire suppression and escape systems

College-Wide Energy Efficiency Improvements

Projects which address energy efficient heating and air conditioning

- Replace aging, inefficient boilers
- Replace and upgrade HVAC systems
- Replace emergency generator
- Upgrade lighting and electrical systems

College-Wide Wiring and Technology

Projects which address needed electrical, technology and instructional support equipment needs

- Upgrade and expand, wireless systems, telecommunications, internet and network connections
- Upgrade and replace computer and software systems
- Upgrade and replace classroom equipment and instructional aids
- Upgrade media and audio/visual equipment

**SOLANO COMMUNITY COLLEGE DISTRICT
MEASURE G BOND PROJECTS
(Continued)**

Facilities Replacement, Expansion, and New Construction

Renovate and upgrade outdated classrooms, laboratories, support space, counseling and student service facilities which no longer lend themselves to renovation or repair and construct new facilities to address crowded conditions

- Science Laboratories
- Student Learning Center
- Health/Science Buildings

Construct permanent classrooms, laboratories and support space to replace "portables" and provide adequate classroom space in Suisun, Vacaville and Vallejo

- Classrooms
- Science Laboratories
- Information Technology Center
- Student Learning Center

Land Acquisition

Property acquisition at Vallejo Center to expand institutional service capacity

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We have compiled the accompanying Schedule of Measure G General Obligation Bond Activity for the fiscal year ended June 30, 2009 (Attachment IV) and Schedule of Measure G General Obligation Bonds – Fund Update through June 30, 2009 (Attachment V), in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying Schedule of Measure G General Obligation Bond Activity for the year ended June 30, 2009 or Schedule of Measure G General Obligation Bonds – Fund Update through June 30, 2009 and, accordingly, do not express an opinion or other form of assurance on it.

Perry-Smith LLP

Sacramento, California
August 2, 2010

**SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF MEASURE G GENERAL OBLIGATION BOND ACTIVITY**

Fiscal Year Ended June 30, 2009

| | |
|--------------------------------|----------------------|
| Revenues: | |
| Interest and investment income | \$ 1,287,663 |
| Processing fees | 137,689 |
| Other local revenues | <u>8,475</u> |
| | <u>1,433,827</u> |
| Expenditures: | |
| Contract services | 728,809 |
| Capital outlay | 26,284,598 |
| Supplies and materials | <u>5,999</u> |
| | <u>27,019,406</u> |
| Net activity | (25,585,579) |
| Available bond funds: | |
| Beginning of year | <u>64,735,780</u> |
| End of year | <u>\$ 39,150,201</u> |

**SOLANO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF MEASURE G GENERAL OBLIGATION BONDS
FUND UPDATE THROUGH JUNE 30, 2009**

| <u>Location/Site</u> | <u>Project Number</u> | <u>Activity To Date</u> |
|---|---------------------------|-----------------------------|
| <u>MEASURE G GENERAL OBLIGATION BOND</u> | | |
| <u>Funding</u> | | |
| Bond Proceeds, Series 2003A General Obligation Bonds | | \$ 80,000,000 |
| Bond Proceeds from the defeasance of Series 2003A General Obligation Bonds | | 81,349,811 |
| Premium from defeasance of Series 2003A issuance | | 8,498,361 |
| Bond issuance and other costs from the defeasance of Series 2003A General Obligation Bonds | | (1,409,105) |
| Defeasance of Series 2003A General Obligation Bonds | | (80,000,000) |
| Bond Proceeds, Series 2006 B General Obligation Bonds | | 45,235,354 |
| Interest and investment income | | <u>15,285,334</u> |
| <i>Net Available Funds</i> | | <u>148,959,755</u> |
| <u>Projects</u> | | |
| Project Management Costs | 500 | 6,572,305 |
| Campus Wide Technology | 450 | 1,177,121 |
| Vallejo Center | 503 | 23,842,317 |
| Vacaville Center | 504 | 8,911,828 |
| Building 400 – Student Learning Center | 505 | 15,403,803 |
| Building 100 – Library | 506 | 779,650 |
| Building 700 & 800 – Joint Office Project | 507 | 8,334,340 |
| Sports Complex | 510 | 4,836,792 |
| Building 300 – Science Renovation | 511 | 2,182,839 |
| Building 500 – Business Renovation | 512 | 1,930,737 |
| Building 1200 | 517 | 289,168 |
| Building 1500 – Math/Engineering Renovation | 513 | 1,203,668 |
| Building 1600 | 515 | 27,543 |
| Building 1400 | 516 | 6,552,153 |
| Building 1700 | 520 | 14,089,264 |
| Building 1300 | 518 | 156,178 |
| Building 900 – Horticulture Renovation | 523 | 41,125 |
| Building 1800 A | | 3,011,469 |
| Building 1800 B – Vocational Tech Renovation | 524 | 3,406,786 |
| Building 600 – Administration Renovation | 526 | 134,398 |
| Building 1900 – Warehouse Renovation | 527 | 218,264 |
| ADA | | 383,768 |
| Nut Tree Hangar | 528 | 268,342 |
| Scheduled Maintenance | 530 | 410,693 |
| Utility Infrastructure Repairs | 532 | 5,596,225 |
| Building 200 and 200A | | 22,800 |
| District Wide – Planning and Policy MK | | 750 |
| Campus Wide Security | | 289 |
| Facilities | | <u>24,939</u> |
| <i>Total Project Costs</i> | | <u>109,809,554</u> |
| <i>Total Unspent Funds</i> | | <u>\$ 39,150,201</u> |