

**YUBA COMMUNITY  
COLLEGE DISTRICT  
PROPOSITION 39 AND MEASURE J  
GENERAL OBLIGATION BONDS**

**Marysville, California**

**PERFORMANCE AUDIT**

**June 30, 2009**

**TABLE OF CONTENTS**

June 30, 2009

*Yuba Community College District  
Proposition 39 and Measure J  
General Obligation Bonds*

---

	<b>Page Number</b>
Independent Auditors' Report	1
Objectives	2
Scope of the Audit	2
Background Information	2
Procedures Performed	3
Results of Procedures	4
Conclusion	5
Management Comments and Recommendations	5



**matson and isom**

Founded in 1962 by  
Robert M. Matson  
and W. Howard Isom

**Chico**

3013 Ceres Avenue  
P.O. Box 1638  
Chico, CA 95927-1638  
Phone (530) 891-6474  
Fax (530) 893-6689

**Redding**

292 Hemsted Drive, Suite 100  
P.O. Box 991891  
Redding, CA 96099-1891  
Phone (530) 244-4980  
Fax (530) 244-4983

**Colusa**

108 Seventh Street  
Colusa, CA 95932  
Phone (530) 458-8236  
Fax (530) 458-2938

[www.matson-isom.com](http://www.matson-isom.com)

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Yuba Community College District  
Marysville, California

We have examined the Yuba Community College District's (the District's) compliance with the performance requirements for the Proposition 39 and Measure J General Obligation Bonds for the fiscal year ended June 30, 2009. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specific requirements.

In our opinion, the Yuba Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2009.

*Matson and Isom*

January 19, 2010

## **PERFORMANCE AUDIT**

June 30, 2009

*Yuba Community College District  
Proposition 39 and Measure J  
General Obligation Bonds*

### **OBJECTIVES**

The objectives of our performance audit were to document the expenditures charged to the voter-approved Proposition 39 and Measure J General Obligation Bonds (the Measure); determine whether expenditures for the fiscal year ended June 30, 2009, charged to the Bond Projects Fund, 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, 2009. Expenditures incurred after the issuance of the bonds and prior to July 1, 2008, 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, 2009, were not reviewed or included within the scope of our audit.

### **BACKGROUND INFORMATION**

On November 7, 2006, \$190,000,000 in general obligation bonds were authorized by an election held within the District. A Citizens Oversight Committee (the Committee) was appointed on May 9, 2007, to comply with the California Constitution and the Education Codes. The purpose of the Committee is to inform the public, at least annually, regarding the appropriate use of the Bond proceeds. On May 22, 2007, Series A and Series B bonds, in the amount of \$29,504,047 and \$65,492,278, respectively, were issued. The total proceeds from the bond issuance were received by the District (less the original bond issuance costs) and are to be used to finance the acquisition, construction, modernization and renovation of certain District facilities; to fund an escrow to prepay the District's outstanding 1999 Certificates of Participation; to fund an escrow to pay when due the District's 2005 lease obligations; and to pay cost of issuance associated with the bonds. California Constitution, Article 13A, Section 1(b)(3) requires an annual performance audit be conducted to ensure that funds have been expended only on the specific projects publicized by the District.

## **PERFORMANCE AUDIT**

June 30, 2009

*Yuba Community College District  
Proposition 39 and Measure J  
General Obligation Bonds*

### **PROCEDURES PERFORMED**

We obtained the Bond Projects Fund general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2009. 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 J General Obligation Bond funding. We performed the following procedures:

- We reviewed the Campus Master Plan Bond Project publicized list of intended projects.
- We selected a sample of expenditures in the fiscal year ended June 30, 2009, 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 the District created the required debt service funds and capital outlay funds in order to account for the bond proceeds and expenditures.
- We compared total project expenditures to budgets to determine if there were any expenditures in excess of appropriation.
- 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.
- We determined that a citizen's oversight committee is fulfilling its duties as outlined in the Citizen's Bond Oversight Committee Bylaws.
- We verified that the proceeds from the sale of bonds were deposited in an appropriate debt service fund and a capital outlay projects fund.

**PERFORMANCE AUDIT**

June 30, 2009

**Yuba Community College District  
Proposition 39 and Measure J  
General Obligation Bonds****RESULTS OF PROCEDURES**

The District will utilize Bond funds for 40 projects. The District incurred total expenditures of \$20,705,702 through June 30, 2009, for the following projects:

	<u>Prior</u> <u>Expenditures</u>	<u>June 30, 2009</u> <u>Expenditures</u>	<u>Total</u> <u>Expenditures</u>	<u>Budget</u>	<u>Status</u>
<b>DISTRICT FACILITIES</b>					
Sutter County facility	\$ 333,973	\$ 773,271	\$ 1,107,244	\$ 29,499,999	In process
Payoff of capital lease	4,971,021	-	4,971,021	4,971,026	Completed
Technology/telecoms/security system	735,390	543,584	1,278,974	5,500,000	In process
Bond reimbursed District positions	-	-	-	400,000	Not started
Campus police relocation	2,868	1,857	4,725	300,001	In process
<b>YUBA COLLEGE - MARYSVILLE</b>					
Administration building	6,304	10,588	16,892	662,000	In process
Student/instruction services	34,631	28,120	62,751	3,722,003	In process
Music department	8,176	11,238	19,414	897,429	In process
Student center/bookstore	63,693	47,297	110,990	2,236,837	In process
Theatre	163,616	377,257	540,873	3,530,062	In process
Business department (classrooms)	75,147	182,842	257,989	4,389,490	In process
Applied arts, science/tech	6,780	34,291	41,071	260,600	In process
Math/Engineering/Computer	27,911	100,241	128,152	2,155,650	In process
Life sciences and nursing	17,460	116,182	133,642	180,150	In process
Utilities services	122,653	175,232	297,885	2,958,319	In process
Liberal arts consumer education	950,971	456,491	1,407,462	1,631,500	In process
Library and language arts	190,499	157,042	347,541	8,499,952	In process
Athletic department and gymnasium	175,865	869,170	1,045,035	13,187,596	In process
ESL (demolish structure)	2,520	1,632	4,152	254,000	In process
Collins Hall - staff offices	2,543	33,267	35,810	263,000	In process
Maintenance/print shop	18,613	18,041	36,654	1,244,945	In process
Osuna (demolish structure)	4,513	2,845	7,358	474,318	In process
Child development and police	4,873	41,805	46,678	504,000	In process
Admin justice and automotive	956	15,231	16,187	100,000	In process
Student services	2,066	56,401	58,467	214,505	In process
Distributive Ed Center	4,970	16,312	21,282	43,957	In process
Allied health building	200,997	627,842	828,839	18,971,950	In process
Swing space	834,101	5,290	839,391	742,008	Completed
Maintenance equipment	2,422	235,240	237,662	250,000	In process
<b>YUBA COLLEGE - CLEAR LAKE CAMPUS</b>					
Pay off COPS	3,053,254	-	3,053,254	3,053,259	Completed
Permanent building	225,769	128,791	354,560	19,670,000	In process
Renovate portables and upgrade utilities	31,692	10,420	42,112	1,560,999	In process
<b>YUBA COLLEGE - WOODLAND</b>					
Performing arts center/culinary arts	434,378	250,597	684,975	28,000,135	In process
Renovate building 700	85,658	319,417	405,075	2,754,200	In process
Multi-purpose facility	210,706	99,508	310,214	13,014,993	In process
Building renovations	71,795	386,985	458,780	1,959,313	In process
Grounds improvements	120,319	455,176	575,495	697,246	In process
Outreach facility - Colusa	51,485	639,148	690,633	3,500,000	In process
Maintenance equipment	90,498	30,652	121,150	150,000	In process
<b>DISTRICT WIDE TECHNOLOGY EQUIPMENT</b>	<b>18,074</b>	<b>87,239</b>	<b>105,313</b>	<b>14,000,000</b>	<b>In process</b>
<b>ACCUMULATED COSTS TO ALLOCATE</b>	<b>40,376</b>	<b>(40,376)</b>	<b>-</b>	<b>-</b>	<b>In process</b>
<b>Total</b>	<b>\$ 13,399,536</b>	<b>\$ 7,306,166</b>	<b>\$ 20,705,702</b>	<b>\$ 196,405,442</b>	

Each of the projects has been given a specific project identification number within the District's Bond Projects Fund. Budgets for each project are included in the financial reporting system and actual expenditures are matched against this budget.

**PERFORMANCE AUDIT**

June 30, 2009

*Yuba Community College District*

*Proposition 39 and Measure J*

*General Obligation Bonds*

**CONCLUSION**

Based upon the procedures performed, we found that the Yuba Community College District has properly accounted for the proceeds and expenditures of Proposition 39 and Measure J 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**

The swing space project had total expenditures to date of \$839,391 which exceeded the budget of \$742,008 by \$97,383. We recommend that budget revisions occur once a project has been identified as exceeding budgeted amounts.