



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

To the Audit Committee
Of Solano Community College District

In planning and performing our audit of the financial statements of Solano Community College District as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered Solano Community College District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated December 31, 2012. This letter does not affect our report dated December 31, 2012, on the financial statements of Solano Community College District.

CURRENT YEAR COMMENTS

Capital Assets

We noted that the District has implemented procedures required for inventorying equipment purchased with Federal funds. However, due to limitations of time and resources the inventory has been limited just to those items charged to Federal funds.

Recommendation

We recommend that the District follow a policy of periodically inventorying all equipment not just that purchased with federal funds in order to update the financial records supporting amounts reported on the entity-wide statement of net assets and to determine if any updates to insurance coverage limits are needed.

District Response

It is intent of staff to eventually develop a policy and procedures on management of fixed assets.

PRIOR YEAR COMMENTS

Financial Reports

We noted that a few adjustments to the District trial balance were necessary after the start of the audit. Some of these adjustments were noted by District personnel, and some were a result of our inquiries during the completion of the audit. The CCFS-311 was filed prior to the discovery of some of these adjustments, and therefore, these variances are included on the fund balance reconciliation page of this report.

Recommendation

We recognized that the District has made significant improvements in identifying and reconciling year end accruals during and after year end closing. We recommend that the District continue its effort in this process and review the items listed above so that all significant accruals and adjustments presented in the CCFS-311 reflect the current, accurate finances of the District.

District Response

The District agrees and will continue to strengthen the process for year-end closing. As part of that process, written procedures will be developed and staff training will occur. This effort will be guided by the college's recently appointed Director of Fiscal Services with the involvement as well of the new Accounting Manager position. The procedures will not only address year-end close but also maintenance of records on a current basis to limit issues that may arise at year end.

Status

Implemented.

Capital Assets

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Recommendation

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District Response

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Status

Not implemented, see current year comments.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 31, 2012