

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2323 N. BROADWAY, SANTA ANA, CA 92706

MEASURE Q CITIZENS' BOND OVERSIGHT COMMITTEE
THURSDAY, JANUARY 13, 2022, AT 6:00 P.M.
VIA ZOOM PLATFORM at <https://cccconfer.zoom.us/j/91048819365>

Pursuant to Governor Newsom's Executive Order N-29-20, dated March 17, 2020, members of the Rancho Santiago Community College District Measure Q Citizens' Bond Oversight Committee, staff and the public will participate in the January 14, 2021 meeting via teleconference. No in-person attendance will be accommodated or permitted. To avoid exposure to COVID-19, this meeting will be held via teleconference by calling 669-900-6833, or by copying this link <https://cccconfer.zoom.us/j/91048819365> and pasting in a web browser to participate via Zoom.

AGENDA

- | | |
|--|---------------------------|
| 1. Call to Order/Introductions – Hatcher | Information |
| <u>Public Comment/Presentations</u>
At this time, members of the public have the opportunity to address the Measure Q Citizens' Bond Oversight Committee on any item within the subject matter jurisdiction of the committee. Members of the community and/or employees wishing to address the committee are asked to complete a " Public Comment " form and submit it to vega_kennethia@rscdd.edu prior to the start of the meeting. Completion of the information on the form is voluntary. Each speaker may speak up to three minutes; however, the chair of the committee may, in the exercise of discretion, extend additional time to a speaker if warranted, or expand or limit the number of individuals to be recognized for discussion on a particular matter. If a translator for the speaker is needed, please contact the Assistant to the Vice Chancellor at 2323 N. Broadway, Suite 401-B, Santa Ana, California, 714 480-7341 or email vega_kennethia@rscdd.edu , at least 48 hours prior to the meeting so appropriate accommodations may be made. Please note the committee cannot take action on any items not on the agenda, with certain exceptions as outlined in the Brown Act . Matters brought before the committee which are not on the agenda may, at the committee's discretion, be referred to staff or placed on the next agenda for committee consideration. <p>It is the intention of the Measure Q Citizens' Bond Oversight Committee to comply with the Americans with Disabilities Acts (ADA) in all respects. If, as an attendee or a participant at this meeting, you need special assistance, the Rancho Santiago Community College District will attempt to accommodate you in every reasonable manner. Please contact the Assistant to the Vice Chancellor at 2323 N. Broadway, Suite 410-2, Santa Ana, California, 714-480-7341, at least 48 hours prior to the meeting to inform us of your particular needs so that appropriate accommodations may be made.</p> | |
| 2. Annual Organizational Meeting | Action |
| <ul style="list-style-type: none">➤ Election of Committee Officers (Chair and Vice Chair)➤ Confirmation of schedule of meeting dates and times for 2022
June 16, 2022, and tentative September 22, or October 20, 2022
Meetings begin at 6:00 P.M.➤ Affirmation of Citizens' Bond Oversight Committee Bylaws➤ Affirmation of the Citizens' Bond Oversight Committee Ethics Policy Statement➤ Committee Membership | |
| 3. Approval of Meeting Minutes – October 12, 2021 | Action |
| 4. District Update – Martinez | Information |
| 5. Measure Q Projects Update – Matsumoto | Information |
| 6. Measure Q Financial Update – Ingram | Information |
| 7. Proposition 39 General Obligation Bonds, Measure Q Financial and Performance Audits for fiscal year ended June 30, 2021 – Ingram | Receive and Accept |
| 8. Santa Ana College Update – Nery | Information |
| 9. Committee Comments | Information |
| 10. Adjournment | Action |

The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities.
Santa Ana College inspires, transforms, and empowers a diverse community of learners.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q CITIZENS' BOND OVERSIGHT COMMITTEE
THURSDAY, JANUARY 13, 2022
VIA ZOOM PLATFORM

MEETING SCHEDULE

JUNE 16, 2022
6:00 P.M. – TBD
(MEETING AND TOUR)

SEPTEMBER 22, OR OCTOBER 20, 2022
6:00 P.M. – TBD

ANNUAL ORGANIZATION MEETING
JANUARY 2023
6:00 P.M. – TBD

CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS

Section 1. Committee Established. The Rancho Santiago Community College District (the "District") School Facilities Improvement No. 1 ("Improvement District") was successful at the election conducted on November 6, 2012 (the "Bond Election") in obtaining authorization from the Improvement District's voters to issue up to \$198,000,000 aggregate principal amount of the District's general obligation bonds ("Measure Q"). The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the Rancho Santiago Community College District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from the District.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Measure Q. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform only the following duties:

3.1 **Inform the Public.** The Committee shall inform the public concerning the District's expenditure of bond proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.

3.2 **Review Expenditures.** The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Measure Q; and (b) no bond proceeds were used for teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.

3.3 **Annual Report.** The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- (a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
- (b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Chancellor. Either the Board or the Chancellor, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (i) Approval of Measure Q projects to get funded;
- (ii) Approval of contracts;
- (iii) Approval of change orders;
- (iv) Expenditures of bond funds;
- (v) Handling of all legal matters;
- (vi) Approval of project plans and schedules;
- (vii) Approval of all deferred maintenance plans; and
- (viii) Approval of the sale of bonds.

3.5 Measure Q Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Board has not charged the Committee with responsibility for:

(a) Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.

(b) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.

(c) The selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.

(d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion.

(e) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) The approval of an annual budget for the Committee that is sufficient to carry out its activities.

(g) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its function under Prop 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution.

(b) Inspect school facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Vice Chancellor, Business Operations/Fiscal Services.

(c) Review copies of scheduled maintenance plans developed by the District.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

Section 5. Membership.

5.1 Number.

The Board of Trustees have determined that the Committee shall consist of at least eleven (11) members appointed by the Board of Trustees from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) student enrolled and active in a community college support group, such as student government.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- One (1) member active in a support organization for Santa Ana College, such as a foundation.
- Six (6) members of the community at-large.

5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5.3 Ethics: Conflicts of Interest. Members of the Committee are not subject to Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of

the Government Code and the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and are not required to complete the Form 700. However, each member shall comply with the Committee Ethics Policy attached as "Attachment A" to these Bylaws.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing on the date of the first meeting of the Committee. No member may serve more than three (3) consecutive terms. At the Committee's first meeting, members will draw lots, or otherwise select a minimum majority (6) for an initial two (2) year term and the remaining members for an initial one (1) year term.

5.5 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee. The Board shall seek to fill vacancies within 90 days of the date of occurrence of a vacancy. Members whose terms have expired may continue to serve on the Committee until their successor has been appointed.

5.6 Compensation. The Committee members shall not be compensated for their services.

5.7 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District; (b) individual members of the Committee retain the right to address the Board as an individual; (c) the Committee shall not establish sub-committees for any purpose; and (d) the Committee shall have the right to request and receive copies of any public records relating to Measure Q funded projects.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year, but no more frequently than quarterly including an annual organization meeting to be held in January.

6.2 Location. All meetings shall be held within the Improvement District, located in Orange County, California.

6.3 Procedures. All meetings shall be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

(a) preparation of and posting of public notices as required by the *Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board;

(b) provision of a meeting room, including any necessary audio/visual equipment;

(c) preparation and copies of any documentary meeting materials, such as agendas and reports; and

(d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

Section 8. Reports. In addition to the Annual Report required in Section 3.2, the Committee may report to the Board from time to time in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Chancellor shall appoint the initial Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by vote of a majority of the members of the Committee.

Section 10. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a majority vote of the Board of Trustees of the District.

Section 11. Termination. The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Measure Q monies.

Attachment A

CITIZENS' BOND OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

This Ethics Policy Statement provides general guidelines for Committee members in carrying out their responsibilities. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds, or (2) any construction project which will benefit the Committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Rancho Santiago Community College District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.

Measure Q Citizens' Bond Oversight Committee Membership 2021-2022

Membership Areas	Committee Member	Duration of Term
Santa Ana College Student	Martha Uriarte (Appointed October 2020)	October 2020 – June 2021 June 2021 – June 2022 (Optional) (Appointed at 10/26/20 Board meeting)
Business Organization	Drew Hatcher (Appointed October 2020)	November 2020 – November 2022 (Appointed at 10/26/20 Board meeting)
Senior Citizens' Organization	Cecilia Aguinaga	March 2021 – March 2023 (Appointed at 02/22/21 Board Meeting)
Taxpayers Association	Vacant	
Santa Ana College Foundation	Alberta Christy (Appointed 2017)	February 2017 – February 2019 February 2019 – February 2021 February 2021 – February 2023
Community At-Large #1	Paul Gonzales (Appointed 2018)	January 2019 – January 2020 November 2020 – January 2024 (Re-Appointed at 10/26/20 Board meeting)
Community At-Large #2	Irma Avila Macias (Re-Appointed October 2020)	November 2020 – January 2024 (Re-Appointed at 10/26/20 Board meeting)
Community At-Large #3	Kenneth Nguyen (Re-Appointed December 2020)	January 2021 – January 2023 (Re-Appointed at 12/14/20 Board meeting)
Community At-Large #4	Teresa Saldivar (Appointed October 2020)	November 2020 – November 2022 (Appointed at 10/26/20 Board meeting)
Community At-Large #5	Barbara Rooker	March 2021 – March 2023 (Appointed at 02/22/21 Board Meeting)
Community At-Large #6	Vacant	

Measure Q Citizens' Bond Oversight Committee
At Santa Ana College – Johnson Student Center Conference Room 219
6:00 p.m. – 6:38 p.m.

Minutes of October 12, 2021

Members Present: Cecilia Aguinaga, Alberta Christy, Drew Hatcher, Irma Avila Macias, Teresa Saldivar and Martha Uriarte

Members Absent: Paul Gonzales, Kenneth Nguyen, and Barbara Rooker

District Staff Present: Iris Ingram, Marilyn Flores, Adam O'Connor, Carri Matsumoto, and Kennethia Vega

Guests: Leisa Schumacher and Andy Nguyen

1. Call to Order/Introductions: Mr. Hatcher called the meeting to order at 6:05 p.m. and introductions were completed. There were no requests for public comments.
2. Approval of Minutes – June 3, 2021
Ms. Aguinaga made a motion to approve the minutes of the June 3, 2021 meeting as presented. Ms. Avila Macias seconded the motion. With no comments, edits or questions, the motion passed unanimously.
3. 2020-2021 Measure Q Citizens' Bond Oversight Committee Annual Report to the Community
The committee reviewed the draft annual report to the community. Ms. Saldivar made a motion to approve the annual report to the community as presented. Ms. Aguinaga seconded the motion. With no comments, edits or questions, the motion passed unanimously.
4. Santa Ana College Update – Flores
President Flores provided a brief update on the activities of Santa Ana College including hosting the RSCCD Board of Trustees Meeting on October 11 in the new Johnson Student Center. She also reported that overall enrollment is up 6%, citizenship classes are exceeding expectations and face-to-face classes have increased to 25%. SAC has launched a Vaccine Campaign through December 3 that grants \$200 gift cards to the bookstore for the upload of vaccination documents with 1400 students already participating. The Art Gallery exhibit "*Stories of the Land*" is open and various other events occurring throughout the months of October and November. She commented on athletic successes and her attendance at community events. She concluded her report noting the various partnerships with CSU Fullerton, UCI and other universities that support student success.
5. Measure Q Project Update – Matsumoto
Ms. Matsumoto provided a brief report on the completion of Measure Q projects. She commented that while some projects did not finish within the construction timeline due to delays and construction issues, both buildings are complete and under budget. Moves into the new Science Center are ongoing to prepare for spring classes. The office is still closing out contracts and reconciling bills, but both buildings are complete within this fiscal year. Remaining Measure Q funds may be available upon final reconciliation and future discussion will determine its use.

Discussion ensued with a focus on the allocated budgets for each project: Johnson Student Center was \$59.5 million and the projected remaining balance is \$625,187; the Science Center was \$70.1 million with a projected remaining balance of \$7.5 million. Information that is more detailed will be available at the next meeting. Ms. Christy mentioned the residents of Santa Ana would support another bond as this committee has assured the community of “keeping our word” to ensuring the money stays at Santa Ana College and enhances the experience for SAC students. Ms. Ingram noted as a point of fact, the Board of Trustees at their meeting on October 11, approved an agreement with a polling consultant to conduct the initial survey work for a potential bond measure. The feasibility and timeline for both colleges will be considered. That information will be brought back to the Board in January 2022 for further discussion.

6. Measure Q Financial Update – Ingram/O’Connor

At the request of Ms. Ingram, Mr. O’Connor provided a brief financial update. He first acknowledged the wonder of hosting the Measure Q CBOC meeting in the actual building built with Measure Q funds. Since the committee’s last review, another \$5 million has been spent; current expenditures are 96% spent or encumbered. There is approximately \$8 million that remains under budget. The committee will be presented with the district’s plan for the use of these funds at a future meeting. The financial audit is in process and will conclude in December. However, auditors have indicated no findings or issues, which makes this a clean audit and has been proudly for the duration of Measure Q.

7. Future Meeting Dates – Proposed January 13 and June 16, 2022

Ms. Aguinaga made a motion to approve the future meeting dates of January 13 and June 16, 2022 as tentative. Ms. Christy seconded the motion. Location of the meeting is yet to be determined. With no further discussion, questions or comments, the motion passed unanimously.

8. Committee Comments

Committee members made brief comments and Chair Hatcher commended members for their service. Ms. Uriarte acknowledged the committee, staff for support of students through Measure Q projects. She expressed the excitement of students that has increased via social media. Ms. Saldivar announced the Downtown Santa Ana (DTSA) event TamalFest on December 16. Ms. Macias looks forward to improving the lasting experiences for SAC students. Ms. Christy commended the SAC Foundation for developing a relationship with Alan Fainberg and Chase Family that garnered a \$1.2 million endowment and additional donations totaling \$300,000 from other donors. She continues to expand and outreach to potential donors to support SAC students. Ms. Aguinaga commended SAC as an alum and proud parent of graduates. Discussion ensued regarding committee representatives. Chair Hatcher, thanked staff for support, leadership and professional work.

9. Adjournment

Ms. Christy made a motion to adjourn the meeting. Ms. Macias seconded the motion. The motion passed unanimously to adjourn the meeting at 6:38 p.m.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

MEASURE Q

Projects Cost Summary

11/30/21 on 12/01/21

Special Project Numbers	Description	Project Allocation	Total PY Expenditures	FY 2021-2022		Cumulative Exp & Enc	Project Balance	% Spent
				Expenditures	Encumbrances			
ACTIVE PROJECTS								
SANTA ANA COLLEGE								
3035/3056	Johnson Student Center	59,548,222	57,166,064	1,025,181	730,802	58,922,046	626,176	99%
	Agency Cost		479,275	144,062	3,443	626,780		
	Professional Services		6,460,048	101,315	516,266	7,077,629		
	Construction Services		48,168,884	665,756	0	48,834,640		
	Furniture and Equipment		2,057,857	114,047	211,093	2,382,997		
3049	Science Center & Building J Demolition	70,130,861	58,630,167	1,538,598	3,244,995	63,413,759	6,717,102	90%
	Agency Cost		441,131	17,619	1,696	460,446		
	Professional Services		9,770,089	17,790	588,944	10,376,824		
	Construction Services		46,529,708	809,768	2,459,218	49,798,694		
	Furniture and Equipment		1,889,239	693,420	195,136	2,777,795		
TOTAL ACTIVE PROJECTS		129,679,083	115,796,231	2,563,779	3,975,796	122,335,806	7,343,277	94%
CLOSED PROJECTS								
3032	Dunlap Hall Renovation	12,620,659	12,620,659	-	-	12,620,659	0	100%
	Agency Cost		559	-	-	559		
	Professional Services		1,139,116	-	-	1,139,116		
	Construction Services		11,480,984	-	-	11,480,984		
	Furniture and Equipment		-	-	-	-		
3042	Central Plant Infrastructure	57,266,535	57,266,535	-	-	57,266,535	0	100%
	Agency Cost		416,740	-	-	416,740		
	Professional Services		9,593,001	-	-	9,593,001		
	Construction Services		47,216,357	-	-	47,216,357		
	Furniture and Equipment		40,437	-	-	40,437		
3043	17th & Bristol Street Parking Lot	198,141	198,141	-	-	198,141	0	100%
	Agency Cost		16,151	-	-	16,151		
	Professional Services		128,994	-	-	128,994		
	Construction Services		52,996	-	-	52,996		
	Furniture and Equipment		-	-	-	-		
TOTAL CLOSED PROJECTS		70,085,335	70,085,334	-	-	70,085,334	0	100%
GRAND TOTAL ALL PROJECTS		199,764,418	185,881,565	2,563,779	3,975,796	192,421,140	7,343,278	96%
SOURCE OF FUNDS								
	ORIGINAL Bond Proceeds	198,000,000						
	ACTUAL Bond Proceeds Recon Adjust.	(1,614,579)						
	Interest Earned	2,993,115						
	Interest/Expense (FY20/21)	385,881						
	Totals	199,764,418						



December 3, 2021

Board of Trustees and Citizens' Oversight Committee
Rancho Santiago Community College District
Santa Ana, California

We have audited the financial statements and conducted our performance audit of Rancho Santiago Community College District's (the District) Revenue Bond Construction Fund (Measure Q) as of and for the year ended June 30, 2021, and have issued our reports thereon dated December 3, 2021. Professional standards require that we advise you of the following matters relating to our audits.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and the Performance Audit under *Government Auditing Standards*

As communicated in our letter dated September 7, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Additionally, as communicated in our letter dated September 7, 2021, our responsibility, as described by professional standards, is to conduct a performance audit in accordance with *Government Auditing Standards*. Our audit of the financial statements and performance audit do not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. We are also responsible for communicating significant matters related to the objectives of the performance audit. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audits

We conducted our audits consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the the year ended June 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audits

We encountered no significant difficulties in dealing with management relating to the performance of the audits.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no corrected or uncorrected misstatements noted in completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's Revenue Bond Construction Fund (Measure Q) financial statements or the auditor's report. No such disagreements arose during the course of the audits.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 3, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Modification of the Auditor's Report

We have made the following modification to our auditor's report.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Revenue Bond Construction Fund specific to Measure Q are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

This report is intended solely for the information and use of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California



Financial and Performance Audits
Revenue Bond Construction Fund (Measure Q)
June 30, 2021

Rancho Santiago Community College District

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Financial Audit

Revenue Bond Construction Fund (Measure Q)

June 30, 2021

**Rancho Santiago Community College
District**



Independent Auditor's Report

Board of Trustees and Citizens' Oversight Committee
Rancho Santiago Community College District
Santa Ana, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Rancho Santiago Community College District (the District), Revenue Bond Construction Fund (Measure Q), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Revenue Bond Construction Fund (Measure Q) of the District as of June 30, 2021, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Revenue Bond Construction Fund specific to Measure Q are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting and compliance.



Rancho Cucamonga, California
December 3, 2021

Rancho Santiago Community College District
Revenue Bond Construction Fund (Measure Q)
Balance Sheet
June 30, 2021

Assets	
Investments	\$ 14,236,265
Accounts receivable	<u>7,822</u>
Total assets	<u><u>\$ 14,244,087</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 393,185
Due to other funds	<u>107,110</u>
Total liabilities	<u>500,295</u>
Fund Balance	
Restricted for capital projects	<u>13,743,792</u>
Total liabilities and fund balance	<u><u>\$ 14,244,087</u></u>

Rancho Santiago Community College District
Revenue Bond Construction Fund (Measure Q)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2021

Revenues	
Local revenues	<u>\$ 261,857</u>
Expenditures	
Supplies and materials	112,640
Services and other expenditures	15,915
Capital outlay	<u>22,881,037</u>
Total expenditures	<u>23,009,592</u>
Net Change in Fund Balance	(22,747,735)
Fund Balance, Beginning	<u>36,491,527</u>
Fund Balance, Ending	<u><u>\$ 13,743,792</u></u>

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Revenue Bond Construction Fund (Measure Q) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The District's Revenue Bond Construction Fund (Measure Q) accounts for the financial transactions in accordance with the policies and procedures of the California Community Colleges *Budget and Accounting Manual*.

Financial Reporting

The financial statements include only the Revenue Bond Construction Fund of Rancho Santiago Community College District (the District) used to account for Measure Q projects. This Fund was established to account for the receipt of proceeds of general obligation bond issuances and the expenditures of the General Obligation Bond Election of November 2012. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Revenue Bond Construction Fund (Measure Q) are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Revenue Bond Construction Fund (Measure Q) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenues and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates and those differences could be material.

Fund Balance

As of June 30, 2021, the fund balance is classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Note 2 - Investments

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which are recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. District regulations require that funds that are not required for the immediate need of the District may be invested in the County Treasurer's Investment Pool. The District manages its exposure to interest rate risk by investing in the Orange County Investment Pool. The District maintains an investment of \$14,236,265 with the Orange County Investment Pool, with an average maturity of 375 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Orange County Investment Pool is rated AAAm by Standard & Poor's.

Note 3 - Accounts Receivable

Receivables at June 30, 2021, consist of the following:

Interest income	\$ 7,822
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Note 4 - Accounts Payable

Accounts payable at June 30, 2021, consist of the following:

Construction	\$ 393,185
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Note 5 - Due to Other Funds

Amounts due to other funds at June 30, 2021, consisted of \$107,110 due to the General Fund for Measure Q costs paid for by the General Fund, but incurred by the Revenue Bond Construction Fund (Measure Q).

Note 6 - Commitments and Contingencies

As of June 30, 2021, the Revenue Bond Construction Fund (Measure Q) had approximately \$6.1 million in commitments with respect to unfinished capital projects.

These projects are funded through a combination of general obligation bond funds and capital project apportionments from the California State Chancellors Office.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District's Revenue Bond Construction Fund (Measure Q) at June 30, 2021.



Independent Auditor's Report
June 30, 2021

**Rancho Santiago Community College
District**



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Trustees and Citizens' Oversight Committee
Rancho Santiago Community College District
Santa Ana, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Rancho Santiago Community College District (the District) Revenue Bond Construction Fund (Measure Q), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2021.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Revenue Bond Construction Fund specific to Measure Q are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's Revenue Bond Construction Fund (Measure Q) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Revenue Bond Construction Fund (Measure Q) internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Revenue Bond Construction Fund (Measure Q) financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Revenue Bond Construction Fund (Measure Q) financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's Revenue Bond Construction Fund (Measure Q) internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Revenue Bond Construction Fund (Measure Q) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 3, 2021

None reported.

Rancho Santiago Community College District
Revenue Bond Construction Fund (Measure Q)
Summary Schedule of Prior Audit Findings
June 30, 2021

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.



Performance Audit

Revenue Bond Construction Fund (Measure Q)

June 30, 2021

**Rancho Santiago Community College
District**



Independent Auditor's Report on Performance

Board of Trustees and Citizens' Oversight Committee
Rancho Santiago Community College District
Santa Ana, California

We were engaged to conduct a performance audit of the Rancho Santiago Community College District (the District) Revenue Bond Construction Fund (Measure Q) for the year ended June 30, 2021.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Revenue Bond Construction Fund (Measure Q) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District, and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 3, 2021

Authority for Issuance

The general obligation bonds associated with Measure Q were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code*, and other applicable provisions of law. The District received authorization from an election held on November 6, 2012, to issue bonds of the District in an aggregate principal amount not to exceed \$198,000,000 to finance the acquisition, construction, and modernization of certain property and District facilities. The Measure required approval by at least 55% of the votes cast by eligible voters within the District.

Purpose of Issuance

The net proceeds of the Bonds issued under the 2012 Authorization will be used for the purpose specified in the District bond proposition submitted at the Election, which include the purposes of improving safety and the quality of education in the District by helping to finance the acquisition and construction of certain property and District facilities.

Authority for the Audit

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 district, community college districts, or county offices of education for the following: "construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55% of the electorate. In addition to reduction of the approval threshold from two-thirds to 55%, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other District operating expenses.
2. The District must list the specific facilities projects to be funded in the ballot measure and must certify that the governing board has evaluated safety and information technology needs in developing the project list.
3. Requires the District to appoint a Citizens' Oversight Committee.
4. Requires the District to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until after all of the proceeds have been expended.
5. Requires the District to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

Objectives of the Audit

1. Determine whether expenditures charged to the Revenue Bond Construction Fund (Measure Q) have been made in accordance with the Bond project list approved by the voters through the approval of the Measure Q.
2. Determine whether salary transactions, if any, charged to the Revenue Bond Construction Fund (Measure Q) were in support of Measure Q and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2020 through June 30, 2021. The population of expenditures tested 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, other than proceeds of the Bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2021, were not reviewed or included within the scope of our audit or in this report.

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2021, for the Revenue Bond Construction Fund (Measure Q). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure Q as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2020 through June 30, 2021 from Measure Q bond proceeds.
 - c. We selected a sample of expenditures using professional judgement, based on risk assessment and consideration of coverage of all object codes and projects for the period starting July 1, 2020 and ending June 30, 2021.
3. Our sample included transactions totaling \$19,666,022. This represents 85% of the total expenditures of \$23,009,592.
4. We reviewed the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of administrators or other operating expenses of the District.
5. We determined that the District has met the compliance requirement of Measure Q if the following conditions were met:
 - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b. Expenditures were not used for salaries of administrators or other operating expenses of the Districts.

Conclusion

The results of our tests indicated that, in all significant respects, the Rancho Santiago Community College District has properly accounted for the expenditures held in the Revenue Bond Construction Fund (Measure Q) and that such expenditures were made for authorized Bond projects.

Rancho Santiago Community College District
Revenue Bond Construction Fund (Measure Q)
Schedule of Findings and Questioned Costs
June 30, 2021

None reported.

Rancho Santiago Community College District
Revenue Bond Construction Fund (Measure Q)
Summary Schedule of Prior Audit Findings
June 30, 2021

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.