



Financial and Performance Audits
Measure E General Obligation Bonds Election 2016
June 30, 2020

Santa Clarita Community College District

FINANCIAL AUDIT

Independent Auditor’s Report 1

Financial Statements

 Balance Sheet 3

 Statement of Revenues, Expenditures, and Changes in Fund Balance 4

 Notes to Financial Statements 5

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*11

Schedule of Findings and Questioned Costs

 Financial Statement Findings13

 Summary Schedule of Prior Audit Findings.....14

PERFORMANCE AUDIT

Independent Auditor’s Report on Performance16

Authority for Issuance17

Purpose of Issuance.....17

Authority for the Audit17

Objective of the Audit18

Scope of the Audit.....18

Methodology.....18

Conclusion.....22

Schedule of Findings and Questioned Costs

 Schedule of Findings and Questioned Costs23

 Summary Schedule of Prior Audit Findings.....24



Financial Audit
Measure E General Obligation Bonds Election 2016
June 30, 2020

Santa Clarita Community College District



Independent Auditor's Report

Board of Trustees and
Citizens' Oversight Committee
Santa Clarita Community College District
Santa Clarita, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Santa Clarita Community College District's (the District) Measure E General Obligation Bond Fund (Measure E) as of and for the year ended June 30, 2020, 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 of 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 financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 Measure E General Obligation Bond Fund (Measure E) of the District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the General Obligation Bond Fund specific to Measure E 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, 2020, and the results of its operations for the year then ended in conformity 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 January 25, 2021, on our consideration of the District's 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 to 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 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 internal control over financial reporting and compliance.



Rancho Cucamonga, California
January 25, 2021

Santa Clarita Community College District
Measure E General Obligation Bonds
Balance Sheet
June 30, 2020

Assets	
Investments	\$ 84,812,976
Accounts receivable	<u>262,188</u>
Total assets	<u><u>\$ 85,075,164</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable and accrued liabilities	<u>\$ 5,022,988</u>
Fund Balance	
Restricted for capital projects	<u>80,052,176</u>
Total liabilities and fund balance	<u><u>\$ 85,075,164</u></u>

Santa Clarita Community College District
 Measure E General Obligation Bonds
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 June 30, 2020

Revenues		
Local revenues		\$ 1,352,180
Expenditures		
Classified salaries		113,340
Employee benefits		39,857
Services and operating expenditures		28,546
Capital outlay		24,471,047
Cost of issuance		601,500
Total expenditures		25,254,290
Deficiency of Revenues over Expenditures		(23,902,110)
Other Financing Sources		
Other Sources - Proceeds from Issurance of Bonds		85,331,500
Net Change in Fund Balance		61,429,390
Fund Balance - Beginning		18,622,786
Fund Balance - Ending		\$ 80,052,176

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the District's Measure E General Obligation Bond Fund (Measure E) 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 Measure E General Obligation Bond Fund accounts for the financial transactions in accordance with the policies and procedures for the California Community Colleges Budget and Accounting Manual.

Financial Reporting Entity

The financial statements include only the Measure E General Obligation Bond Fund of the Santa Clarita Community College District (the District) used to account for Measure E projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure E. These financial statements are not intended to present fairly the financial position and the 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 Measure E General Obligation Bond Fund 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 funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Measure E General Obligation Bond Funds are 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.

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 no later than July 1 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 revenue 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.

Fund Balance

As of June 30, 2020, 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.

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/expenses during the reporting period. Actual results could differ from those estimates.

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

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. 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 accounting 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 is 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. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Investment Pool. The District maintains a Measure E General Obligation Bond Fund investment of \$84,812,976 with the Los Angeles County Investment Pool, with an average maturity of 590 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 Los Angeles County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2020.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Los Angeles County Investment Pool are not measured using the input levels above because the District’s transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The Los Angeles County Investment Pool has a daily redemption frequency period and a one-day redemption notice period.

The District’s fair value measurements are as follows at June 30, 2020:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Uncategorized</u>
Los Angeles County Investment Pool	<u>\$ 84,812,976</u>	<u>\$ 84,812,976</u>

All assets have been valued using a market approach, with quoted market prices.

Note 4 - Accounts Receivable

The accounts receivable at June 30, 2020, in the amount of \$262,188 represents interest earnings that have yet to be received. All amounts have been determined by management to be fully collectable.

Note 5 - Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities at June 30, 2020, represent amounts owed to vendors for both ongoing and completed construction projects or salaries related to construction projects in the amount of \$5,022,988.

Note 6 - Commitments and Contingencies

As of June 30, 2020, the Measure E General Obligation Bond Fund had the following commitments with respect to unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
College of the Canyons - Central Plant	\$ 573,202	November 30, 2020
College of the Canyons - Science-Lecture Bldg. #1	7,273,389	December 31, 2020
College of the Canyons - Student Services Learning Resources Bldg. #2	29,810,033	February 28, 2022
ADA Transition Plan - Phase 1	226,886	November 30, 2020
Bloom Fuel Cell Project	5,100	June 30, 2021
Bonelli Hall Cooling Tower	15,090	January 31, 2021
Boykin Hall Modernization Phase 2	495,000	August 31, 2022
College of the Canyons - Quad Modernization - HVAC	198,625	December 15, 2020
PE West Modernization	2,875	November 30, 2020
Tick Canyon Fire Clean Up	31,265	September 30, 2021
ADA Transition Plan - Phase 2	351,300	February 28, 2022
Parking Lot 7 Utilities	60,130	December 31, 2020
	<u>\$ 39,042,895</u>	

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 Measure E General Obligation Bond Fund at June 30, 2020.



Independent Auditor's Report
June 30, 2020

Santa Clarita 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
Santa Clarita Community College District
Santa Clarita, 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 Santa Clarita Community College District (the District) Measure E General Obligation Bond Fund (Measure E), as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated January 25, 2021.

Emphasis of Matter

As discussed in Note 1, the financial statements of the General Obligation Bond Fund specific to Measure E 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, 2020, and the results of its operations for the year then ended in conformity 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 internal control over financial reporting (internal control) as a basis for designing the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s Measure E General Obligation Bond Fund 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 Measure E General Obligation Bond Fund (Measure E) 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Rancho Cucamonga, California
January 25, 2021

None reported.

Santa Clarita Community College District
Measure E General Obligation Bonds
Summary Schedule of Prior Audit Findings
June 30, 2020

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



Performance Audit
Measure E General Obligation Bonds Election 2016
June 30, 2020

Santa Clarita Community College District



Independent Auditor's Report on Performance

Board of Trustees and
Citizens' Oversight Committee
Santa Clarita Community College District
Santa Clarita, California

We were engaged to conduct a performance audit of the Santa Clarita Community College District (the District) Measure E General Obligation Bond Fund (Measure E) for the year ended June 30, 2020.

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 Measure E General Obligation Bond Fund (Measure E) 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 black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
January 25, 2021

Authority for Issuance

The General Obligation Bonds associated with Measure E 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 Bonds are authorized to be issued by a resolution adopted by the City and County Board of Supervisors, pursuant to resolutions of the Board of Trustees of the District adopted on March 8, 2017 (the Resolution). The District received authorization from an election held on June 7, 2016, to issue Bonds of the District in an aggregate principal amount not to exceed \$230,000,000 to finance the construction, improvement, and repair of certain District facilities, the acquisition of equipment, and to pay all legal financial and contingent costs in connection with the issuance of the Bonds. The proposition required approval by at least 55% of the votes cast by eligible voters within the District (the 2016 Authorization). The Bonds represent two series of authorized bonds to be issued under the 2016 Authorization.

Purpose of Issuance

The net proceeds of the Bonds issued under the 2016 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include financing construction, acquisition, and improvement of classrooms, sites, facilities and equipment and to pay all legal financial and contingent costs in connection with the issuance of the Bonds.

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 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 rental property for school facilities”, upon approval by 55% of the electorate. In addition to reducing 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 community college district must list the specific district 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 community college district to appoint a citizens’ oversight committee.

4. Requires the community college 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 all of the proceeds have been expended.
5. Requires the community college 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 Measure E General Obligation Bond Fund have been made in accordance with the Bond project list approved by the voters through the approval of the Measure E.
2. Determine whether salary transactions charged to the Measure E General Obligation Bond Fund were in support of Measure E and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2019 to June 30, 2020. 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, 2020, 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, 2020, for the Measure E General Obligation Bond Fund. 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 the Measure E 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, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2019 through June 30, 2020 from Measure E bond proceeds.

- c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 39% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2019 and ending June 30, 2020.
3. Our sample included transactions totaling \$9,765,155. This represents 39% of the total expenditures of \$25,254,290, including transfers out.
 4. We selected all employees charged to the Measure E General Obligation Bond Fund. For the employees selected for testing, there were no exceptions noted in the District’s procedures related to the disbursement of the Measure E General Obligation Bond Fund. The District approves all employees charged to the Measure E General Obligation Bond Fund and uses encumbrance accounting to ensure all approved disbursements have been budgeted and funds are available. Documentation to support payroll transactions included personnel files and payroll records.

Description	Fund 45/48		
	Expenditures Incurred	Expenditures Tested	Percentage of Total
Classified Salary Expense	\$ 113,340	\$ 113,340	100%
Classified Benefits Expense	39,857	39,857	100%
Services and Operating Expenditures	28,546	-	0%
Cost of Issuance	601,500	601,500	100%
Capital Outlay	24,471,047	9,010,458	37%
Total	\$ 25,254,290	\$ 9,765,155	39%

Santa Clarita Community College District

Measure E General Obligation Bonds

June 30, 2020

We prepared a schedule of all costs incurred between July 1, 2019 and June 30, 2020, by project, for the local bond measure funding and totaling inception-to-date expenses.

2017 General Obligation Bonds Fund 45/48	January 0, 1900 to January 0, 1900 Actual Expenses	Inception-to-Date Expenses January 0, 1900
Repairs and Modernization	\$ 6,930,819	\$ 10,504,802
Site Upgrades	226,390	620,105
Technology	718,663	742,464
Parking Structure Valencia Campus	245,575	19,253,141
CCC Student Services Learning Resource	2,116,701	3,628,962
CCC Central Plant	784,874	4,136,084
CCC Science/Lecture Building	13,327,620	17,788,504
CCC Arts and Lecture	8,195	78,195
Secondary Effects (Renovation)	116,186	117,461
Management Personnel - Bond Implementation	153,197	444,207
Miscellaneous Expenses	24,570	41,869
Cost of Issuance and Other Uses	601,500	4,347,069
Total	\$ 25,254,290	\$ 61,702,863

5. 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 district administrators or other operating expenses of the District.

Santa Clarita Community College District
Measure E General Obligation Bonds
June 30, 2020

6. We prepared a schedule of all projects started and/or completed since the inception of the bond and the total costs incurred from the inception of the bond.

Project Description	Total Estimated Cost of Project ¹	Total Anticipated Contributions from Other Sources - Including State Funds, Other GO Bonds, and Future GO Bond Issuances ¹	Total Estimated Measure E Contribution First and Second Issuance ¹	Total GO Bond Expenditures Through June 30, 2020 ²	Total Remaining GO Bond Balance Outstanding ¹
Repairs and Modernization - Actual and Holding	\$ 18,577,786	\$ 13,013,430	\$ 5,564,356	\$ 1,019,890	\$ 4,544,466
CCC - Quad HVAC and Modular Modernization	4,000,000	1,061,700	2,938,300	961,568	1,976,732
PE West Modernization	5,540,966	-	5,540,966	5,538,091	2,875
Boykin 105 Remodel	830,161	-	830,161	830,161	-
Boykin Hall Modernization Phase 2	9,600,000	4,800,000	4,800,000	35,247	4,764,753
Door and Lock Replacement Phase 2	913,708	-	913,708	913,708	-
Student Center Modernization	15,000,000	-	15,000,000	45	14,999,955
Towsley Modernization	7,500,000	7,500,000	-	-	-
Seco Modernization	6,000,000	6,000,000	-	-	-
ADA Transition Plan:					
ADA Buildings	7,005,138	2,471,550	4,533,588	1,206,093	3,327,495
ADA Site	3,311,876	39,870	3,272,006	434,390	2,837,616
Site Improvements	1,797,585	1,551,739	245,846	185,716	60,130
Technology/Technology Infrastructure	11,508,051	7,708,051	3,800,000	742,464	3,057,536
Parking Structure - Valencia Campus (Project also funded using Measure M)	23,909,018	4,655,878	19,253,140	19,253,140	-
Health Professions Building	15,000,000	13,500,000	1,500,000	-	1,500,000
Canyon Country Campus - Science/Lecture Building (Project also funded using Measure M)	40,348,505	11,491,572	28,856,933	17,788,504	11,068,429
Canyon Country Campus - Central Plant (Project also funded using Measure M)	7,543,710	2,814,189	4,729,521	4,136,083	593,438
Canyon Country Campus - Student Services Learning	33,514,381	-	33,514,381	3,628,962	29,885,419
Canyon Country Campus - Classroom Bldg #3	30,000,000	29,000,000	1,000,000	-	1,000,000
CCC - M&O, Warehouse and Support Bldgs	5,000,000	5,000,000	-	-	-
CCC - CTE Building	15,000,000	15,000,000	-	-	-
CCC - Parking Structure	12,000,000	12,000,000	-	-	-
Canyon Country Campus - Arts and Lecture Building	78,195	-	78,195	78,195	-
Secondary Effects	135,296	10,924	124,372	117,461	6,911
Management Personnel - Bond Implementation	3,332,829	2,607,401	725,428	444,207	281,221
Miscellaneous Expenses	194,762	109,662	85,100	39,900	45,200
Costs of Issuances/Debt Service Fund Contribution	4,347,069	-	4,347,069	4,347,069	-
Contingency	5,423,728	5,321,759	101,969	1,969	100,000
	<u>\$ 287,412,764</u>	<u>\$ 145,657,725</u>	<u>\$ 141,755,039</u>	<u>\$ 61,702,863</u>	<u>\$ 80,052,176</u>

¹ Estimates updated by District personnel through October 31, 2020. These estimates were not subject to verification.

² Actual costs incurred through June 30, 2020.

7. We calculated the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2020. As stated in the District's audited financial statements as of June 30, 2020, the expenditures from the Measure E General Obligation Bond Funds were \$25,254,290 for fiscal year 2019-2020, and total \$61,702,863 to date. Bond proceeds received to date total \$138,831,065, and interest revenue and other sources earned to date of \$2,923,974 provide \$80,052,176 available for future expenditures. There were no adjustments to the District's financial records as a result of our procedures.

8. We determined that the District has met the compliance requirement of Measure E if the following conditions were met:
 - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b. Supporting documents for expenditures were not used for salaries of district administrators or other operating expenses of the District.

Conclusion

The results of our tests indicated that, in all significant respects, Santa Clarita Community College District has properly accounted for the expenditures held in the Measure E General Obligation Bond Fund (Measure E) and that such expenditures were made for authorized Bond projects. Furthermore, it was noted that funds held in the Measure E General Obligation Bond Fund (Measure E), and expended by the District, were used for salaries of administrators only to the extent they performed administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General.

None reported.

Santa Clarita Community College District
Measure E General Obligation Bonds
Summary Schedule of Prior Audit Findings
June 30, 2020

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