

**Measure “M” Citizens’ Oversight Committee
Santa Clarita Community College District**

**January 14, 2014
3:00 p.m. to 4:00 p.m.**

**College of the Canyons | ASG Conference Room STCN-129
26455 Rockwell Canyon Road, Santa Clarita, CA 91355**

AGENDA

- 1. PRELIMINARY FUNCTIONS**
 - 1.1 Call to Order/Establishment of a Quorum
 - 1.2 Approval of Meeting Agenda **ACTION**
 - 1.3 Welcome Guests
 - 1.4 Approval of Meeting Minutes **ACTION**
October 22, 2013
- 2. FACILITIES**
 - 2.1 Construction Update: Measure M–Funded Projects: Culinary Arts, Student Services/Administration **INFORMATION/
ORAL**
- 3. FINANCIAL**
 - 3.1 Acceptance of Measure M General Obligation Bonds Financial Audit & Performance Audit for the Fiscal Year Ending June 30, 2013 **ACTION**
 - 3.2 Approval of Resolution 2013/14-01 Affirming the Santa Clarita Community College District’s Compliance with Requirements as Stated in the Law (Section 15278-15282) **ACTION**
- 4. OTHER**
 - 4.1 Comments by Members of the Audience on Any Item NOT ON THE AGENDA **ORAL**
 - 4.2 A Building Hard Hat Tour **INFORMATION**
- 5. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING**
 - 5.1 Adjournment **ACTION**

If you need a disability-related modification or accommodation (including auxiliary aids or services) to participate in the public meeting, or if you need an agenda in an alternate form, please contact the Chancellor’s Office at College of the Canyons at least 24 hours before the scheduled meeting.

SANTA CLARITA COMMUNITY COLLEGE DISTRICT

Measure "M" Citizens' Oversight Committee

October 22, 2013

MINUTES

(Unapproved)

The Santa Clarita Community College District Measure "M" Citizens' Oversight Committee meeting was held on October 22, 2013 in the Art Gallery, College of the Canyons, 26455 Rockwell Canyon Road, Santa Clarita, California 91355

Members Present: Ms. Barbara Cochran
Mr. John Hoskinson
Mr. Nicholas Lentini
Ms. Jill Mellady
Mr. Calvin Hedman
Mr. Michael Hogan (arrived at 3:06 p.m.)
Mr. Ryan Joslin

Members Absent: Mr. Alan Difatta
Mr. Kevin Holmes

Others Present: Dr. Dianne Van Hook, Chancellor (Arrived 3:09 p.m.)
Ms. Sharlene Coleal, Assistant Superintendent/Vice President, Business Services (Arrived 3:07 p.m.)
Mr. Jim Schrage, Assistant Superintendent/Vice President, Facilities Planning, Operations and Construction
Ms. Balbir Chandi, Director, Fiscal Services
Ms. Cynthia Fernando, Accounting Technician
Ms. Suzanne Finne, Administrative Coordinator, Chancellor's Office

A quorum was declared and the meeting called to order at 3:06 p.m. by Mr. Lentini.

**Quorum
Established
(1.1)**

The Committee moved approval of the meeting Agenda.
Motion: Hogan Second: Hoskinson Record of Vote: 7-0

**Approval of Agenda
(1.2)**

The Committee moved approval of the October 22, 2013 meeting minutes.
Motion: Hogan Second: Hoskinson Record of Vote: 7-0

**Approval of Meeting
Minutes
(1.3)**

Mr. Schrage provided a photo presentation and oral summary of building projects underway on the Valencia campus for Committee members.

Highlights were as represented below:

- Student Services/Administration Building:
 - ✓ 25% of the project is in the dirt.
 - ✓ The timeline going vertical with steel frame was reviewed.
 - ✓ Since August 5, a 120-foot steel crane has been lifting the steel and cranes put the bolts in the holes.
 - ✓ Decks were poured the week of October 15, 2013.
 - ✓ The next phase, waterproofing, is scheduled before the end of the year.
 - ✓ The project is currently two months ahead of schedule.
 - ✓ COC's goal is to have the building completed by the time the accreditation team visits next year.

- Culinary Arts Building
 - ✓ Photos were shared of the former "Village" as it was moved out of the area where the Culinary Arts Institute is being built.
 - ✓ It was noted that the project ran into some delays up front due to some soils irregularities: Before that area was filled in many years ago, someone had buried trees and shrubs. This called for the current excavation team to keep digging until "natural fill" was hit.
 - ✓ The area is now compacted fill and set to spec.
 - ✓ Underground utilities are going in.

Mr. Lentini thanked Mr. Schrage and noted it is important that the Committee receive updates as to where the money from the bonds is going.

Ms. Coleal reviewed the Life-to-Date Expenses report for the Committee by Project ending 6/30/13.

Ms. Coleal reviewed the Life-to-Date Expenses report for the Committee by Project ending 9/30/13.

Ms. Coleal reviewed the Measure M Match to be provided by the State Scheduled Maintenance Block Grant Funding

Overview of Upcoming Measure "M" Funded Projects: Culinary Arts, Student Services/Administration, Technology (2.1)

Review of Life-to-Date Expenses by Project (3.1)

Review of Life-to-Date Expenses by Project (3.2)

Measure M Provides Match for State Scheduled Maintenance Block Grant Funding (3.3)

Mr. Lentini asked for any items from the floor.

**Comments by Members
of the Audience on Any
Item Not on the Agenda
(4.1)**

- Dr. Van Hook offered her comments and insight on several topics:
 - ✓ First, she thanked the Committee for taking time out of their schedules to meet and serve on the Citizens' Oversight Committee, and underscored how we have moved our meeting venue around both campuses to showcase the buildings and projects funded by Measure M dollars.
 - ✓ Second, she noted that part of the challenge as we began to build the Administration & Student Services structure was to get the full amount of matching funds we were expecting from the State at the time we broke ground on this building. She noted that Jim Schrage has been tenacious on this front! Mr. Schrage has to be given credit, since he often went "into the ring" with Fred Harris [State Chancellor's office] about who was going to keep the savings on the Administration & Student Services building. And we won! (Go Jim!)
 - ✓ Third, she explained the impact of the lack of a statewide construction bond being placed before the voters.
 - As a result of the State's delay in placing GO Bonds on the ballot, we do not have the matching funds from the State for projects for which we have received approval at the state level.
 - The good news is that as the economy continues its recovery and construction costs increase, our funding match to State funds is affected: our local contribution is reduced to a 15% match on the first two buildings at the Canyon Country Campus instead of the 50% match that we budgeted for each project. Great News!
 - That means we have more local dollars to help provide future State matching dollars needed to get more State money.
 - We will only issue [future bonds] in an amount that we know we will be able to spend, in a timeframe when we receive a match from the State.
 - ✓ Fourth, relative to the Culinary Arts Institute, reinforced that the Culinary Arts initiative is **all local funding**.
 - We were able to use savings from the Library Expansion and put \$3 million of that savings into the Culinary building.
 - The rest of the funding is being raised by the Foundation and grants.
 - ✓ Fifth, in answer to a question about parking demand, she noted that the College had rented a lot on Tournay Road for the fall semester and arranged shuttle services to expand spaces for students and staff during the first three to four weeks of the

semester due to anticipated demand.

- Of the 250 spaces rented, only 50 were utilized regularly during this timeframe.
- Stated that for every building we open at CCC, we can count on a 5%-6% migration of student population from Valencia to CCC so we expect relief on the demand of the Valencia site.
- Seventy-eight percent of CCC students took most of their classes at the campus.
- The only thing preventing more students from attending CCC is the lack of space which limits offerings.

The Committee discussed the next timeframe for a meeting, and January was selected. The specific date depends upon the first Board of Trustees meeting of the year.

Announcement of Next Meeting & Adjournment (5.1)

The Chair moved adjournment of the meeting at 3:55 p.m.

Motion: Lentini

Second: Hoskinson

Record of Vote: 7-0

Following adjournment, Mr. Schrage and Dr. Van Hook toured the Committee members around the Administration & Student Services building site to view the progress of the Measure M funded building.

SANTA CLARITA COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE CANYONS

Measure "M" Citizens' Oversight Committee

DATE: 1/14/14

ITEM TITLE Acceptance of Measure M General

- ACTION/CONSENT
- ACTION
- INFORMATION
- DISCUSSION

Obligation Bonds Financial Audit and Performance

Audit for the Fiscal Year Ending June 30, 2013

BACKGROUND ANALYSIS:

Measure M was approved by the voters on November 7, 2006 under Proposition 39, which requires a 55% voter approval for authorizing the issuance of General Obligation Bonds. Measure M authorized the District to issue bonds not to exceed \$160 million. The District issued \$80 million in bonds in May 2007, and an additional \$35 million in bonds in May 2012. The District has a remaining authorization of \$45 million in bonds to be issued at a future date.

Under the provisions of Proposition 39, the District is required to engage the services of an independent auditor to conduct annual Financial and Performance Audits. For the fiscal year ending June 30, 2013, the Financial and Performance Audits were conducted by the District's contracted auditors Vavrinek, Trine, Day and Co., LLP. The results are contained in their combined report, which is summarized below. Copies of the audit report are attached to this agenda item and are also available from the Business Services Department upon request.

Financial Audit:

The Financial Audit section of the audit report contains the following highlights:

- ***Independent Auditors' Report on Internal Control and Compliance***
 - This report affirms that the financial statements present fairly, in all material respects, the financial position of the Measure M General Obligation Bonds.
- ***Balance Sheet***
 - This schedule reports an ending fund balance in the project fund of **\$21,885,907**.

(Continued)

FISCAL IMPLICATIONS:

No adjustments, audit findings, or questioned costs were noted on either the Financial or Performance Audits, and it was confirmed that bond funds have been spent appropriately. An unmodified opinion was issued, which is the **best rating possible**.

RECOMMENDATIONS:

Move Acceptance of Measure M General Obligation Bonds Financial Audit and Performance Audit for the Fiscal Year Ending June 30, 2013.

Submitted by:
Measure "M"

Approved for submission to

Citizens' Oversight Committee:



Dianne G. Van Hook, Ed. D.

Recommended by:

Dianne G. Van Hook, Ed. D.
Chancellor

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE CANYONS**

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ITEM TITLE: Acceptance of Measure M General Obligation Bonds Financial Audit and Performance Audit for the Fiscal Year Ending June 30, 2013

MEETING DATE: January 14, 2014

BACKGROUND ANALYSIS (Continued):

- **Statement of Revenues, Expenditures, and Changes in Fund Balance**
 - This schedule reports \$161,501 in interest earned on Measure M Project Funds, \$5,516,481 in Measure M expenditures for salaries, services, and capital outlay, and \$10,225 in other sources of revenue from a rebate of unused cost of issuance funds from the bonds issued in May 2012.
- **Notes to Financial Statements**
 - These notes discuss various accounting principles used in tracking the Measure M Project Fund, investment of the project funds until spent, and report on construction commitments and contingencies at June 30, 2013.
- **Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance.**
 - The auditors issued an **unmodified opinion, the best rating possible.**
 - The results of audit testing disclosed **no instances of noncompliance** or other matters that are required to be reported under Government Auditing Standards.
 - There were **no material weaknesses, deficiencies in internal control, or questioned costs identified.**
 - There are **no findings and recommendations for the year ended June 30, 2013.**

Performance Audit:

The Performance Audit section of the audit report contains the following highlights:

- **Independent Auditor's Report on Performance**
 - This report indicates the District expended Measure M Bond Funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in the California Constitution.
- **Authority for Issuance, Purpose of Issuance, Authority for the Audit, Objectives of the Audit, and Scope of the Audit**
 - These paragraphs review the District's authority to issue the bonds, the purpose for the issuances, and the Proposition 39 requirements for an annual performance audit.
- **Procedures Performed**
 - This section reviews the results of the six procedures performed:

Procedure #1: Auditors reviewed the general ledger to determine if bond funds were accounted for separately in the accounting records to allow for accountability.

Results: District was in compliance. Auditors noted the funds were accounted for separately in the accounting records.

(Continued)

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE CANYONS**

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ITEM TITLE: Acceptance of Measure M General Obligation Bonds Financial Audit and Performance Audit for the Fiscal Year Ending June 30, 2013

MEETING DATE: January 14, 2014

BACKGROUND ANALYSIS (Continued):

Procedure #2: Auditors reviewed expenditures for exceptions in the District's procedures related to disbursement of Measure M Bond Funds.

Results: No exceptions were noted. Auditors reviewed 67% of all expenditures, which included all materially significant expenditures charged to Bond Funds. Purchase orders, approved invoices, bid documentation, contracts, and budgets were reviewed and found to be compliant with Proposition 39 regulations and District Board Policies.

Procedure #3: Auditors reviewed the employee charged to Bond Funds to confirm that salary transactions were in support of Measure M and not for District general administration or operations.

Results: No exceptions were noted. Auditors reviewed all supporting payroll documentation for the one employee charged to the Bond Fund and found all documentation in order.

Procedure #4: Auditors prepared a schedule of all Measure M Bond Fund expenses that were incurred between July 1, 2012 and June 30, 2013. Also included in this schedule were inception-to-date expenses for each project.

Results: Schedule is included in the audit document. Total expenses of \$5,516,481 were reported for the period July 1, 2012 through June 30, 2013, and \$103,663,762 in Bond Funds have been expended cumulatively from inception of the bonds through June 30, 2013.

Procedure #5: Auditors 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.

Results: Schedule is included in the audit document. This schedule reports \$87,813,008 in estimated GO Bond Funds and interest available for use on projects from the first issuance and \$37,736,661 in estimated GO Bond Funds and interest available for use on projects and debt repayment from the second issuance. With \$103,663,762 in Bond Funds expended from the first and second issuances as of June 30, 2013, this leaves \$21,885,907 remaining for projects. These remaining funds will be increased by additional interest earned after June 30, 2013.

(Continued)

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE CANYONS**

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ITEM TITLE: Acceptance of Measure M General Obligation Bonds Financial Audit and Performance Audit for the Fiscal Year Ending June 30, 2013

MEETING DATE: January 14, 2014

BACKGROUND ANALYSIS (Continued):

Procedure #6: Auditors calculated the balance available for expenditure of bond proceeds at June 30, 2013.

Results: Analysis of the Bond Funds on hand as of **June 30, 2013** reflects the following:

Bonds issued	\$120,177,115
Interest/Other Sources of Revenue	5,372,554
Expenses	<u>(103,663,762)</u>
Balance Remaining	\$ 21,885,907

- ***Performance Audit Conclusion and Schedule of Findings and Questioned Costs***
 - The results of the auditors' testing indicated that, in all significant respects, the District has properly accounted for the expenditures held in the Measure M Bond Funds and that such expenditures were made for authorized Bond projects. Further, Bond funds were used for salaries of administrators only to the extent that the administrator charged to the Bond Fund was performing administrative oversight work on construction projects, which is an allowable expense per the State of California Attorney General. **No findings or questioned costs were identified during the Performance Audit for the year ended June 30, 2013.** The performance audit does not receive an audit opinion.

**SANTA CLARITA
COMMUNITY COLLEGE DISTRICT**

**MEASURE M GENERAL OBLIGATION BONDS
ELECTION 2006**

AUDIT REPORT

JUNE 30, 2013

**SANTA CLARITA
COMMUNITY COLLEGE DISTRICT**

**MEASURE M GENERAL OBLIGATION BONDS
ELECTION 2006**

FINANCIAL AUDIT

JUNE 30, 2013

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

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JUNE 30, 2013**

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' 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 M General Obligation Bonds (Measure M) as of and for the year ended June 30, 2013, 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 statement 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 fraud or error. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the Measure M General Obligation Bonds (Measure M) of the Santa Clarita Community College District at June 30, 2013, and the results of its operations for the period 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 present only the Measure M General Obligation Bonds (Measure M) and are not intended to present fairly the financial position and results of operations of Santa Clarita Community College District in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, on our consideration of the District's Measure M General Obligation Bonds (Measure M) 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered with the results of our audit.

Vaurine, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2013

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**BALANCE SHEET
JUNE 30, 2013**

ASSETS

Investments	\$ 21,941,663
Accounts receivable	<u>52,107</u>
Total Assets	<u><u>\$ 21,993,770</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued liabilities	<u>\$ 107,863</u>
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FUND BALANCE

Restricted	
Capital projects	<u>21,885,907</u>
Total Liabilities and Fund Balance	<u><u>\$ 21,993,770</u></u>

See the accompanying notes to financial statements.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES	
Local revenues	<u>\$ 161,501</u>
EXPENDITURES	
Classified salaries	75,000
Employee benefits	22,763
Services and operating expenditures	10,800
Capital outlay	<u>5,407,918</u>
Total Expenditures	<u>5,516,481</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(5,354,980)</u>
OTHER FINANCING SOURCES	
Other sources	<u>10,225</u>
NET CHANGE IN FUND BALANCE	(5,344,755)
FUND BALANCE - BEGINNING	<u>27,230,662</u>
FUND BALANCE - ENDING	<u><u>\$ 21,885,907</u></u>

See the accompanying notes to financial statements.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of the Measure M General Obligation Bonds (Measure M) 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.

Financial Reporting Entity

The audited financial statements include only the Measure M General Obligation Bonds of the Santa Clarita Community College District (the District). These funds were established to account for the expenditures of general obligation bonds issued under the Proposition 39 Measure M General Obligation Bonds. These financial statements are not intended to present fairly the financial position and the changes in the financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Measure M General Obligation Bonds 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 M General Obligation Bonds 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. 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 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 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.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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 are liquidated at June 30 since they do not constitute expenditures or liabilities.

Fund Balance - Governmental Funds

As of June 30, 2013, the fund balance of the Measure M General Obligation Bonds was 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

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). 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.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

Summary of Investments

Investments as of June 30, 2013, consist of the following:

	Reported Value
Los Angeles County Investment Pool	<u>\$ 21,941,663</u>

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 manages its exposure to interest rate risk by investing in the County Pool.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Los Angeles County Investment Pool	<u>\$ 21,770,290</u>	<u>632</u>

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 County pool is not required to be rated, nor has it been rated as of June 30, 2013.

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2013, in the amount of \$52,107 represents interest earnings that have yet to be received. All amounts have been determined by management to be fully collectable.

NOTE 4 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2013, represent amounts owed to vendors for both ongoing and completed construction projects in the amount of \$107,863.

NOTE 5 - FUND BALANCE

Fund balance is composed of the following element:

Restricted	<u>\$ 21,885,907</u>
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**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2013, the Measure M General Obligation Bonds had the following commitments with respect to unfinished capital projects:

<u>CAPITAL PROJECT</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Administration Building	\$ 7,630,694	November 2013
Field Dugouts and Locker Rooms	101,196	December 2013
Fire Alarm Upgrade	16,268	December 2013
	<u>\$ 7,748,158</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 M General Obligation Bonds at June 30, 2013.

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**INDEPENDENT AUDITORS' 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 accompanying financial statements of the Measure M General Obligation Bonds (Measure M) of Santa Clarita Community College District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements and have issued our report thereon dated December 16, 2013.

As discussed in Note 1, the financial statements present only the Measure M General Obligation Bonds (Measure M), and are not intended to present fairly the financial position and results of operations of the District in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Measure M General Obligation Bonds (Measure M) internal control over financial reporting (internal control) to determine 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 Measure M General Obligation Bonds (Measure M) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Measure M General Obligation Bonds (Measure M) 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 Measure M General Obligation Bonds (Measure M) 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 over financial reporting 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 M General Obligation Bonds (Measure M) financial statements are free of 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 determination of financial statement amounts. 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 Measure M General Obligation Bonds (Measure M) 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 Measure M General Obligation Bonds (Measure M) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vaurine, Tine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2013**

None reported.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

None reported.

**SANTA CLARITA
COMMUNITY COLLEGE DISTRICT**

**MEASURE M GENERAL OBLIGATION BONDS
ELECTION 2006**

PERFORMANCE AUDIT

JUNE 30, 2013

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BONDS**

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JUNE 30, 2013**

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INDEPENDENT AUDITORS' 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 Santa Clarita Community College District (the District) Measure M General Obligation Bond Funds for the year ended June 30, 2013.

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Measure M General Obligation Bond 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.

Vavrinek, Trine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2013

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

JUNE 30, 2013

AUTHORITY FOR ISSUANCE

The General Obligation Bonds are 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 adopted on March 27, 2007, pursuant to resolutions of the Board of Trustees of the District adopted on March 14, 2007 (the Resolution). The District received authorization at an election held on November 7, 2006, to issue Bonds of the District in an aggregate principal amount not to exceed \$160,000,000 to finance the construction, improvement, and repair of certain District facilities, the acquisition of equipment, and the improvement of aging plumbing, roofing, electrical, and earthquake safety systems, 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 percent of the votes cast by eligible voters within the District (the 2006 Authorization). The Bonds represent the first and second series of the authorized bonds to be issued under the 2006 Authorization.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the 2006 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction, improvement, and repair of certain District facilities, the acquisition of equipment, to refinance certain of the District's outstanding lease obligations, and the improvement of aging plumbing, roofing, electrical, and earthquake safety systems, 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 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, 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 school operating expenses.
2. The community college district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction, 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.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

JUNE 30, 2013

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 M General Obligation Bond Funds have been made in accordance with the Bond project list approved by the voters through the approval of the Measure M.
2. Determine whether salary transactions charged to the Measure M General Obligation Bond Funds were in support of Measure M and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2012 to June 30, 2013. 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, 2013, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2013, for the Measure M General Obligation Bond Funds. Within the fiscal year audited, we obtained the actual invoices 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 M as to the approved Bond projects list. We performed the following procedures:

1. We reviewed the general ledger and noted that funds were accounted for separately in the accounting records to allow for accountability.
2. We selected a total of 67 percent of all expenditures, which in part included all materially significant expenditures charged to the Measure M General Obligation Bond Funds. For the items selected for testing, there were no exceptions noted in the District's procedures related to the disbursement of the Measure M General Obligation Bond Funds. The District utilizes purchase orders to document the approval process for Bond disbursements and uses encumbrance accounting to ensure all approved disbursements have been budgeted and funds are available. Documentation to support transactions including approved original invoices and specific documentation related to bid procedures were reviewed to ensure compliance with Proposition 39 regulations and Board policies related to purchasing and contracts. Budgets for specific projects have been approved and monitored in accordance with Bond requirements.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

JUNE 30, 2013

3. We selected all employees charged to the Measure M General Obligation Bond Funds. For the employees selected for testing, there were no exceptions noted in the District's procedures related to the disbursement of the Measure M General Obligation Bond Funds. The District approves all employees charged to the Measure M General Obligation Bond Funds 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.

Fund 45

<u>Description</u>	<u>Expenditures Incurred</u>	<u>Expenditures Tested</u>	<u>Percentage of Total</u>
Capital Outlay	\$ 3,127,831	\$ 1,869,089	60%
Service and Operating Expenditures	10,800	10,800	100%
Total	\$ 3,138,631	\$ 1,879,889	60%

Fund 46

<u>Description</u>	<u>Expenditures Incurred</u>	<u>Expenditures Tested</u>	<u>Percentage of Total</u>
Classified Salary Expense	\$ 75,000	\$ 75,000	100%
Classified Benefits Expense	22,763	22,763	100%
Capital Outlay	2,280,087	1,737,397	76%
Total	\$ 2,377,850	\$ 1,835,160	77%

4. We prepared a schedule of all costs incurred between July 1, 2012 and June 30, 2013, by project, for the local bond measure funding and totaling inception-to-date expenses.

<u>2012 General Obligation Bonds Fund 45</u>	<u>July 1, 2012 to June 30, 2013 Actual Expenses</u>	<u>Inception-to-Date Expenses June 30, 2013</u>
Repairs and Modernization	\$ 522,653	\$ 522,653
Site Upgrades	637,156	640,305
Technology	319,537	319,537
Student Services Admin Building	479,468	479,468
Culinary Arts Building	738	738
Second Floor Bonelli Hall	998,909	998,909
Master Plans	169,370	169,370
Miscellaneous Expenses	10,800	10,800
Cost of Issuance and Other Uses	-	15,415,175
Total	\$ 3,138,631	\$ 18,556,955

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

JUNE 30, 2013

2006 General Obligation Bonds Fund 46	July 1, 2012 to June 30, 2013 Actual Expenses	Inception-to-Date Expenses June 30, 2013
University Center - East Wing	\$ -	\$ 3,436,641
University Center - West Wing	-	3,879,943
Health and Safety	-	44,430
Library Expansion	1,364,053	6,393,216
Canyon Country Campus	-	32,011,265
Repairs and Modernization	158,577	4,681,206
Site Upgrades	42,362	1,663,079
Technology	21,964	1,158,908
Planned Equip and Tech Replacement	17,777	1,792,273
Hotel Restaurant Management	-	6,817
Student Services Admin Building	421,017	1,000,000
Culinary Arts Building	13,750	496,900
Mentry Hall	-	12,428,583
Applied Technology Education Center - Canyon Country Campus	-	7,114,272
Canyon Country Campus Parking Lot #2	-	1,050,875
Secondary Effects:		
Mentry Hall	-	1,877,440
First Floor Bonelli Hall	-	1,284,215
Second Floor Bonelli Hall	215,165	319,693
Third Floor Bonelli Hall	-	228,222
Student Center	-	19,190
Student Support Center	-	257,326
Modular Renovation	-	88,746
Miscellaneous Projects	24,688	181,570
Management Personnel - Bond Implementation	97,763	583,957
Master Plans	734	461,459
Miscellaneous Expenses	-	43,860
Cost of Issuance and Other Uses	-	2,602,721
Total	\$ 2,377,850	\$ 85,106,807

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

JUNE 30, 2013

5. 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.

<u>Project Description</u>	<u>Total Estimated Cost of Project ¹</u>	<u>Total Anticipated Contributions from Other Sources ¹</u>	<u>Total Estimated Measure M Contribution First Issuance ¹</u>
Library Expansion (Project also funded using Measure C)	\$ 15,846,069	\$ 9,452,854	\$ 6,393,215
Canyon Country Campus (Site development, modulars, and expanded scope) (Project also funded using Measure C)	58,011,265	26,000,000	32,011,265
University Center - East Wing (Project also funded using Measure C)	30,704,793	27,268,152	3,436,641
University Center - West Wing	9,110,188	5,230,245	3,879,943
Repairs and Renovations	13,904,110	-	4,681,206
Site Upgrades	6,015,176	-	1,663,080
Health and Safety	44,430	-	44,430
Technology	3,426,109	-	1,176,109
Hotel Restaurant Management - New Kitchen	6,817	-	6,817
Del Valle Public Safety Training Facility	15,000,000	-	-
Student Services Admin Building	16,373,000	6,308,000	1,000,000
Culinary Arts Building	8,500,000	1,058,000	3,185,899
Mentry Hall	12,428,583	-	12,428,583
Applied Technology Education Center - Canyon Country Campus	7,114,273	-	7,114,273
Canyon Country Campus Parking Lot #2	1,050,875	-	1,050,875
Canyon Country Campus - Permanent Building 1	17,730,000	14,151,000	-
Canyon Country Campus - Permanent Building 2	24,576,000	20,890,000	-
Canyon Country Campus - Permanent Building 3	21,000,000	16,800,000	-
Secondary Effects:			
Mentry Hall	1,877,440	-	1,877,440
First Floor Bonelli Hall	1,284,215	-	1,284,215
Second Floor Bonelli Hall	1,318,602	-	319,693
Third Floor Bonelli Hall	228,222	-	228,222
First Floor Seco Building	750,000	-	-
Student Center (S-130)	19,190	-	19,190
Student Support Center (formerly Interim UC)	257,326	-	257,326
Modular Renovations	88,746	-	88,746
Miscellaneous Secondary Effects Projects	181,569	-	181,569
Future Planned Equipment and Tech Replacement	7,222,272	-	1,792,272
Debt Service - Existing COPSS	12,838,050	-	-
Management Personnel - Bond Implementation	1,683,956	-	583,956
Master Plans	630,829	-	461,459
Costs of Issuances	5,179,846	-	2,602,721
Miscellaneous Expenses	109,263	-	43,863
Subtotal	<u>294,511,214</u>	<u>127,158,251</u>	<u>87,813,008</u>
Add Contingency	<u>3,196,706</u>	<u>-</u>	<u>-</u>
	<u>\$ 297,707,920</u>	<u>\$ 127,158,251</u>	<u>\$ 87,813,008</u>

¹ Estimates updated by District personnel through August 15, 2013. These estimates were not subject to verification.

² Actual costs incurred through June 30, 2013.

Total Estimated Measure M Contribution Second Issuance¹	Total Estimated Measure M Contributions Future Issuances¹	Total GO Bond Expenditures Through June 30, 2013²	Total Remaining GO Bond Balance Outstanding¹
\$ -	\$ -	\$ 6,393,215	\$ -
-	-	32,011,265	-
-	-	3,436,641	-
-	-	3,879,943	-
5,228,079	3,994,825	5,203,859	4,705,426
827,096	3,525,000	2,303,386	186,790
-	-	44,430	-
1,000,000	1,250,000	1,478,445	697,664
-	-	6,817	-
-	15,000,000	-	-
9,065,000	-	1,479,469	8,585,531
4,256,101	-	497,638	6,944,362
-	-	12,428,583	-
-	-	7,114,273	-
-	-	1,050,875	-
-	3,579,000	-	-
-	3,686,000	-	-
-	4,200,000	-	-
-	-	1,877,440	-
-	-	1,284,215	-
998,909	-	1,318,602	-
-	-	228,222	-
-	750,000	-	-
-	-	19,190	-
-	-	257,326	-
-	-	88,746	-
-	-	181,569	-
-	5,430,000	1,792,272	-
12,838,050	-	12,838,050	-
448,000	652,000	583,956	448,000
169,370	-	630,829	-
2,577,125	-	5,179,846	-
43,200	22,200	54,660	32,403
<u>37,450,930</u>	<u>42,089,025</u>	<u>103,663,762</u>	<u>21,600,176</u>
<u>285,731</u>	<u>2,910,975</u>	<u>-</u>	<u>285,731</u>
<u>\$ 37,736,661</u>	<u>\$ 45,000,000</u>	<u>\$ 103,663,762</u>	<u>\$ 21,885,907</u>

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

JUNE 30, 2013

6. We calculated the balance available for expenditure of bond proceeds related to the approved projects within the bond project fund at June 30, 2013. As stated in the District's audited financial statements as of June 30, 2013, the expenditures from the Measure M General Obligation Bond Funds were \$5,516,481 for fiscal year 2012-2013, and total \$103,663,762 to date. Bond proceeds received to date total \$120,177,115, and interest revenue and other sources earned to date of \$5,372,554 provide \$21,885,907 from the initial issuances available for future expenditures. There were no adjustments to the District's financial records as a result of our procedures.

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 M General Obligation Bond Funds and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Measure M General Obligation Bond Funds, and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

None reported.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

None reported.

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE CANYONS**

MEASURE "M" CITIZENS' OVERSIGHT COMMITTEE

Date 01-14-2014

ITEM/TITLE Approval of Resolution 2013/14-01

ACTION/CONSENT

Affirming the Santa Clarita Community College

ACTION

District's Compliance with Requirements

INFORMATION

As Stated in the Law (Section 15278-15282)

DISCUSSION

BACKGROUND / ANALYSIS:

The implementing legislation (Sections 15278 through 15282 of the Ed. Code) states that the purpose of the Committee is "to inform the public concerning the expenditure of bond revenues." The specific mandatory functions of the Committee are set forth in the Code, as follows:

- ✓ Actively review and report on the proper expenditure of taxpayers' money for school construction;
- ✓ Advise the public as to whether the District is in compliance with Article XIII A, Section 1(b)(3);
- ✓ Provide oversight for both of the following:
 - Ensuring that bond revenues are expended only for the purposes described in Article XIII A, Section 1(b)(3), and
 - Ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
- ✓ Issue regular reports on the results of activities, at least once a year.

This Resolution is to affirm that the requirements specified in the law have been met.

This is the twelfth meeting of the Santa Clarita Community College District Measure "M" Citizens' Oversight Committee since its initial meeting June 26, 2007.

FISCAL IMPLICATIONS:

N/A

RECOMMENDATIONS:

Move Approval of Resolution 2013/14-01 Affirming the Santa Clarita Community College District's Compliance with Requirements as Stated in the Law (Section 15278-15282) and determined by the Measure "M" Citizens' Oversight Committee at this meeting.

Submitted by:

Approval for Submission to SCCCDC Measure "M"
Citizens' Oversight Committee:

Ms. Sharlene Coleal

Mr. Nicholas Lentini, Chair
SCCCDC Measure "M" Citizens' Oversight Committee

Recommended by:



SCCCDC Measure "M" Citizens' Oversight Committee
January 14, 2014, Item 3.2, Page 1

Dr. Dianne Van Hook

**SANTA CLARITA COMMUNITY COLLEGE DISTRICT
MEASURE "M" CITIZENS' OVERSIGHT COMMITTEE**

Resolution 2013/14-01

**Finding the Santa Clarita Community College District in Compliance the
Requirements of the Law (Section 152778-15282)**

WHEREAS, The Measure "M" Citizens Oversight Committee has actively reviewed and reported on the expenditure of taxpayers' Measure "M" revenues; and

WHEREAS, The Measure "M" Citizens Oversight Committee has advised the public as to the District's compliance with Article XIII A, Section 1(b)(3); and

WHEREAS, The Measure "M" Citizens Oversight Committee has provided oversight for ensuring that bond revenues are expended only for the purposes described in Article XII A, Section 1(b)(3) by receiving and reviewing as follows:

- ✓ Performance and Financial Audits,
- ✓ Records of public notice, i.e., agenda postings;
- ✓ Website pages (<http://www.canyons.edu/offices/PIO/mcoversight.html>), and
- ✓ Newspaper articles pertaining to bond expenditures and Committee activities; and

WHEREAS, The Measure "M" Citizens Oversight Committee has issued regular reports on the results of activities; and

THEREFORE, Be it Resolved that the Santa Clarita Community College District Measure "M" Citizens' Oversight Committee finds the Santa Clarita Community College District in compliance with Article XIII A, Section 1(b)(3).

Passed and adopted by the Santa Clarita Community College District Measure "M" Citizens' Oversight Committee this 14th day of January 2014, by the following vote:

Ayes:	—	Abstain:	—
Nays:	—	Absent:	—

Mr. Nicholas Lentini
Chair, Santa Clarita Community College District
Measure "M" Citizens' Oversight Committee