

SAN DIEGO COMMUNITY COLLEGE DISTRICT
REPORT ON PROPOSITION N BOND BUILDING FUND
FINANCIAL AND PERFORMANCE AUDITS
YEAR ENDED JUNE 30, 2020



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**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
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YEAR ENDED JUNE 30, 2020**

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FINANCIAL AUDIT OF THE PROPOSITION N BOND BUILDING FUND



INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Proposition N Citizens' Oversight Committee
San Diego Community College District
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition N Bond Building Fund of the San Diego Community College District (the District) 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Trustees
The Proposition N Citizens' Oversight Committee
San Diego Community College District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Proposition N Bond Building Fund of the District as of June 30, 2020, and the change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present fairly only the Proposition N Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2020, or the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

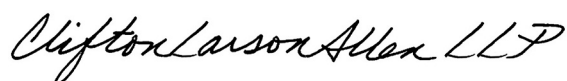
Other Information

Our audit of the Proposition N Bond Building Fund of the District was conducted for the purpose of forming an opinion on the financial statements referred to above. The supplementary schedule is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Citizen's Oversight Committee Members Listing has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021 on our consideration of the District's internal control over the Proposition N Bond Building Fund financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over the Proposition N Bond Building Fund 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 the Proposition N Bond Building Fund financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
January 21, 2021

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash in County Treasury	\$ 19,669,130
Accounts Receivable	<u>86,023</u>
Total Assets	<u><u>\$ 19,755,153</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 863,335
Retention Payable	148,152
Due to Other Funds	418,797
Total Liabilities	<u><u>1,430,284</u></u>

FUND BALANCE

Restricted	<u>18,324,869</u>
Total Fund Balance	<u><u>18,324,869</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 19,755,153</u></u>

See accompanying Notes to Financial Statements.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
 PROPOSITION N BOND BUILDING FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2020**

REVENUES	
Investment Income	\$ 695,965
Total Revenues	<u>695,965</u>
 EXPENDITURES	
Supplies	3,585
Capital Outlay	<u>10,142,216</u>
Total Expenditures	<u>10,145,801</u>
 NET CHANGE IN FUND BALANCE	 (9,449,836)
Fund Balance - Beginning of Year	<u>27,774,705</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 18,324,869</u></u>

See accompanying Notes to Financial Statements.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Financial Reporting Entity

These financial statements are not intended to present fairly the financial position and results of operations of the District, as a whole, in compliance with accounting principles generally accepted in the United States of America.

Fund Structure

The statement of revenues, expenditures, and change in fund balance is a statement of financial activities of the Proposition N Bond Building Fund related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

Basis of Accounting

The Proposition N Bond Building Fund is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB.

Fund Balance Classification

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted. The fund balance of the Proposition N Bond Building Fund is therefore classified as restricted.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Proposition N Bond Building Fund are determined by its measurement focus. The Proposition N Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources.” Thus, the capital assets and long-term liabilities associated with the Proposition N Bond Building Fund are accounted for in the basic financial statements of the District.

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Risks and Uncertainties

The COVID-19 Pandemic has recently affected global markets, supply chains, employees of companies and our communities. Management of the organization is taking appropriate actions to mitigate the impact. However, the economic impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2020.

NOTE 2 DEPOSITS – CASH IN COUNTY TREASURY

In accordance with Education Code Section 84000, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value. The fair value is 101.558 % of the District’s deposits for the Proposition N Bond Building Fund in this pool as of June 30, 2020, as provided by the County Treasurer.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment gains or losses are proportionately shared by all funds in the pool.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 DEPOSITS – CASH IN COUNTY TREASURY (CONTINUED)

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follows. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized costs, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the County of San Diego Treasurer-Tax Collector 1600 Pacific Highway, San Diego, CA 92101.

NOTE 3 DUE TO OTHER FUNDS

On occasion, the Bond Building Fund pays for expenditures of other funds and other District funds pay for expenditures on behalf of the Bond Building Fund and are subsequently reimbursed. At June 30, 2020, the Bond Building Fund owed other District funds \$418,797 for expenditures made on its behalf.

NOTE 4 GENERAL OBLIGATION BOND DEBT

On November 7, 2006, by majority election of the Districts' registered voters, \$870,000,000 in general obligation bonds (Proposition N) were authorized to be issued and sold for the benefit of the District. Proceeds from the bonds are to be used for acquisition, construction, renovation, repair and modernization of certain District property and facilities and to refund or advance refund certain obligations of the District. The bonds were scheduled to be issued in four increments over a ten-year period.

2007 Series

On July 18, 2007, Series 2007 of the Proposition N bond authorization was issued, consisting of current interest serial bonds, current interest term bonds and capital appreciation bonds with an initial par amount of \$224,996,823 with stated yield rates of 3.60% to 4.51% and maturing through August 1, 2017. These bonds were paid off in full as of June 30, 2018.

2011 Series

On July 21, 2011, Series 2011 of the Proposition N bond authorization was issued, consisting of current interest serial bonds and current interest term bonds with an initial par amount of \$250,000,000 with stated yield rates of 0.27% to 4.86% maturing through August 1, 2041.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 GENERAL OBLIGATION BOND DEBT (CONTINUED)

2012 Refunding Series

On March 22, 2012, Series 2012, Refunding was issued with an initial par amount of \$44,620,923 with stated yield rates of 0.18% to 3.10% and maturing through August 1, 2029. The Series 2012, Refunding retired \$290,680,000 of debt including \$244,320,000 of Series 2003A and Series 2005 of the Proposition S bond authorization and \$46,360,000 of Series 2007 of the Proposition N bond authorization.

2013 Series

On July 17, 2013, Series 2013 of the Proposition N bond authorization was issued, consisting of current interest serial bonds, current interest term bonds, capital appreciation bonds and convertible capital appreciation bonds with an initial par amount of \$272,996,022 with stated yield rates of 0.20% to 6.23% and maturing through August 1, 2043.

2016 Series

On November 3, 2016, Series 2016 of the Proposition N Bond authorization was issued, which consisted of serial bonds and term bonds with an initial par amount of \$122,005,000, with stated yield rates of 0.74% to 3.17% and maturing through August 1, 2034.

2016 Refunding Series

On November 3, 2016, Series 2016, Refunding was issued, with an initial par amount of \$504,030,000 with stated yield rates of 0.74% to 3.00% and maturing through August 1, 2041. The Series 2016 Refunding retired \$524,205,000 of debt including \$163,715,000 of Series 2009 and Series 2011 of the Proposition S bond authorization and \$360,490,000 of Series 2007 and 2011 of the Proposition N bond authorization.

2019 Refunding Series

On October 16, 2019, Series 2019, Refunding was issued, with an initial par amount of \$437,965,000 Series A. The bonds were sold with an interest rate ranging from 1.935% to 3.336% and maturity dates from August 1, 2020 through August 1, 2043. The 2019 Refunding Series A retired \$390,440,000 of debt, including \$5,500,000 of Series 2011 General Obligation Refunding Bonds; \$167,895,000 of Series 2012 General Obligation Refunding Bonds; \$94,695,000 of Election of 2002, Series 2013 Bonds; and \$122,350,000 of Election of 2006. Series 2013 Bonds.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 GENERAL OBLIGATION BOND DEBT (CONTINUED)

On October 16, 2019, Series 2019, Refunding was issued, with an initial par amount of \$255,470,000 Series B. The bonds were sold with an interest rate ranging from 2.407% to 3.316% and maturity dates from August 1, 2027 through August 1, 2041. The 2019 Refunding Series B are issued on a crossover basis to retire \$133,034,590 of convertible capital appreciation debt of Election of 2006, Series 2013 Bonds. The crossover date is August 1, 2023; the bonds remain as a long-term debt and will continue to accrete interest until the crossover date. Proceeds from the debt issuance of \$254,411,963 have been deposited in an escrow account to defease the debt on the crossover date.

The refunding results in an estimated present value savings in cash flow of \$103,108,777.

The District's outstanding general obligation bond debt of both Proposition S and Proposition N at June 30, 2020 is shown herein.

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2020
2009 Series	5/13/2009	8/1/2033	2.70 - 6.00%	\$ 131,293,506	\$ 29,998,506
2011 Series	7/21/2011	8/1/2041	0.27 - 6.69%	99,999,859	19,029,859
2011 Series	7/21/2011	8/1/2021	0.27 - 4.86%	250,000,000	9,875,000
2011 Series, Refunding	7/21/2011	8/1/2021	0.38 - 3.55%	22,230,000	4,790,000
2012 Series, Refunding	3/22/2012	8/1/2027	0.18 - 3.10%	279,755,000	61,465,000
2013 Series A	7/17/2013	8/1/2024	0.20 - 4.25%	103,705,000	5,300,000
2013 Series B	7/17/2013	8/1/2023	0.20 - 6.23%	272,996,022	140,219,943
2016 Series	11/3/2016	8/1/2034	0.74 - 3.17%	122,005,000	114,170,000
2016 Series, Refunding	11/3/2016	8/1/2041	0.74 - 3.00%	504,030,000	498,840,000
2019 Series A Refunding	10/16/2019	8/1/2043	1.93 - 3.34%	437,965,000	437,965,000
2019 Series B Refunding	10/16/2019	8/1/2041	2.41 - 3.32%	255,470,000	255,470,000
Accreted Interest					101,066,527
Total				<u>\$ 2,479,449,387</u>	<u>\$ 1,678,189,835</u>

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 GENERAL OBLIGATION BOND DEBT (CONTINUED)

The annual debt service requirements to maturity for general obligation bonds are as shown herein.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 40,444,136	\$ 54,090,371
2022	41,672,450	52,670,977
2023	46,850,615	51,175,806
2024	184,162,742	49,856,666
2025	52,795,000	47,035,727
2026-2030	345,445,000	201,440,617
2031-2035	452,497,701	151,227,106
2036-2040	227,201,424	99,814,177
2041-2044	186,054,240	31,742,866
Total	<u>1,577,123,308</u>	<u>\$ 739,054,313</u>
Accreted Interest	101,066,527	
Total	<u>\$ 1,678,189,835</u>	

NOTE 5 COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2020, the District was committed under various capital expenditure purchase agreements for bond projects totaling approximately \$620,500.



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
The Proposition N Citizens' Oversight Committee
San Diego Community College District
San Diego, California

We have audited, 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, the Proposition N Bond Building Fund financial statements of the San Diego Community College District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's Proposition N Bond Building Fund financial statements, and have issued our report thereon dated January 21, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 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.

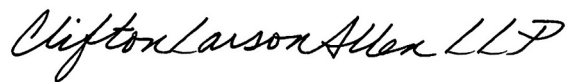
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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 non-compliance 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.



CliftonLarsonAllen LLP

Glendora, California
January 21, 2021

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2020**

There were no findings related to the financial audit of the Proposition N Bond Building Fund for the year ended June 30, 2020. In addition, there were no findings related to the financial audit of the Proposition N Bond Building Fund for the year ended June 30, 2019.

PERFORMANCE AUDIT OF THE PROPOSITION N BOND BUILDING FUND



INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Proposition N Citizens' Oversight Committee
San Diego Community College District

We have conducted a performance audit of the San Diego Community College District (the District) Proposition N Bond Building funds for the year ended June 30, 2020.

We conducted our performance audit in accordance with *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 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 this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Proposition N Bond Building funds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that, in all significant respects, the District expended Proposition N Bond Building funds for the fiscal year ended June 30, 2020, only for the specific projects developed by the District's Board of Trustees, and approved by the voters in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
January 21, 2021

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
PROPOSITION 39 PERFORMANCE AUDIT
JUNE 30, 2020**

BACKGROUND INFORMATION

In November 2000, the voters of the state of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions.

On November 7, 2006, by majority election of the Districts' registered voters, \$870,000,000 in general obligation bonds (Proposition N) were authorized to be issued and sold for the benefit of the District. Proceeds from the bonds are to be used for acquisition, construction, renovation, repair and modernization of certain District property and facilities and to refund or advance refund certain obligations of the District.

Pursuant to the requirements of Proposition 39, and related state legislation, the board of trustees of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Proposition N bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Proposition N Bond Building Fund have been expended only for the authorized bond projects.

OBJECTIVES

The objectives of our performance audit for the fiscal year ended June 30, 2020 were to:

- determine the expenditures charged to the District Proposition N Bond Building Fund;
- determine whether expenditures charged to the Proposition N Bond Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Proposition N in November 2006.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2019 to June 30, 2020. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed or included within the scope of our audit or in this report.

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
PROPOSITION 39 PERFORMANCE AUDIT
JUNE 30, 2020**

PROCEDURES PERFORMED

- We identified the expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
- We selected a judgmental sample of expenditures considering all object codes and projects for the year ended June 30, 2020. Our sample included 59 transactions totaling \$8,292,783 (81.74% of total expenditures).
- We reviewed the actual invoices and supporting documentation to determine that expenditures charged to projects were:
 - Supported by invoices with evidence of proper approval and documentation of receipt of goods or services;
 - Supported by proper bid documentation, as applicable;
 - Properly expended on the authorized bond projects as listed on the voter-approved bond project list.

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Proposition N Bond Building Fund and that such expenditures were made for authorized bond projects.

SUPPLEMENTARY INFORMATION

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
CITIZENS' OVERSIGHT COMMITTEE MEMBERS LISTING
YEAR ENDED JUNE 30, 2020**

The Citizens' Oversight Committee has the following members as of June 30, 2020 all of whom were appointed by the District's board of trustees with two year terms, with a maximum of three consecutive terms of office:

Name	Title	Representation	Education
Jane Gawronski, Ph.D.	Chairperson	Active in a Senior Citizens' Organization	15282(a)(2)
Bob Kiesling	Vice Chairperson	Active in a Bona Fide Taxpayers' Organization	15282(a)(3)
Elizabeth Armstrong	Member	Active in the Support and Organization of the Community College District	15282(a)(5)
Leslie Bruce, J.D.	Member	Community -at- Large	15282(a)
Mike Frattali	Member	Active in a Bona Fide Taxpayers' Organization	15282(a)(3)
Shandon Harbour	Member	Active in a Bona Fide Taxpayers' Organization	15282(a)(3)
Ed Oremen	Member	Community -at- Large	15282(a)
Yen Tu	Member	Active in a Business Organization	15282(a)(1)
Linda Zintz	Member	Community -at- Large	15282(a)

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
PROPOSITION N BOND BUILDING FUND
SCHEDULE OF EXPENDITURES BY PROJECT FOR PROPOSITION N
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

<u>Project Name</u>	<u>Site</u>	<u>Expenditure</u>
Humanities Building	City	\$ 9,543
Engineering Technology	City	43,634
D-Building - Roof Cafeteria	City	167,631
A-Building - Student Services and Administration	City	99,198
Infrastructure	City	45,896
Instructional Technology / Center for Business Technology Building	Mesa	497,367
Infrastructure	Mesa	2,305,583
Cafeteria, Bookstore, and Stockroom	Mesa	36,611
Art Facilities	Mesa	64,903
Regional Public Safety	Miramar	93,472
Training Course	Miramar	5,000,000
Science Building Addition	Miramar	6,645
Aviation Maintenance Technology Center	Miramar	2,548
Parking Building Structure #1	Miramar	9,808
Campus Building Infrastructure	Miramar	973,614
ECC - Land Acquisition & Relocation Skills Center	CE	15,996
Program Management	District	773,352
Total		<u>\$ 10,145,801</u>

