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**SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
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JUNE 30, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
San Mateo County Community College District
San Mateo, California

We have conducted a performance audit of the San Mateo County Community College District (the "District") Measure H General Obligation Bond Fund for the fiscal year then ended June 30, 2024.

The results of our tests indicated that, in all significant respects, the District expended Measure H General Obligation Bond funds for the fiscal year then ended June 30, 2024 only for 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.

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 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 on page 3 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure H General Obligation Bond Fund under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. 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 controls 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 the internal controls.

A handwritten signature in black ink that reads "CWDL, Certified Public Accountants".

San Diego, California
November 15, 2024

PERFORMANCE AUDIT

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
BACKGROUND
JUNE 30, 2024**

LEGISLATIVE HISTORY

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, "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55 percent of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establishes and appoints members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT MEASURE H GENERAL OBLIGATION BONDS

The San Mateo County Community College District (the "District") Measure H General Obligation Bonds are issued pursuant to the Constitution and laws of the State of California, 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 Board of Trustees of the District on July 23, 2014.

The District received authorization for the Measure H Bonds at an election held on November 4, 2014, to issue bonds of the District in an aggregate principal amount not to exceed \$388,000,000. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2014 Authorization).

The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. A summary of the text of the ballot language was as follows:

"To prepare College of San Mateo, Cañada College, and Skyline College students for universities and high demand jobs; modernize math and science classrooms and labs; upgrade computer, biotechnology and job training facilities; upgrade access for disabled students; ensure classrooms meet earthquake, fire and safety requirements; and replace aging infrastructure with energy efficient systems, shall San Mateo County Community College District be authorized to issue \$388,000,000 in bonds at interest rates within legal limits, with annual independent audits, Citizens' Oversight and all proceeds benefiting your local community colleges?"

In May 2015, the District issued Measure H General Obligation Bonds, Series A, in the amount of \$127,000,000. In November 2018, the District Issued Measure H General Obligation Bonds, Series B, in the amount of \$261,000,000.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION
JUNE 30, 2024**

OBJECTIVES OF THE AUDIT

The objective of our performance audit was to determine that the District expended Measure H General Obligation Bond funds for the year ended June 30, 2024 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

SCOPE OF THE AUDIT

The District provided to us a list of all Measure H General Obligation Bond project expenditures for the fiscal year then ended June 30, 2024 (the "List"). The transactions represented \$17,343,665 in expenditures from July 1, 2023 through June 30, 2024.

PROCEDURES PERFORMED

We performed the following procedures to the List of Measure H General Obligation Bond project expenditures for the fiscal year then ended June 30, 2024:

- Verified the mathematical accuracy of the expenditures list.
- Reconciled the List to total bond expenditures as reported by the District in Measure H Bond Fund's audited financial statements for the fiscal year then ended June 30, 2024.
- Selected a sample of expenditures totaling \$14,495,922 or 83.58% of total Measure H expenditures for the fiscal year then ended June 30, 2024. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. We verified that the expenditures were for authorized projects, and were to repair, upgrade and construct facilities and expand college education centers.

CONCLUSION

The results of our tests indicated that, in all significant respects, the District's expended Measure H General Obligation Bond funds for the fiscal year then ended June 30, 2024 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.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

There were no performance audit findings or questioned costs identified during 2023-2024.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
MEASURE H GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

There were no performance audit findings or questioned costs identified during 2022-2023.