



Financial and Performance Audits  
Revenue Bond Construction Fund (Measure Q)  
June 30, 2020

# Rancho Santiago Community College District

**FINANCIAL AUDIT**

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Financial Audit

Revenue Bond Construction Fund (Measure Q)

June 30, 2020

**Rancho Santiago Community College  
District**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Rancho Santiago Community College District (the District), Revenue Bond Construction Fund (Measure Q), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Revenue Bond Construction Fund (Measure Q) of the District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Revenue Bond Construction Fund specific to Measure Q are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021, on our consideration of the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Revenue Bond Construction Fund (Measure Q) internal control over financial reporting and compliance.



Rancho Cucamonga, California  
January 8, 2021

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)

Balance Sheet  
June 30, 2020

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Assets	
Cash collections awaiting deposit	\$ 238,513
Investments	38,205,621
Accounts receivable	39,908
Due from other funds	3,446
Prepaid expenditures	<u>324,136</u>
Total assets	<u>\$ 38,811,624</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 2,320,097</u>
Fund Balance	
Restricted for capital projects	<u>36,491,527</u>
Total liabilities and fund balance	<u>\$ 38,811,624</u>

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2020

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Revenues	
Local revenues	<u>\$ 994,983</u>
Expenditures	
Services and other expenditures	439,767
Capital outlay	<u>42,082,052</u>
Total expenditures	<u>42,521,819</u>
Deficiency of Revenues over Expenditures	<u>(41,526,836)</u>
Other Financing Sources	
Other sources - proceeds from sale of general obligation bonds	<u>56,815,000</u>
Net Change in Fund Balance	15,288,164
Fund Balance, Beginning	<u>21,203,363</u>
Fund Balance, Ending	<u><u>\$ 36,491,527</u></u>

## **Note 1 - Summary of Significant Accounting Policies**

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

### **Financial Reporting**

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

### **Fund Accounting**

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

### **Basis of Accounting**

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

### **Budgets and Budgetary Accounting**

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

### **Prepaid Expenditures**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

### **Encumbrances**

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

### **Use of Estimates**

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

### **Fund Balance**

As of June 30, 2020, the fund balance is classified as follows:

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

## **Note 2 - Investments**

### **Policies and Practices**

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

### Investment in County Treasury

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

### General Authorizations

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

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

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. District regulations require that funds that are not required for the immediate need of the District may be invested in the County Treasurer's Investment Pool. The District manages its exposure to interest rate risk by investing in the Orange County Investment Pool. The District maintains an investment of \$38,205,621 with the Orange County Investment Pool, with an average maturity of 266 days.

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)

Notes to Financial Statements  
June 30, 2020

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**Credit Risk**

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

**Note 3 - Accounts Receivable**

Receivables at June 30, 2020, consist of the following:

Interest income	\$	39,908
		<u>39,908</u>

**Note 4 - Due from Other Funds**

Amounts due from other funds at June 30, 2020, consisted of \$3,446 due from the Capital Outlay Project Fund for capital outlay costs paid for by Measure Q, but incurred by the Capital Outlay Project Fund.

**Note 5 - Accounts Payable**

Accounts payable at June 30, 2020, consist of the following:

Construction	\$	2,320,097
		<u>2,320,097</u>

**Note 6 - Commitments and Contingencies**

As of June 30, 2020, the Revenue Bond Construction Fund (Measure Q) had the following significant construction commitments as defined by the bond documents:

	Spent to Date	Remaining Construction Commitment	Expected Fiscal Year of Completion
Johnson Student Center - SAC	\$ 36,998,707	\$ 18,916,009	2021
Science Center - SAC	55,803,846	5,282,168	2021
Russell Hall Replacement (Health Sciences) - SAC	3,418,096	3,712,107	2022
	<u>\$ 96,220,649</u>	<u>\$ 27,910,284</u>	

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

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District's Revenue Bond Construction Fund (Measure Q) at June 30, 2020.



Independent Auditor's Report  
June 30, 2020

**Rancho Santiago Community College  
District**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Rancho Santiago Community College District (the District) Revenue Bond Construction Fund (Measure Q), as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2021.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Revenue Bond Construction Fund specific to Measure Q are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Rancho Cucamonga, California  
January 8, 2021

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)  
Financial Statement Findings  
June 30, 2020

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None reported.

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)  
Summary of Schedule of Prior Audit Findings  
June 30, 2020

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



Performance Audit

Revenue Bond Construction Fund (Measure Q)

June 30, 2020

**Rancho Santiago Community College  
District**



## Independent Auditor's Report on Performance

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

We were engaged to conduct a performance audit of the Rancho Santiago Community College District (the District) Revenue Bond Construction Fund (Measure Q) for the year ended June 30, 2020.

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

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

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
January 8, 2021

### **Authority for Issuance**

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

In October 2014, the District issued General Obligation Bonds, Election of 2012, Series 2014 A in the amount of \$70,585,000. The Series 2014 A Bonds were authorized to be issued by a resolution adopted by the Board of Supervisors of the County, pursuant to a request of the District made by a resolution adopted by the Board of Trustees of the District on September 22, 2014. The Bonds represent the first series of bonds sold within the Authorization.

In December 2017, the District issued General Obligations Bonds, Election of 2012, Series 2017 B in the amount of \$70,600,000. The Series 2017 B Bonds were authorized to be issued by a resolution adopted by the Board of Supervisors of the County, pursuant to a request of the District made by a resolution adopted by the Board of Trustees of the District on November 13, 2017. The Bonds represent the second series of bonds sold within the Authorization.

In August, 2019, the District issued General Obligation Bonds, Election 2012, Series 2019 C in the amount of \$56,815,000. The Series 2019 C Bonds were authorized to be issued by a resolution adopted by the Board of Supervisors of the County, pursuant to a request of the District made by a resolution adopted by the Board of Trustees of the District on July 15, 2019. The Bonds represent the third and final series of bonds sold within the Authorization.

### **Purpose of Issuance**

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

### **Authority for the Audit**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school district, community college districts, or county offices of education for the following: "construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reduction of 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 District operating expenses.
2. The District must list the specific facilities projects to be funded in the ballot measure and must certify that the governing board has evaluated safety and information technology needs in developing the project list.
3. Requires the District to appoint a Citizens' Oversight Committee.
4. Requires the District to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until after all of the proceeds have been expended.
5. Requires the District to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

### **Objectives of the Audit**

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

### **Scope of the Audit**

The scope of our performance audit covered the period of July 1, 2019 through June 30, 2020. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the Bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed or included within the scope of our audit or in this report.

## Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2020, for the Revenue Bond Construction Fund (Measure Q). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure Q as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
  - a. We considered all expenditures recorded in all object codes, including transfers out.
  - b. We considered all expenditures recorded in all projects that were funded from July 1, 2019 through June 30, 2020 from Measure Q bond proceeds.
  - c. We selected a sample of expenditures using professional judgement, based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for the period starting July 1, 2019 and ending June 30, 2020.
3. Our sample included transactions totaling \$36,587,593. This represents 86 percent of the total expenditures of \$42,521,819, including transfers out.
4. We reviewed the actual invoices and other supporting documentation to determine that:
  - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
  - b. Expenditures were supported by proper bid documentation, as applicable.
  - c. Expenditures were expended in accordance with voter-approved bond project list.
  - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
5. We determined that the District has met the compliance requirement of Measure Q if the following conditions were met:
  - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
  - b. Expenditures were not used for salaries of school administrators or other operating expenses of the Districts.

**Conclusion**

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

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)  
Schedule of Findings and Questioned Costs  
June 30, 2020

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None reported.

Rancho Santiago Community College District  
Revenue Bond Construction Fund (Measure Q)  
Summary of Schedule of Prior Audit Findings  
June 30, 2020

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