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# YUBA COMMUNITY COLLEGE DISTRICT MEASURE Q GENERAL OBLIGATION BONDS

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**PERFORMANCE AUDIT**

Fiscal Year Ended June 30, 2023

**YUBA COMMUNITY COLLEGE DISTRICT  
MEASURE Q GENERAL OBLIGATION BONDS  
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JUNE 30, 2023**

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**PERFORMANCE AUDIT**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Yuba Community College District  
Yuba City, California

We have conducted a performance audit of the Yuba Community College District (the "District") Measure Q General Obligation Bond funds for the year ended June 30, 2023.

The results of our tests indicated that, in all significant respects, Yuba Community College District expended Measure Q General Obligation Bond funds for the year ended June 30, 2023 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 Q General Obligation Bonds 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 Yuba Community College 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 Yuba Community College 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.

*CWDL, Certified Public Accountants*

San Diego, California  
December 5, 2023

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## **BACKGROUND INFORMATION**

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**YUBA COMMUNITY COLLEGE DISTRICT  
MEASURE Q GENERAL OBLIGATION BONDS  
BACKGROUND INFORMATION  
JUNE 30, 2023**

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**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, 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 real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint 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.

**YUBA COMMUNITY COLLEGE DISTRICT MEASURE Q GENERAL OBLIGATION BONDS**

The Yuba Community College District, California Election of Measure Q General Obligation Bonds, Measure Q were authorized at an election of the registered voters of the Yuba Community College District held on November 8, 2016 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$33,565,000 principal amount of general obligation bonds of the District. The Bonds are being 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 continue repairing, renovating, constructing and equipping classrooms/facilities at the campuses of Yuba and Woodland Colleges including nursing, healthcare, science, technology, engineering, fire and police training classrooms, shall \$33,565,000 of Yuba Community College District Bonds, previously approved by voters in November 2006, be reauthorized through issuance of new bonds with no increase in total authorized District debt, interest rates below the legal limit, independent citizen oversight, and all funds used locally and not taken by the State?"

**FURTHER SPECIFICATIONS**

No Administrator Salaries: Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, 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 and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

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# **PERFORMANCE AUDIT**

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**YUBA COMMUNITY COLLEGE DISTRICT  
MEASURE Q GENERAL OBLIGATION BONDS  
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION  
JUNE 30, 2023**

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**OBJECTIVES**

The objective of our performance audit was to determine that the District expended Measure Q General Obligation Bond funds for the year ended June 30, 2023 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**

The District provided to us a list of all Measure Q General Obligation Bond project expenditures for the year ended June 30, 2023 (the "List"). The list of transactions represented \$2,288,804 in expenditures from July 1, 2022 through June 30, 2023.

**METHODOLOGY**

We performed the following procedures to the List of Measure Q General Obligation Bond project expenditures for the year ended June 30, 2023:

- Interviewed District management related to controls over planning, bidding, contracting, expenditure of bond funds and financial reporting and determined that controls have been put in place and are working as documented.
- Documented District procedures and controls over planning, bidding, contracting, expenditure of bond funds and financial reporting.
- Performed tests to determine that the District controls over planning, bidding, contracting, expenditure of bond funds and financial reporting have been put in place and are working as documented.
- Verified the mathematical accuracy of the List.
- Reconciled the List to total bond expenditures as reported by the District in the District's audited financial statements for the year ended June 30, 2023, presented as the Measure Q General Obligation Bond funds.
- We selected a sample of expenditures totaling \$1,127,141. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented over 49% of the total expenditure value. We verified that the expenditures were for the approved projects and were expended for the purposes outlined in the Measure Q ballot language and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

**CONCLUSION**

The results of our tests indicated that, in all significant respects, Yuba Community College District expended Measure Q General Obligation Bond funds for the year ended June 30, 2023 only for the specific projects developed by the District's Governing Board 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.