

**HARTNELL COMMUNITY COLLEGE DISTRICT
MEASURE T GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT REPORT**

**HARTNELL COMMUNITY COLLEGE DISTRICT
MEASURE T GENERAL OBLIGATION BONDS
Table of Contents
June 30, 2021**

INDEPENDENT AUDITORS' REPORT

Measure T Citizens' Oversight Committee
And Governing Board Members
Hartnell Community College District
Salinas, California

We have conducted a performance audit of the Hartnell Community College District (the "District") Measure T General Obligation Bonds for the year ended June 30, 2021.

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.

BACKGROUND

**HARTNELL COMMUNITY COLLEGE DISTRICT
MEASURE T GENERAL OBLIGATION BONDS
Background Information
June 30, 2021**

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.

HARTNELL COMMUNITY COLLEGE DISTRICT MEASURE T GENERAL OBLIGATION BONDS

The Hartnell Community College District (Monterey and San Benito Counties, California) Election of 2016 General Obligation Bonds, Series A (the "Bonds"), were authorized at an election of the registered voters of the Hartnell Community College District (the "District") held on November 8, 2016, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$167,000,000

**HARTNELL COMMUNITY COLLEGE DISTRICT
MEASURE T GENERAL OBLIGATION BONDS
Background Information
June 30, 2021**

HARTNELL COMMUNITY COLLEGE DISTRICT MEASURE T GENERAL OBLIGATION BONDS, continued

The District's Board of Trustees developed the following Bond Project List for Measure T:

- Construct or upgrade classrooms for job training in nursing and other health sciences, agriculture science/technology, teaching and computer/information technology.
- Repair and upgrade classrooms, labs and job training centers for 21st Century jobs.
- Provide adequate libraries, classrooms and labs at District instructional locations for career training and transfer to universities.
- Upgrade computer labs and classroom instructional technology.
- Provide space for universities to offer four-year bachelor's degrees.
- Update campus facilities to provide access for students with disabilities.
- Increase energy efficiency by replacing aging heating, ventilation and air-conditioning systems with energy-efficient models and install energy saving dual pane windows to reduce operating expenses.
- Upgrade and replace existing information technology infrastructure and network systems to improve efficiency and increase capacity.
- Upgrade and construct academic buildings to expand classrooms for job training and career technical education and provide literacy and English language learning centers.
- Construct science, technology, engineering and math (STEM) labs at District instructional locations.
- Repair or replace leaking roofs.
-

PERFORMANCE AUDIT

**HARTNELL COMMUNITY COLLEGE DISTRICT
MEASURE T GENERAL OBLIGATION BONDS
Objectives, Scope, Methodology and Conclusions
June 30, 2021**

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure T General Obligation Bond funds for the year ended June 30, 2021 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 T General Obligation Bond project expenditures for the year ended June 30, 2021 (the "List"). The list of transactions represented \$35,597,983 in expenditures from July 1, 2020 through June 30, 2021.

METHODOLOGY

We performed the following procedures to the List of Measure T General Obligation Bond project expenditures for the year ended June 30, 2021:

- 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

**HARTNELL COMMUNITY COLLEGE DISTRICT
MEASURE T GENERAL OBLIGATION BONDS
Objectives, Scope, Methodology and Conclusions
June 30, 2021**

CONCLUSION

The results of our tests indicated that, in all significant respects, Hartnell Community College District expended Measure T General Obligation Bond funds for the year ended June 30, 2021 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.