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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
FINANCIAL AND PERFORMANCE AUDITS
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008**

JUNE 30, 2022

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
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FINANCIAL AUDIT



INDEPENDENT AUDITORS' REPORT

Board of Trustees and Citizens' Oversight Committee
Victor Valley Community College District
Victorville, California

Report on the Financial Statements

Opinions

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Victor Valley Community College District's (the District) General Obligation Bond Fund (Measure JJ), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Obligation Bond Fund (Measure JJ) of the District as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements of the General Obligation Bond Fund specific to Measure JJ 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, 2022, and the changes in 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2023, on our consideration of the District's 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 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 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 financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
January 5, 2023

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
BALANCE SHEET
JUNE 30, 2022**

| | |
|---|----------------------|
| ASSETS | |
| Deposits and investments | \$ 29,898,943 |
| Accounts receivable | <u>64,093</u> |
| Total Assets | <u>\$ 29,963,036</u> |
| LIABILITIES AND FUND BALANCE | |
| Liabilities | |
| Accounts payable | \$ 41,773 |
| Due to other funds | <u>438</u> |
| Total Liabilities | <u>42,211</u> |
| Fund Balance | |
| Restricted for capital projects | <u>29,920,825</u> |
| Total Liabilities and Fund Balance | <u>\$ 29,963,036</u> |

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

| | |
|---|----------------------|
| REVENUES | |
| Interest and investment income | \$ 672,829 |
| EXPENDITURES | |
| Services and other operating costs | <u>1,075,144</u> |
| Net Change in Fund Balance | (402,315) |
| Restricted Fund Balance, July 1, 2021 | <u>30,323,140</u> |
| Restricted Fund Balance, June 30, 2022 | <u>\$ 29,920,825</u> |

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Victor Valley Community College District's General Obligation Bond Fund (Measure JJ) 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 General Obligation Bond Fund (Measure JJ) 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 General Obligation Bond Fund (Measure JJ) of the District. This Fund was established to account for the receipt of proceeds of general obligation bond issuances and the expenditures of the proceeds under the General Obligation Bonds Election of November 2008. These financial statements are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the General Obligation Bond Fund (Measure JJ) 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 General Obligation Bond Fund (Measure JJ) 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 are generally 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.

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 revenue 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.

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 June 30.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates

The preparation of financial statements in accordance 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, liabilities, 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, and those differences could be material.

Fund Balance

As of June 30, 2022, 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

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in the 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 is recorded on the amortized cost basis.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – INVESTMENTS, continued

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 | 40% | 30% |
| Banker's Acceptance | 180 days | 25% | 10% |
| Commercial Paper | 270 days | 30% | None |
| Negotiable Certificates of Deposit | 5 years | None | None |
| Repurchase Agreements | 1 year | 20% of base | None |
| Reverse Repurchase Agreements | 92 days | 30% | None |
| Medium-Term Corporate Notes | 5 years | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | None | 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. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Investment Pool. The District maintains a General Obligation Bond Fund (Measure JJ) investment of \$29,898,943 with the San Bernardino County Investment Pool with a weighted average maturity of 495 days.

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 San Bernardino County Investment Pool is rated AA Af/S1 by Fitch Ratings.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022, in the amount of \$64,093 represents interest earnings that have yet to be received. All amounts have been determined by management to be fully collectable.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2022, represent amounts owed to vendors for both ongoing and completed construction projects in the amount of \$41,773.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2022, the District had approximately \$6.2 million in commitments with respect to unfinished capital projects.

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 General Obligation Bond Fund (Measure JJ) at June 30, 2022.

OTHER INDEPENDENT AUDITORS' REPORT



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 and Citizens' Oversight Committee
Victor Valley Community College District
Victorville, 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 Victor Valley Community College District's (the District) General Obligation Bond Fund (Measure JJ), as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 5, 2023.

Emphasis of Matter

As discussed in Note 1, the financial statements of the General Obligation Bond Fund specific to Measure JJ 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, 2022, and the changes in 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.

Report on 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) 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 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 District's General Obligation Bond Fund (Measure JJ) 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's General Obligation Bond Fund (Measure JJ) 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 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 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 General Obligation Bond Fund (Measure JJ) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California
January 5, 2023

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

None reported.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2022**

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

PERFORMANCE AUDIT



INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Board of Trustees and Citizens' Oversight Committee
Victor Valley Community College District
Victorville, California

We were engaged to conduct a performance audit of the Victor Valley Community College District's (the District) General Obligation Bond Fund (Measure JJ) for the year ended June 30, 2022.

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 General Obligation Bond Fund (Measure JJ) 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.

CWDL, Certified Public Accountants

San Diego, California
January 5, 2023

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
JUNE 30, 2022**

Authority for Issuance

The Measure JJ General Obligation Bonds (the Bonds) 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.

In November of 2008, a general obligation bond proposition (Measure JJ Election of 2008) of Victor Valley Community College District was approved by more than 55% of the voters of the District. The Election of 2008 authorized the District to issue up to \$297,500,000 of general obligation bonds to upgrade, expand, and construct school facilities. On June 17, 2009, the District issued Series A in the amount of \$54,004,963. Also on June 17, 2009, the District issued Series B in the amount of \$12,000,000. On June 17, 2009, the District issued Series C in the amount of \$70,017,065. Lastly, on May 14, 2020, the District issued Series D in the amount of \$31,490,000.

In April 2016, the District issued 2016 General Obligation Refunding Bonds, Series A in the amount of \$50,840,000. The Bonds were issued to advance refund a portion of the 2008 General Obligation Bonds, Series A and to advance refund a portion of the 2008 General Obligation Bonds, Series C.

In April 2016, the District issued 2016 General Obligation Refunding Bonds, Series B in the amount of \$38,960,000. The Bonds were issued to advance refund a portion of the 2008 General Obligation Bonds, Series A.

In April 2016, the District issued 2016 General Obligation Refunding Bonds, Series C in the amount of \$11,765,000. The Bonds were issued to advance refund on a crossover basis the 2008 General Obligation Bonds, Series B.

Purpose of Issuance

The net proceeds of the Bonds issued under the Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction, modernization, and equipping of certain District property and facilities, to refund the Refunded Certificates of Participation, and to pay certain costs of issuance of the Bonds.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
JUNE 30, 2022**

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 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 rental property for school facilities", upon approval by 55% of the electorate. In addition to reducing the approval threshold from two-thirds to 55%, 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 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

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

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2021 to June 30, 2022. 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, 2022, were not reviewed or included within the scope of our audit or in this report.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
JUNE 30, 2022**

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2022, for the General Obligation Bond Fund (Measure JJ). 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 JJ 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.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2021 through June 30, 2022 from Measure JJ bond proceeds.
 - c. We selected a sample of expenditures using professional judgement, based on risk assessment and consideration of coverage of all object codes and projects for period starting July 1, 2021 and ending June 30, 2022.
3. Our sample included transactions totaling \$800,701. This represents 74% of the total expenditures of \$1,075,144.
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 administrators or other operating expenditures of the District.
5. We determined that the District has met the compliance requirements of Measure JJ 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 administrators or other operating expenditures of the District.

Conclusion

The results of our tests indicated that, in all significant respects, the Victor Valley Community College District has properly accounted for the expenditures held in the General Obligation Bond Fund (Measure JJ) and that such expenditures were made for authorized Bond projects.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

None Noted.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS ELECTION 2008
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2022**

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