

MEASURE L BOND PROGRAM

CITIZENS' OVERSIGHT COMMITTEE

2020-2021 ANNUAL REPORT
SAN JOAQUIN DELTA COLLEGE



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In November 2003, the San Joaquin Delta Community College District's Board of Trustees placed Measure L, a \$250-million bond, on the March 2, 2004, ballot.

Measure L is the District's first bond measure since 1969. The bond measure represents a substantial portion of the District's \$344-million 2010 Facilities Master Plan. The purpose of the bond measure is to renovate, upgrade and expand buildings, many of which are now over 40 years old, and to support site acquisition and development of educational centers to provide access to Delta College throughout the region.

Since the passage of Measure L, the District has refinanced approximately \$146.9 million of its Measure L Series 2005A and 2008B Bonds in 2015. The outcome is a gross saving for District taxpayers of \$25.8 million! Plus, the District's continued outstanding Aa2 credit rating from Moody's, and AA rating from Fitch enabled the District to enjoy lower short and long-term borrowing costs as it issued the final series of Measure L Bonds in Spring 2018.

Lower borrowing costs are great news for District taxpayers.



COC CHAIRPERSON'S LETTER

Dear San Joaquin Delta College Community,

As Chair of the Citizens' Bond Oversight Committee, I am pleased to present its 2020 -2021 annual report as required by Proposition 39, the legislative authority for Measure L. As your local representatives, the committee's responsibility is to oversee the expenditure of Bond Funds, as approved by the San Joaquin Delta College Board of Trustees, to make certain that they are spent as specified in the ballot measure language. Measure L was approved by the county voters in 2004 and as required, Delta College Board of Trustees appointed the independent Citizens' Bond Oversight Committee. Our meetings are held quarterly to review and discuss progress reports on the bond projects and expenditures.

During the 2020-21 fiscal year the committee met regularly to review and monitor financial reports, expenditure summaries, and bond funded projects to ensure transparency and accountability. In addition, we receive annual auditor's reports from outside auditors as part of the continuous review process. As a committee, we appreciate the college's organization, planning process, and quality of information provided for evaluation.

Measures L Bond projects attempt to address the College's most critical facility needs, including safety, conservation, technology advancements and modern training space in response to curriculum and community needs. These facilities and their programs enable the College to continue providing educational opportunities for our community.

Thank you to the Delta College staff and committee support, for providing the meeting materials for the meetings. We appreciate the behind the scenes work that happens in order for us to be an effective committee.

I would like to close by saying that I am extremely humbled to serve as the Citizens' Bond Oversight Committee Chair and look forward to serving the community of this District. The committee and district have done great work and we hope to continue to work tirelessly to advance the needs of our students and community to build a better future. We thank you for the confidence you have placed in us.

Please visit Citizens' Bond Oversight Committee web page to review charge, memberships, agendas, and meetings at: <https://deltacollege.edu/measure-l-bond/citizens-oversight-committee>.

Sincerely,

Mercedes Silveira-Gouveia

COC Committee Chair 2020 - 2022

ROLE OF THE OVERSIGHT COMMITTEE

As provided in California Education Code Section 15278, the San Joaquin Delta Community College District's Board of Trustees formed a Citizens' Oversight Committee

- Bond revenues are expended only for the construction, reconstruction, rehabilitation, or replacement of college facilities, including the furnishing, and equipping of college facilities or the acquisition or lease of real property for college facilities.
- No bond revenues are expended for any teacher or administrative salaries or other college operating expenses.

To conduct its role, the Citizens' Oversight Committee may:

- Receive and review copies of the annual independent performance audit conducted to ensure that the bond revenue is expended only on the specific projects listed in the bond proposition.
- Receive and review copies of the annual independent financial audit of the bond revenue and expenditures.
- Inspect college facilities and grounds to ensure that the bond revenue is expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Receive and review copies of scheduled maintenance proposals or plans developed by the District.
- Review efforts by the District to maximize bond revenues by implementing various cost-saving measures.

SUMMARY OF MAJOR PROJECTS

2020–2021 FISCAL YEAR

CLOSED PROJECTS

There were no closed projects for the 2020 – 2021 fiscal year.

stations, paint, flooring, and additional space for food options.

IN PROGRESS PROJECTS

• **Danner Revitalization Project:**

- *Locke Lounge*
- *Goleman Café*
- *Bookstore*

The `V Revitalization Project consisted of refreshing and revitalizing the student spaces and campus shared spaces. Upgrades included lighting, electrical charging

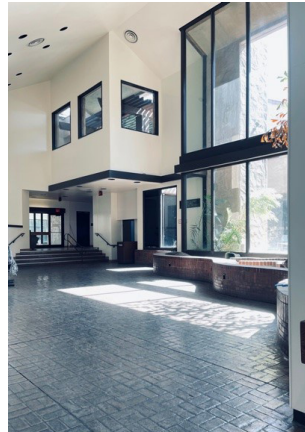
The student and campus shared spaces selected for this project are Locke Lounge and Danner Hall Dining area. In addition to upgrading the existing spaces, a café area will be created in the Goleman Library that will provide additional food options for students.

The Bookstore project will consist of paint, flooring, electrical, and data upgrades.

- **Delta Health Center Phase II:** Renovation of Locke Building rooms 126 and 128 to medical facilities standards. Project renovations included painting, flooring, electrical, and minor construction to the reception area counter and private medical exam rooms. The Health Center will operate under a Memorandum of Understanding between Community Medical Centers and the District.

FUTURE PROJECTS

- Solar Project
- Building Infrastructure Wiring & Wireless Access
- Manteca Farm Improvements – Hay Barn



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

BOARD OF TRUSTEES AND CITIZENS' BOND OVERSIGHT COMMITTEE FOR MEASURE L SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT STOCKTON, CALIFORNIA

We were engaged to conduct a performance audit of San Joaquin Delta Community College District's (the District) General Obligation Bond Fund (Measure L) for the year ended June 30, 2021.

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 L) funds only for the specific projects approved by the voters in accordance with Proposition 39 as 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.



EIDE BAILLY

Rancho Cucamonga, California

February 25, 2022

INDEPENDENT AUDITOR'S REPORT

BOARD OF TRUSTEES AND CITIZENS' BOND OVERSIGHT COMMITTEE FOR MEASURE L SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT STOCKTON, CALIFORNIA

OBJECTIVES

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

SCOPE

The scope of our performance audit covered the period of July 1, 2020, to June 30, 2021. 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, 2021, 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, 2021, for the General Obligation Bond Fund (Measure L). 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 L 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, 2020, through June 30, 2021, from Measure L bond proceeds.
 - c. We selected a sample of expenditures using professional judgment, based on risk assessment and consideration of coverage of all object codes and projects for the period starting July 1, 2020, and ending June 30, 2021.
3. Our sample included transaction totaling \$1,616,115. This represents approximately 79% of the total expenditures \$2,056,779.

INDEPENDENT AUDITOR'S REPORT

BOARD OF TRUSTEES AND CITIZENS' BOND OVERSIGHT COMMITTEE FOR MEASURE L SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT STOCKTON, CALIFORNIA

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 the voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of administrators or other operating expenses of the District.
5. We determined that the District has met the compliance requirement of Measure L 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 expenses of the Districts.

CONCLUSION

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

FINANCIAL STATEMENTS

SAN JOAQUIN DELTA COLLEGE - MEASURE L BOND PROGRAM Q4 2020-2021

ANNUAL MEASURE L BOND PROGRAM REVENUE

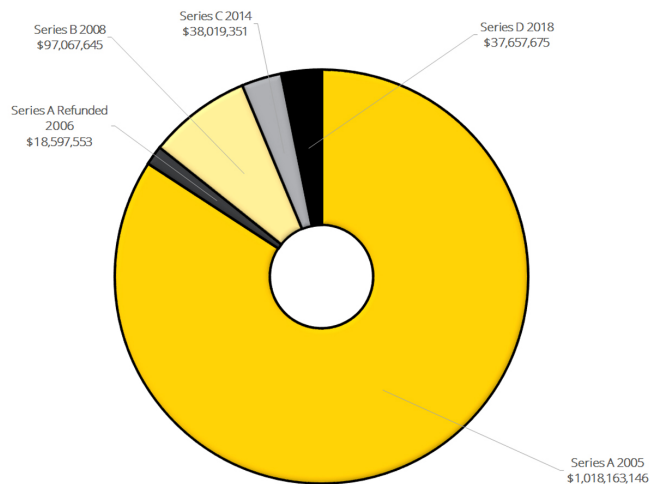
\$293,158,239 Total Bond Program Revenue (Interest & Other Revenue)

ANNUAL MEASURE L BOND PROGRAM EXPENDITURES

\$273,302,985 Total bond Program Expenditures (To Date)

MEASURE L BOND PROGRAM TOTAL REVENUE

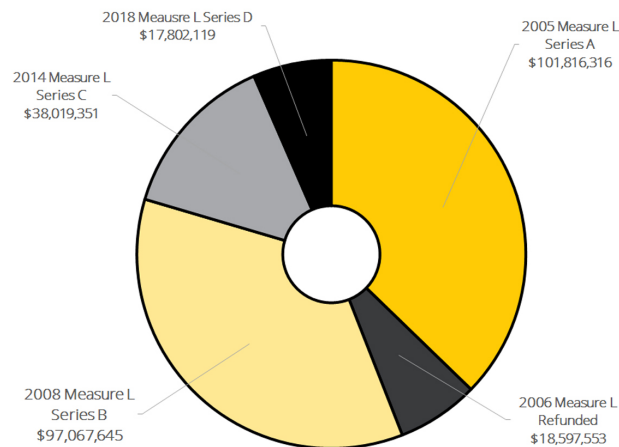
2020 - 2021 = \$293,158,539



MEASURE L BOND PROGRAM TOTAL EXPENDITURES

2020 - 2021

Program to Date = \$273,302,985



SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES

Charles Jennings

*Area 4, Lodi, Galt & Delta
President*

Janet Rivera

*Area 3, North Stockton
Vice President*

C. Jennet Stebbins

*Area 1, South Stockton &
Weston Ranch
Clerk*

Dr. Elizabeth Blanchard

*Area 2, Central Stockton
Member*

Catherine Mathis, M.D.

*Area 7, Lathrop, Manteca,
Partial S. County
Member*

Kathleen Garcia

*Area 5, East San Joaquin &
Calaveras County
Member*

Dr. Teresa Brown

*Area 6, Tracy, and
Mountain House
Member*

Jewelian Johnson

Student Representative

CITIZENS' OVERSIGHT COMMITTEE MEMBERS (DURING FY20-21 PERIOD)

Nicole Goehring

*Business Representative
2020 – 2022*

Mary Webb

*At Large Representative
2020 – 2022*

Armando Valerio

*At Large Representative
2020 – 2022*

Mercedes Silveira- Gouveia

*Foundation Representative
2020 – 2022*

VACANT

*Senior Citizens Representative
2020 – 2022*

VACANT

*Senior Citizens Representative
2020 – 2022*

Lester Patrick

*Taxpayer Representative
2020 – 2022*

INQUIRIES

For more information regarding Measure L and the Citizens' Oversight Committee, please visit the Measure L Bond Website at: deltacollege.edu/measure-l-bond-program or call 209-954-5074.

Stacy Pinola

*Facilities Maintenance & Operations Director
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209-954-5074
5151 Pacific Avenue, Stockton, CA 95207*