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**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS**

FINANCIAL AND PERFORMANCE AUDITS

JUNE 30, 2025

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
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INDEPENDENT AUDITORS' REPORT

Governing Board and Citizens' Bond Oversight Committee
Redwoods Community College District
Eureka, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Redwoods Community College District's (the "District") Measure I General Obligation Bonds and the related notes to financial statements, of as of and for the year ended June 30, 2025, 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 Measure I General Obligation Bonds of the District as of June 30, 2025, and the changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure I General Obligation Bonds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the year ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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, and for 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities 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 opinion. 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 GAAS 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 GAAS 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and other matters for the Measure I General Obligation Bonds. The purpose of that report is 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 for the Measure I General Obligation Bonds. 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 for the Measure I General Obligation Bonds.

CWDL, Certified Public Accountants

San Diego, California

January 15, 2026

FINANCIAL SECTION

REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2025

ASSETS	
Cash in county treasury	<u>\$ 78,379,706</u>
Total Assets	<u><u>\$ 78,379,706</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	<u>\$ 33,884</u>
 Fund Balance	
Restricted	<u>78,345,822</u>
Total Liabilities and Fund Balance	<u><u>\$ 78,379,706</u></u>

The accompanying notes are an integral part of these financial statements.

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025**

EXPENDITURES

Capital outlay	\$ 965,678
Other outgo	688,500

Total Expenditures	<u>1,654,178</u>
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OTHER FINANCING SOURCES/(USES)

Proceeds from long-term debt	80,000,000
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Total Other Financing Sources/(Uses)	<u>80,000,000</u>
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Net Change in Fund Balance	<u>78,345,822</u>
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Restricted Fund Balance, June 30, 2025	<u>\$ 78,345,822</u>
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**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Financial Reporting Entity

The accompanying financial statements are used to account for the transactions of the Measure I General Obligation Bonds and are not intended to present fairly the financial position and results of operations of the District in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The Measure I General Obligation Bonds of the District is maintained on the modified accrual basis of accounting. Its revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). 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 sources.

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 no later than July 1 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.

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash in County Treasury

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the Humboldt County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The county is authorized to deposit cash and invest excess funds by *California Government Code* Section 53648 et. seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables. Accounts receivable are recorded net of estimated uncollectible amounts. There were no significant receivables that are not scheduled for collection within one year of year-end.

Fund Balance Classification

Fund balances of the governmental funds are classified as follows:

Nonspendable - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balance Classification, continued

Assigned - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts has been restricted, committed or assigned.

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 at June 30 since they do not constitute expenditures or liabilities.

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 reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2 – CASH IN COUNTY TREASURY

The Measure I General Obligation Bonds' cash in county treasury at June 30, 2025 is consist of \$78,379,706 held in the Humboldt County Treasury investment pool. All cash held in the Measure I General Obligation Bonds is considered restricted, as it is restricted for specific purposes in accordance with Measure I and the bond issuances.

Cash in County Treasury

The District maintains significantly all of its cash in the Humboldt County Treasury as part of the common investment pool. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001).

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 – CASH IN COUNTY TREASURY, continued

Cash in County Treasury, continued

The fair value of the District's investment in the pool is reported in the accounting financial statement 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. The county is restricted by *Government Code* Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Participants' equity in the County Treasury investment pool is determined by the dollar amount of the participant deposits adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

NOTE 3 – GENERAL OBLIGATION BONDS

As of June 30, 2025, the principal balance outstanding on the District's Measure I bonded debt, excluding accreted interest, was \$80,000,000.

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
2024 GO Bonds - Series 2025	11/5/2024	8/1/2054	5.0%	\$ 80,000,000	\$ -	\$ 80,000,000	\$ -	\$ 80,000,000	\$ -
Total				\$ 80,000,000	\$ -	\$ 80,000,000	\$ -	\$ 80,000,000	\$ -

2024 GO Bonds – Series 2025

On November 5, 2024, Series 2025 general obligation bonds were issued, which consisted of current interest bonds and term bonds with an initial par amount of \$80,000,000 with stated yield rates of 5.0% and maturing through August 1, 2054.

The annual requirements to amortize all Measure I Series 2025 general obligation bonds payable outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 2,958,679	\$ 2,958,679
2027	4,710,000	4,010,138	8,720,138
2028	1,255,000	3,861,013	5,116,013
2029	-	3,829,638	3,829,638
2030	-	3,829,638	3,829,638
2031-2035	-	19,148,190	19,148,190
2036-2040	6,670,000	18,409,440	25,079,440
2041-2045	12,730,000	16,033,190	28,763,190
2046-2050	21,310,000	11,753,289	33,063,289
2051-2055	33,325,000	4,667,633	37,992,633
Total	\$ 80,000,000	\$ 88,500,848	\$ 168,500,848

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The District had no outstanding construction commitments related to Measure I projects at June 30, 2025.

NOTE 5 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 15, 2026, the date on which the financial statements were available to be issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

OTHER REPORTS



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

Governing Board and Citizens' Oversight Committee
Redwoods Community College District
Eureka, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) 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 Redwoods Community College District's (the "District") Measure I General Obligation Bonds as of and for the year ended June 30, 2025 and the related notes to financial statements, and have issued our report thereon dated January 15, 2026.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure I General Obligation Bonds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the year ended, in conformity 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) to determine the 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 over the Measure I General Obligation Bonds financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Measure I General Obligation Bonds.

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 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements of the Measure I General Obligation Bonds 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 determination of financial statement amounts. 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 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 or on compliance for the Measure I General Obligation Bonds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance for the Measure I General Obligation Bonds. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
January 15, 2026

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings or questioned costs identified during 2024-25.

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

No audit was required in 2023-24. Therefore, no findings were identified.

PERFORMANCE AUDIT



INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE

Governing Board and Citizens' Oversight Committee
Redwoods Community College District
Eureka, California

We have conducted a performance audit of the Redwoods Community College District's (the "District") Measure I General Obligation Bonds for the year ended June 30, 2025.

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 conclusions 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 16 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure I General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the 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 the 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.

The results of our tests indicated that, in all significant respects, the District expended Measure I General Obligation Bonds for the year ended June 30, 2025 only for the specific projects developed by the District's Board of Education, 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.

A handwritten signature in black ink that reads "CWDL, Certified Public Accountants".

San Diego, California
January 15, 2026

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025**

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)(C) 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)(C) of Article XIII A of the California Constitution.

REDWOODS COMMUNITY COLLEGE DISTRICT MEASURE I GENERAL OBLIGATION BONDS

The Measure I 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. The Bonds were authorized to be issued by a resolution adopted by the Board of Trustees of the District (the "Resolution") on November 5, 2024.

The District received authorization at an election held on November 5, 2024, to issue bonds of the District in an aggregate principal amount, not to exceed \$120,000,000, to finance specific construction and renovation projects approved by eligible voters within the District. The proposition received approval by at least 55% of the votes cast by eligible voters within the District (the "2024 Authorization"). The Bonds represent the first series of the authorized bonds to be issued under the 2024 Authorization.

A summary of the text of the ballot language was as follows:

"To repair and upgrade outdated facilities, classrooms, and labs used for job training and science/ technology education, deteriorating roofs, electrical wiring, and plumbing, and aging student housing; and acquire, construct, repair facilities, sites, equipment, shall Redwoods Community College District's measure be adopted authorizing \$120,000,000 in bonds at legal rates, levying \$25 per \$100,000 of assessed valuation, (\$8,400,000 annually) while bonds are outstanding, with audits, independent oversight, and no money for administrator salaries?"

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025**

REDWOODS COMMUNITY COLLEGE DISTRICT MEASURE I GENERAL OBLIGATION BONDS, continued

Pursuant to the 2024 Authorization, the proceeds of the Bonds will be used to finance the acquisition and improvement of real property for school purposes noted on a specific Project List for facilities of the District. The bond project list includes:

- i. Replace leaky roofs.
- ii. Repair aging plumbing system to prevent flooding and water damage.
- iii. Repair aging gas, electrical and sewer lines.
- iv. Update aging internet and electrical wiring.
- v. Remove unsafe buildings.
- vi. Improve accessibility for students with disabilities.
- vii. Rebuild old and inadequate student housing.
- viii. Improve campus and student safety and security, such as door locks, cameras, smoke detectors, fire alarms and sprinklers.
- ix. Improve educational and training facilities for nursing and public-health related fields.
- x. Expand and upgrade vocational classrooms and labs, and technology programs to better prepare students and workers for good-paying jobs.
- xi. Modernize outdated classrooms and labs for science, technology, engineering, and math-related fields.
- xii. Improve facilities for Veterans' and job training.
- xiii. Upgrade classroom technology.
- xiv. Retain and attract high quality faculty.

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure I General Obligation Bonds for the year ended June 30, 2025 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.

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

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2024 to June 30, 2025. 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, 2025 were not reviewed or included within the scope of our audit or in this report.

REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the year ended June 30, 2025 for the Measure I General Obligation Bonds. Within the 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 Section 1(b)(3)(C) of Article XIII A of the California Constitution and Measure I as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2024 and ending June 30, 2025, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
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, 2024 through June 30, 2025 from Measure I bond proceeds.
 - c) We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.
 - d) For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025. The results can be projected to the intended population.
3. Our sample included transactions totaling \$965,063. This represents 58.34% of the total expenditures of \$1,654,178.
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 I if the following conditions were met:
 - a) Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b) Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the District.

**REDWOODS COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2025**

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures held in the Measure I General Obligation Bonds and that such expenditures were made for authorized bond projects.