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RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**RIO HONDO COMMUNITY COLLEGE DISTRICT
 MEASURE A GENERAL OBLIGATION BONDS
 CITIZENS' BOND OVERSIGHT COMMITTEE MEMBERS
 JUNE 30, 2023**

The Board of Trustees of the Rio Hondo Community College District established the Citizens' Bond Oversight Committee. The Committee shall perform only the following duties: (1) inform the public concerning the District's expenditure of bond proceeds, (2) review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Measure A; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses and (3) present to the Board, in public session, an annual written report which shall include the following: a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and a summary of the Committee's proceedings and activities for the preceding year.

The Citizens' Bond Oversight Committee for Measure A members for the fiscal year ended June 30, 2023 were composed of the following members:

Members	Position	Representing
Dr. Luis Guzman	Chairperson	Community at-large
Raquel Torres-Retana	Vice Chairperson	Community at-large
Rocio Parra	Member	Community at-large
Maria Morgan	Member	Business Organization
David Frank Martinez	Member	Community at-large
Trena R. Varos	Member	Business Organization
Leticia Alvidrez	Member	Business Organization
Tammy Acosta	Member	Senior Citizens' Organization
Margarita Gonzalez Macedonio	Member	Senior Citizens' Organization
Marcos Garcia	Member	Taxpayers'/Homeowners' Association
Celeste Sandoval	Member	Student active in a Community College

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Rio Hondo Community College District
Whittier, California

Opinion

We have audited the accompanying financial statements of the Rio Hondo Community College District's (the "District") Measure A General Obligation Bonds and the related notes to the financial statements as of and for the year ended June 30, 2023, 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 A General Obligation Bonds of Rio Hondo Community College District, as of June 30, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rio Hondo Community College 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.

Auditor's 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 present only the District's Measure A General Obligation Bonds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, and the changes in financial position for the year then ended, in conformity 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 December 22, 2023 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 A 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 internal control over financial reporting or on compliance for the Bond Funds. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rio Hondo Community College District's internal control over financial reporting and compliance for the Bond Funds.

CWDL, Certified Public Accountants

San Diego, California
December 22, 2023

FINANCIAL SECTION

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2023**

ASSETS

Cash and cash equivalents	\$ 62,285,666
Accounts receivable	636,758
Prepaid assets	<u>353,643</u>

Total Assets 63,276,067

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	<u>564,754</u>
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Total Liabilities 564,754

Fund Balance

Restricted for capital projects	<u>62,711,313</u>
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Total Liabilities and Fund Balance \$ 63,276,067

**RIO HONDO COMMUNITY COLLEGE DISTRICT
 MEASURE A GENERAL OBLIGATION BONDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES	
Interest income	\$ 1,239,548
Other income	115,202
Total Revenues	<u>1,354,750</u>
EXPENDITURES	
Facilities acquisition and construction	3,430,416
Supplies, materials and other operating expenses	28,092
Total Expenditures	<u>3,458,508</u>
OTHER FINANCING SOURCES	
Proceeds from long-term debt	61,478,411
Total Other Financing Sources	<u>61,478,411</u>
Net Change in Fund Balance	59,374,653
Restricted Fund Balance, July 1, 2022	<u>3,336,660</u>
Restricted Fund Balance, June 30, 2023	<u>\$ 62,711,313</u>

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rio Hondo Community College District (the "District") accounts for its Measure A General Obligation Bond Funds' ("Bond Funds") financial transactions in accordance with policies and procedures of the State Chancellor's Office's California Community Colleges Budget and Accounting Manual. The accounting policies of the Measure A Bond Funds conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

Financial Reporting Entity: The financial statements include only the Bond Funds' Measure A General Obligation Bond Resources of the District. The funds were established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds. The authorized issuance amount of the bonds is \$245,581,122. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance 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 financial statements represent the Measure A General Obligation Bond Funds of the District and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Cash and Cash Equivalents: For the purpose of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Los Angeles County Treasury are considered cash equivalents.

Restricted Fund Balance: Restricted fund balance includes resources which are legally or contractually restricted by external third parties. Fund balance is restricted for capital projects of the Measure A Bond Funds in accordance with the Bond Project List for Measure A General Obligation Bonds.

Accounting Estimates: The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and 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.

**RIO HONDO COMMUNITY COLLEGE DISTRICT
 MEASURE A GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2023 consisted of \$62,285,666 held in the County Treasury investment pool.

Credit Risk: In accordance with Education Code Section 41001, the Bond Funds maintain all of their cash in the Los Angeles County Treasury. The County Treasurer of Los Angeles County acts as the Measure A General Obligation Bonds Fiscal Agent. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the Bond Funds’ deposits are maintained in a recognized pooled investment fund under the care of a third party and the Bond Funds’ share of the pooled investment fund does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable State laws, the Los Angeles County Treasurer may invest in derivative securities. However, at June 30, 2023, the Los Angeles County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
County Pooled Investment Fund	None	None	None

**RIO HONDO COMMUNITY COLLEGE DISTRICT
 MEASURE A GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Disclosures Relating to 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.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

Investment Type	Weighted Average Maturity (in Days)
Los Angeles County Investment Pool	753

Concentration of Credit Risk: The District's investment policy places limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

NOTE 3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

**RIO HONDO COMMUNITY COLLEGE DISTRICT
 MEASURE A GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 3 - FAIR VALUE MEASUREMENTS, continued

Uncategorized - Investments in the Los Angeles County Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2023:

Investment Type	Fair Value	Uncategorized
Los Angeles County Investment Pool	\$ 59,275,514	\$ 59,275,514

All assets have been valued using a market approach, with quoted market prices.

NOTE 4 – PURPOSE OF BOND ISSUANCE

Bond Authorization: By approval of the proposition for Measure A by at least 55% of the registered voters voting on the proposition at the election held on March 2, 2004, Rio Hondo Community College District was authorized to issue and sell bonds of up to \$245,581,122 in aggregate principal amount.

Purpose of Bonds: The proceeds of the Bonds may be used:

“To prepare students for jobs and four-year colleges and train nurses, police and firefighters by: repairing aging buildings, classrooms, laboratories; expanding nursing, police, and firefighter training centers; removing asbestos; upgrading earthquake/fire safety and campus security; repairing leaky roofs, plumbing, air conditioning; upgrading wiring for computer technology, shall Rio Hondo Community College District issue \$245 million in bonds at interest rates within legal limits, with guaranteed annual audits, citizens' oversight committee and no money for administrators' salaries?”

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrative salaries and other school operating expenses.

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, the Measure A General Obligation Bond Fund had the following significant construction commitments with respect to unfinished capital projects:

Capital Project	Spent to Date	Remaining Construction Commitment	Expected Date of Completion
L-Tower Seismic and Code Upgrades	\$ 34,506,270	\$ 212,766	9/30/2022
L-Tower Phase II	1,039,806	8,142,183	3/31/2024
Music Wray Theater & Campus Inn	2,468,712	42,258,722	3/31/2025

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 Measure A General Obligation Fund at June 30, 2023.

NOTE 6 – PROJECT SUMMARY

Project	Budget	July 1, 2004 to June 30, 2022	July 1, 2022 to June 30, 2023	Cumulative Total	
Project 1	Fire fighter training facility in Santa Fe Springs	\$ 9,100,000	\$ 9,031,388	\$ -	\$ 9,031,388
Project 2	Police training facility for Rio Hondo Police Academy	13,863,000	13,608,955	-	13,608,955
Project 3	Nursing and health programs facilities	860,000	857,144	-	857,144
Project 4	State - of- the art technology laboratories	2,500,000	-	-	-
Project 5	Student service/union/quad	19,684,000	19,683,268	-	19,683,268
Project 6	Not Applicable	-	-	-	-
Project 7	Upgrade campus lighting and alarm sys	-	9,854	-	9,854
Project 8	Replace/repair building components	-	-	-	-
Project 9	Campus-wide efficiency repairs	-	-	-	-
Project 10	Campus building improvements	2,978,000	2,968,063	-	2,968,063
Project 11	Information technology upgrade	15,787,000	15,786,917	-	15,786,917
Project 12	Campus-wide infrastructure, roads, walks, walls, parking	21,345,000	21,344,334	-	21,344,334
Project 13	Campus equipment and furnishings	491,000	490,962	-	490,962
Project 14	El Monte and South Whittier	8,079,000	8,078,369	-	8,078,369
Project 15	Facilities master plan	1,316,000	1,315,320	-	1,315,320
Project 16	Demolition of obsolete facilities	286,000	285,288	-	285,288
Project 17	Relocation/acquisition of temporary facilities	1,545,000	1,543,899	-	1,543,899
Project 18	Child development center	91,000	90,826	-	90,826
Project 19	Central Plant	14,152,000	14,151,337	-	14,151,337
Project 20	Lot A Bridge	153,000	152,662	-	152,662
Project 21	Landscape (1)	3,775,000	3,774,847	-	3,774,847
Project 22	Seismic retrofit (1)	762,000	761,090	-	761,090
Project 23	Facilities building/garage/fuel tank	1,827,000	1,826,528	-	1,826,528
Project 24	LRC - bond portion	9,668,000	9,667,159	361	9,667,520
Project 25	Applied technology remodel-bond portion	4,310,000	4,309,454	-	4,309,454
Project 26	P.E. complex-bond portion	14,204,000	14,203,360	-	14,203,360
Project 27	Fine Arts Complex-bond portion	406,000	405,747	-	405,747
Project 28	Veterans Memorial	82,000	81,526	-	81,526
Project 29	Rio Plaza	170,000	169,532	-	169,532
Project 30	Bookstore/Printing	1,390,000	1,384,955	-	1,384,955
Project 31	Pico Rivera Educ Ctr/El Rancho	7,476,000	7,475,282	-	7,475,282
Project 32	L Tower - Seismic Retrofit	26,372,000	10,357,335	1,264,975	11,622,310
Project 33	Music/Wray Theater	33,828,000	-	1,556,405	1,556,405
Project 34	Campus Inn Remodel	6,000,000	-	-	-
	P Program Management	20,000,000	17,162,654	391,524	17,554,178
	C Consultants/Surveyors/Geotech and soil testing	20,000,000	15,074,571	242,264	15,316,835
	O Other expenditures (including contingencies)	1,500,000	1,430,267	2,979	1,433,246
		\$ 264,000,000	\$ 197,482,893	\$ 3,458,508	\$ 200,941,401

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – SUBSEQUENT EVENTS

The District has evaluated events or transactions that occurred subsequent to the balance sheet date through December 22, 2023, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements. The District determined that no subsequent matters required disclosure or adjustments to the accompanying financial statements.

SUPPLEMENTARY INFORMATION SECTION

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
PURPOSE OF BOND ISSUANCE
JUNE 30, 2023**

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.

RIO HONDO COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE A

The Rio Hondo Community College District, California Election of Measure A General Obligation Bonds were authorized at an election of the registered voters of the Rio Hondo Community College District held on March 2, 2004 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$245,581,122 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 prepare students for jobs and four-year colleges and train nurses, police and firefighters by: repairing aging buildings, classrooms, laboratories; expanding nursing, police, and firefighter training centers; removing asbestos; upgrading earthquake/fire safety and campus security; repairing leaky roofs, plumbing, air conditioning; upgrading wiring for computer technology, shall Rio Hondo Community College District issue \$245 million in bonds at interest rates within legal limits, with guaranteed annual audits, citizens' oversight committee and no money for administrators' salaries?"

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
PURPOSE OF BOND ISSUANCE
JUNE 30, 2023**

PURPOSE OF ISSUANCE

Pursuant to the 2004 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:

- Complete a state-of-the-art firefighter training facility in Santa Fe Springs;
- Build a new police training facility for the Rio Hondo Police Academy and the Advanced Officers' Training Program;
- Expand educational facilities for nursing and health programs;
- Build, furnish, and equip state-of-the-art technology labs including computer labs, math instruction, basic skills instruction, etc.;
- Construct a new student services and student activities building to increase access and to more efficiently meet student needs;
- Installation and/or upgrades of emergency lighting, fire alarm, and security systems;
- Replacement and repair of building components such as roofing, wall coverings, painting, flooring, windows, earthquake retrofitting and other structural reinforcements, and asbestos abatement and other health and safety issues;
- Replacement of unsafe, inefficient, and/or insufficient electrical heating, air conditioning, sewage, restrooms, and water systems, including sprinkler and irrigation systems, thereby reducing future utility and replacement costs;
- Construction of additional facilities and/or remodeling of existing facilities for the purpose of expanding instructional and student services programs and other related support services to meet the future and current educational needs of District students;
- Replacement of the College's outdated and inefficient information technology systems;
- Improvement of roadways, walkways, grounds, parking, fencing, signage, and overall campus access, including the purchase of land on the North side of campus for a perimeter road around the campus;
- Purchase and install equipment and furnishing at all facilities being constructed, repaired, or improved;
- Purchase or lease of land and/or making site improvement thereon to expand the ability of the District to deliver instruction and services to the communities in the El Monte and South Whittier areas;
- Implementation components of the facilities master plan such as environmental impact reports, soil testing, aerial photography, and other compliance reports;
- Demolition of obsolete facilities; and
- Relocation and/or acquisition of temporary facilities during the modernization, renovation, improvement, and/or new construction of project components as necessary to maintain educational programs in operation during construction.

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

To the Board of Trustees
Rio Hondo Community College District
Whittier, 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 Rio Hondo Community College District (the "District") General Obligation Bond Funds (the "Measure A Bond Funds") as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2023.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over Measure A Bond Fund financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Measure A Bond Funds.

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 entity'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. 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 Rio Hondo Community College District's Measure A Bond Funds' financial statements are free of material misstatement, we performed tests of the Bond Funds' compliance with certain provisions of laws, regulations, and contracts, 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 entity's internal control or on compliance for the Bond Funds. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance for the Bond Fund. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 22, 2023

FINDINGS AND RESPONSES SECTION

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
FINANCIAL STATEMENT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2022-23.

**RIO HONDO COMMUNITY COLLEGE DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

There were no financial statement findings or questioned costs identified during 2021-22.