

**LONG BEACH COMMUNITY COLLEGE DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**MEASURE E, FEBRUARY 2008 AND**  
**MEASURE LB, JUNE 2016**  
**PERFORMANCE AUDIT**

**June 30, 2019**



[CLAconnect.com](http://CLAconnect.com)

WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT**

**June 30, 2019**

**TABLE OF CONTENTS**

Independent Auditors' Report .....	1
Background Information .....	2
Objectives .....	2
Scope of the Audit .....	3
Procedures Performed .....	3
Conclusion.....	4
Summary of Bond Program Activity.....	5
Schedule of Bond Projects Summary .....	7



CliftonLarsonAllen LLP  
CLAconnect.com

**CliftonLarsonAllen**  
**INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
The Citizens' Oversight Committee  
Long Beach Community College District  
Long Beach, California

We have conducted a performance audit of the Long Beach Community College District (the "District"), Measure E, February 2008 and Measure LB, June 2016 bond funds for the fiscal year ended June 30, 2019.

We conducted our performance audit in accordance with generally accepted *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 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 on pages 2-3 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure E, February 2008 and Measure LB, June 2016 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 control 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 internal control.

The results of our tests indicated that, in all significant respects, the District expended Measure E, February 2008 and Measure LB, June 2016 bond funds for the year ended June 30, 2019, only for the specific projects developed by the District's Board of Trustees, 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.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP  
Glendora, California  
December 2, 2019

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT**

**June 30, 2019**

**BACKGROUND INFORMATION**

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges, under certain circumstances and subject to certain conditions.

In February 2008, a general obligation bonds proposition (Measure E, February 2008) of the Long Beach Community College District was approved by the voters of the District. Measure E, February 2008 authorized the District to issue up to \$440 million of general obligation bonds. Proceeds from the sale of the bonds will be used to finance the renovation of science, nursing, police and firefighting classrooms; upgrade classroom technology and high-tech training labs; repair aging roofs, electrical plumbing, heating, ventilation; and upgrade/construct/equip/acquire classrooms, facilities, and sites; and repay certain lease obligations of the District.

In June 2016, a general obligation bonds proposition (Measure LB, June 2016) of the Long Beach Community College District was approved by the voters of the District. Measure LB, June 2016 authorized the District to issue up to \$850 million in general obligation bonds. Proceeds from the sale of the bonds will be used to finance various capital projects, and related costs, as specified in the bond measure provisions.

Pursuant to the requirements of Proposition 39, and related State legislation, the Board of Trustees of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in State law, is to inform the public as to the expenditures made using the proceeds of the bonds issued pursuant to the Measure E, February 2008 and Measure LB, June 2016 bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Bond Construction Funds have been expended only for the authorized bond projects.

**OBJECTIVES**

The objectives of our performance audit were to:

- Determine the expenditures charged to the Measure E, February 2008 and Measure LB, June 2016 bond funds.
- Determine whether expenditures charged to the Measure E, February 2008 and Measure LB, June 2016 bond funds have been made in accordance with the bond project list developed by

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT**

**June 30, 2019**

the District's Board of Trustees, and approved by the voters, through the approval of Measure E in February 2008 and Measure LB in June 2016.

- Determine that amounts expended on salaries and benefits were only to the extent employees perform work associated with the Measure E, February 2008 and Measure LB, June 2016 projects as allowable per Opinion 04-110 issued on November 29, 2004 by the State of California Attorney General.

### **SCOPE OF THE AUDIT**

The scope of our performance audit covered the fiscal period from July 1, 2018 to June 30, 2019. The sample of expenditures tested included 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 the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2019, were not reviewed or included within the scope of our audit or in this report.

### **PROCEDURES PERFORMED**

- We identified the expenditures and projects charged to the general obligation bonds proceeds by obtaining the general ledger and project listing for the Measure E, February 2008 and the Measure LB, June 2016 Bond Construction Funds.
- We selected a judgmental sample of expenditures for supplies, services and capital outlay considering all projects for the Measure E, February 2008 and Measure LB, June 2016 Bond Construction Funds for the fiscal year ended June 30, 2019. The District expended \$12,537 of Measure E, February 2008 Bond Construction Funds and \$32,869,882 of Measure LB, June 2016 Bond Construction Funds for the fiscal year ended June 30, 2019. We selected a sample of 58 non-salary expenditures totaling \$19,415,615, which is 59.7% of total non-salary expenditures of \$32,507,871.
  - We reviewed the actual invoices and supporting documentation to determine that expenditures charged to projects were:
    - Supported by invoices with evidence of proper approval and documentation of receipt of goods or services;
    - Supported by proper bid documentation, as applicable;
    - Properly expended on the authorized bond projects as listed on the voter-approved bond project lists.
- Our testing of expenditures of the \$374,548 for salaries and benefits included an analysis of the employees charged to the Measure LB, June 2016 Bond Construction Fund. There were

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT**

**June 30, 2019**

no salary and benefit expenditures charged to the Measure E, February 2008 Bond Construction Fund.

- We reviewed the payroll expenditure activity and job descriptions to determine that the amounts expended on salaries and benefits were only to the extent employees perform work associated with the Measure LB, June 2016 bond projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**CONCLUSION**

The results of our tests indicated that, in all significant respects, the Long Beach Community College District has properly accounted for the expenditures of the funds held in the Measure E, February 2008 and Measure LB, June 2016 Bond Construction Funds and that such expenditures were made on authorized bond projects. Further, it was noted that the funds held in the Measure E, February 2008 and Measure LB, June 2016 Bond Construction Funds and expended by the District were used for salaries and benefits only to the extent allowable.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT**

**June 30, 2019**

**SUMMARY OF BOND PROGRAM ACTIVITY**

A summary of Measure E, February 2008 and Measure LB, June 2016 bond proceeds, expenditures to date, and remaining funds is included below. Measure E, February 2008 and Measure LB, June 2016 bond program activity include amounts that have been issued and amounts to be issued in the future. This summary of Measure E, February 2008 and Measure LB, June 2016 Bond Construction Funds expenditures is based on the District's books and records and is provided for information purposes only. This expenditure summary reflects financial totals provided by District Management (Management).

2008 Measure E approved proceeds	\$ 440,000,000
Premium on bond issuance, net of costs	16,534,331
Bond Anticipation Note	180,480,000
Interest earned	<u>6,324,196</u>
Total 2008 Measure E bond program funds	<u>643,338,527</u>
Expenditures to date:	
July 1, 2008 - June 30, 2009	(46,822,044)
July 1, 2009 - June 30, 2010	(22,154,680)
July 1, 2010 - June 30, 2011	(56,796,506)
July 1, 2011 - June 30, 2012	(39,017,680)
July 1, 2012 - June 30, 2013*	(198,311,181)
July 1, 2013 - June 30, 2014	(37,486,848)
July 1, 2014 - June 30, 2015	(47,068,458)
July 1, 2015 - June 30, 2016	(20,242,712)
July 1, 2016 - June 30, 2017	(24,009,849)
July 1, 2017 - June 30, 2018	(3,645)
July 1, 2018 - June 30, 2019	<u>(12,537)</u>
Total 2008 Measure E bond program expenditures	<u>(491,926,140)</u>
Remaining bond funds as of July 1, 2019	<u>\$ 151,412,387</u>

\*The Fiscal Year 2013 expenditures include Bond Anticipation Note (BAN) principal and interest repayment of \$165.1 million.

The BAN was issued on January 7, 2010 for the total principal and premium amount of \$180.5 million. The BAN was issued to provide interim financing between general obligation bond issues for the voter approved projects and was paid off as scheduled on January 15, 2013.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT**

**June 30, 2019**

2016 Measure LB approved proceeds	\$ 850,000,000
Premium on bond issuance, net of costs	1,138,527
Interest earned	<u>2,755,241</u>
Total 2016 Measure LB bond program funds	<u>853,893,768</u>
Expenditures to date:	
July 1, 2015 - June 30, 2016	(658,000)
July 1, 2016 - June 30, 2017	(4,124,086)
July 1, 2017 - June 30, 2018	(25,488,395)
July 1, 2018 - June 30, 2019	<u>(32,869,882)</u>
Total 2016 Measure LB bond program expenditures	<u>(63,140,363)</u>
Remaining bond funds as of July 1, 2019	<u><u>\$ 790,753,405</u></u>



**LONG BEACH COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF MEASURE E, FEBRUARY 2008  
BOND PROJECTS SUMMARY  
June 30, 2019**

Project Name	Adjusted Budget	Total Project	
		Costs Through June 30, 2018	2018-19 Actual Costs
			Total Project Costs Through June 30, 2019
Block Grant	\$ 2,781	\$ 2,781	\$ 2,781
Technology Building PCC Capital Project*	(4,415)	(4,415)	(4,415)
Industrial Technology Center	658,763	658,764	658,764
Learning Resource Center LAC	736,503	736,503	736,503
Learning Resource Center PCC	12,735	12,734	12,734
Bond Anticipation Notes	195,543,527	195,543,527	195,543,527
Administrative Costs	5,435,302	5,164,142	5,164,142
South Quad Complex	2,559,547	2,559,546	2,559,546
Interim Housing LAC Tech 2	7,101	7,101	7,101
Los Coyotes Building	321,598	321,598	321,598
Infrastructure Phase 1 LAC*	(9,468)	(9,468)	(9,468)
Building Q & R - Improvements	71,580	71,580	71,580
Document Imaging	72,206	72,206	72,206
Building A - Student Services Retro	15,124,644	15,124,644	15,124,644
LAC Infrastructure Construction	2,443,495	2,443,495	2,443,495
LAC Infra Utility Connection	5,621,857	5,621,857	5,621,857
Building Z - Retrofit Facilities W/H	233,601	233,601	233,601
Central Plant Support - LAC	159,954	159,954	159,954
Multi-Disp. Complex AA, BB, DD, EE	33,336,353	33,336,353	33,336,353
So East Interim Bungalows, PCC	2,506	2,506	2,506
Infrastructure Phase 1 PCC	126,849	126,849	126,849
PCC Infrastructure Construction	11,633	11,632	11,632
PCC Infra Utility Connection	948,895	948,895	948,895
Central Plant Support - PCC	159,954	159,954	159,954
Campus Improvements	3,852,788	3,710,333	3,722,870
Electronic Signage	498,699	498,699	498,699
Parking Structure	21,615,442	21,615,444	21,615,444
Surface Parking Improvement	2,648,000	2,102,310	2,102,310
Energy Projects	10,800,488	10,800,487	10,800,487
Circulation Access	2,946,189	1,644,819	1,644,819
Planning	36,000	36,000	36,000
Campus Landscaping	13,140,000	12,476,754	12,476,754
Kinesiology Labs & Aquatic Center	4,289,549	42,728	42,728
Math Tech Building/Culinary Arts	39,489,092	39,483,687	39,483,687
Debt Service	30,502,449	30,502,449	30,502,449
Contingencies	56,183,441	-	-
Building D - Science	4,700,989	4,700,989	4,700,989
Outdoor Physical Education Labs	281,559	281,559	281,559
Building M - Liberal Arts	67,983	67,983	67,983
Building F - Family/Consumer Education	1,010,729	10,729	10,729

\* Rebates and/or settlements received.

**LONG BEACH COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF MEASURE E, FEBRUARY 2008  
BOND PROJECTS SUMMARY  
June 30, 2019**

Project Name (continued)	Adjusted Budget	Total Project	
		Costs Through June 30, 2018	2018-19 Actual Costs
			Total Project Costs Through June 30, 2019
Building E - College Center	18,417,773	288,787	288,787
Building P - Language Arts	2,925,145	2,925,145	2,925,145
Child Development Center	140,713	140,713	140,713
Building C - Nursing Tech	11,452,365	11,452,364	11,452,364
Building S - Stadium	36,957,402	1,024,458	1,024,458
Building R - Primary Gymnasium	505,735	367,093	367,093
Building B - Classrooms	46,475	46,474	46,474
Building Q - Secondary Gym	404,115	91,914	91,914
Building K - Art	1,878,570	187,360	187,360
Aquatic Center	343,177	343,176	343,176
Building J - Auditorium	2,791,174	1,995,970	1,995,970
Building I - Foundation	5,573,760	5,573,760	5,573,760
Acquisitions LAC	18,514,279	18,514,280	18,514,280
Building G - Performing Arts	12,598,495	66,513	66,513
Camera Security System	5,314,350	3,446,327	3,446,327
Classroom Lockdown Project	88,632	88,632	88,632
Campus Improvements	508,067	493,065	493,065
Electronic Signage	373,644	373,644	373,644
Surface Parking Improvement	717,689	717,688	717,688
Energy Projects	3,058,310	3,058,311	3,058,311
Circulation Access	1,178,712	878,150	878,150
Campus Landscaping	3,260,000	524,286	524,286
Building JJ	717,664	717,663	717,663
Building M - Construction Trades	9,573,796	476,725	476,725
Student Services Center	21,093,945	21,048,533	21,048,533
Fitness Center	7,554,159	7,554,161	7,554,161
Building FF - Fine Arts/Senior Center	1,105,190	-	-
Building Q & R - Auto Body/Diesel	16,567,483	16,567,483	16,567,483
Sheet Metal Move	671,952	671,952	671,952
Building MM - Construction Trades 1	2,367,191	-	-
Acquisitions PCC	997,667	997,667	997,667
<b>Project Totals</b>	<b>\$ 643,338,527</b>	<b>\$ 491,913,603</b>	<b>\$ 12,537</b>
			<b>\$ 491,926,140</b>

\* Rebates and/or settlements received.

**LONG BEACH COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF MEASURE LB, JUNE 2016  
BOND PROJECTS SUMMARY  
June 30, 2019**

Project Name	Adjusted Budget	Total Project		Total Project Costs Through June 30, 2019
		Costs Through June 30, 2018	2018-19 Actual Costs	
Learning Resources Center PCC*	\$ -	\$ -	\$ (3,163)	\$ (3,163)
Infrastructure Phase 1PCC	82,235	-	82,235	82,235
Kinesiology Labs & Aquatic Center	39,971,020	965,421	1,765,519	2,730,940
LAC Walkways & Wayfinding	3,693,830	270,776	57,024	327,800
Science Building D	12,734,035	6,701,441	4,888,173	11,589,614
Building M - Liberal Arts	49,495,043	197,138	1,141,913	1,339,051
Building F - Demolish Family/Consumer	2,720,600	-	-	-
Building E - College Center	18,931,906	-	-	-
Building P - Language Arts	9,875,796	4,488,176	3,770,127	8,258,303
Building S - Stadium	52,804,727	168,127	125,140	293,267
Building R - Primary Gymnasium	59,933,087	-	-	-
Building B - Classroom	30,834,400	-	-	-
Building Q - Secondary Gymnasium	24,426,950	-	-	-
Building K - Art	24,028,628	-	-	-
Building J - Auditorium	26,234,908	3,754,642	11,335,688	15,090,330
Building G - Performing Arts	21,963,647	-	-	-
District Wide Security Monitoring System	4,994,393	2,723,261	1,597,829	4,321,090
Classroom Lockdown Project	411,368	102,723	-	102,723
Building O2 - Economic & Workforce	34,808,202	-	-	-
Building O1 - IITS/Warehouse	26,463,640	-	-	-
Building CDC - Child Development Center	21,022,354	-	-	-
Building P2 - Parking Structure	21,493,800	776,224	1,628,535	2,404,759
Circulation Access	15,000	2,021	-	2,021
PCC Walkways & Wayfinding	2,239,613	-	4,961	4,961
Building MM - Construction Trades Phase	3,009,155	209,500	420,552	630,052
Building FF - Demolish Fine Arts/Sr.	1,428,410	-	-	-
Buildings QQ & RR - Auto Body/Diesel	4,150,479	3,645,466	141,031	3,786,497
Building MM - Construction Trades Phase	2,343,511	-	-	-
Building OO - Classroom	98,070,400	-	-	-
Administrative Costs	21,138,527	1,773,304	473,489	2,246,793
Minor Campus Improvements	29,239,507	2,919,862	1,940,015	4,859,877
Technology Refresh/Replacement	69,558,000	942,645	2,090,578	3,033,223
Enterprise Wide Computer System	20,000,000	-	-	-
Surface Parking Improvements	9,454,310	-	-	-
Energy/Water Conservation Projects	25,000,000	238,173	152,029	390,202
Infrastructure Projects	25,000,000	213,509	624,875	838,384
Landscaping	17,640,834	178,072	633,332	811,404
Joint Use Facility	27,317,500	-	-	-
Long Term Renovation Contingency	11,363,953	-	-	-
<b>Project Totals</b>	<b>\$ 853,893,768</b>	<b>\$ 30,270,481</b>	<b>\$ 32,869,882</b>	<b>\$ 63,140,363</b>

\* Rebates and/or settlements received.

