

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

**June 30, 2018**

**LONG BEACH COMMUNITY COLLEGE DISTRICT**



## 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, 2018.

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 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 \_\_\_\_\_ eq  
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**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 w : ! sA m p pp

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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.

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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.

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**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 tha

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2016 Measure LB Approved Proceeds	\$ 850,000,000
Premium on Bond Issuance, Net of Costs	1,138,527
Interest Earned	<u>1,861,145</u>
Total 2016 Measure LB Bond Program Funds	<u>852,999,672</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	<u>(25,488,395)</u>
Total 2008 Measure E Bond Program Expenditures	<u>(30,270,481)</u>
Remaining Bond Funds as of July 1, 2018	<u><u>\$ 822,729,191</u></u>



**LONG BEACH COMMUNITY**

**LONG BEACH COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF MEASURE E, FEBRUARY 2008  
BOND PROJECTS SUMMARY  
June 30, 2018**

<u>Project Name</u>	<u>Adjusted Budget</u>	<u>Total Projects Costs Through June 30, 2017</u>	<u>2017-18 Actual Costs</u>	<u>Total Projects Costs Through June 30, 2018</u>
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**LONG BEACH COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF MEASURE LB, JUNE 2016  
BOND PROJECTS SUMMARY**

**June 30, 2018**