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

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**PERFORMANCE AUDIT REPORT**

Fiscal Year Ended June 30, 2022

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT  
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JUNE 30, 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and 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, 2022.

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, 2022, 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.

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

San Diego, California  
November 28, 2022

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# **BACKGROUND**

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**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT  
BACKGROUND INFORMATION  
JUNE 30, 2022**

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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 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.

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# **PERFORMANCE AUDIT**

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

The objective 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 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 9, 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, 2021 to June 30, 2022. 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, 2022, were not reviewed or included within the scope of our audit or in this report.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
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JUNE 30, 2022**

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**METHODOLOGY**

We performed the following procedures to the List of Measure E, February 2008 and Measure LB, June 2016 project expenditures for the year ended June 30, 2022:

- 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, 2022. The District had no expenditures of Measure E, February 2008 Bond Construction Funds and expended \$45,489,309 of Measure LB, June 2016 Bond Construction Funds for the fiscal year ended June 30, 2022. We selected a sample of 60 non-salary expenditures totaling \$20,919,550, which is 46.52% of total non-salary expenditures of \$44,965,201.
  - 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 \$524,108 for salaries and benefits included an analysis of the employees charged to the Measure LB, June 2016 Bond Construction Fund. There were 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  
SUMMARY OF BOND PROGRAM ACTIVITY  
JUNE 30, 2022**

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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 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>6,324,267</u>
Total 2008 Measure E Bond Program Funds	643,338,598
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	(12,537)
July 1, 2019 - June 30, 2020	-
July 1, 2020 - June 30, 2021	-
July 1, 2021 - June 30, 2022	-
Total 2008 Measure E Bond Expenditures	<u>(491,926,140)</u>
Remaining Bond Funds as of July 1, 2022	<u>\$ 151,412,458</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 \$180.50 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  
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JUNE 30, 2022**

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**SUMMARY OF BOND PROGRAM ACTIVITY, continued**

2016 Measure LB approved proceeds	\$ 850,000,000
Premium on bond issuance, net of costs	2,118,527
Interest earned	5,418,970
Total 2016 Measure LB Bond Program Funds	<u>857,537,497</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	(32,869,882)
July 1, 2019 - June 30, 2020	(53,948,546)
July 1, 2020 - June 30, 2021	(80,084,170)
July 1, 2021 - June 30, 2022	(45,489,309)
Total 2016 Measure LB Bond Expenditures	<u>(242,662,388)</u>
Remaining Bond Funds as of July 1, 2022	<u>\$ 614,875,109</u>

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
PERFORMANCE AUDIT  
BOND PROJECTS SUMMARY  
JUNE 30, 2022**

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**SCHEDULE OF MEASURE E, FEBRUARY 2008 BOND PROJECTS SUMMARY**

The District has identified the following projects to be funded with proceeds from the Measure E, February 2008 general obligation bonds. The district incurred costs of \$491,926,140 through June 30, 2022, for these construction projects. Capital outlay and other financing expenditures were as follows:

Project Name	Adjusted Budget	Total Project Costs Through June 30, 2021	2021-2022 Actual Costs	Total Project Costs Through June 30, 2022
Block Grant	\$ 2,781	\$ 2,780	\$ -	\$ 2,780
Technology Building PCC Cap 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 Bldg.	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 Phase1 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	3,722,871	-	3,722,871
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

\*Rebates and/or settlements received.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
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JUNE 30, 2022**

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**SCHEDULE OF MEASURE E, FEBRUARY 2008 BOND PROJECTS SUMMARY, continued**

Project Name	Adjusted Budget	Total Project Costs Through June 30, 2021	2021-2022 Actual Costs	Total Project Costs Through June 30, 2022
Planning	\$ 36,000	\$ 36,000	\$ -	\$ 36,000
Campus Landscaping	13,140,000	12,476,754	-	12,476,754
Kinesiology Labs & Aquatic Cen	42,728	42,728	-	42,728
Math Tech Building/Culinary Arts	39,483,688	39,483,687	-	39,483,687
Debt Service	30,502,449	30,502,449	-	30,502,449
Contingencies	24,058,569	-	-	-
Building D - Science	4,700,989	4,700,989	-	4,700,989
Outdoor Kinesiology Labs	281,559	281,559	-	281,559
Building M - Liberal Arts	67,983	67,983	-	67,983
Building F - Demolish Family/Consumer Education	1,010,729	10,729	-	10,729
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	15,404,115	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	1,995,969	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
District Wide Security Monitor	5,314,350	3,446,327	-	3,446,327
Classroom Lockdown Project	88,632	88,632	-	88,632
Building 02 Economic & Workforce	31,314,856	-	-	-
Campus Improvements	508,067	493,065	-	493,065
Electronic Signage	373,644	373,644	-	373,644

\*Rebates and/or settlements received.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
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MEASURE E, FEBRUARY 2008 AND MEASURE LB, JUNE 2016  
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JUNE 30, 2022**

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**SCHEDULE OF MEASURE E, FEBRUARY 2008 BOND PROJECTS SUMMARY, continued**

Project Name	Adjusted Budget	Total Project	
		Costs Through June 30, 2021	2021-2022 Actual Costs
Surface Parking Improvement	\$ 717,689	\$ 717,688	\$ -
Energy Projects	3,058,310	3,058,311	-
Circulation Access	1,178,712	878,150	-
Campus Landscaping	3,260,000	524,286	-
Building JJ	717,664	717,663	-
Building-MM Construction Trades 1	476,726	476,725	-
Student Services Center	21,048,532	21,048,533	-
Fitness Center	7,554,159	7,554,161	-
Building FF - Demolish Fine Arts/Senior Center	1,105,190	-	-
Building Q & R - Auto Body/Diesel	16,567,483	16,567,483	-
Sheet Metal Move	671,952	671,952	-
Building MM - Construction Trades 2	2,367,191	-	-
Acquisitions PCC	997,667	997,667	-
Measure E Project Totals	\$ 643,338,598	\$ 491,926,140	\$ -

\*Rebates and/or settlements received.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
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**SCHEDULE OF MEASURE LB, JUNE 2016 BOND PROJECTS SUMMARY**

The District has identified the following projects to be funded with proceeds from the Measure LB, June 2016 general obligation bonds. The district incurred costs of \$242,662,388 through June 30, 2022, for these construction projects. Capital outlay and other financing expenditures were as follows:

Project Name	Adjusted Budget	Total Project Costs Through June 30, 2021	2021-2022 Actual Costs	Total Project Costs Through June 30, 2022
Learning Resource Center PCC*	\$ (3,163)	\$ (3,163)	\$ -	\$ (3,163)
Infrastructure Phase 1PCC	82,235	82,235	-	82,235
Kinesiology Labs & Aquatic Center	74,217,840	59,730,679	8,654,648	68,385,327
LAC Walkways & Wayfinding	3,693,830	402,407	23,942	426,349
Science Building D	12,734,035	11,847,261	140,847	11,988,108
Building M - Liberal Arts	49,495,043	22,205,393	17,779,218	39,984,611
Building F - Demolish Family/Consumer Education	2,720,600	-	-	-
Building E - College Center	75,439,906	159,998	947,081	1,107,079
Language Arts Building - P	9,875,796	9,253,826	0	9,253,826
Building S - Stadium	52,804,727	589,737	453,324	1,043,061
Building R - Primary Gymnasium	59,933,087	-	-	-
Building B - Classroom	30,834,400	-	-	-
Building Q - Secondary Gym	9,426,950	-	-	-
Building K - Art	24,028,628	-	-	-
Auditorium Building J	30,274,504	29,297,310	483,286	29,780,596
Building G Performing Arts	44,181,433	2,166,455	1,435,220	3,601,675
Monitoring System	4,994,393	4,357,671	-	4,357,671
Classroom Lockdown Project	411,368	217,226	34,362	251,588
Building 02 Economic & Workforce Development/Foundation	3,493,346	-	-	-
Building 01 IITS/ Warehouse	26,463,640	-	-	-
Building CDC Child Development Center	21,022,354	6,545	5,297	11,842
Building P2 Parking Structure	21,493,800	20,840,041	71,792	20,911,833
Circulation Access	15,000	2,021	-	2,021
PCC Walkways & Wayfinding	2,239,613	4,961	57,475	62,436

\*Rebates and/or settlements received.

**LONG BEACH COMMUNITY COLLEGE DISTRICT  
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**SCHEDULE OF MEASURE LB, JUNE 2016 BOND PROJECTS SUMMARY, continued**

	Adjusted Budget	Total Project Costs Through June 30, 2021	2021-2022 Actual Costs	Total Project Costs Through June 30, 2022
Building MM - Construction Trades 1	\$ 13,752,335	\$ 1,920,477	8,105,314	10,025,791
Building FF - Demolish Fine Arts/Sr. Center	1,428,410	-	-	-
Building QQ&RR - Auto Body/Diesel	4,150,479	3,823,606	-	3,823,606
Building MM - Construction Trades Phase 2	2,343,511	218,379	185,280	403,659
Building OO - Classroom	41,562,400	-	-	-
Administrative Costs	22,508,527	4,201,927	2,222,608	6,424,535
Minor Campus Improvements	29,239,507	10,254,027	1,705,336	11,959,363
Technology Refresh/Replacement	69,558,000	6,784,366	2,957,426	9,741,792
Enterprise Wide Computer System	20,000,000	-	-	-
Surface Parking Improvement	9,454,310	-	-	-
Energy/Water Conservation Projects	25,000,000	1,233,143	163,688	1,396,831
Infrastructure Projects	25,000,000	6,725,271	63,165	6,788,436
Landscaping	869,404	851,280	-	851,280
Joint Use Facility	27,317,500	-	-	-
Long Term Renovation Contingency	5,479,749	-	-	-
Measure LB Project Totals	<b>\$ 857,537,497</b>	<b>\$ 197,173,079</b>	<b>\$ 45,489,309</b>	<b>\$ 242,662,388</b>

\*Rebates and/or settlements received.