

FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

**PROPOSITION 39, GENERAL OBLIGATION BONDS
MEASURE C, JUNE 2006 AND
MEASURE G, MARCH 2020**

**FINANCIAL AND
PERFORMANCE AUDITS**

YEAR ENDED JUNE 30, 2022



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**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

**FINANCIAL AUDIT OF BOND CONSTRUCTION FUNDS MEASURE C, JUNE
2006 AND MEASURE G, MARCH 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS – BOND BUILDING FUNDS MEASURE C, JUNE 2006 AND MEASURE G, MARCH 2020	4
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BOND BUILDING FUNDS MEASURE C, JUNE 2006 AND MEASURE G, MARCH 2020	5
NOTES TO FINANCIAL STATEMENTS	6
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 <i>GOVERNMENT AUDITING STANDARDS</i>	10
SCHEDULE OF FINDINGS AND RESPONSES	12
PERFORMANCE AUDIT OF PROPOSITION 39 GENERAL OBLIGATION BONDS	
INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE REQUIREMENTS	14
BACKGROUND INFORMATION	15
OBJECTIVES	16
SCOPE OF THE AUDIT	16
PROCEDURES PERFORMED	17
CONCLUSION	18
SUMMARY OF BOND PROGRAM ACTIVITY	19

**FINANCIAL AUDIT OF BOND CONSTRUCTION FUNDS
MEASURE C, JUNE 2006 AND
MEASURE G, MARCH 2020**



INDEPENDENT AUDITORS' REPORT

Governing Board and
Citizens' Bond Oversight Committee
Foothill-De Anza Community College District.
Los Altos Hills, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) of Foothill-De Anza Community College District's (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) of the District as of June 30, 2022, and the changes in their respective 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 (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 Foothill-De Anza 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present fairly only the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022 or the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Management's Responsibility 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.

Auditors' 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 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 Foothill-De Anza Community College 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.

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.

Governing Board and
Citizens' Bond Oversight Committee
Foothill-De Anza Community College District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 on our consideration of the District's internal control over the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that 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 over the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
February 3, 2023

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
 BOND BUILDING FUNDS
 MEASURE C (2006) AND MEASURE G (2020)
 BALANCE SHEETS
 JUNE 30, 2022**

	Measure C	Measure G
ASSETS		
Cash in County Treasury	\$ 12,217,437	\$ 82,331,834
Accounts Receivable	31,867	211,022
Prepaid	20,517	-
Total Assets	\$ 12,269,821	\$ 82,542,856
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 191,774	\$ 2,555,335
Total Liabilities	191,774	2,555,335
FUND BALANCE		
Nonspendable	20,517	-
Restricted	12,057,530	79,987,521
Total Fund Balance	12,078,047	79,987,521
Total Liabilities and Fund Balance	\$ 12,269,821	\$ 82,542,856

See accompanying Notes to Financial Statements.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
 BOND BUILDING FUNDS
 MEASURE C (2006) AND MEASURE G (2020)
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED JUNE 30, 2022**

	Measure C	Measure G
REVENUES		
Interest and Investment Income	\$ 110,943	\$ 671,805
Total Revenues	110,943	671,805
EXPENDITURES		
Salaries	195,057	133,205
Benefits	80,298	49,915
Other Services	636,432	1,480,944
Capital Outlay	1,881,800	2,275,257
Total Expenditures	2,793,587	3,939,321
NET CHANGE IN FUND BALANCE	(2,682,644)	(3,267,516)
Fund Balance - Beginning of Year	14,760,691	83,255,037
FUND BALANCE - END OF YEAR	\$ 12,078,047	\$ 79,987,521

See accompanying Notes to Financial Statements.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accounting policies of the Foothill-De Anza Community College District (the District) Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) conform to 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. The District's Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) accounts for financial transactions in accordance with the policies and procedures of the California Community College Budget and Accounting Manual.

Financial Reporting Entity

The financial statements include only the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) of the District used to account for Measure C, June 2006 and Measure G, March 2020 projects. These funds were established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Election of June 2006 for Measure C and March 2020 for Measure G. 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

The Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Cash in the county treasury is recorded at cost, which approximates fair value.

Fund Structure

The Statements of Revenues, Expenditures, and Change in Fund Balance is a statement of financial activities of the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Encumbrances

The Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) utilize 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 when the commitments are paid.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted. The fund balance of the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) is therefore classified as restricted.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) are determined by its measurement focus. The Measure C, June 2006 and Measure G, March 2020 fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of "available spendable resources." Thus, the capital assets and long-term liabilities associated with the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) are accounted for in the basic financial statements of the District.

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

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 DEPOSITS AND INVESTMENTS

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Santa Clara County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. 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. The funds maintained by the county are either secured by federal depository insurance or are collateralized. Any investment losses are proportionately shared by all funds in the pool.

NOTE 3 BONDED DEBT

The Measure C, June 2006 and Measure G, March 2020 outstanding general obligation bonded debt of the District at June 30, 2022 is:

	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2022
Measure C (2006) General Obligation Bonds					
Series A	5/10/2007	8/1/2036	4.00 - 5.00%	\$ 149,995,250	\$ 21,455,250
Series B	5/10/2007	8/1/2036	4.00 - 5.00%	99,996,686	13,381,686
Series C	5/19/2011	8/1/2040	4.73 - 4.78%	184,000,000	-
Series D	10/19/2016	8/1/2038	3.00 - 4.00%	26,040,000	26,040,000
Series E	10/19/2016	8/1/2040	2.50 - 3.22%	30,765,000	30,765,000
2014 General Obligation Refunding Bonds	8/19/2014	8/1/2027	2.00 - 5.00%	85,400,000	28,890,000
2015 General Obligation Refunding Bonds	9/1/2015	8/1/2031	1.00 - 5.00%	83,100,000	82,565,000
2016 General Obligation Refunding Bonds	10/19/2016	8/1/2040	2.00 - 4.00%	201,735,000	130,155,000
2021 General Obligation Refunding Bonds	4/21/2021	8/1/2036	0.15 - 2.51%	96,025,000	95,395,000
Accreted Interest					34,786,785
Total Measure C (2006)					463,433,721
Measure G (2020) General Obligation Bonds					
Series A	4/21/2021	8/1/2041	2.13 - 3.00%	20,000,000	20,000,000
Series B	4/21/2021	8/1/2033	0.15 - 2.26%	90,000,000	61,825,000
Total Measure G (2020)					81,825,000
Total General Obligation Bonds					\$ 545,258,721

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 BONDED DEBT (CONTINUED)

The repayment of the debt related to the general obligation bonds is accounted for in the District's Bond Interest and Redemption Fund which is part of the District's basic financial statements. Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability are recognized in the basic financial statements of the District. The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt and is recognized in the basic financial statements of the District.

NOTE 4 COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2022, the District was committed under various capital expenditure purchase agreements for Measure C, June 2006 and Measure G, March 2020 bond projects totaling approximately \$233.2 thousand and \$8.237 million, respectively.

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 District at June 30, 2022.



**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' Bond Oversight Committee
Foothill-De Anza Community College District
Los Altos Hills, California

We have audited, 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, the financial statements of the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) of the Foothill-De Anza Community College District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) basic financial statements, and have issued our report thereon dated February 3, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 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 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 weakness 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 or significant deficiencies may exist that were not identified.

Governing Board and
Citizens' Bond Oversight Committee
Foothill-De Anza Community College District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) financial statements 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 financial statements. 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 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. 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. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
February 3, 2023

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022**

There were no findings related to the financial audit of the Bond Building Funds (Measure C, June 2006 and Measure G, March 2020) for the year ended June 30, 2022. In addition, there were no findings related to the financial audit of the General Obligation Bonds for the year ended June 30, 2021.

**PERFORMANCE AUDIT OF
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C, JUNE 2006 AND MEASURE G, MARCH 2020**



INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE REQUIREMENTS

Governing Board and
Citizens' Bond Oversight Committee
Foothill-De Anza Community College District.
Los Altos Hills, California

We have conducted a performance audit of the Foothill-De Anza Community College District (the District), Measure C, June 2006 General Obligation Bond funds and Measure G, March 2020 bond funds for the fiscal year ended June 30, 2022.

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 findings and 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 C, June 2006 and Measure G, March 2020 General Obligation Bond funds 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 controls.

The results of our tests indicated that, in all significant respects, the District expended Measure C, June 2006 and Measure G, March 2020 General Obligation bond funds for the fiscal 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
February 3, 2023

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C (2006) AND MEASURE G (2020)
PERFORMANCE AUDIT
JUNE 30, 2022**

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. The proposition required approval by at least 55% of the votes cast by eligible voters within the District (the 2020 Authorization).

On June 6, 2006, a general obligation bond proposition (Measure C) of the District was approved by the voters of that District. Measure C authorized the District to issue up to \$490,800,000 of general obligation bonds to finance specific construction and renovation projects approved by eligible voters within the District.

On March 3, 2020, a general obligation bond proposition (Measure G) of the District was approved by the voters of that District. Measure G authorized the District to issue up to \$898,000,000 to finance specific construction and renovation projects approved by eligible voters within the District.

The Measure C, June 2006 and Measure G, March 2020 Bonds are 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 are authorized pursuant to a request of the District made by a resolution adopted by the board of trustees of the District.

Pursuant to the requirements of Proposition 39, and related state legislation, the board of trustees of the District established a Citizens' Bond Oversight Committee and appointed its members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure C, June 2006 and Measure G, March 2020 General Obligation bond authorization. The Citizens' Bond 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 Measure C, June 2006 and Measure G, March 2020 General Obligation Bonds have been expended only for the authorized bond projects.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C (2006) AND MEASURE G (2020)
PERFORMANCE AUDIT
JUNE 30, 2022**

OBJECTIVES

The objectives of our performance audit for the fiscal year ended June 30, 2022 were to:

- Determine the expenditures charged to the District's Measure C, June 2006 and Measure G, March 2020 bond funds.
- Determine whether expenditures charged to the Measure C, June 2006 and Measure G, March 2020 bond funds have been made in accordance with the bond project list approved by the voters through the approval of Measure C on June 6, 2006 and Measure G on March 3, 2020.
- Determine that amounts expended on salaries and benefits were only to the extent employees perform work associated with the Measure C, June 2006 and Measure G, March 2020 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.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C (2006) AND MEASURE G (2020)
PERFORMANCE AUDIT
JUNE 30, 2022**

PROCEDURES PERFORMED

- We identified the expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
- We selected a judgmental sample of expenditures for supplies, services and capital outlay considering all projects for the year ended June 30, 2022. The District expended \$2,518,232 of Measure C (2006) Bond Building funds and \$3,756,201 of Measure G (2020) Bond Building funds for the year ended June 30, 2022.

We selected a sample of 41 non-salary expenditures totaling \$2,062,014, which is 81.9% of total non-salary expenditures of \$2,518,232 for Measure C (2006) Bond Building funds.

We selected a sample of 21 non-salary expenditures totaling \$1,998,657, which is 53.2% of total non-salary expenditures of \$3,756,201 for Measure G (2020) Bond Building funds.

- 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 list.
- The District expended \$275,355 of Measure C (2006) Bond Building funds and \$183,120 of Measure G (2020) Bond Building funds for salaries and benefits the year ended June 30, 2022.
 - Our testing of expenditures of salaries and benefits include an analysis of the employees charged to the Measure C (2006) and Measure G (2020) bond projects.
 - We reviewed the payroll register and job description to determine that the amounts expended on salaries and benefits were only to the extent employees perform work associated with the Measure C, June 2006 and Measure G, March 2020 bond projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C (2006) AND MEASURE G (2020)
PERFORMANCE AUDIT
JUNE 30, 2022**

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Measure C, June 2006 and Measure G, March 2020 bond funds and that such expenditures were made on authorized bond projects. Further, it was noted that the funds held in the Measure C, June 2006 and Measure G, March 2020 General Obligation Bonds and expended by the District were used for salaries and benefits only to the extent allowable.

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C (2006) AND MEASURE G (2020)
PERFORMANCE AUDIT
JUNE 30, 2022**

SUMMARY OF BOND PROGRAM ACTIVITY

A summary of Measure C, June 2006 and Measure G, March 2020 bond proceeds, expenditures to date, and remaining funds is included below. Measure C, June 2006 and Measure G, March 2020 bond program activity include amounts that have been issued and amounts to be issued in the future. This summary of Measure C, June 2006 and Measure G, March 2020 Bond Building 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).

Measure C, June 2006 Bond Program Activity

Approved Proceeds	\$ 490,800,000
Approved Proceeds Not To Be Issued	(3,064)
Interest Earned	<u>36,803,959</u>
Total Measure C (2006) Bond Program Funds	527,600,895

Expenditures to Date:

July 1, 2006 - June 30, 2007	(3,581,977)
July 1, 2007 - June 30, 2008	(13,375,388)
July 1, 2008 - June 30, 2009	(32,276,384)
July 1, 2009 - June 30, 2010	(44,644,542)
July 1, 2010 - June 30, 2011	(58,803,679)
July 1, 2011 - June 30, 2012	(108,573,843)
July 1, 2012 - June 30, 2013	(62,300,322)
July 1, 2013 - June 30, 2014	(41,271,178)
July 1, 2014 - June 30, 2015	(29,112,089)
July 1, 2015 - June 30, 2016	(54,922,132)
July 1, 2016 - June 30, 2017	(27,872,254)
July 1, 2017 - June 30, 2018	(15,330,747)
July 1, 2018 - June 30, 2019	(11,767,620)
July 1, 2019 - June 30, 2020	(4,232,518)
July 1, 2020 - June 30, 2021	(4,664,588)
July 1, 2021 - June 30, 2022	<u>(2,793,587)</u>
Total Measure C (2006) Bond Program Expenditures	<u>(515,522,848)</u>

Remaining Bond Funds as of July 1, 2022	<u><u>\$ 12,078,047</u></u>
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**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE C (2006) AND MEASURE G (2020)
PERFORMANCE AUDIT
JUNE 30, 2022**

SUMMARY OF BOND PROGRAM ACTIVITY (CONTINUED)

Measure G, March 2020 Bond Program Activity

Approved Proceeds	\$ 898,000,000
Interest Earned	788,908
Total Measure G (2020) Bond Program Funds	<u>898,788,908</u>
Expenditures to Date:	
July 1, 2020 - June 30, 2021*	(26,862,066)
July 1, 2021 - June 30, 2022	<u>(3,939,321)</u>
Total Measure G (2020) Bond Program Expenditures	<u>(30,801,387)</u>
Remaining Bond Funds as of July 1, 2022	<u>\$ 867,987,521</u>

*The Fiscal Year 2021 expenditures include Certificates of Participation principal and interest refinance of \$26.3 million.



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