

**CHABOT-LAS POSITAS
COMMUNITY COLLEGE DISTRICT**

**MEASURE B
GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

June 30, 2021

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
Dublin, California

MEASURE B GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT

Citizens' Bond Oversight Committee for
Measure B, and the Board of Trustees
Chabot-Las Positas Community College District
Dublin, California

We have conducted a performance audit of the Chabot-Las Positas Community College District (the "District"), Measure B General Obligation Bond funds for the year ended June 30, 2021.

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 conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 3 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure B General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for Chabot-Las Positas Community College District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of Chabot-Las Positas Community College District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on 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, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

The results of our tests indicated that, in all significant respects, Chabot-Las Positas Community College District expended Measure B General Obligation Bond funds for the year ended June 30, 2021 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.


Crowe LLP

Sacramento, California
December 7, 2021

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
MEASURE B GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION

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, "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 establishes and appoints 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.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT, MEASURE B GENERAL OBLIGATION BONDS

The Chabot-Las Positas Community College District, Alameda and Contra Costa County, California Election of 2004 General Obligation Bonds, Measure B were authorized at an election of the registered voters of the Chabot-Las Positas 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 \$498,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the construction, rehabilitation 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/four-year colleges, improve safety, accommodate increasing enrollment at Chabot and Las Positas Colleges by repairing leaky roofs, upgrading fire safety, campus security, plumbing/ventilation systems and electrical wiring for computer technology; removing asbestos, upgrading nursing/paramedics/job training classrooms, repairing, constructing, acquiring, equipping classrooms, labs, sites and facilities.

Shall Chabot-Las Positas Community College District issue \$498,000,000 in bonds, at legal rates, with guaranteed annual audits, citizen oversight, and no money for administrators' salaries?"

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
MEASURE B GENERAL OBLIGATION BONDS
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure B General Obligation Bond funds for the year ended June 30, 2021 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

SCOPE

The District provided to us a list of all Measure B General Obligation Bond project expenditures for the year ended June 30, 2021 (the "List"). A total of \$5,772,874 in expenditures from July 1, 2020 through June 30, 2021 were identified.

METHODOLOGY

We performed the following procedures to the List of Measure B General Obligation Bond project expenditures for the year ended June 30, 2021:

- Verified the mathematical accuracy of the expenditures List.
- Reconciled the List to total bond expenditures as reported by the District in the District's audited Measure B General Obligation Bonds financial statements for the year ended June 30, 2021.
- We also selected a sample of 25 non-payroll expenditures totaling \$4,157,704 from Measure B. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. Verified that the expenditures were for authorized projects, and were to construct, upgrade, and improve classrooms and school facilities, renovate restrooms and plumbing, upgrade electrical systems, improve student access to computers and technology, replace heating and air conditioning systems or to make health and safety improvements.

CONCLUSION

The results of our tests indicated that, in all significant respects, Chabot-Las Positas Community College District expended Measure B General Obligation Bond funds for the year ended June 30, 2021 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.