

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, 2021



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**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

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, 2021, and the related notes to the financial statements as listed in the table of contents.

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; this includes 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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, 2021, 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.

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, 2021 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021 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
December 2, 2021

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
 BOND BUILDING FUNDS
 MEASURE C (2006) AND MEASURE G (2020)
 BALANCE SHEETS
 JUNE 30, 2021**

	Measure C	Measure G
ASSETS		
Cash in County Treasury	\$ 15,853,809	\$ 83,249,241
Accounts Receivable	30,721	117,104
Total Assets	\$ 15,884,530	\$ 83,366,345
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 1,123,839	\$ 111,308
Total Liabilities	1,123,839	111,308
FUND BALANCE		
Restricted	14,760,691	83,255,037
Total Fund Balance	14,760,691	83,255,037
Total Liabilities and Fund Balance	\$ 15,884,530	\$ 83,366,345

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, 2021**

	<u>Measure C</u>	<u>Measure G</u>
REVENUES		
Interest and Investment Income	\$ 188,861	\$ 117,103
Total Revenues	<u>188,861</u>	<u>117,103</u>
EXPENDITURES		
Salaries	158,540	45,957
Benefits	71,155	1,341
Other Services	812,108	527,376
Capital Outlay	3,622,785	-
Debt Service	-	26,287,392
Total Expenditures	<u>4,664,588</u>	<u>26,862,066</u>
EXCESS OF REVENUES OVER EXPENDITURES	(4,475,727)	(26,744,963)
OTHER FINANCING SOURCES		
Proceeds from Sale of Bond	-	110,000,000
Premium on Bond Issuance	-	1,310,903
Bond Issuance Cost	-	(1,310,903)
Total Other Financing Sources	<u>-</u>	<u>110,000,000</u>
NET CHANGE IN FUND BALANCE	(4,475,727)	83,255,037
Fund Balance - Beginning of Year	<u>19,236,418</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 14,760,691</u>	<u>\$ 83,255,037</u>

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, 2021**

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, 2021**

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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies and our communities. Management of the organization is taking appropriate actions to mitigate the impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2021.

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, 2021 is:

	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2021
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	36,420,000
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	131,360,000
2021 General Obligation Refunding Bonds	4/21/2021	8/1/2036	0.15 - 2.51%	96,025,000	96,025,000
Accreted Interest					31,588,324
Total Measure C (2006)					469,600,260
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	90,000,000
Total Measure G (2020)					110,000,000
Total General Obligation Bonds					\$ 579,600,260

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 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 5 COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2021, the District was committed under various capital expenditure purchase agreements for Measure C, June 2006 and Measure G, March 2020 bond projects totaling approximately \$1.7 million and \$537.7 thousand, 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, 2021.



**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, 2021, 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 December 2, 2021.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

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

Our consideration of internal control over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
December 2, 2021

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOND BUILDING FUNDS
MEASURE C (2006) AND MEASURE G (2020)
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

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, 2021. In addition, there were no findings related to the financial audit of the General Obligation Bonds for the year ended June 30, 2020.

**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, 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 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 15 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, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
December 2, 2021



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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, 2021**

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 percent 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, 2021**

OBJECTIVES

The objectives of our performance audit for the fiscal year ended June 30, 2021 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, 2020 to June 30, 2021. 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, 2021, 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, 2021**

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, 2021. The District expended \$4,664,588 of Measure C (2006) Bond Building funds and \$428,372 of Measure G (2020) Bond Building funds for the year ended June 30, 2021.

We selected a sample of 40 non-salary expenditures totaling \$2,340,361, which is 52.8% of total non-salary expenditures of \$4,434,893 for Measure C (2006) Bond Building funds.

We selected a sample of 7 non-salary expenditures totaling \$27,871,061, which is 99.1% of total non-salary expenditures of \$28,172,969 for Measure G (2020) Bond Building funds. Of the non-salary expenditures tested, \$25,055,632 was for payments to an escrow fund for the defeasance of the 2016 Certificate of Participation and \$1,231,759 was for a payment to the bond debt service fund for debt service payments.

- 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 \$169,101 of Measure C (2006) Bond Building funds and \$47,299 of Measure G (2020) Bond Building funds for salaries and benefits the year ended June 30, 2021.
 - 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, 2021**

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, 2021**

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>36,693,016</u>
Total Measure C (2006) Bond Program Funds	<u>527,489,952</u>
 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	<u>(4,664,588)</u>
Total Measure C (2006) Bond Program Expenditures	<u>(512,729,261)</u>
 Remaining Bond Funds as of July 1, 2021	
	<u><u>\$ 14,760,691</u></u>

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
 PROPOSITION 39 GENERAL OBLIGATION BONDS
 MEASURE C (2006) AND MEASURE G (2020)
 PERFORMANCE AUDIT
 JUNE 30, 2021**

SUMMARY OF BOND PROGRAM ACTIVITY (CONTINUED)

Measure G, March 2020 Bond Program Activity

Approved Proceeds	\$ 898,000,000
Interest Earned	117,103
Total Measure G (2020) Bond Program Funds	898,117,103
Expenditures to Date:	
July 1, 2020 - June 30, 2021*	(26,862,066)
Total Measure G (2020) Bond Program Expenditures	(26,862,066)
Remaining Bond Funds as of July 1, 2021	\$ 871,255,037

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

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