



AGENDA

Bond Measure I Citizens' Oversight Committee
 Tuesday, January 31, 2023 – 3:30 p.m.
 Allan Hancock College – Santa Maria Campus
 800 S. College Drive, Santa Maria, CA 93454
 Captain's Room, B-102

CITIZENS' OVERSIGHT COMMITTEE MEMBERS

Judith Dale
 Support Organization

Angelica Gutierrez
 Business Organization

Samantha Martinez
 Student Representative

Roy Reed
 Taxpayers Association

Sue Slavens
 Senior Organization

Kenneth L. Wolf
 Community at-large

Vacant
 Community at-large
 Student Representative

DISTRICT STAFF

Kevin G. Walthers, Ph.D.
 Superintendent/President

Eric D. Smith
 Associate Superintendent/
 Vice President, Finance &
 Administration

Lauren Milbourne
 Director, Public Affairs &
 Communications

Andy Specht, Ph.D.
 Director, Information
 Technology Services

NOTE TAKER

Melinda Martinez
 Executive Secretary to the
 Superintendent/President

| <u>ITEM</u> | <u>PRESENTER</u> | <u>TIME</u> |
|--|------------------|-------------|
| 1. Call to Order | Chair Gutierrez | 3:30 PM |
| 2. Introductions | Chair Gutierrez | 3:30 PM |
| 3. Public Comment: Public comment is welcomed on an agenda item or another topic within the jurisdiction of the Citizens' Oversight Committee. <i>Under the provisions of the Brown Act, the committee is prohibited from responding to comments made regarding topics not on the official agenda.</i> Procedure: Public comment is limited to three minutes per speaker. | Chair Gutierrez | 3:40 PM |
| 4. Action Items: | | |
| 4.a. Approval of the minutes of the February 24, 2022 meeting | Chair Gutierrez | 3:50 PM |
| 4.b. Review and approval of the DRAFT 2022 Citizens' Oversight Committee Annual Report to the Board of Trustees | Dr. Walthers | 3:55 PM |
| 5. Oral Reports: | | 4:00 PM |
| 5.a. Financial Report for the period ending December 31, 2022 | Mr. Smith | |
| 5.b. Audit Reports for the year ending June 30, 2022 | Mr. Smith | |
| 5.c. Facilities Summary Report | Mr. Smith | |
| 6. Committee Members' Comments | All | 4:25 PM |
| 7. Adjournment | Chair Gutierrez | 4:30 PM |

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the President's Office at 805-922-6966 ext. 3454. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

BOND MEASURE I

CITIZENS' OVERSIGHT COMMITTEE

Minutes
Regular Meeting
Boardroom, B-100
February 24, 2022

Allan Hancock College
800 S. College Drive, Santa Maria, CA 93454

1. Call to Order

Dr. Walthers called the meeting to order at 3:32 p.m. with the following committee members present: Judith Dale, Sarai Gonzalez, Angelica Gutierrez, Kristy Soriano, Kenneth Wolf, and Sue Slavens by phone.

Absent: Roy Reed

District Staff present: Dr. Kevin Walthers, Melinda Martinez, Lauren Milbourne, Eric D. Smith

2. Introductions/Committee Photos

Dr. Walthers led introductions. The committee took a brief recess at 3:36 p.m. for photos.

The meeting resumed at 3:44 p.m.

3. Public Comment

No public comment was made.

4. Action Items

4.a. Elect a Chair/Vice Chair

On a motion by Judith Dale, seconded by Sarai Gonzalez, the Citizens' Oversight Committee elected Angelica Gutierrez as chair and Kenneth Wolf as vice chair. (Ayes: Dale, Gonzalez, Gutierrez, Slavens, Soriano, Wolf; Noes: None; Absent: Reed)

4.b. Approval of Minutes from the February 17, 2021 meeting

On a motion by Sue Slavens, seconded by Kenneth Wolf, the Citizens' Oversight Committee approved the minutes from the February 17, 2021 meeting as submitted. (Ayes: Dale, Gonzalez, Gutierrez, Slavens, Soriano, Wolf; Noes: None; Absent: Reed)

4.c. Review and approval of the DRAFT 2021 Citizens' Oversight Committee Annual Report to the Board of Trustees

On a motion by Judith Dale, seconded by Kenneth Wolf, the Citizens' Oversight Committee approved the 2021 Citizens' Oversight Committee Annual Report to the Board of Trustees. (Ayes: Dale, Gonzalez, Gutierrez, Slavens, Soriano, Wolf; Noes: None; Absent: Reed)

5. Oral Reports

5.a. Financial Report for the period ending December 31, 2021

Associate Superintendent Smith reviewed the financial statements and bond series issued to date. He noted a balance of \$21 million dollars available for projects and continued to review the expenditure summary and cash flow reports.

Mr. Wolf inquired about inflation costs or supply chain issues with the construction projects. Mr. Smith responded there have not been any challenges in that area.

5.b. Audit Reports for the year ending June 30, 2021

Associate Superintendent Smith reported there were no findings in the audits.

5.c. Facilities Summary Report

Associate Superintendent Smith presented a summary of the progress of the Fine Arts Complex construction, the PCPA Stagecraft building, and the completion of the new Mesa/STEM Academic Success Center. He shared plans for demolition of buildings E and F, the new solar project to begin in late July, construction of a new student health center which will house laundry facilities and a food pantry for students, new softball/baseball restrooms, and concession stand projects. Mr. Smith also reviewed facilities maintenance projects including roofing repairs and HVAC replacements.

Dr. Walthers added the Veteran Success Center has relocated on campus and is now triple in size, the Basic Needs Center is now where the old Veteran Center was in the student center to provide food, housing, and basic needs services for students, and the EOPS area has been remodeled.

Mr. Smith responded to questions regarding the new student health center. Mr. Smith referred to the project as a student wellness center as they will offer physical and mental health services for students.

There was brief discussion about the homeless population being on campus after hours. Dr. Walthers noted the City of Santa Maria, Cal-Trans, and Highway Patrol have cleaned up the area underneath the freeway near campus.

6. Committee Members' Comments

Chair Gutierrez noted there was lots of great activity and looking at the future, the students are lucky to have administration advocating for state funds to ensure these projects move forward.

7. Adjournment

Chair Gutierrez adjourned the meeting at 4:17 p.m.

2022 Annual Report to the Board of Trustees

Bond Measure I
Citizens' Oversight Committee

Presented TBD

DRAFT



2022 Citizens' Oversight Committee members

Judith Dale
Support Organization

Sarai Gonzalez
Student Representative

Angelica Gutierrez
Business Organization

Roy Reed
Taxpayers Association

Sue Slavens
Senior Organization

Kristy Soriano
Student Representative

Kenneth Wolf
Community at-large

DISTRICT STAFF

Kevin G. Walthers, Ph.D.
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Executive Secretary to the Superintendent/President

Lauren Milbourne
Director, Public Affairs & Communications

Eric D. Smith
Associate Superintendent Vice President, Finance & Administration

Andy Specht, Ph.D.
Director, Information Technology Services

*Cover Image:
New Fine Arts Complex*



LETTER FROM THE THE CHAIR



On behalf of the Allan Hancock College Measure I Citizens' Oversight Committee, it is my privilege as Chair to present the Measure I 2022 Annual Report to the Board of Trustees.

Since the community approved the bond in 2006, Measure I has revolutionized and modernized the college. This year has seen construction continue on one of the largest projects to date: the new Fine Arts Complex. Set to open in spring 2023, the Fine Arts Complex will be a hub for creativity and learning on the Santa Maria campus. The two-story, 88,000 square-foot facility includes a 400-seat music venue and will house the college's dance, drama, film, graphics, music, photography, and multimedia arts and communications programs. The Fine Arts Complex joins other major bond-funded buildings, like the Public Safety Training Complex in Lompoc and the Industrial Technology and Student Services buildings on the Santa Maria campus. The face of the college continues to transform in ways that will positively serve our community for generations to come.

The committee regularly receives detailed information from the college's management and staff concerning the progress and expenditures related to the various projects identified in the 2006 Measure I Bond. The committee plays an important role in informing the public about the District's expenditures of bond money, providing oversight to ensure that bond revenues are spent on construction projects as promised to voters

It is the opinion of this committee that based on the oversight activities and the independent financial and performance audits noted herein, the college remains in full compliance with the requirements of Article XIII A, Section 1(b) (3) of the Constitution of the State of California.

The Allan Hancock College Joint Community College District is changing the odds via Measure I-funded facility improvements, providing a quality and state-of-the-art higher education opportunity and experience for Northern Santa Barbara County. Our committee trusts you will find the annual report accurate, informative, and comprehensive.

Very truly yours,

Angelica Gutierrez
Chair
Measure I Citizens' Oversight Committee

Bond Measure I Overview

Northern Santa Barbara County residents voted June 6, 2006, to approve Measure I, the \$180 million general obligation facilities bond to improve Allan Hancock College. Funding from the bond helps the college modernize technology, upgrade the failing infrastructure of decades-old classrooms and labs, and build new teaching and learning spaces.

Measure I was presented to voters under the provision of Proposition 39, stipulating that at least 55 percent of voters approve a measure for its passage. It passed with 56.9 percent of the vote.

The Citizens' Oversight Committee

As promised to voters and required by law, on August 15, 2006, the Allan Hancock College Board of Trustees adopted Resolution No. 06-35, establishing the Bond Measure I Citizens' Oversight Committee.

The laws governing implementation of the Citizens' Oversight Committee require a minimum of seven members be selected based on criteria established by Proposition 39:

- One active member from the following: a business organization representing the business community located in the district; a senior citizens' organization; a bona-fide taxpayers association; a support organization for the college; and, a student enrolled in a community college support group.
- Two members of the community at-large.

Members of the Citizens' Oversight Committee are appointed for one- or two-year terms and may not serve more than two consecutive terms. Members serve without compensation. Meetings are open to the public and subject to the Brown Act.

Recognition

Thank you to our student representatives, Sarai Gonzalez and Kristy Soriano, for their service on the Bond Measure I Citizens' Oversight Committee.



Sarai Gonzalez, 2021-22



Kristy Soriano, 2021-22

Period covered by the report

This report covers the time period of January 1 – December 31, 2022.

Statement of purpose/ responsibilities of the Citizens’ Oversight Committee

The Measure I Citizens’ Oversight Committee, with members representing the various facets of our communities, serves as the representative of local residents to monitor the expenditures of Measure I funds. The Citizens’ Oversight Committee reviews the progress and expenditure reports to ensure that bond proceeds were expended only for the purposes set forth in the Measure I Bond, and reports their findings annually to the Allan Hancock College Board of Trustees via this report.

Report on independent financial and performance audits

The district has received, and the Citizens’ Oversight Committee has reviewed, the financial and performance audit for the Measure I Bond Construction Fund for the fiscal year ending June 30, 2022. COSSOLIAS/WILSON/DOMINGUEZ/ LEAVITT (CWDL), Certified Public Accountants, prepared the report to comply with Proposition 39 accountability within the California Constitution.

CWDL stated, “In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I General Obligation Bond Funds of the District at June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.” The auditors further noted, “There were no audit findings reported in the prior year’s Financial Statement Findings.”

Financial compliance confirmation

All expenditures authorized by Measure I have been reviewed by the Citizens’ Oversight Committee to ensure the money was spent only on improvement projects as required by Proposition 39. All funds expended from Measure I will be audited annually by an independent accounting firm.

The Citizens’ Oversight Committee has reviewed expenditures and projects, and finds the district is in compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and consistent with the district’s approved Measure I local bond measure.

Allan Hancock Joint Community College District

General Obligation Bond Expenditure Report

September 1, 2006 – December 31, 2022

| | |
|--------------------------|---------------|
| Total General Obligation | |
| Bond Authorization: | \$180,000,000 |
| Series A Issuance | \$68,000,000 |
| Series B and B1 Issuance | \$29,999,556 |
| Series C Issuance | \$38,860,309 |
| Series D Issuance | \$8,773,376 |
| Series E Issuance | \$23,000,000 |
| Series F Issuance | \$11,059,086 |
| General Obligation Bond | |
| Remaining Authorization | \$307,673 |

REVENUE

| | |
|--|----------------------|
| Series A Issuance | \$68,000,000 |
| Premium on Sale of Bonds Issuance A | \$528,271 |
| Series B and B1 Issuance | \$29,999,556 |
| Premium on Sale of Bonds Issuance B and B1 | \$115,261 |
| Series C Issuance | \$38,860,309 |
| Premium on Sale of Bonds Issuance C | \$135,891 |
| Series D Issuance | \$8,773,376 |
| Premium on Sale of Bonds Issuance D | \$70,187 |
| Series E Issuance | \$23,000,000 |
| Premium on Sale of Bonds Issuance E | \$88,746 |
| Series F Issuance | \$11,059,086 |
| Premium on Sale of Bonds Issuance F | \$42,503 |
| Interest | \$8,030,506 |
| TOTAL AVAILABLE REVENUE | \$188,703,692 |

EXPENDITURES (January 1 - December 31, 2022)

| | |
|----------------------------------|----------------------|
| Project Management | \$28,233 |
| Fine Arts Complex | \$6,186,938 |
| STEM/MESA Center | \$293,151 |
| PCPA-Stage Craft Bldg Relocation | \$1,991,685 |
| TOTAL EXPENDITURES 2022 | \$8,500,007 |
| Total Prior Period Expenditures | \$167,493,179 |
| GRAND TOTAL EXPENDITURES | \$175,993,186 |

ENDING BALANCE **\$12,710,506**

Measure I Projects Status

Current Capital Construction Projects



Building exterior at south lobby for music recital hall



Courtyard windows at second floor south

FINE ARTS COMPLEX

The Fine Arts Complex is a new 88,000 sq. ft., two-story Santa Maria campus building that includes classroom and office space for visual arts, multimedia and applied design, photography, film and video, dance, music and a recital hall. The project consolidates all of the fine arts and performing arts (except theatre arts) currently housed in buildings E, F and O-300 into one Fine Arts Complex.

Bids for the Fine Arts Complex opened on Tuesday, July 27, 2020 and the board awarded the construction contract in the amount of \$44,353,000 to AMG & Associates on August 13, 2020. Construction is near completion and the building is projected to be finished in January 2023.

The project is funded through a combination of Measure I funds, State funds from the California Community College Chancellor's Office, and a generous donation from the Patty Boyd Foundation.

Architect: DLR Group | **Construction Manager:** Roebbelen Construction Management Services, Inc.
Contractor: AMG & Associates
Total Project Budget: \$48,453,206



PCPA Stagecraft renderings

PCPA STAGECRAFT

The PCPA stagecraft function, formerly housed in building O-300, will move into a new building northwest of their existing home. The PCPA Stagecraft Building Project consists of constructing 6,676 square feet of building in the southeast corner of parking lot 7 to house the PCPA costume and stagecraft functions.

Bids for the PCPA Stagecraft Building opened on November 23, 2021 and the board awarded the construction contract to Quincon, Inc. on February 15, 2022. The total project cost is \$6,900,000 and is funded with Measure I Bond funds. Construction is underway and the building is projected to be completed by spring of 2023.

Architect: 19six Architects
Construction Manager: Allan Hancock College
Contractor: Quincon, Inc.
Total Project Budget: \$6,900,000



Projects Successfully Completed by Bond Measure I

CAPITAL CONSTRUCTION

Santa Maria Campus



Academic Resource Center

Project total:
\$3,317,135
Year Completed:
2006



Student Services Center

Project total:
\$20,893,316
Year Completed:
2013



Science Building

Project total:
\$4,611,072
Year Completed:
2007



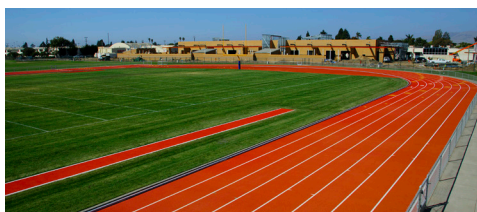
Industrial Technology/ Physical Education and Athletic Fields (Buildings and Fields)

Project total:
\$39,558,106
Year Completed:
2014



Community Education Building

Project total:
\$1,971,485
Year Completed:
2007



MESA/STEM Academic Success Center

Project total:
\$1,807,813
Year Completed:
2021



Childcare Center Addition

Project total:
\$8,371,957
Year Completed:
2013



Lompoc Valley Center

Public Safety Training Complex

Project total:
\$40,503,730
Year Completed:
2017





Completed Scheduled Maintenance Projects

SANTA MARIA CAMPUS PROJECTS

| | | |
|--------------------------------------|--|---|
| Building D Repairs and Upgrades | Building N Roof, Phase III | Audio Visual, Skills & Science |
| Parking Lot 1 Expansion | M300 Heating, Ventilation and Air Conditioning (HVAC) Upgrades Phase I | Underground Fuel/Oil Tank Repair & Replacement |
| Copper Cabling Project | Phase I Energy Projects | Campus Upgrade to Voice over Internet Protocol (VOIP) |
| Building C Roof, Paint, and Flooring | Roof Repair and Replacement, Buildings E, F, G, H, & M300 | |
| Pool Resurfacing | | |

LOMPOC VALLEY CENTER PROJECTS

| | |
|---------------------|--|
| Chiller Replacement | Emergency Medical Services (EMS) Upgrade & Heating, Ventilation and Air Conditioning (HVAC) Repair |
|---------------------|--|

Completed Scheduled Maintenance Total: \$13,913,739

Measure I online

The agendas, minutes, and annual reports for Bond Measure I Citizens' Oversight Committee meetings are posted on the college's website. To learn more about Measure I, visit www.hancockcollege.edu/measurei.

Measure I Citizens' Oversight Committee contact information

To contact Allan Hancock College regarding Bond Measure I, or members of the Citizens' Oversight Committee, please call or email:

Melinda Martinez
Executive Secretary to the
Superintendent/President
Ph: 805-922-6966 ext. 3454
melinda.martinez1@hancockcollege.edu

2022 Allan Hancock Joint Community College District Board of Trustees

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Kevin G. Walthers, Ph.D.

Superintendent/President



800 South College Drive, Santa Maria, CA 93454-6399
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Annual Report

Editors:
Melinda Martinez
Lauren Milbourne

Design & Printing:
Robert Nourse
Allan Hancock College
Campus Graphics

MEASURE I
CITIZENS' OVERSIGHT COMMITTEE MEETING
DECEMBER 31, 2022

FINANCIAL REPORT

Bond Income and Expenditure Summary
Income Statement
Projects List
Project Expenditure Summary
Cash Flow Report



Administrative Services

Bond Income and Expenditure Summary

The first series of general obligation bonds was issued in September 2006 in the amount of \$68,000,000. The bonds were sold at a premium (an amount in excess of face value) and generated a total of \$68,528,271. The premium amount was designed to cover the cost of issuance with any remaining amount to be paid to the county treasurer for repayment of outstanding bonds. Costs of issuance totaled \$ 500,544 and \$27,727 has been paid to the county treasurer leaving \$68,000,000 available for approved bond projects.

The second series of general obligation bonds was issued in October 2009 for a total of \$30,114,817. The cost of issuance totaled \$115,003 leaving \$29,999,814 available for approved bond projects.

The third series of general obligation bonds was issued in September 2012 for a total of \$38,996,200. The cost of issuance totaled \$135,891 leaving \$38,860,309 available for approved bond projects.

The fourth series of general obligation bonds was issued in December 2013 for a total of \$8,843,563. The cost of issuance totaled \$221,187 leaving \$8,622,376 available for approved bond projects.

The fifth series of general obligation bonds was issued in May 2019 for a total of \$23,088,746. The cost of issuance totaled \$359,356 leaving \$22,729,390 available for approved bond projects.

The fifth series of general obligation bonds was issued in May 2020 for a total of \$11,101,589. The cost of issuance totaled \$42,503 leaving \$11,059,086 available for approved bond projects.

As of June 30, 2022, interest income in the amount of \$8,030,506 had been received.

The following summary reflects projected Series A, Series B and B1, Series C, Series D, Series E, and Series F bond proceeds available for projects:

| | |
|--|----------------------|
| Sale of Series A-F bonds | \$180,673,186 |
| Interest Income: 2006-07 through 2020-21 | \$ 8,030,506 |
| 2022-23 est. | <u>\$ 75,000</u> |
| Total | \$188,778,692 |
| Less: Cost of Issuance | <u>\$ 1,265,852</u> |
| Proceeds Projected for Bond Projects | <u>\$187,512,840</u> |

As of December 31, 2022, \$175,993,186 has been spent on bond-related projects (including cost of issuance).

The following summary reflects major categories of expenditures:

| | |
|----------------------------------|----------------------|
| Cost of Issuance | \$ 1,265,852 |
| COP Repayment | \$ 8,275,496 |
| Project Management | \$ 3,385,093 |
| Construction Projects | |
| Public Safety Complex | \$40,492,100 |
| Skills Center | \$ 1,971,485 |
| Science Building | \$ 4,611,072 |
| One-Stop Center | \$20,893,316 |
| Industrial Tech Building | \$24,742,262 |
| Child Care Addition | \$ 8,371,957 |
| Facilities/Utilities Master Plan | \$ 634,231 |
| Fine Arts Complex | \$21,585,526 |
| Physical Education Addition | \$ 349,445 |
| Theater Arts Project | \$ 305,049 |
| STEM/MESA Center | \$ 1,907,850 |
| PCPA Stage Craft Bldg Relocation | \$ 2,351,945 |
| Auto Mechanics Relocation | <u>\$ 7,480</u> |
| Total Construction | \$128,223,718 |
| Scheduled Maintenance | \$ 13,913,740 |
| Technology | \$ 20,929,287 |
| Total | <u>\$175,993,186</u> |

Allan Hancock College
General Obligation Bond Fund

Income Statement by Fund
For Period Ending 12/31/2022

| | <u>Budget</u> | <u>Actual</u> | <u>% Budget</u> |
|--|---------------------|----------------------|-----------------|
| REVENUES | | | |
| Local Revenues | \$ 75,000 | \$ 31,605 | 42.14% |
| Total REVENUES | <u>75,000</u> | <u>31,605</u> | <u>42.14%</u> |
| EXPENDITURES | | | |
| Classified Salaries | 0 | 0 | 0.00% |
| Employee Benefits | 0 | 0 | 0.00% |
| Supplies and Materials | 500 | 35 | 6.91% |
| Other Operating Exp. and Services | 42,920 | 18,737 | 43.66% |
| Capital Outlay | 13,545,285 | 3,201,632 | 23.64% |
| Total EXPENDITURES | <u>13,588,705</u> | <u>3,220,404</u> | <u>23.70%</u> |
| Excess of Revenues Over/ (Under) Expenditures | (13,513,705) | (3,188,798) | |
| FUND BALANCE | | | |
| Fund balance, July 1 | <u>15,930,910</u> | <u>15,930,910</u> | |
| Current Balance | <u>\$ 2,417,204</u> | <u>\$ 12,742,111</u> | |

ALLAN HANCOCK COLLEGE
GENERAL OBLIGATION BONDS ELECTION OF 2006, SERIES A, B, AND C
PROJECT LIST
PROJECTED EXPENDITURES 2006-07 THRU 2014-15

ALLAN HANCOCK COLLEGE
GENERAL OBLIGATION BONDS ELECTION OF 2006, SERIES A, B, C, D, E AND F
PROJECT LIST
PROJECTED EXPENDITURES 2006-07 THROUGH 2022-23

| | | | |
|---|-----------------------|---|---|
| Beginning Balance | \$ 68,000,000 | | |
| Projected Interest Revenue | \$ 8,105,506 | | |
| Premium on Sale of Bonds | \$ 528,271 | | |
| Series B Issuance | \$ 29,999,814 | | |
| Premium on Sale of Bonds | \$ 115,003 | | |
| Series C Issuance | \$ 38,860,309 | | |
| Premium on Sale of Bonds | \$ 135,891 | | |
| Series D Issuance | \$ 8,773,376 | | |
| Premium on Sale of Bonds | \$ 70,187 | | |
| Series E Issuance | \$ 23,000,000 | | |
| Premium on Sale of Bonds | \$ 88,746 | | |
| Series F Issuance | \$ 11,059,086 | | |
| Premium on Sale of Bonds | \$ 42,503 | | |
| | | Seventeen Year Project Total Through June 2023 | Sixteen Year Actual Through June 2023 |
| | | ----- | ----- |
| 1. Cost of Issuance | \$ 1,265,852 | \$ 1,265,852 | \$ - |
| Subtotal Cost of Issuance | \$ 1,265,852 | \$ 1,265,852 | \$ - |
| 2. COP Refinance (Repayment) | | | |
| a. Student Center | \$ 4,958,361 | \$ 4,958,361 | \$ - |
| b. Library Media/Technology Center | \$ 3,317,135 | \$ 3,317,135 | \$ - |
| Subtotal COP Refinance | \$ 8,275,496 | \$ 8,275,496 | \$ - |
| 3. Project Augmentation – State Match | | | |
| a. Science/Health Occupations | \$ 4,611,072 | \$ 4,611,072 | \$ - |
| b. Skills Center | \$ 1,971,485 | \$ 1,971,485 | \$ - |
| 4. Construction Projects | | | |
| a. One Stop Student Center Complex Addition | \$ 20,893,316 | \$ 20,893,316 | \$ - |
| b. Public Safety Complex | \$ 40,492,100 | \$ 40,492,100 | \$ - |
| c. Childcare Center | \$ 8,371,957 | \$ 8,371,957 | \$ - |
| d. Industrial Technologies Modernization and Addition | \$ 24,742,262 | \$ 24,742,262 | \$ - |
| e. Physical Education Addition | \$ 349,445 | \$ 349,445 | \$ - |
| f. Fine Arts Complex | \$ 26,869,087 | \$ 21,585,526 | \$ 5,283,561 |
| g. Theater Arts Project | \$ 305,049 | \$ 305,049 | \$ - |
| h. STEM/MESA Center | \$ 1,917,633 | \$ 1,907,850 | \$ 9,783 |
| i. PCPA Stage Craft Bldg Relocation | \$ 7,265,199 | \$ 2,351,945 | \$ 4,913,254 |
| i. Auto Mechanics Relocation | \$ 8,800 | \$ 7,480 | \$ 1,320 |
| 5. Facilities and Utilities Master Plan | \$ 634,231 | \$ 634,231 | \$ - |
| Subtotal Project Augmentation/Construction | \$ 138,431,636 | \$ 128,223,718 | \$ 10,207,918 |
| 6. Scheduled Maintenance Projects | \$ 13,913,740 | \$ 13,913,740 | \$ - |
| Subtotal Scheduled Maintenance | \$ 13,913,740 | \$ 13,913,740 | \$ - |
| 7. Mainframe Replacement | \$ 8,115,513 | \$ 8,115,513 | \$ - |
| 8. Technology/Instructional Equipment Modernization | \$ 10,845,519 | \$ 10,845,519 | \$ - |
| 9. VOIP Project | \$ 1,456,327 | \$ 1,456,327 | \$ - |
| 10. Technology General | \$ 511,928 | \$ 511,928 | \$ - |
| Subtotal Technology | \$ 20,929,287 | \$ 20,929,287 | \$ - |
| 10. Project Management | \$ 3,392,863 | \$ 3,385,093 | \$ 7,770 |
| Subtotal Project Management | \$ 3,392,863 | \$ 3,385,093 | \$ 7,770 |
| TOTAL BUDGET | \$ 186,208,874 | \$ 175,993,186 | \$ 10,215,688 |
| FUND BALANCE | \$ 2,569,818 | | |
| GRAND TOTAL | \$ 188,778,691 | | |

GENERAL OBLIGATION PROJECT EXPENDITURE SUMMARY

12/31/2022

| | 2022-23 WORKING BUDGET | 2022-23 ACTUAL TOTAL | 2022-23 ENCUMBRANCE TOTAL | 2022-23 BALANCE |
|---|------------------------------|----------------------------|---------------------------------|--------------------|
| GO BOND/GENERAL | | | | |
| Project Management | | | | |
| Classified Salaries | \$ - | \$ - | | \$ - |
| Employee Benefits | \$ - | \$ - | | \$ - |
| Operating Expenses and Services | \$ 7,770 | \$ 3,497 | \$ - | \$ 4,274 |
| TOTAL Project Management | \$ 7,770 | \$ 3,497 | \$ - | \$ 4,274 |
| TOTAL PROJECT MANAGEMENT | \$ 7,770 | \$ 3,497 | \$ - | \$ 4,274 |
| GO BOND/CONSTRUCTION | | | | |
| Fine Arts Complex-Working Drawings | | | | |
| Operating Expenses and Service | \$ - | \$ - | \$ - | \$ - |
| Capital Outlay | \$ 1,600 | \$ - | \$ 1,600 | \$ - |
| TOTAL Fine Arts Complex-Working Drawings | \$ 1,600 | \$ - | \$ 1,600 | \$ - |
| Fine Arts Complex-Construction Phase | | | | |
| Books, Supplies and Materials | \$ 500 | \$ 35 | \$ 465 | \$ - |
| Operating Expenses and Service | \$ 12,524 | \$ 4,064 | \$ 8,460 | \$ - |
| Capital Outlay | \$ 5,416,218 | \$ 1,918,057 | \$ 1,080,957 | \$ 2,417,204 |
| TOTAL Fine Arts Complex-Construction Phase | \$ 5,429,242 | \$ 1,922,156 | \$ 1,089,883 | \$ 2,417,204 |
| Fine Arts Complex-Equipment Phase | | | | |
| Books, Supplies and Materials | \$ - | \$ - | \$ - | \$ - |
| Operating Expenses and Service | \$ 21,950 | \$ 10,500 | \$ 11,450 | \$ - |
| Capital Outlay | \$ 102,143 | \$ - | \$ 102,143 | \$ - |
| TOTAL Fine Arts Complex-Equipment Phase | \$ 124,093 | \$ 10,500 | \$ 113,593 | \$ - |
| TOTAL Fine Arts Complex | \$ 5,554,935 | \$ 1,932,656 | \$ 1,205,075 | \$ 2,417,204 |
| STEM/MESA Center | | | | |
| Books, Supplies and Materials | \$ - | \$ - | \$ - | \$ - |
| Operating Expenses and Service | \$ 554 | \$ 554 | \$ - | \$ - |
| Capital Outlay | \$ 9,783 | \$ - | \$ 9,783 | \$ - |
| TOTAL STEM/MESA Center | \$ 10,337 | \$ 554 | \$ 9,783 | \$ - |
| PCPA-Stage Craft Bldg Relocation | | | | |
| Operating Expenses and Service | \$ 123 | \$ 123 | \$ - | \$ - |
| Capital Outlay | \$ 5,000,479 | \$ 1,283,575 | \$ 3,716,904 | \$ - |
| TOTAL PCPA-Stage Craft Bldg Relocation | \$ 5,000,602 | \$ 1,283,698 | \$ 3,716,904 | \$ - |
| Auto Mechanics Relocation | | | | |
| Capital Outlay | \$ 1,320 | \$ - | \$ 1,320 | \$ - |
| TOTAL Auto Mechanics Relocation | \$ 1,320 | \$ - | \$ 1,320 | \$ - |
| TOTAL GO BOND/CONSTRUCTION | \$ 10,567,194 | \$ 3,216,907 | \$ 4,933,082 | \$ 2,417,204 |
| GO BOND CONTINGENCY | | | | |
| GO Bond Contingency | | | | |
| Capital Outlay | \$ 5,430,946 | | | \$ 5,430,946 |
| Other Outgo | \$ - | \$ - | \$ - | \$ - |
| TOTAL GO BOND CONTINGENCY | \$ 5,430,946 | \$ - | \$ - | \$ 5,430,946 |
| GRAND TOTAL | \$ 16,005,909 | \$ 3,220,404 | \$ 4,933,082 | \$ 7,852,423 |

**General Obligation Bond Building Fund
Cash Flow Report**

| Quarter Ending: | Prior Quarters | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 | Total | |
|-------------------------|-------------------|---------------------|-------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Income | | | | | | | | |
| Bond Proceeds | | \$ 146,482,852 | \$ - | \$ 23,088,746 | \$ 11,101,589 | \$ - | \$ - | \$ 180,673,187 |
| Interest | | 7,294,891 | 28,682 | 188,000 | 270,822 | 248,111 | 31,604 | 8,062,110 |
| | | <u>153,777,743</u> | <u>28,682</u> | <u>23,276,746</u> | <u>11,372,411</u> | <u>248,111</u> | <u>31,604</u> | <u>188,735,297</u> |
| Expenditures | | | | | | | | |
| Fiscal Services | | | | | | | | |
| Cost of Issuance | | 871,815 | - | 359,356 | 42,503 | (7,822) | - | \$ 1,265,852 |
| COP Repayment | | 8,275,496 | - | - | - | - | - | \$ 8,275,496 |
| Bond Project Management | | 3,300,797 | - | - | 12,133 | 43,930 | 28,233 | \$ 3,385,093 |
| Construction | | 105,503,236 | 591,707 | 451,980 | 3,171,344 | 10,033,677 | 8,471,774 | \$ 128,223,718 |
| Scheduled Maintenance | | 13,913,740 | - | - | - | - | - | \$ 13,913,740 |
| Technology | | 20,828,393 | 100,894 | - | - | - | - | \$ 20,929,287 |
| | | <u>152,693,477</u> | <u>692,601</u> | <u>811,336</u> | <u>3,225,980</u> | <u>10,069,785</u> | <u>8,500,007</u> | <u>175,993,186</u> |
| Net Cash | | <u>1,084,266</u> | <u>(663,919)</u> | <u>22,465,410</u> | <u>8,146,431</u> | <u>(9,821,674)</u> | <u>(8,468,403)</u> | <u>12,742,111</u> |
| Cash Balance | | <u>\$ 1,084,266</u> | <u>\$ 420,347</u> | <u>\$ 22,885,757</u> | <u>\$ 31,032,188</u> | <u>\$ 21,210,514</u> | <u>\$ 12,742,111</u> | |



See what's possible.

ALLAN HANCOCK
JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS

FINANCIAL AUDIT

Fiscal Year Ended June 30, 2022

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
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INDEPENDENT AUDITORS' REPORT

Board of Trustees and
Citizens' Oversight Committee
Allan Hancock Joint Community College District
Santa Maria, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Allan Hancock Joint Community College District (the District), Measure I General Obligation Bond Fund (Measure I), 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 Measure I General Obligation Bonds of Allan Hancock Joint Community College District as of June 30, 2022 and the respective changes in 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allan Hancock Joint 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.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the General Obligation Bond Fund specific to Measure I are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022, and the changes 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 29, 2022 on our consideration of the Measure I General Obligation Bonds' internal control over 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure I General Obligation Bonds' internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 29, 2022

FINANCIAL SECTION

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2022**

| | |
|---|-----------------------|
| ASSETS | |
| Investments | \$ 16,838,057 |
| Accounts receivable | 27,997 |
| Due from other funds | <u>10</u> |
| Total Assets | \$ 16,866,064 |
| LIABILITIES AND FUND BALANCE | |
| Liabilities | |
| Accounts payable | \$ 924,747 |
| Due to other funds | <u>10,408</u> |
| Total Liabilities | <u>935,155</u> |
| Fund Balance | |
| Restricted for capital projects | <u>15,930,909</u> |
| Total Liabilities and Fund Balance | \$ 16,866,064 |

The accompanying notes are an integral part of these financial statements.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | |
|--|----------------------|
| REVENUES | |
| Interest income | \$ 91,234 |
| Total Revenues | <u>91,234</u> |
| EXPENDITURES | |
| Classified salaries | 26,691 |
| Employee benefits | 13,520 |
| Services and operating expenditures | 79,282 |
| Capital outlay | <u>9,562,055</u> |
| Total Expenditures | <u>9,681,548</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(9,590,314)</u> |
| Net Change in Fund Balance | (9,590,314) |
| Fund Balance, July 1, 2021 | <u>25,521,223</u> |
| Fund Balance, June 30, 2022 | <u>\$ 15,930,909</u> |

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Allan Hancock Joint Community College District's (the District) Measure I General Obligation Bond Fund (Measure I) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The District's Measure I General Obligation Bonds (Measure I) accounts for the financial transactions in accordance with the policies and procedures of the California Community Colleges' Budget and Accounting Manual.

Financial Reporting Entity

The financial statements include only the Measure I General Obligation Bond Fund (Measure I) of the District used to account for Measure I projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure I. These financial statements are not intended to present fairly the financial position and changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Measure I General Obligation Bond Fund (Measure I) is accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Measure I General Obligation Bond Fund (Measure I) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

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.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Encumbrances

The District utilizes 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, and all outstanding encumbrances lapse at June 30, 2022.

Fund Balance

As of June 30, 2022, the fund balance of Measure I General Obligation Bonds (Measure I) was classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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.

Spending Order Policy

When an expenditure is incurred for purposes of which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

NOTE 2 – INVESTMENTS

Policies and Practices

The District is authorized under *California Government Code* to make direct investments in local agency bonds, notes, or warrants within the State: U.S. Treasury instrument; registered State warrants or treasury notes: securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – INVESTMENTS, continued

Investment in County Treasury

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasury as part of the common investment pool. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

| Authorized Investment Type | Maximum Remaining Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|----------------------------------|---------------------------------------|--|
| Local Agency Bonds, Notes, Warrants | 5 years | None | None |
| Registered State Bonds, Notes, Warrants | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptance | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base | None |
| Medium-Term Corporate Notes | 5 years | 30% | None |
| Mutual Funds | N/A | 20% | 10% |
| Money Market Mutual Funds | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | 20% | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Joint Powers Authority Pools | N/A | None | None |

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – INVESTMENTS, continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Santa Barbara County Investment Pool. The District maintains a Measure I General Obligation Bond Fund investment with a book value of \$16,838,057 and a fair market value of \$16,266,495 with the Santa Barbara County Investment Pool, with an average maturity of 644 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Santa Barbara County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2022.

NOTE 3 – FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District that are not available to other market participants.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 3 – FAIR VALUE MEASUREMENTS, continued

Uncategorized - Investments in the Santa Barbara County Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2022:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Uncategorized</u> |
|--------------------------------------|-------------------|----------------------|
| Santa Barbara County Investment Pool | \$ 16,266,495 | \$ 16,266,495 |

All assets have been valued using a market approach, with quoted market prices.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022, consisted of the following:

| | |
|----------|------------------|
| Interest | <u>\$ 27,997</u> |
|----------|------------------|

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2022, consisted of the following:

| | |
|----------------|-------------------|
| Capital outlay | <u>\$ 924,747</u> |
|----------------|-------------------|

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables (Due From)

Interfund receivables balances at June 30, 2022, consisted of the following:

| | |
|----------------------|--------------|
| Due from Other Funds | <u>\$ 10</u> |
|----------------------|--------------|

Interfund Payables (Due To)

Interfund payables balances at June 30, 2022, consisted of the following:

| | |
|--------------------|------------------|
| Due to Other Funds | <u>\$ 10,408</u> |
|--------------------|------------------|

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022**

NOTE 7 - FUND BALANCE

Fund balance is composed of the following element:

| | |
|------------------|----------------------|
| Restricted | |
| Capital projects | <u>\$ 15,930,909</u> |

NOTE 8 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2022, the District had \$7,854,458 in construction commitments with respect to unfinished projects:

| Capital Projects | Remaining Construction Commitment | Expected Date of Completion |
|----------------------------------|---|--------------------------------|
| PCPA Stage Craft Bldg Relocation | \$ 5,140,376 | December 2022 |
| Fine Arts Complex | 2,714,082 | January 2023 |
| | <u>\$ 7,854,458</u> | |

The projects are funded through a combination for general obligation bonds and capital project apportionments from the State Chancellor's Office.

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 or adverse effect on the overall financial position of the Measure I General Obligation Bond Fund (Measure I) at June 30, 2022.

Escrow Account

For all capital projects under contract, the District requires that 5% of each invoice be retained until the project is complete. The fine arts complex construction retention is held outside of the District with a fiscal agent. As of June 30, 2022, the total amount of cash with fiscal agents totaled \$1,900,896.

**INDEPENDENT
AUDITORS' REPORT**



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

Board of Trustees and
Citizens' Oversight Committee
Allan Hancock Joint Community College District
Santa Maria, California

We have audited, in accordance with the 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 Allan Hancock Joint Community College District (the District) Measure I General Obligation Bond Fund (Measure I), as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Measure I General Obligation Bonds' basic financial statements, and have issued our report thereon dated December 29, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Measure I General Obligation Bonds' internal control over financial reporting (internal control) to determine the 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 Measure I General Obligation Bonds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure I General Obligation Bonds' 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 a 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 a 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 weaknesses 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Measure I General Obligation Bond Fund (Measure I) 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 determination of financial statement amounts. 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.

CWDL, Certified Public Accountants

San Diego, California
December 29, 2022

FINDINGS AND RESPONSES SECTION

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
FINANCIAL STATEMENT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no audit findings noted during the 2021-22 year.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

There were no audit findings noted during the 2020-21 year.



See what's possible.

ALLAN HANCOCK
JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT

Fiscal Year Ended June 30, 2022

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
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JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees and
Citizens' Oversight Committee
Allan Hancock Joint Community College District
Santa Maria, California

We were engaged to conduct a performance audit of the Allan Hancock Joint Community College District (the District) Measure I General Obligation Bond Fund (Measure I) for the year ended June 30, 2022.

We conducted this performance audit in accordance with the standards applicable to performance 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 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 our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District's Measure I General Obligation Bond Fund (Measure I) is in compliance with Proposition 39 as outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

CWDL, Certified Public Accountants

San Diego, California
December 29, 2022

BACKGROUND

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
JUNE 30, 2022**

AUTHORITY FOR ISSUANCE

The general obligation bonds associated with Measure I were 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 to be issued by a resolution adopted by the Board of Supervisors of the County on June 6, 2006 (the Resolution), pursuant to a request of the District made by a resolution adopted by the Board of Education of the District on August 15, 2006.

The District received authorization from an election held on June 6, 2006, to issue bonds of the District in an aggregate principal amount not to exceed \$180,000,000 to finance the acquisition, construction, modernization, and renovation of District facilities, and to pay the cost of issuance associated with the Bonds approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2006 Authorization). The bonds represent the first, second, third, fourth, and fifth series of the authorized bonds to be issued under the 2006 Authorization.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the 2006 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction and modernization of certain District property and facilities, the acquisition of equipment and to pay the costs of issuance associated with the Bonds. The proceeds from the Bonds are to be used for projects such as modernization of college technology, upgrading and modernization of college infrastructure, including classrooms and labs, and building new teaching and learning spaces. All projects to be funded under the Measure I General Obligation Bonds must be included in the Board of Trustees' approved Facilities Master Plan, which details the scope of work to be done for each project.

AUTHORITY FOR THE AUDIT

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, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The community college district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
JUNE 30, 2022**

AUTHORITY FOR THE AUDIT, *continued*

3. Requires the community college district to appoint a citizens' oversight committee.
4. Requires the community college district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Controller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the community college district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

PERFORMANCE AUDIT

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2022**

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Measure I General Obligation Bond Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure I.
2. Determine whether salary transactions, charged to the Measure I General Obligation Bond Fund were in support of Measure I and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2021 to June 30, 2022. The population of expenditures tested included all 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 proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2022, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2022, for the Measure I General Obligation Bond Fund (Measure I). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure I as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2021 and ending June 30, 2022, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$3,390,253. This represents 35 percent of the total expenditures of \$9,681,548.
3. Based on our testing, we verified that funds from the Measure I General Obligation Bond Fund (Measure I) were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Allan Hancock Joint Community College District has properly accounted for the expenditures held in the Measure I General Obligation Bond Fund (Measure I) and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Measure I General Obligation Bond Fund for District general administration or operations.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

There were no audit findings noted during the 2021-22 year.