



## AGENDA

Bond Measure I Citizens' Oversight Committee  
 Thursday, February 24, 2022 – 3:30 p.m.  
 Allan Hancock College – Santa Maria Campus  
 800 S. College Drive, Santa Maria, CA 93454  
 Boardroom, B-100

### 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 L. Wolf  
 Community at-large

Vacant  
 Community at-large

### 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. <u>Call to Order</u>	Dr. Walthers	3:30 PM
2. Introductions/Committee Photos	Dr. Walthers	3:30 PM
3. <u>Public Comment:</u> 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.	Dr. Walthers	3:40 PM
4. <u>Action Items</u>		
4.a. Elect a Chair/Vice Chair	Dr. Walthers	3:45 PM
4.b. Approval of the minutes of the February 17, 2021 meeting	Chair	3:50 PM
4.c. Review and approval of the DRAFT 2021 Citizens' Oversight Committee Annual Report to the Board of Trustees	Dr. Walthers	3:55 PM
5. <u>Oral Reports</u>		4:00 PM
5.a. Financial Report for the period ending December 31, 2021	Mr. Smith	
5.b. Audit Reports for the year ending June 30, 2021	Mr. Smith	
5.c. Facilities Summary Report	Mr. Smith	
6. Committee Members' Comments	All	4:25 PM
7. Adjournment	Chair	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.

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# ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

## BOND MEASURE I

### CITIZENS' OVERSIGHT COMMITTEE

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Minutes  
Regular Meeting  
Meeting was held via Zoom  
February 17, 2021

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

Due to the Coronavirus crisis and Brown Act modifications approved by Governor Newsom, the Bond Measure I Citizens' Oversight Committee meeting was held via Zoom.

1. Call to Order

Chair Beard called the meeting to order at 3:02 p.m. with the following committee members present: Tracy Beard, Terry Dworaczyk, Angelica Gutierrez, Roy Reed, Sue Slavens, and Kenneth Wolf

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

2. Public Comment

No public comment was made.

3. Action Items

3.a. Approval of Minutes from the March 26, 2020 meeting.

On a motion by Terry Dworaczyk, seconded by Sue Slavens, the Citizens' Oversight Committee approved the minutes from March 26, 2020 meeting, as submitted. (Ayes: Beard, Dworaczyk, Gutierrez, Reed, Slavens, Wolf; Noes: None; Absent: None)

3.b. Approval of the 2020 Citizens' Oversight Committee Annual Report to the Board of Trustees

On a motion by Angelica Gutierrez, seconded by Kenneth Wolf, the Citizens' Oversight Committee approved the 2020 Citizens' Oversight Committee Annual Report to the Board of Trustees, as revised with suggestions to clarify acronyms in the report and distinguish projects by campus location. (Ayes: Beard, Dworaczyk, Gutierrez, Reed, Slavens, Wolf; Noes: None; Absent: None)

4. Oral Reports

4.a. Budget Presentation - Financial Report for the period ending December 31, 2020

Associate Superintendent Smith shared the budget report listed a chronological review of Measure I funds in the amount of \$180 million since 2006-07. He explained the bonds are issued in series, not all at once. Bond series E and F have been issued within the past couple of years. There is \$31 million in cash balance as of 12/31/20. The balance will be used towards the match on the Fine Arts Complex and other projects.

4.b. Audit Report for the year ending June 30, 2020

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

4.c. Facilities Summary Report

Associate Superintendent Smith said the Fine Arts Complex is the only project with any activity at this time. The project is about 15 percent complete, under budget, and on time. He commented things are going remarkably well with the project.

5. Committee Members' Comments

Kenneth Wolf asked if there was a financial incentive (bonus) to finish the construction project ahead of schedule. Associate Superintendent Smith replied that a bonus incentive would have to be contemplated in the bid specification when the project goes to bid, and in this case, that was not included. Associate Superintendent Smith noted the project is a 24 month project and is currently ahead of schedule for completion.

Dr. Walthers shared information about a mediation hearing held between the contractor, AMG, and an independent glass company. AMG has since hired local company, Valley Glass. He noted AMG also built the new elementary school building in Enos Ranch in Santa Maria. Associate Superintendent Smith added he has weekly construction meetings and the president of AMG is in all of the meetings.

Angelica Gutierrez asked if there was a provision in the contract to use a percentage of local vendors. Associate Superintendent Smith shared information about the local vendor preference policy and explained an incentive is offered if the contractor goes through the process to meet a target of using 75 percent local subcontractors. He said they have met the target and almost all of the subcontractors are local companies.

Roy Reed said it is great to hear local vendors are being used and shared he has been receiving many questions about the project with the arrival of the crane. Mr. Reed confirmed the budget of the Fine Arts Complex project to be prepared with his response in the event of any public inquiries as the representative of the taxpayers' association.

Kenneth Wolf commented it would be nice to have a tour of the Fine Arts Complex project after the virus numbers go down.

Chair Beard thanked the committee for participating in the meeting.

6. Adjournment

Chair Beard adjourned the meeting at 3:23 p.m.

# 2021 Annual Report to the Board of Trustees

Bond Measure I  
Citizens' Oversight Committee

Presented March TBD

DRAFT

## 2021 Citizens' Oversight Committee members

**Tracy Beard, Chair**  
Community at-large

**Terry Dworaczyk, Vice Chair**  
Support Organization

**Angelica Gutierrez**  
Business Organization

**Roy Reed**  
Taxpayers Association

**Sue Slavens**  
Senior Organization

**Kenneth Wolf**  
Community at-large

## DISTRICT STAFF

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

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

**Melinda Martinez**  
Executive Secretary to the  
Superintendent/President

**Lauren Milbourne**  
Director, Public Affairs  
& Communications

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

*Cover Image:  
New Fine Arts Complex Under  
Construction*



## LETTER FROM THE THE CHAIR



On behalf of the Allan Hancock College Measure I Citizens' Oversight Committee, it is my privilege to present the Measure I 2021 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 of one of the largest projects to date: the new Fine Arts Complex. Located on the Santa Maria campus, the Fine Arts Complex will be a hub for creativity and learning at Hancock. The project is on track for completion in fall 2022 and is already an impressive presence on campus. Once complete, the two-story, 88,000 square-foot facility will include a 400-seat music venue and house the college's dance, drama, film, graphics, music, photography, and multimedia arts and communications programs. The Fine Arts Complex will join 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.

Our committee trusts you will find the annual report accurate, informative, and comprehensive.

Very truly yours,

A handwritten signature in blue ink that reads 'Tracy Beard'.

Tracy Beard  
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.

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## 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.

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## Recognition Thank you for your service on the Bond Measure I Citizens' Oversight Committee.



## Period covered by the report

This report covers the time period of January 1 – December 31, 2021.

## 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, 2021. 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, 2021, 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, 2021

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	\$7,939,272
<b>TOTAL AVAILABLE REVENUE</b>	<b>\$188,612,458</b>

### EXPENDITURES (January 1 - December 31, 2021)

Cost of Issuance GO Bond Refunding	\$(7,821)
Project Management	\$43,930
Public Safety Complex	\$931,130
Fine Arts Complex	\$5,866,046
STEM/MESA Center	\$1,476,074
PCPA-Stage Craft Bldg Relocation	\$97,413
<b>TOTAL EXPENDITURES 2021</b>	<b>\$8,406,772</b>
Total Prior Period Expenditures	\$159,086,407
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$167,493,179</b>

**ENDING BALANCE** ..... **\$21,119,279**

# Measure I Projects Status

## Current Capital Construction Projects



*Fine Arts Complex is under construction*



### 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 underway and the building is projected to be completed in September 2022.

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



# 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



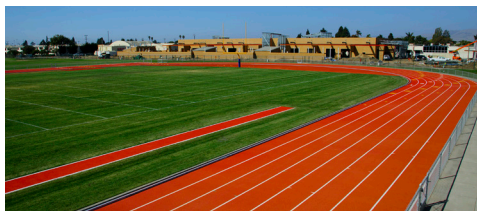
#### Science Building

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

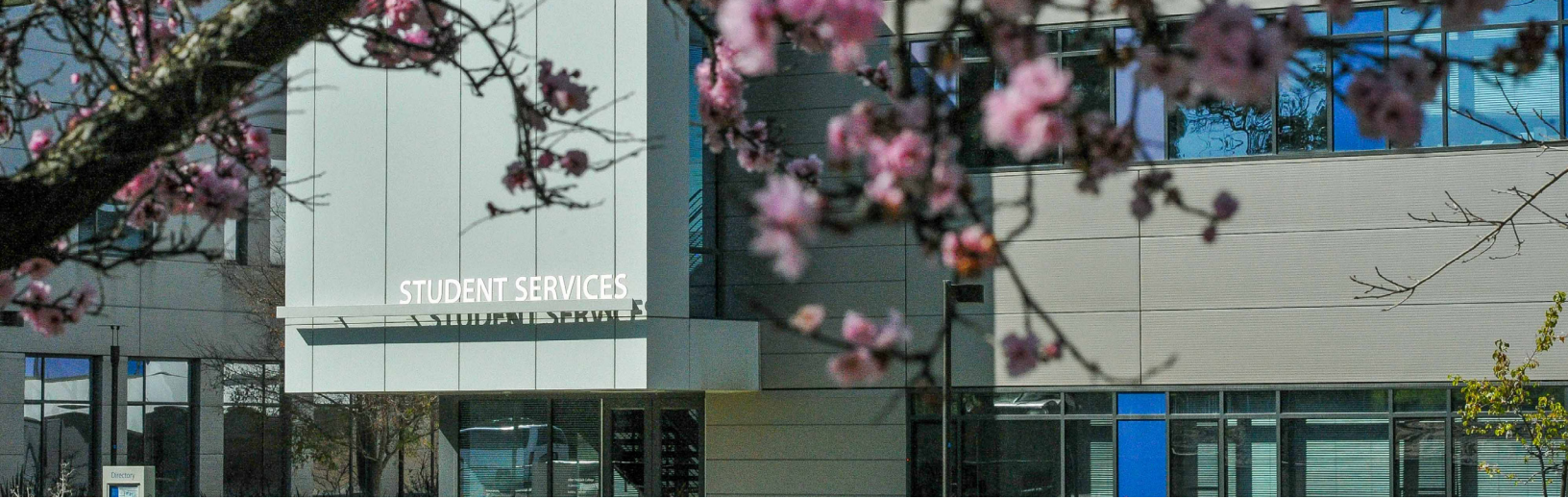
Project total:  
\$8,371,957  
Year Completed:  
2013

### 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
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**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](http://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](mailto:melinda.martinez1@hancockcollege.edu)

# 2021 Allan Hancock Joint Community College District Board of Trustees

## **Jeffery Hall, President**

Area 4 (Lompoc Valley)

## **Gregory A. Pensa, Vice President**

Area 5 (Casmalia, Santa Ynez Valley, Vandenberg Air Force Base)

## **Hilda Zacarías, Trustee**

Area 1 (Central & Northern Santa Maria)

## **Suzanne Levy, Ed.D., Trustee**

Area 2 (Southeast Santa Maria, Orcutt, Cuyama Valley)

## **Alejandra Enciso Medina, Trustee**

Area 3 (Southern Santa Maria, Guadalupe)

## **Jacqlyn Rayas**

Student Trustee

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## **Kevin G. Walthers, Ph.D.**

Superintendent/President

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800 South College Drive, Santa Maria, CA 93454-6399  
[www.hancockcollege.edu/measurei](http://www.hancockcollege.edu/measurei)  
805-922-6966

## **Annual Report**

Editors:  
Melinda Martinez  
Lauren Milbourne

Design & Printing:  
Matt MacPherson  
Allan Hancock College  
Campus Graphics

**MEASURE I**  
**CITIZENS' OVERSIGHT COMMITTEE MEETING**  
**DECEMBER 31, 2021**

**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 December 31, 2021, interest income in the amount of \$7,939,272 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 2019-20	\$ 7,782,395
2021-22 est.	<u>\$ 100,000</u>
Total	\$188,855,581
Less: Cost of Issuance	<u>\$ 1,273,674</u>
Proceeds Projected for Bond Projects	<u>\$187,712,458</u>

As of December 31, 2021, \$167,493,179 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	\$ 3,356,860
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	\$15,398,588
Physical Education Addition	\$ 349,445
Theater Arts Project	\$ 305,049
STEM/MESA Center	\$ 1,614,699
PCPA Stage Craft Bldg Relocation	\$ 360,260
Auto Mechanics Relocation	<u>\$ 7,480</u>
Total Construction	\$119,751,944
Scheduled Maintenance	\$ 13,913,740
Technology	<u>\$ 20,929,287</u>
Total	<u>\$167,493,179</u>

Allan Hancock College  
General Obligation Bond Fund

Income Statement by Fund  
For Period Ending 12/31/2021

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
<b>REVENUES</b>			
Local Revenues	\$ 100,000	\$ 0	0.00%
Total REVENUES	100,000	0	0.00%
<b>EXPENDITURES</b>			
Classified Salaries	25,862	13,058	50.49%
Employee Benefits	13,981	6,689	47.79%
Supplies and Materials	13,196	8,885	67.34%
Other Operating Exp. and Services	78,883	18,282	23.18%
Capital Outlay	25,489,301	4,355,029	17.09%
Total EXPENDITURES	25,621,223	4,401,944	17.18%
Excess of Revenues Over/ (Under) Expenditures	(25,521,223)	(4,401,944)	
<b>FUND BALANCE</b>			
Fund balance, July 1	25,521,223	25,521,223	
Current Balance	\$ 0	\$ 21,119,279	

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 2021-22

Beginning Balance	\$ 68,000,000		
Projected Interest Revenue	\$ 8,039,272		
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		
		Sixteen Year Project Total Through June 2022	Fifteen Year Actual Through June 2021
		-----	-----
1. Cost of Issuance	\$ 1,265,852	\$ 1,265,852	\$ -
<b>Subtotal Cost of Issuance</b>	<b>\$ 1,265,852</b>	<b>\$ 1,265,852</b>	<b>\$ -</b>
2. COP Refinance (Repayment)			
a. Student Center	\$ 4,958,361	\$ 4,958,361	\$ -
b. Library Media/Technology Center	\$ 3,317,135	\$ 3,317,135	\$ -
<b>Subtotal COP Refinance</b>	<b>\$ 8,275,496</b>	<b>\$ 8,275,496</b>	<b>\$ -</b>
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	\$ 40,503,730	\$ 39,983,504	\$ 520,227
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	\$ 24,570,878	\$ 11,712,941	\$ 12,857,937
g. Theater Arts Project	\$ 305,049	\$ 305,049	\$ -
h. STEM/MESA Center	\$ 2,457,567	\$ 1,435,903	\$ 1,021,664
i. PCPA Stage Craft Bldg Relocation	\$ 6,900,000	\$ 354,600	\$ 6,545,400
i. Auto Mechanics Relocation	\$ 7,480	\$ 7,480	\$ -
5. Facilities and Utilities Master Plan	\$ 634,231	\$ 634,231	\$ -
<b>Subtotal Project Augmentation/Construction</b>	<b>\$ 136,318,473</b>	<b>\$ 115,373,245</b>	<b>\$ 20,945,228</b>
6. Scheduled Maintenance Projects	\$ 13,913,740	\$ 13,913,740	\$ -
<b>Subtotal Scheduled Maintenance</b>	<b>\$ 13,913,740</b>	<b>\$ 13,913,740</b>	<b>\$ -</b>
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	\$ -
<b>Subtotal Technology</b>	<b>\$ 20,929,287</b>	<b>\$ 20,929,287</b>	<b>\$ -</b>
10. Project Management	\$ 3,381,230	\$ 3,333,616	\$ 47,614
<b>Subtotal Project Management</b>	<b>\$ 3,381,230</b>	<b>\$ 3,333,616</b>	<b>\$ 47,614</b>
TOTAL BUDGET	\$ 184,084,077	\$ 163,091,235	\$ 20,992,842
FUND BALANCE	\$ 4,628,381		
GRAND TOTAL	\$ 188,712,458		

GENERAL OBLIGATION PROJECT EXPENDITURE SUMMARY  
12/31/2021

	2021-22 WORKING BUDGET	2021-22 ACTUAL TOTAL	2021-22 ENCUMBRANCE TOTAL	2021-22 BALANCE
<b>GO BOND/GENERAL</b>				
Project Management				
Classified Salaries	\$ 25,863	\$ 13,058		\$ 12,805
Employee Benefits	\$ 13,981	\$ 6,689		\$ 7,292
Operating Expenses and Services	\$ 7,770	\$ 3,497	\$ 777	\$ 3,497
<b>TOTAL Project Management</b>	<b>\$ 47,614</b>	<b>\$ 23,243</b>	<b>\$ 777</b>	<b>\$ 23,594</b>
<b>TOTAL PROJECT MANAGEMENT</b>	<b>\$ 47,614</b>	<b>\$ 23,243</b>	<b>\$ 777</b>	<b>\$ 23,594</b>
<b>GO BOND/CONSTRUCTION</b>				
Public Sfty Cmplx-Post Construction				
Capital Outlay	\$ 520,227	\$ 508,597	\$ 11,630	\$ -
<b>TOTAL Public Sfty Cmplx-Post Construction</b>	<b>\$ 520,227</b>	<b>\$ 508,597</b>	<b>\$ 11,630</b>	<b>\$ -</b>
<b>TOTAL Public Safety Complex</b>	<b>\$ 520,227</b>	<b>\$ 508,597</b>	<b>\$ 11,630</b>	<b>\$ -</b>
Fine Arts Complex-Working Drawings				
Operating Expenses and Service	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ 194,322	\$ 175,533	\$ 18,788	\$ -
<b>TOTAL Fine Arts Complex-Working Drawings</b>	<b>\$ 194,322</b>	<b>\$ 175,533</b>	<b>\$ 18,788</b>	<b>\$ -</b>
Fine Arts Complex-Construction Phase				
Books, Supplies and Materials	\$ 2,122	\$ 72	\$ 2,051	\$ -
Operating Expenses and Service	\$ 8,460	\$ -	\$ 8,460	\$ -
Capital Outlay	\$ 2,591,244	\$ 3,496,043	\$ 5,226,236	\$ (6,131,035)
<b>TOTAL Fine Arts Complex-Construction Phase</b>	<b>\$ 2,601,826</b>	<b>\$ 3,496,114</b>	<b>\$ 5,236,747</b>	<b>\$ (6,131,035)</b>
71710036 Fine Arts Complex-Equipment Phase				
Books, Supplies and Materials	\$ -	\$ -	\$ -	\$ -
Operating Expenses and Service	\$ 61,790	\$ 14,000	\$ 47,790	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>TOTAL Fine Arts Complex-Equipment Phase</b>	<b>\$ 61,790</b>	<b>\$ 14,000</b>	<b>\$ 47,790</b>	<b>\$ -</b>
<b>TOTAL Fine Arts Complex</b>	<b>\$ 2,857,938</b>	<b>\$ 3,685,648</b>	<b>\$ 5,303,326</b>	<b>\$ (6,131,035)</b>
STEM/MESA Center				
Books, Supplies and Materials	\$ 11,073	\$ 8,814	\$ 2,103	\$ 156
Operating Expenses and Service	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ 1,010,591	\$ 169,982	\$ 314,582	\$ 526,027
<b>TOTAL STEM/MESA Center</b>	<b>\$ 1,021,664</b>	<b>\$ 178,796</b>	<b>\$ 316,685</b>	<b>\$ 526,183</b>
PCPA-Stage Craft Bldg Relocation				
Operating Expenses and Service	\$ 863	\$ 785	\$ -	\$ 78
Capital Outlay	\$ 6,544,537	\$ 4,875	\$ 287,475	\$ 6,252,187
<b>TOTAL PCPA-Stage Craft Bldg Relocation</b>	<b>\$ 6,545,400</b>	<b>\$ 5,660</b>	<b>\$ 287,475</b>	<b>\$ 6,252,265</b>
<b>TOTAL GO BOND/CONSTRUCTION</b>	<b>\$ 10,945,229</b>	<b>\$ 4,378,700</b>	<b>\$ 5,919,116</b>	<b>\$ 647,412</b>
<b>GO BOND CONTINGENCY</b>				
GO Bond Contingency				
Capital Outlay	\$ 4,628,381			\$ 4,628,381
Other Outgo	\$ -	\$ -	\$ -	\$ -
<b>TOTAL GO BOND CONTINGENCY</b>	<b>\$ 4,628,381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,628,381</b>
<b>GRAND TOTAL</b>	<b>\$ 15,621,223</b>	<b>\$ 4,401,944</b>	<b>\$ 5,919,893</b>	<b>\$ 5,299,387</b>



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

Quarter Ending:	Prior Quarters	12/31/2018	12/31/2019	12/31/2020	12/31/2021	Total
<b>Income</b>						
Bond Proceeds	\$ 146,482,852	\$ -	\$ 23,088,746	\$ 11,101,589	\$ -	\$180,673,187
Interest	7,294,891	28,682	188,000	270,822	156,876	7,939,271
	<u>153,777,743</u>	<u>28,682</u>	<u>23,276,746</u>	<u>11,372,411</u>	<u>156,876</u>	<u>188,612,458</u>
<b>Expenditures</b>						
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	3,356,860
Construction	105,503,236	591,707	451,980	3,171,344	10,033,677	119,751,944
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>167,493,179</u>
<b>Net Cash</b>	<u>1,084,266</u>	<u>(663,919)</u>	<u>22,465,410</u>	<u>8,146,431</u>	<u>(9,912,909)</u>	<u>21,119,279</u>
<b>Cash Balance</b>	<u>\$ 1,084,266</u>	<u>\$ 420,347</u>	<u>\$ 22,885,757</u>	<u>\$ 31,032,188</u>	<u>\$ 21,119,279</u>	



See what's possible.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
FINANCIAL AUDIT**

---

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**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

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, 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.

### Auditor's 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 from 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 auditor's 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.

## **Auditor's Responsibility (continued)**

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

As discussed in Note 1, the financial statements present only the individual Proposition 39 Bond Building Fund, consisting of the net construction proceeds of the Measure I General Obligation Bonds as issued by the District, through the County of Santa Barbara, and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

## **Opinion**

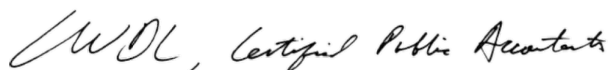
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure I General Obligation Bonds of Allan Hancock Joint Community College District as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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, 2021, 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 November 26, 2021 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.



San Diego, California  
November 26, 2021

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## **FINANCIAL SECTION**

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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
BALANCE SHEET  
JUNE 30, 2021**

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<b>ASSETS</b>	
Investments	\$ 26,256,159
Accounts receivable	26,254
Due from other funds	<u>400</u>
<b>Total Assets</b>	<b>\$ <u>26,282,813</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 761,312
Due to other funds	<u>278</u>
<b>Total Liabilities</b>	<b><u>761,590</u></b>
<b>Fund Balance</b>	
Restricted for capital projects	<u>25,521,223</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>26,282,813</u></b>

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, 2021**

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<b>REVENUES</b>	
Interest income	\$ 156,877
<b>Total Revenues</b>	<u>156,877</u>
<b>EXPENDITURES</b>	
Services and operating expenditures	106,337
Capital outlay	<u>7,081,576</u>
<b>Total Expenditures</b>	<u>7,187,913</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,031,036)</u>
<b>Net Change in Fund Balance</b>	(7,031,036)
<b>Fund Balance, July 1, 2020</b>	<u>32,552,259</u>
<b>Fund Balance, June 30, 2021</b>	<u>\$ 25,521,223</u>

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



**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**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, 2021**

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**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, 2021.

**Fund Balance**

As of June 30, 2021, 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, 2021**

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**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, 2021**

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**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 \$26,256,159 and a fair market value of \$26,264,172 with the Santa Barbara County Investment Pool, with an average maturity of 735 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, 2021.

**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, 2021**

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**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, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Uncategorized</u>
Santa Barbara County Investment Pool	\$ 26,264,172	\$ 26,264,172

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

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021, consisted of the following:

Interest	<u>\$ 26,254</u>
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**NOTE 5 – ACCOUNTS PAYABLE**

Accounts payable at June 30, 2021, consisted of the following:

Capital outlay	<u>\$ 761,312</u>
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**NOTE 6 - INTERFUND TRANSACTIONS**

**Interfund Receivables (Due From)**

Interfund receivables balances at June 30, 2021, consisted of the following:

Due from Other Funds	<u>\$ 400</u>
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**Interfund Payables (Due To)**

Interfund payables balances at June 30, 2021, consisted of the following:

Due to Other Funds	<u>\$ 278</u>
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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
 MEASURE I GENERAL OBLIGATION BONDS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021**

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**NOTE 7 - FUND BALANCE**

Fund balance is composed of the following element:

Restricted	
Capital projects	<u>\$ 25,521,223</u>

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

As of June 30, 2021, the District had \$9,635,075 in construction commitments with respect to unfinished projects:

<b>Capital Projects</b>	Remaining Construction Commitment	Expected Date of Completion
Draeger Swede Survival Phase V -One Stop Student Ctr - Post Const.	\$ 520,227	August 2021
STEM/MESA Center	375,540	October 2021
Fine Arts Complex	8,640,158	May 2022
PCPA-Stage Craft Bldg Relocation	99,150	2021-2022
Fine Arts Complex	<u>\$ 9,635,075</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, 2021.

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**INDEPENDENT  
AUDITORS' REPORT**

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**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, 2021 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 November 26, 2021.

**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  
November 26, 2021

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## **FINDINGS AND RESPONSES SECTION**

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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATIONS BONDS  
FINANCIAL STATEMENT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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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 2020-21 year.**

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATIONS BONDS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**There were no audit findings noted during the 2019-20 year.**



See what's possible.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
PERFORMANCE AUDIT**

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**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
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**PERFORMANCE AUDIT**

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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, 2021.

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  
November 26, 2021

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# **BACKGROUND**

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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
BACKGROUND INFORMATION  
JUNE 30, 2021**

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**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, 2021**

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**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.

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# **PERFORMANCE AUDIT**

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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE I GENERAL OBLIGATION BONDS  
PERFORMANCE AUDIT  
JUNE 30, 2021**

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**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, 2020 to June 30, 2021. 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, 2021, 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, 2021, 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, 2020 and ending June 30, 2021, 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 \$6,274,654. This represents 87 percent of the total expenditures of \$7,187,913.
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, 2021**

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