

AGENDA

Citizens' Oversight Committee – Bond Measure I
Tuesday, February 3, 2015 – 4:00-5:00 p.m.
Santa Maria Campus, Captain's Room, B-102

CITIZENS' OVERSIGHT COMMITTEE MEMBERS

Peter Gonzalez
Student

Robert Manning
Support Organization

Lisa Nissinen-Harlow
Community at-large

Hugh Rafferty
Taxpayers Association

David Richardson
Business Organization

William Thompson
Senior Organization

Kenneth Wolf
Community at-large

DISTRICT STAFF

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

Michael Black
Interim Associate
Superintendent/President
Vice President,
Administrative Services

Felix Hernandez Jr.
Vice President,
Facilities & Operations

Carol Moore, Director
Information Technology
Services

Luis P. Sanchez
Associate Superintendent/
President, Vice President,
Academic Affairs

NOTE TAKER
Melinda Martinez
Executive Secretary to the
Superintendent/President

	<u>ITEM</u>	<u>PRESENTER</u>	<u>TIME</u>
1.	Call to Order	Dr. Kevin Walthers	4:00 p.m.
2.	Introductions	Dr. Kevin Walthers	4:00 p.m.
3.	Elect a Chair/Vice Chair	Dr. Kevin Walthers	4:05 p.m.
4.	Public Comment: Public comment is welcomed. Under the provisions of the Brown Act, the committee is prohibited from discussing oral requests that are not part of the agenda.	Committee Chair	4:10 p.m.
5.	Approval of the minutes of the November 4, 2014 meeting	Committee Chair	4:15 p.m.
6.	Budget Presentation <ul style="list-style-type: none"> a. Financial Report through the period ending December 31, 2014 b. Audit Report for the year ended June 30, 2014 	Mr. Michael Black	4:20 p.m.
7.	Summary Reports for the period October 1-December 31, 2014 <ul style="list-style-type: none"> a. Technology b. Facilities 	Ms. Carol Moore Mr. Felix Hernandez Jr.	4:30 p.m. 4:40 p.m.
8.	DRAFT 2014 Annual Report	Dr. Kevin Walthers	4:50 p.m.
9.	Committee Members' Comments	All Members	4:55 p.m.
10.	Adjourn	Committee Chair	5:00 p.m.

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.

b. Facilities

Mr. Felix Hernandez gave a brief recap of the facilities quarterly report presented to the committee. Mr. Hernandez noted that the report is getting shorter due to projects being completed.

Mr. Hernandez shared there is a challenge with the Public Safety Complex shooting range. DSA has requested some changes to the design of the ballistic baffle system. The community has also complained about the noise from the shooting range. Sound testing will be conducted to assess the options to reduce the noise level. The shooting range is inoperative right now pending repairs to be approved and implemented.

6. 2014 Annual Report

Ms. Rebecca Alarcio noted that it was time to work on the 2014 Annual Report and asked the committee for their input. The report will be completed in February/March.

7. COC Membership & Meetings

Meetings:

Ms. Rebecca Alarcio asked the committee to consider reducing meetings to twice a year (bi-annually) from four times a year due to slowing of projects at this time. The committee agreed to reduce meetings to twice a year. The next meeting will be scheduled for February 2015.

Memberships:

Ms. Rebecca Alarcio acknowledged two members have agreed to renew their membership for a second two-year term as allowed per the bylaws. Lisa Nissinen-Harlow and Kenneth Wolf will remain community at large representatives. Four members, John Everett, Mario Juarez, Shirleen Sladek and Rick Velasco, are leaving the committee due to term expiration.

Recruitment efforts have been made to solicit for new members, in hopes to put names forward for new committee members to be approved by the Board of Trustees in January, and seated to the oversight committee in February.

Ms. Alarcio also encouraged members to assist in recruiting replacement committee members.

8. Committee Members' Comments
- Mr. Rick Velasco commented that it has been an honor and pleasure to serve the last four years on the Measure I committee. He noted how the campus has changed completely and looks like a four-year college. He commended the staff for having professional presentations and thanked them for doing an excellent job.
- Ms. Shirleen Sladek agreed with Mr. Velasco's comments and shared she has enjoyed serving on the committee and the transformation of the campus is phenomenal.
- Mr. Mario Juarez echoed the comments above and thanked the staff for their work.
- Mr. Kenneth Wolf commented he was impressed with the campus.
9. COC Member Recognition
- Dr. Kevin Walthers presented certificates to the outgoing members, Mario Juarez, Shirleen Sladek and Rick Velasco. He also acknowledged two District staff members leaving the committee due to retirement, Rebecca Alarcio and Dr. Elizabeth Miller.
10. Adjourn
- On a motion by Rick Velasco, second by Lisa Nissinen-Harlow, the meeting was adjourned by Chair Mario Juarez at 4:38 p.m.
- (Ayes: Juarez, Nissinen-Harlow, Sladek, Velasco, Wolf;
Noes: None; Absent: Everett)

MEASURE I
CITIZENS' OVERSIGHT COMMITTEE MEETING
FEBRUARY 3, 2015

QUARTERLY 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.

As of September 30, 2014, interest income in the amount of \$7,186,555 had been received.

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

Sale of Series A bonds	\$ 68,528,271
Sales of Series B and B1 bonds	\$ 30,114,817
Sales of Series C bonds	\$ 38,996,200
Sales of Series D bonds	\$ 8,843,563
Interest Income: 2006-07 through 2013-14	\$ 7,175,444
2014-15 est.	<u>\$ 75,000</u>
Total	\$153,733,295
Less: Cost of Issuance	<u>\$ 877,330</u>
Proceeds Projected for Bond Projects	<u><u>\$152,855,965</u></u>

As of December 31, 2014 \$147,984,810 has been spent on bond-related projects (including cost of issuance).

The following summary reflects major categories of expenditures:

Cost of Issuance	\$ 877,330
COP Repayment	\$ 8,275,496
Project Management	\$ 3,298,347
Construction Projects	
Public Safety Complex	\$37,290,933
Skills Center	\$ 1,971,485
Science Building	\$ 4,611,073
One-Stop Center	\$21,027,934
Industrial Tech Building	\$24,287,610
Child Care Addition	\$ 8,404,519
Facilities/Utilities Master Plan	\$ 634,232
Fine Arts Complex	\$ 4,180,800
Physical Education Addition	\$ 349,445
Theater Arts Project	<u>\$ 305,049</u>
Total Construction	\$103,063,080
Scheduled Maintenance	\$ 13,752,888
Technology	<u>\$ 18,717,669</u>
Total	<u><u>\$147,984,810</u></u>

Allan Hancock College Governmental Funds Group

Gen Oblig Bonds Building Fund

Income Statement by Fund

For Period Ending 12/31/2014

WB	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
REVENUES			
Local Revenues	75,000	11,111	14.81
Total REVENUES	<u>75,000</u>	<u>11,111</u>	<u>14.81</u>
EXPENDITURES			
Academic Salaries		4,598	0.00
Classified Salaries		1,614	0.00
Employee Benefits		606	0.00
Supplies and Materials	15,973	8,906	55.75
Other Operating Expenses and	645,354	425,325	65.90
Capital Outlay	2,482,719	320,505	12.90
Total EXPENDITURES	<u>3,144,047</u>	<u>761,557</u>	<u>24.22</u>
Excess of Revenues over (Under) Expenditures	(3,069,047)	(750,445)	
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses			
	<u>(3,069,047)</u>	<u>(750,445)</u>	<u>24.45</u>
FUND BALANCE:			
Fund balance, July 1	6,435,042	6,435,042	
Current balance	<u>3,365,994</u>	<u>5,684,597</u>	

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

Beginning Balance	\$68,000,000				\$180,000,000
Projected Interest Revenue	\$7,250,444				\$7,250,444
Premium on Sale of Bonds	\$528,271				\$528,271
Series B Issuance	\$29,999,814				\$0
Premium on Sale of Bonds	\$115,003				\$115,003
Series C Issuance	\$38,860,309				\$0
Premium on Sale of Bonds	\$135,891				\$135,891
Series D Issuance	\$8,770,472				\$0
Premium on Sale of Bonds	\$73,091				\$73,091
	Nine Year Project Total	Eight Year Actual	Proposed 2014-15	Future Years Budget	Project Grand Total
1. Cost of Issuance	871,815	871,815	0	0	871,815
Subtotal Cost of Issuance	871,815	871,815	0	0	871,815
2. COP Refinance (Repayment)					
a. Student Center	4,958,361	4,958,361	0	0	4,958,361
b. Library Media/Technology Center	3,317,135	3,317,135	0	0	3,317,135
Subtotal COP Refinance	8,275,496	8,275,496	0	0	8,275,496
3. Project Augmentation – State Match					
a. Science/Health Occupations	4,611,073	4,611,073	0	0	4,611,073
b. Skills Center	1,971,485	1,971,485	0	0	1,971,485
4. Construction Projects					
a. One Stop Student Center Complex Addition (Preliminary Plans, Working Drawings, & Construction Funding)	20,878,335	20,878,335	0	0	20,878,335
b. Public Safety Complex (Preliminary Plans, Working Drawings, & Construction Funding)	37,930,509	37,105,953	824,555	0	37,930,509
c. Childcare Center (Preliminary Plans, Working Drawings, & Construction Funding)	8,476,895	8,383,328	93,567	13	8,476,908
d. Industrial Technologies Modernization and Addition (Initial Project Proposal and Final Project Proposal)	25,053,520	24,266,862	786,858	0	25,053,520
e. Physical Education Addition	352,445	349,445	3,000	3	352,448
f. Fine Arts Complex	4,441,759	4,180,800	260,959	34,757,161	39,198,920
g. Theater Arts Project	362,247	305,049	57,198	944,436	1,306,683
5. Facilities and Utilities Master Plan	634,231	634,231	0	0	634,231
Subtotal Project Augmentation/Construction	104,712,499	102,686,362	2,028,137	35,701,613	140,414,112
6. Scheduled Maintenance Projects	13,765,466	13,739,875	25,591	0	13,765,466
Subtotal Scheduled Maintenance	13,765,466	13,739,875	25,591	0	13,765,466
7. Mainframe Replacement	8,115,513	8,115,513	0	0	8,115,513
8. Technology/Instructional Equipment Modernization	9,468,035	8,489,282	978,753	1,598,011	11,066,046
9. VOIP Project	1,456,323	1,358,778	97,545	0	1,456,323
10. Technology General	400,618	394,056	6,562	0	400,618
Subtotal Technology	19,440,489	18,357,629	1,082,860	1,598,011	21,038,500
10. Project Management	3,301,538	3,292,077	9,460	0	3,301,538
Subtotal Project Management	3,301,538	3,292,078	9,460	0	3,301,538
TOTAL BUDGET	150,367,303	147,223,255	3,144,048	37,299,624	187,666,927
FUND BALANCE	3,365,992				435,773
GRAND TOTAL	\$153,733,295				\$188,102,700

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2014

	2014-15 ADOPTED BUDGET	2014-15 WORKING BUDGET	2014-15 ACTUAL TOTAL	2014-15 ENCUMBRANCE TOTAL	2014-15 BALANCE
GO BOND/GENERAL					
67250047 GO Bond - Refunding					
Operating Expenses and Service	-	-	5,515	-	(5,515)
TOTAL GO Bond - Series Refunding	-	-	5,515	-	(5,515)
71700002 GO Bond Project Management					
Books, Supplies and Materials	1,061	-	-	-	-
Operating Expenses and Service	2,933	9,460	6,267	2,441	752
Capital Outlay	5,465	-	-	-	-
TOTAL GO Bond Project Management	9,460	9,460	6,267	2,441	752
TOTAL GO BOND/GENERAL	9,460	9,460	11,782	2,441	(4,763)
GO BOND/CONSTRUCTION					
71710005 Public Sfty Cmplx-Construction					
Books, Supplies and Materials	1,635	1,635	1,635	-	-
Operating Expenses and Service	130,987	210,133	151,062	53,605	5,466
Capital Outlay	662,001	582,855	23,724	326,705	232,426
TOTAL Public Sfty Cmplx-Construction	794,623	794,623	176,421	380,310	237,892
71710006 Public Sfty Cmplx-Equipment					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	472	472	-	-	472
Capital Outlay	29,460	29,460	8,558	-	20,902
TOTAL Public Sfty Cmplx-Equipment	29,932	29,932	8,558	-	21,374
TOTAL Public Safety Complex	824,555	824,555	184,979	380,310	259,266
71710017 One-Stop Std Svc Ctr Addtn Construction					
Books, Supplies and Materials	-	-	-	539	(539)
Operating Expenses and Service	-	-	53,579	4,565	(58,145)
Capital Outlay	-	-	2,041	26,541	(28,582)
TOTAL One-Stop Std Svc Ctr Add Construction	-	-	55,620	31,646	(87,266)
71710018 One-Stop Std Svc Ctr Addtn Equipment					
Books, Supplies and Materials	-	-	1,173	-	(1,173)
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	471	-	(471)
TOTAL One-Stop Std Svc Ctr Addtn Equipment	-	-	1,644	-	(1,644)
71710917 One-Stop Std Svc Ctr Addtn-Construction BAB					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	548	6,164	(6,712)
TOTAL One-Stop Std Svc Ctr Addnt-Cons BAB	-	-	548	6,164	(6,712)
71711017 One-Stop Std Svcs Bldg A Construction					
Books, Supplies and Materials	-	-	-	1,095	(1,095)
Operating Expenses and Service	-	-	65,785	16,531	(82,316)
Capital Outlay	-	-	15,518	93,534	(109,052)
TOTAL One-Stop Std Svcs Bldg A Construction	-	-	81,303	111,160	(192,464)
71711018 One-Stop Std Svcs Bldg A Equipment					
Books, Supplies and Materials	-	-	578	-	(578)
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	394	-	(394)
TOTAL One-Stop Std Svcs Bldg A Equipment	-	-	972	-	(972)

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2014

	2014-15 ADOPTED BUDGET	2014-15 WORKING BUDGET	2014-15 ACTUAL TOTAL	2014-15 ENCUMBRANCE TOTAL	2014-15 BALANCE
71711917 One-Stop Std Svcs Bldg A Construction BAB					
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	9,514	72,778	(82,292)
TOTAL One-Stop Std Svcs Bldg A Construction BAB	-	-	9,514	72,778	(82,292)
TOTAL One-Stop Student Services Center	0	0	149,602	221,748	(371,350)
71710022 Indstr Tech Mdr/Add-Working Drawings					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	48,081	48,081	31,378	16,703	-
TOTAL Indstr Tech Mdr/Add-Working Drawings	48,081	48,081	31,378	16,703	-
71710023 Indstr Tech Mdr/Add-Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	149,468	153,236	79,908	83,321	(9,992)
Capital Outlay	518,104	514,336	(108,045)	94,463	527,918
TOTAL Indstr Tech Mdr/Add-Construction	667,572	667,572	(28,137)	177,783	517,926
71710024 Indstr Tech Mdr/Add-Equipment					
Salaries/Benefits	-	-	6,819	-	(6,819)
Books, Supplies and Materials	-	-	1,997	1,651	(3,647)
Operating Expenses and Service	-	-	2,100	-	(2,100)
Capital Outlay	71,206	71,206	6,791	-	64,415
TOTAL Indstr Tech Mdr/Add-Equipment	71,206	71,206	17,707	1,651	51,848
TOTAL Industrial Tech Modernization	786,858	786,858	20,948	196,137	569,774
71710029 Child Care Ctr Addt/Wrk Drawings					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	3	3	-	3	-
TOTAL Child Care Ctr Addt/Wrk Drawings	3	3	-	3	-
71710030 Child Care Ctr Addt/Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	32,230	32,230	21,191	2,737	8,302
Capital Outlay	61,333	61,333	-	40,814	20,519
TOTAL Child Care Ctr Addt/Construction	93,563	93,563	21,191	43,551	28,822
71710031 Child Care Ctr Addt/Equipment					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	1	1	-	-	1
Capital Outlay	-	-	-	-	-
TOTAL Child Care Ctr Addt-Equipment	1	1	-	-	1
TOTAL Child Care Center Addition	93,567	93,567	21,191	43,554	28,822
71710034 Fine Arts Complex-Working Drawings					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	260,959	260,959	-	261,113	(154)
TOTAL Fine Arts Complex-Working Drawings	260,959	260,959	-	261,113	(154)
TOTAL Fine Arts Complex	260,959	260,959	-	261,113	(154)
71710039 Theater Arts Project - Working Drawings					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	4,004	4,004	-	-	4,004
Capital Outlay	22,179	22,179	-	22,178	0
TOTAL Theater Arts Project - Working Drawings	26,183	26,183	-	22,178	4,004

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2014

	2014-15 ADOPTED BUDGET	2014-15 WORKING BUDGET	2014-15 ACTUAL TOTAL	2014-15 ENCUMBRANCE TOTAL	2014-15 BALANCE
71710041 Theater Arts Prj - Equip Phs					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	31,015	31,015	-	-	31,015
TOTAL Theater Arts Project - Equipment Phase	31,015	31,015	-	-	31,015
TOTAL Theater Arts Project	57,198	57,198	-	22,178	35,019
71710043 Phys Ed Addt-Preliminary Plans					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	3,000	3,000	-	-	3,000
TOTAL Phys Ed Addt - Preliminary Plans	3,000	3,000	-	-	3,000
TOTAL Physical Education Addition	3,000	3,000	-	-	3,000
71719999 GO Bond Construction Contingency					
Capital Outlay	-	-	-	-	-
Other Outgo	-	-	-	-	-
TOTAL GO Bond Construction Contingency	-	-	-	-	-
TOTAL GO BOND/CONSTRUCTION	2,026,138	2,026,138	376,721	1,125,040	524,377
GO BOND/SCHEDULED MAINTENANCE					
71720008 Fire Alarm/Emr Call Sys-WD					
Capital Outlay	182	182	-	-	182
TOTAL Fire Alarm/Emr Call Sys-WD	182	182	-	-	182
*20908 Fire Alarm/Emr Call Sys-Wrk Dr B1					
Books, Supplies and Materials	2,000	2,000	-	-	2,000
Operating Expenses and Service	113	113	-	-	113
Capital Outlay	1,495	1,495	-	-	1,495
TOTAL Fire Alarm/Emr Call Sys-Wrk Dr B1	3,608	3,608	-	-	3,608
TOTAL Fire Alarm Call System	3,789	3,789	-	-	3,789
71720910 LVC Roof/ADA Upgrades-Wrk Drw B1					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	121	(121)
Capital Outlay	5,416	5,416	-	2,500	2,916
TOTAL LVC Roof/ADA Upgrades-Wrk Drw B1	5,416	5,416	-	2,621	2,795
TOTAL LVC Roof/ADA Upgrades	5,416	5,416	-	2,621	2,795
71720018 Bldg D Roof/HVAC/ADA-Wrk Drwg					
Capital Outlay	983	983	-	983	-
TOTAL Bldg D Roof/HVAC/ADA-Wrk Drwg	983	983	-	983	-
71720019 Bldg D Roof/HVAC/ADA-Construct					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	4,975	4,975	12,864	3,788	(11,677)
Capital Outlay	8,619	8,619	150	5,165	3,304
TOTAL Bldg D Roof/HVAC/ADA-Construct	13,594	13,594	13,014	8,953	(8,373)
TOTAL Bldg D Roof/HVAC/ADA	14,577	14,577	13,014	9,936	(8,373)
71720033 Campus Upgrade to VOIP-Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	1,109	1,109	-	-	1,109
TOTAL Campus Upgrade to VOIP-Construction	1,109	1,109	-	-	1,109

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2014

	2014-15 ADOPTED BUDGET	2014-15 WORKING BUDGET	2014-15 ACTUAL TOTAL	2014-15 ENCUMBRANCE TOTAL	2014-15 BALANCE
71720036 Copper Cabling-Wrk Drawing					
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL Copper Cabling-Wrk Drawing	-	-	-	-	-
71720037 Copper Cabling-Construction					
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	700	700	-	-	700
TOTAL Copper Cabling-Construction	700	700	-	-	700
TOTAL Campus Upgrade to VOIP	1,809	1,809	-	-	1,809
TOTAL GO BOND/SCHEDULED MAINTENANCE	25,591	25,591	13,014	12,557	20
GO BOND/TECHNOLOGY					
71730002 GO Bond-Inst Equip Modernization					
Books, Supplies and Materials	5,367	7,867	2,978	107	4,782
Operating Expenses and Service	47,734	47,734	-	14,237	33,498
Capital Outlay	376,920	374,420	208,231	95,511	70,678
TOTAL GO Bond-Inst Equip Modernization	430,021	430,021	211,209	109,855	108,958
71730003 GO Bond-Tech Equipment Modernization					
Books, Supplies and Materials	4,472	4,472	546	1,249	2,677
Operating Expenses and Service	160,095	160,095	20,520	35,475	104,101
Capital Outlay	384,164	384,164	121,231	65,999	196,934
TOTAL GO Bond-Tech Equipment Modernization	548,732	548,732	142,297	102,723	303,711
71730004 GO Bond-VOIP Equipment					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	20,058	20,058	6,107	-	13,951
Capital Outlay	77,487	77,487	-	-	77,487
TOTAL GO Bond-VOIP Equipment	97,545	97,545	6,107	-	91,438
71730005 GO Bond-Technology General					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	2,509	2,843	427	2,226	189
Capital Outlay	4,053	3,719	-	-	3,719
TOTAL GO Bond-Technology General	6,562	6,562	427	2,226	3,909
TOTAL GO BOND/TECHNOLOGY	1,082,860	1,082,860	360,040	214,804	508,015
GO BOND CONTINGENCY					
71799999 GO Bond Contingency					
Capital Outlay	-	-	-	-	-
Other Outgo	3,365,996	3,365,996	-	-	3,365,996
TOTAL GO BOND CONTINGENCY	3,365,996	3,365,996	-	-	3,365,996
GRAND TOTAL	6,510,044.39	6,510,044	761,557	1,354,842	4,393,645

AHC GL8060

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

Quarter Ending:	Prior Quarters	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Total
Income														
Bond Proceeds	98,643,088		64,823	38,996,200	46,199	41,587	43,820	30,511	8,843,564	20,345	17,541	15,644	11,111	146,482,852
Interest	6,727,887	74,524	64,823	67,807	46,199	41,587	43,820	30,511	24,754	20,345	17,541	15,644	11,111	7,186,555
	105,370,975	74,524	64,823	39,064,007	46,199	41,587	43,820	30,511	8,868,318	20,345	17,541	15,644	11,111	153,669,407
Expenditures														
Fiscal Services	643,274			21,000	124,000	-9,109	-130,000		224,403	-1,753		3,333	2,182	877,330
Cost of Issuance	8,275,496													8,275,496
COP Repayment	4,922,148	4,897	-104,125		3,722	534	-1,535,292				193	3,909	2,361	3,298,347
Bond Project Management	22,557,874	5,280,027	9,519,631	4,564,246	7,413,447	9,626,270	19,024,977	3,430,823	7,280,394	6,320,285	4,139,102	3,725,223	180,781	103,063,080
Construction	7,963,529	185,086	76,972	23,663	47,711	473,419	3,249,711	931,960	574,620	19,099	174,917	19,623	12,578	13,752,888
Scheduled Maintenance	13,386,710	1,296,222	945,660	280,508	233,003	651,895	499,383	103,402	289,621	179,742	465,388	135,544	250,591	18,717,669
Technology														
	57,749,031	6,766,232	10,438,138	4,889,417	7,821,883	10,743,009	21,108,779	4,466,185	8,369,038	6,517,373	4,779,600	3,887,632	448,493	147,984,810
Net Cash	47,621,944	-6,691,708	-10,373,315	34,174,590	-7,775,684	-10,701,422	-21,064,959	-4,435,674	499,280	-6,497,028	-4,762,059	-3,871,988	-437,382	5,684,597
Cash Balance	47,621,944	40,930,236	30,556,921	64,731,511	56,955,827	46,254,406	25,189,447	20,753,773	21,253,053	14,756,025	9,993,966	6,121,979	5,684,597	

**Allan Hancock Joint Community College District
Measure I General Obligation Bonds
Financial Statements
and
Agreed-Upon Procedures
Year Ended June 30, 2014**

**Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Year Ended June 30, 2014**

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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 Measure I General Obligation Bonds (the Bond Construction Fund) of the Allan Hancock Joint Community College District (the District) as of and for the fiscal year ended June 30, 2014, as required by Proposition 39. These financial statements are the responsibility of the Allan Hancock Joint Community College District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; these include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Board of Trustees and

Citizens' Oversight Committee

Allan Hancock Joint Community College District

Page 2

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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Bond Construction Fund of the Allan Hancock Joint Community College District as of June 30, 2014, and the results of operations for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, on our consideration of the District's 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 District's internal control over financial reporting and compliance.

GLENN BURDETTE ATTEST CORPORATION

Glenn Burdette Attest Corporation
San Luis Obispo, California

December 5, 2014

Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Balance Sheet
June 30, 2014

Assets

Cash and cash equivalents	\$ 13,478,567
Accounts receivable	15,646
Due from other District funds	<u>7,770</u>
Total assets	<u><u>\$ 13,501,983</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 7,059,954
Amounts Held for Others	3,517
Accrued Compensated Absences	<u>3,470</u>
Total liabilities	<u><u>7,066,941</u></u>

Fund Balance:

Restricted	<u>6,435,042</u>
Total fund balance	<u><u>6,435,042</u></u>

Total liabilities and fund balance	<u><u>\$ 13,501,983</u></u>
------------------------------------	-----------------------------

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

Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance
June 30, 2014

Revenues:	
Revenue from local sources	\$ 78,285
Total revenues	<u>78,285</u>
 Expenditures:	
Supplies and materials	15,905
Other operating expenditures	2,144,834
Salaries and benefits	6,985
Capital outlay	25,539,038
Total expenditures	<u>27,706,762</u>
Excess of expenditures over revenues	(27,628,477)
 Other Financing Sources:	
Total other financing sources	<u>8,843,563</u>
Excess of expenditures over revenues	(18,784,914)
Fund balance - beginning of year	<u>25,219,956</u>
Fund balance - end of year	<u><u>\$ 6,435,042</u></u>

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

Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Notes to the Financial Statements
June 30, 2014

Note 1: Measure I Bond Construction Program Background

The Board of Trustees of the Allan Hancock Joint Community College District (the District) has established a Citizens' Oversight Committee to ensure that the proceeds of the Measure I General Obligation Bonds issuance are used for the purposes stated in the resolution which placed Measure I on the 2006 ballot. The Measure I General Obligation Bonds initiative authorized the issuance of \$180 million in 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. The bond proceeds and project costs are accounted for in the District's Bond Construction Fund. The District has established a Bond Charging Policy to outline the allowable expenditures under the Measure I Bond Construction Fund's related costs. The policy specifically states that no funds will be spent for teacher or administrator salaries or for general operating expenses. All projects are managed by approved District Program Managers. Program Managers are responsible for managing all program-related activities, including the maintenance of the District's master schedule to the master program budget.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The accounting and financial treatment applied to the Measure I Bond Construction Fund is determined by its measurement focus. The Measure I Bond Construction Fund is a governmental fund and is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances for this Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fund Accounting

The operations of the Measure I Bond Construction Fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund Balance

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based on the extent to which the District are bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

Note 2: Summary of Significant Accounting Policies (Continued)

Fund balance is reported in five components in accordance with GASB 54 – nonspendable, restricted, committed, assigned, and unassigned. The District has not formally adopted a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for a specific purpose. The component applicable to the District’s Measure I Bond Construction as of June 30, 2014 is as follows:

Restricted - The portion of fund balance representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, e.g. grantors or creditors, or by law through constitutional provisions or enabling legislation.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Events subsequent to June 30, 2014 have been evaluated through December 5, 2014, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.

Note 3: Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County of Santa Barbara Treasury, an external investment pool. The County pools these funds with those of other governmental entities in the county and invests the cash. These pooled funds are carried at fair value. Interest is earned based on average daily balance and is deposited quarterly into participating funds. Any investment gains and losses are proportionately shared by all funds in the pool. The County is restricted by the California Government Code to invest in obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of state and local agencies of this State; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code. The County’s report discloses the required information in accordance with Governmental Accounting Standards Board Statements No. 3 and 40. Pooled investments are not required to be categorized by risk category.

Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Notes to the Financial Statements
June 30, 2014
Page 3

Note 4: Excess of Expenditures and Other Uses Over Appropriations

There was no excess of expenditures over appropriations in the Measure I Bond Construction Fund as of June 30, 2014.

Note 5: General Obligation Bonds

In June 2006, \$180 million general obligation bonds were authorized by an election held within the Allan Hancock Joint Community College District. In September 2006, \$68 million of the general obligation bonds were sold under Proposition 39 (Measure I), which provides that proceeds of the bonds will be used to acquire, construct, renovate, furnish and equip school facilities and grounds, and make Allan Hancock Joint Community College District eligible for millions in State matching funds. An additional \$29,999,556 and \$38,996,200 of general obligation bonds were sold in October 2009 and September 2012, respectively.

The outstanding general obligation bonded debt for the Measure I Bond Construction Fund of the District at June 30, 2014 was as follows:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding June 30, 2013</u>	<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Bonds Outstanding June 30, 2014</u>
2006	4.0 % - 5.0 %	2032	\$ 68,000,000	\$ 64,925,000	\$	\$ 555,000	\$ 64,370,000
2010	4.0 % - 5.0 %	2034	\$ 29,999,556	\$ 26,620,000	\$	\$	\$ 26,620,000
2013	2.0 % - 5.7 %	2048	\$ 37,986,200	\$ 38,996,200	\$	\$ 1,010,000	\$ 37,986,200
2014	2.0 % - 4.8 %	2040	\$ 8,773,376	\$	\$ 8,773,376	\$	\$ 8,773,376

The annual requirements to amortize the above general obligation bonds outstanding at June 30, 2014, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,050,000	\$ 4,989,847	\$ 8,039,847
2016	1,315,000	4,918,035	6,233,035
2017	1,425,000	4,861,772	6,286,772
2018	1,710,000	4,790,672	6,500,672
2019	2,035,000	4,703,685	6,738,685
2020-2024	15,805,000	21,685,564	37,490,564
2025-2029	28,165,000	16,541,385	44,706,385
2030-2034	40,441,325	15,582,485	56,023,811
2035-2039	10,799,360	52,138,758	62,938,119
2040-2044	16,572,909	47,452,618	64,025,527
2045-2049	16,430,982	41,644,646	58,075,628
Total	\$ 137,749,576	\$ 219,309,467	\$ 357,059,044



**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 auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure I General Obligations Bonds (the Bond Construction Fund) of the Allan Hancock Joint Community College District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Bond Construction Fund's basic financial statements and have issued our report thereon dated December 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Board of Trustees and

Citizens' Oversight Committee

Allan Hancock Joint Community College District

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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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, 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 financial statements are free from 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

This 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.

GLENN BURDETTE ATTEST CORPORATION

Glenn Burdette Attest Corporation
San Luis Obispo, California

December 5, 2014

**Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Schedule of Audit Findings and Questioned Costs
Year Ended June 30, 2014**

There were no findings and questioned costs related to the financial audit of the Measure I Bond Construction Fund for the fiscal year ended June 30, 2014.

**Allan Hancock Joint Community College District
Measure I Bond Construction Fund
Summary Schedule of Prior Year Audit Findings – June 30, 2013
Year Ended June 30, 2014**

There were no findings and questioned costs related to the financial audit of the Measure I Bond Construction Fund for the fiscal year ended June 30, 2013.

Agreed-Upon Procedures



**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

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

At your request, we have performed the procedures enumerated below, which were agreed to by the Allan Hancock Joint Community College District's (the District) officials and were performed solely to assist the District and its management in fulfilling its oversight responsibility surrounding the administration of the District's Measure I Bond Construction Program under Proposition 39 requirements for the year ended June 30, 2014. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

A. Procedure

Review compliance with the expenditure provision/restrictions in the Measure I Bond Issuance, as well as approved Board policies.

Results

We obtained and inspected the expenditure provisions/restrictions imposed by the Measure I Bond Issuance. Of the transactions we tested (see Procedure B below), the District was in compliance with the expenditure provisions/restrictions in the Measure I Bond Construction Fund.

**Board of Trustees and
Citizens' Oversight Committee
Allan Hancock Joint Community College District
Page 2**

B. Procedure

Verify compliance with expenditure allowances related to local bond funding in accordance with approved bond contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.

Results

Utilizing a listing of Measure I Bond Construction Fund expenditures provided to us by the District's management, we compared fifteen (15) Measure I expenditures (object codes 4000-7000) to Measure I expenditure classifications (projects and programs). We further reviewed the project list approved by voters for the Bond and ensured that expenditures related to a project approved by voters. We also obtained and inspected the expenditure provisions/restrictions imposed by the Measure I General Obligation Bonds Issuance.

Of the transactions selected for testwork, the District was in compliance with the expenditure provisions/restrictions in the Measure I Bond Construction Program.

C. Procedure

Reconcile Measure I Construction Fund project costs of the Allan Hancock Joint Community College District General Obligation Bonds, Election of 2006 as of June 30, 2014, with the general ledger prepared by Allan Hancock Joint Community College District staff.

Results

We obtained the general ledger prepared by District staff and reconciled it to the Measure I Bond Construction Fund's project costs for the year ended June 30, 2014.

We obtained the total project costs summarized in the trial balance for the District's Measure I Bond Construction Fund as of and for the year ended June 30, 2014 and compared them to the District's expenditures for the same time period. We noted no exceptions.

D. Procedure

Prepare a schedule of all costs incurred between July 1, 2013 and June 30, 2014, by project, for the Measure I Bond funding.

Board of Trustees and
Citizens' Oversight Committee
Allan Hancock Joint Community College District
Page 3

Results

<u>Cost Center</u>	<u>Project Description</u>	<u>Expenditures Incurred</u>
67210047	GO Bond Administration	\$ 222,650
71700002	Project Management	193
71710003/0903	Public Safety	6,897,321
71710016	One Stop Center	6,613,171
71710021	CIT Industrial Tech Mdrn/Add Project	10,796,074
71710030	Child Care Center Addition	183,496
71710034	CFA Fine Arts Complex	103,883
71710038/39/41	CTA Theater Arts Project	105,943
71720019	Building D Roof	1,713,904
71720910	CLR LVC Roof/ADA Upgrades	5,879
71730001	CMN Mainframe Replacement	9,435
71730002/0033	CMD Equipment Modernization	743,554
71730004	Technology VOIP Equipment	(2,000)
71730005	Technology - General	313,259
		<u>\$ 27,706,762</u>

E. Procedure

Prepare a schedule of all projects started and/or completed since the inception of the bond and the total costs incurred from inception of the bond.

Results

<u>Project Description</u>	<u>Total Expenditures</u>
GO Bond Administration	\$ 343,544
Fiscal Services	8,808,359
GO Bond Management	4,822,920
Public Safety Complex	37,105,955
Facilities Master Plan	634,232
Skill Center	1,715,702
Skills Center AV Equipment	268,461
Science Complex	3,751,315
Science Complex - Equipment	847,084
Industrial Technology	24,266,661
One Stop Student Services Center	20,924,689

Board of Trustees and
Citizens' Oversight Committee
Allan Hancock Joint Community College District
Page 4

<u>Project Description</u>	<u>Total Expenditures</u>
Child Care Center	\$ 8,336,973
CFS Fine Arts Complex	2,645,363
CTA Theater Arts Project	305,049
Emergency Call System	37,011
Physical Education Addition	349,445
Pool Resurfacing Project	55,500
LVC EMS HVAC Project	447,196
CLR LVC Roof/ADA Upgrades	119,090
Underground Fuel Tank Project	124,205
Parking Lot One Expansion	1,481,494
Phase I Energy Project	535,788
Building C Roof	1,372,917
Building D Roof	5,655,498
Building E-G Roof	487,916
Building N Roof	355,543
HVAC	335,748
CMN Mainframe Replacement	8,115,512
VOIP	2,731,969
Technology Instructional Equipment	7,048,265
Technology Equipment	1,441,016
Technology VOIP Equipment	1,358,779
Technology General	394,055
	<u>\$ 147,223,254</u>

F. Procedure

Calculate the balance available for expenditure of bond proceeds related to the approved projects within the Measure I Construction Bond Fund at June 30, 2014. This will include a review of the open contracts, notices of completion and retention balances, and analysis of the work in process.

Results

Fund 47

Beginning fund balance	\$ 25,219,956
Current period interest revenue	78,285
Other financing sources	8,843,563
Expenditures (July 1, 2013 through June 30, 2014)	<u>(27,706,762)</u>
Calculated fund balance at June 30, 2014	<u>\$ 6,435,042</u>

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion relating to the matters included in the Agreed-Upon Procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees and management of the Allan Hancock Joint Community College District, and the Citizen's Oversight Committee, and is not intended to be, and should not be, used by anyone other than these specified parties.

GLENN BURDETTE ATTEST CORPORATION

Glenn Burdette Attest Corporation
San Luis Obispo, California

December 5, 2014



2014 ANNUAL REPORT TO THE BOARD OF TRUSTEES



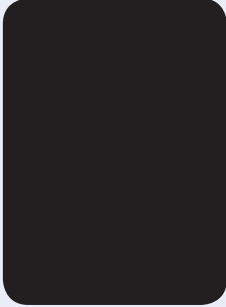
BOND MEASURE I CITIZENS' OVERSIGHT COMMITTEE



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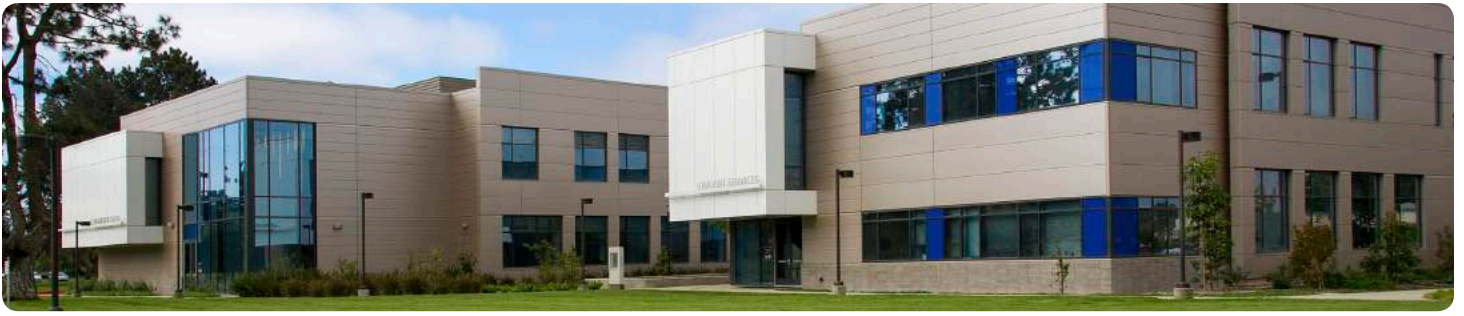
Presented March, 2015

Letter From The Chair



?????

NEW LETTER COMING



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 is helping 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 by 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 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-years terms and may not serve more than two consecutive terms. Members serve without compensation. Meetings are scheduled quarterly. They are open to the public and subject to the Brown Act.

Meetings held to date:

- November 7, 2006
- February 6, 2007
- May 1, 2007
- August 7, 2007
- November 6, 2007
- February 5, 2008
- May 6, 2008
- August 5, 2008
- November 4, 2008
- February 3, 2009
- May 5, 2009
- August 4, 2009
- November 3, 2009
- February 2, 2010
- May 4, 2010
- August 3, 2010
- November 2, 2010
- February 1, 2011
- May 3, 2011
- August 2, 2011
- November 1, 2011
- February 7, 2012
- May 1, 2012
- August 7, 2012
- November 6, 2012
- February 5, 2013
- May 7, 2013
- August 6, 2013
- November 12, 2013
- February 4, 2014
- May 6, 2014
- August 5, 2014
- November 4, 2014

Planned meetings for 2015:

- February 3, 2015
- August 4, 2015



The agendas, minutes and all reports for Measure I Citizens' Oversight Committee meetings are posted on the website, www.hancockcollege.edu. Click the "Bond Measure I" link on the website home page.

Citizens' Oversight Committee members

- **Camerron Barlow**, 2013-2014, a student enrolled and active in a community college support group (Associated Student Body Government)
- **John Everett**, 2010-2014, an active member of a support organization (Allan Hancock College Foundation)
- **Donovan Hamsher**, 2012-2013, a student enrolled and active in a community college support group (Student Senate for California Community Colleges)
- **Mario Juarez**, 2010-2014, an active member of a business organization (Santa Maria Chamber of Commerce)
- **Lisa Nissenin-Harlow**, 2012-2014, community at-large representative
- **Shirleen Sladek**, 2010-2014, an active member of a senior organization (Casa Grande Homeowners Association)
- **Ricardo Velasco**, 2010-2014, an active member of a taxpayer's organization (Santa Barbara Taxpayers Association)
- **Kenneth Wolf**, 2012-2014, community at-large representative

The following members completed their service on the Citizens' Oversight Committee. We thank them for their time and dedication.



Standing left to right:

Back: Carol Moore, Dr. Kevin Walthers, Superintendent/President, Lisa Nissenin-Harlow, Kenneth Wolf, Luis Sanchez, Felix Hernandez Jr.

Front: Dr. Elizabeth Miller, Ricardo Velasco, Shirleen Sladek, Rebecca Alarcio, Mario Juarez

Not pictured: John Everett



- **Camerron Barlow**, 2013-2014
- **Donovan Hamsher**, 2012-2014
- **John Everett**, 2010-2014
- **Mario Juarez**, 2010-2014
- **Shirleen Sladek**, 2010-2014
- **Ricardo Velasco**, 2010-2014

Standing left to right:

Mario Juarez, Donovan Hamsher, Camerron Barlow, Dr. Kevin Walthers, Superintendent/President

Measure I Citizens' Oversight Committee contact information

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

Melinda Martinez
Executive Secretary to the Superintendent/President

800 South College Drive
Santa Maria, CA 93454-6399

Ph: (805) 922-6966 ext. 3454

melinda.martinez1@hancockcollege.edu

Measure I online

To learn more about Measure I, including news articles and information materials, go to www.hancockcollege.edu and click on the orange "Bond Measure I" link on the home page.

Annual Report

Editor:
Melinda Martinez

Design & Printing:
Matt MacPherson
Graphic Designer
Allan Hancock College
Campus Graphics

Period covered by the report

This report covers the time period of January 1, 2014, to December 31, 2014.

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 representatives 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, 2014. Glenn Burdette, Certified Public Accountants, prepared the report to comply with Proposition 39 accountability within the California Constitution.

Glenn Burdette stated, "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Bond Construction Fund of the Allan Hancock Joint Community College District as of June 30, 2014, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America." The auditors further noted, "There were no findings and questioned costs related to the financial audit of the Measure I Bond Construction Fund for the fiscal year ended June 30, 2014."



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 improvements 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) of the California Constitution and consistent with the district's approved Measure I local bond measure.

Measure I Projects Status

Capital Construction Projects

Public Safety Training Complex



This project constructed a 36,678 sq. ft. academic building, 8,568 sq. ft. six-story fire tower, 12,286 sq. ft. apparatus storage building, a 42,406 sq. ft. shooting range, scenario village, prop house, fitness track, skid pad/slow speed driving skills area, and a one-mile emergency vehicle operator course (EVOC).

The Public Safety Complex was partially occupied on December 2013. The VIP grand opening was held on July 31, 2014 and Community Day was held on August 2, 2014.

Of the current project budget, a total of 99 percent has been committed thus far.

Architect: MVE Institutional Inc.
Construction Manager: Kitchell CEM, Inc.
Contractor: Sinanian Development Inc.

Revised Total Project Budget: \$37,946,792

Student Services Center



This project constructed a new 44,788 sq. ft. two-story student services building (building A) and a new 21,053 sq. ft. two-story administration building (building B) with associated on- and off-site improvements targeting LEED Silver Certification. In addition, the project developed a new north Bradley Road driveway, north-east loop road, and parking lot in accordance with the board approved 2008 Bond Measure I, Facilities Site and Utilities Master Plan. The project also includes the

demolition of existing buildings A (Student Services), B (Administration), I (Learning Assistance), N-Annex (Campus Police), T (Testing), U (Human Resources), V (Institutional Research), and X (Information Technology).

Buildings A and B have been occupied since late 2013. The grand opening was held on April 15, 2014.

Of the current project budget, a total of 100 percent has been committed thus far.

Architect: Steinberg Architects
Construction Manager: Steinberg Architects
Contractor: Soltek Pacific

Total Project Budget/Funding Summary

Measure I Funds: \$16,900,000
State Funds: \$19,757,000
Total Project Budget: \$32,247,428

Fine Arts Complex



The Fine Arts Complex is a new 68,000 sq. ft. two-story building that includes visual arts, multi-media and applied design, photography, film and video, dance, music, and shared amenities. The project consolidates all of the fine arts and performing arts (except theatre arts) currently in buildings D (Theatre Arts Center), E (Music), F (Fine Arts), O (Industrial Technology), and S (Community Education), into one Fine Arts Complex.

A Final Project Proposal (FPP) was submitted to the state for the Fine Arts Complex in June 2014. State funding is dependent upon passage of the state's construction bond in November 2014. In early September, the state announced that there would not be a state construction bond in 2014. The next possible date for a state construction bond may be November 2016.

Of the current project budget, a total of 13.4 percent has been committed thus far.

Architect: Steinberg Architects
Construction Manager: Kitchell CEM, Inc.
Contractor: Pending Future Award

Total Project Budget: **\$39,198,920**

Theatre Arts Complex



The Theatre Arts Complex was approved by the board of trustees as a bid alternate to the Fine Arts Complex. The concept design, including remodeling building F (Fine Arts), demolishing building E (Music), and constructing a 19,600 sq.ft. stand-alone structure in its footprint, was approved by the board at the January 18, 2011 meeting. The project is targeting LEED certification.

The Working Drawings for this project received DSA approval and are now shovel ready. The project is partially funded with Bond Measure I funds and is currently on hold pending available funding.

Of the current project budget, a total of 33.2 percent has been committed thus far

Architect: Steinberg Architects
Construction Manager: Kitchell CEM, Inc.
Contractor: Pending Future Award

Total Project Budget: **\$1,676,000**
(current project allocation)

Industrial Technology and Physical Education/Athletic Fields



This new facility provides space for the Industrial Technology programs including: automotive transportation technology, auto body technology, architecture/engineering technology, machine technology, welding, and administrative support. This project constructed a new 35,305 sq. ft. building to the south of building O, in the space once occupied by the track and football field. In addition, a new baseball field was constructed adjacent to the existing softball field across College Drive, the grass practice field and soccer fields were reconfigured, and a new running track (with a football/soccer field in the interior of the running track) and practice football field will be constructed in the vacated space.

Project construction commenced in summer 2012, athletic fields were completed in summer 2013. The Industrial Technology building was occupied on July 2014. The grand opening was held on Jan 30, 2015.

Of the revised project budget, a total of 98 percent has been committed thus far.

Bridging Architect: IBI Group
Design Builder: Flintco Pacific, Inc.

Revised Budget Allocation: **\$ 24,712,722**

Lompoc Valley Center Repairs and Upgrades

This project installs a new emergency generator which replaces the current back-up battery system for emergency lighting. In addition, the new generator will provide backup for the Voice Over Internet Protocol system and associated servers. This project also addresses ADA retrofits; constructs a new roof for the central plant building to extend the operating life of the mechanical equipment; installs new water heaters and softeners; and replaces damaged site concrete in various locations. The district is currently exploring the possibility of installing the new emergency generator as a separate project.

Due to design delays, this project continues to seek approval from the Division of the State Architect.

Of the current budget, a total of 97 percent has been committed thus far.

Architect: Harris Architect and Design
Project Design Budget: **\$169,000**

Technology Projects

Technology Equipment Modernization

The Technology Advisory Committee (TAC) recommended major modernization purchases this year, for example: a new server for the dental



lab; a service to convert 300,000 transcripts to PDF for the Banner online imaging system; professional services for reports and data conversion for alumni records; equipment to provide electrical stimulation and ultrasound treatments for the athletes; cameras for the Fine Arts photography classes; a new transcript printer, a large LCD display for EOPS/CalWorks reception area; new computers, laptops, iPads and tablets for various campus departments; new copier machines, programmable IV pumps for Health Sciences; replacement and new AV equipment; new point-of-sale registers for the Bookstore; assistive devices for PCPA patrons; e-ticketing devices for PCPA theatres; an online scholarship program, and wireless public address (PA) systems for the Santa Maria and LVC campuses.

Of the project budget, a total of 80 percent has been committed.

Project Managers:
Director, Information Technology Services
Dean, Academic Affairs

Vendors: Various

Project Budget:
Measure I Funds \$11,066,046

Voice Over Internet Protocol Equipment and Services Project

The Voice over IP project replaced the current telephone and voice mail systems at all district locations with a Voice over Internet Protocol (VoIP) telephone system. It consisted of the procurement, project management, installation, implementation, training, and ongoing support of an enterprise VoIP system.



All locations and buildings except VAFB were cut over to the new ShoreTel Voice over Internet Protocol (VoIP) telephone system as of August 15, 2012. VAFB used the new phone system when the AHC base office and classes moved into the new VAFB training center in January 2014. The remaining item on the project is the replacement core switch which is planned for 2015.

The project commenced March 2011 and was substantially completed June 2013 with 94% of the project budget committed.

Project Manager: Director, Information Technology Services

Vendors: Packet Fusion, Inc. (VoIP Equipment and Services)

Project Budget:
Measure I Funds \$1,456,323

Technology General Projects

This account was created with savings from the VoIP project to be used for a portion of the IFAS upgrade to ONESolution and other general technology needs as appropriate.

Of the \$400,618 budget, a total of 99 percent has been committed.

Project Manager: Director, Information Technology Services

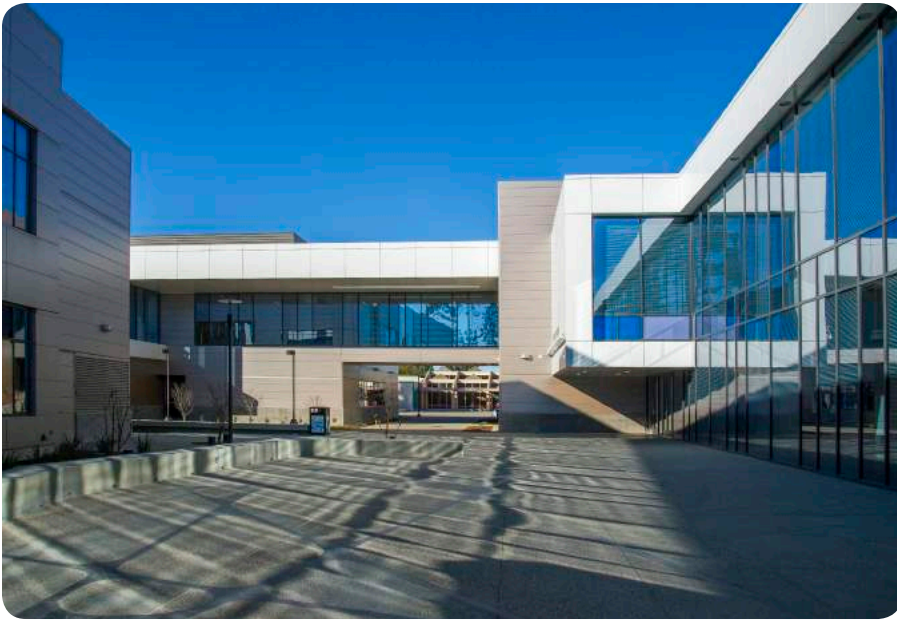
Vendors: Various

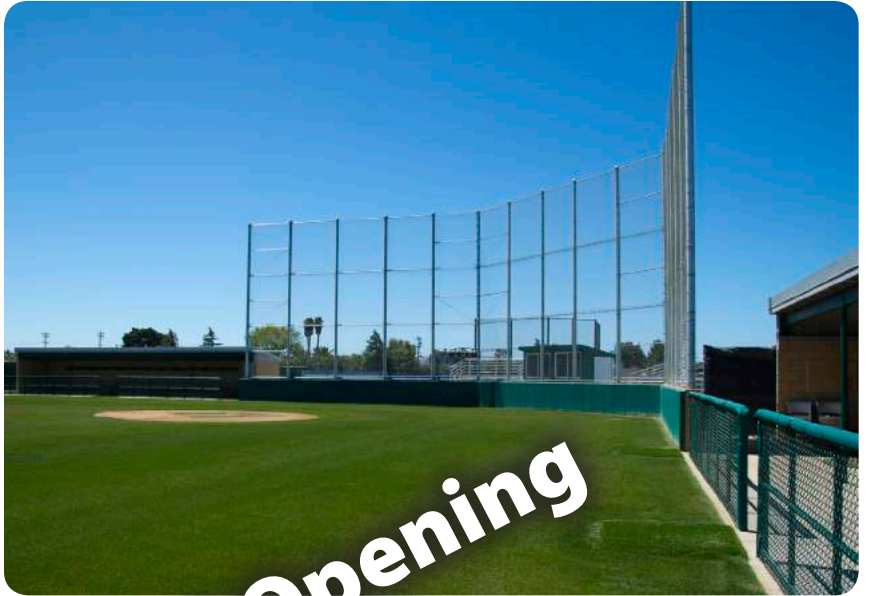
Project Budget:
Measure I Funds \$400,618

Allan Hancock Joint Community College District General Obligation Bond Expenditure Report

September 1, 2006 – December 31, 2014

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.....	\$38,851,199
Series D Issuance.....	\$8,770,472
General Obligation Bond Balance to be Issued	\$34,378,772
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	\$38,851,199
Premium on Sale of Bonds Issuance C.....	\$145,000
Series D Issuance	\$8,770,472
Premium on Sale of Bonds Issuance D.....	\$73,091
Interest	\$7,186,557
TOTAL AVAILABLE REVENUE	\$153,669,407
EXPENDITURES (January 1 - December 31, 2014)	
Cost of Issuance Series C and D	\$3,762
Project Management	\$6,460
Public Safety Complex.....	\$3,441,973
One-Stop Student Services Center	\$3,831,159
Industrial Technology Modernization/Addition	\$6,995,436
Child Care Center Addition	\$24,685
Fine Arts Complex.....	\$72,140
Bldg. D Roof and HVAC - ADA	\$220,339
LVC Roof/ADA Upgrades.....	\$5,879
Technology - General.....	\$108,573
Instructional Equipment Modernization.....	\$532,803
Technology Equipment Modernization.....	\$386,032
Technology VOIP Equipment.....	\$3,857
TOTAL EXPENDITURES 2014.....	\$15,633,099
Total Prior Period Expenditures.....	\$132,351,711
GRAND TOTAL EXPENDITURES.....	\$147,984,810
ENDING BALANCE	\$5,684,597





**I.T. Grand Opening
to come**

Allan Hancock Joint Community College District Board of Trustees

Mr. Gregory A. Pensa, President

Area 5 (Santa Ynez Valley, Northern Lompoc Valley, Channel Islands)

Mr. Tim Bennett, Vice President

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Mr. Bernard E. Jones, member

Area 4
(Lompoc Valley)

Mr. Larry Lahr, member

Area 3
(Southern Santa Maria Valley,
Casmalia, Los Alamos)

Ms. Hilda Zacarías, member

Area 1
(Central & Northern Santa Maria)

Mr. Jorge Ruiz-Calixto

Student Representative

.....

Kevin G. Walthers, Ph.D.

Superintendent/President



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