



AGENDA

Citizens' Oversight Committee – Bond Measure I
 Tuesday, March 1, 2016 – 4:00-5:00 p.m.
 Santa Maria Campus – Captain's Room, B-102

CITIZENS' OVERSIGHT COMMITTEE MEMBERS

Michael Huggins
 Student Representative

Robert Manning
 Support Organization

Lisa Nissinen-Harlow
 Community at-large

Hugh Rafferty
 Taxpayers Association

David Richardson
 Business Organization

Bill Thompson
 Senior Organization

Kenneth Wolf
 Community at-large

DISTRICT STAFF

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

Michael Black
 Associate Superintendent
 Vice President, Finance &
 Administration

Felix Hernandez Jr.
 Vice President, Operations

Andrew Masuda
 Interim Director, Public
 Affairs & Publications

Carol Moore, Director
 Information Technology
 Services

NOTE TAKER

Melinda Martinez
 Executive Secretary to the
 Superintendent/President

	<u>ITEM</u>	<u>PRESENTER</u>	<u>TIME</u>
1.	Call to Order	Chair Nissinen-Harlow	4:00 PM
2.	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.	Chair Nissinen-Harlow	
3.	<u>Action Items</u>		4:05 PM
3.a.	Approval of the minutes of the August 4, 2015 meeting.	Chair Nissinen-Harlow	
3.b.	Approval of the 2015 Citizens' Oversight Committee Annual Report	Chair Nissinen-Harlow	
4.	<u>Information Items</u>		4:10 PM
4.a.	New Members	Dr. Kevin Walthers	
5.	<u>Oral Reports</u>		
5.a.	Budget Presentation <ul style="list-style-type: none"> a. Financial Report for the period ending December 31, 2015 b. Audit Report for the year ending June 30, 2015 	Mr. Michael Black	
5.b.	Summary Report for the period July 1-December 31, 2015 <ul style="list-style-type: none"> a. Technology 	Ms. Carol Moore	
5.c.	Summary Report for the period July 1-December 31, 2015 <ul style="list-style-type: none"> b. Facilities 	Mr. Felix Hernandez	
6.	Committee Members' Comments	All	4:55 PM
7.	Adjournment	Chair Nissinen-Harlow	5:00 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.

6. Summary Reports for the period January 1 through June 30, 2015

Technology:

Carol Moore presented an update on Technology. The TAC committee recommended 80 projects for \$336,000. Ms. Moore described for the committee what each of the items were and how they are being used on campus.

Ms. Moore went into further detail about the new RAVE system, explaining its use for text message alerts and mass notification to students and staff in the event of an emergency. There was discussion about integration with the blue emergency towers. Ms. Moore confirmed the VOIP system can also broadcast emergency announcements and will be used for the blue emergency towers.

She shared a virtual tour system has been purchased. Visitors of the college will be able to take a three-dimensional tour and view three-dimensional maps similar to Google Maps. Ms. Moore hopes to have more information and possibly a demonstration at the next meeting.

Ms. Moore provided additional details to the RAVE system noting they can send 9,000 text messages in 30 seconds, and can call house phones up to five times and leave a message with text speech. Ms. Moore explained the college's efforts to have students and employees opt-in to the emergency notification service. Deactivation of the service can be managed by logging in to myHancock or replying "STOP" to the text message.

Andrew Masuda also noted the RAVE system is being used by the Public Affairs office to target specific groups of students to send messages to about registering for classes with low enrollment, or communicating with a certain student population (i.e., athletes).

A brand new video streaming system and equipment is being used for VP open forums, graduations, and blackboard presentations. Faculty can request video-taping by scheduling with media services.

The new core switch was successful and went live on June 3, 2015. Ms. Moore explained the process of changing the core switch. She reported the only thing left in the VOIP project are additional phones needed for campus, and they are working with Packet Fusion to select new models. Lastly, she noted the General Technology fund project has completed.

Facilities:

Felix Hernandez provided an update on the shooting range. Division of State Architect (DSA) has approved a re-design, and the contractor is in the process of implementing it. He shared photos and described the revisions of the design in detail.

There was discussion about opportunities for leasing the facility to other entities. Mr. Hernandez noted they are exploring those options, but the priority for use is student trainings.

Mr. Hernandez explained after completion of the revisions, additional sound testing will be conducted to see if more sound attenuation is needed.

Mr. Hernandez reported the last phase of the Industrial Technology and fields project will put a restroom building adjacent to the new baseball field and refurbished softball field. This plan is currently in DSA review.

There was discussion about the football game bleachers and lighting. Mr. Hernandez clarified that the Bond Measure I is not paying for the temporary football bleachers, the District is paying for those costs. He also noted the football games will be held during the daytime. Mr. Hernandez added that the athletic fields project does have a conduit infrastructure in place for future electrical and lighting.

Mr. Hernandez ended his report by sharing that a request for funding from the state was submitted last year for the Fine Arts project. He explained that we are now on the Governor's spending plan subject to a November 2016 statewide bond measure passing. If successful, the state would pay for half of the project, which is approximately \$23.3 million dollars.

7. Member Recognition

Peter Gonzalez was unable to attend the meeting. Dr. Walthers recognized Peter for serving as the student representative for the past year. Dr. Walthers noted Peter was transferring to Cal Poly, San Luis Obispo in the fall.

Dr. Walthers introduced Andrew Masuda as the new interim director for Public Affairs.

8. Committee Members' Comments

Hugh Rafferty requested a briefing at the next meeting on information technology security against hacking and third party vendors.

Bill Thompson requested information about a disaster recovery plan in case of a fire or flood. Ms. Moore commented disaster recovery is addressed in the Technology Master Plan, but she can highlight the topic at the next meeting. Ms. Moore went into further explanation about the live backup process at the Lompoc campus. She also added details about the cost involved with running the dark fiber for live backup. There was brief discussion about the recent security breach at Cuesta College.

9. Adjourn

On a motion by Hugh Rafferty, seconded by Kenneth Wolf, the meeting was adjourned at 4:48 p.m.

(Ayes: Manning, Nissinen-Harlow, Rafferty, Richardson, Thompson;
Noes: None; Absent: Gonzalez)

2015 Annual Report

to the Board of Trustees

Bond Measure I Citizens'
Oversight Committee

Presented March 8, 2016

2015 Citizens' Oversight Committee members

Peter Gonzalez
Student Representative

Robert Manning
Support Organization

Lisa Nissinen-Harlow
Community at-large

Hugh Rafferty
Taxpayers Association

David Richardson
Business Organization

Bill Thompson
Senior Organization

Kenneth Wolf
Community at-large

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Vice President, Operations

Andrew Masuda
Interim Director, Public
Affairs & Publications

Carol Moore,
Director, Information
Technology Services



Robert Manning, Dr. Kevin Walthers, Kenneth Wolf, Bill Thompson, Hugh Rafferty, David Richardson, Lisa Nissinen-Harlow | Not pictured: Peter Gonzalez

LETTER FROM THE CHAIR



It is once again my pleasure to serve as the chair of the Allan Hancock College Measure I Citizens' Oversight Committee.

Since it has from the beginning, the committee has continued to be provided detailed information by the college's management and staff concerning the progress and expenditures related to the various projects identified in the 2006 Measure I Bond.

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.

I urge all of you to visit our campuses in Santa Maria and Lompoc so you can witness firsthand the beautiful facilities that Bond Measure I has created. From catching a football game on campus, attending a fire academy graduation at the Public Safety Training Complex, to watching a PCPA production, the face and infrastructure of the college are transformed in ways that will positively serve our community for generations to come.

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

On a side note, our student member Peter Gonzalez completed his service on the committee in November 2015. On behalf of the committee, I would like to thank Peter for his time and dedication. We wish him well at Cal Poly, San Luis Obispo.

Very truly yours,

Lisa A. Nissinen-Harlow
Chairperson
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 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 with 56.9 percent of the vote.

The Citizens' Oversight Committee

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

2015 Meetings:

- February 3, 2015
- March 12, 2015
- August 4, 2015

Measure I online

The agendas, minutes, and all reports for Measure I Citizens' Oversight Committee meetings are posted on the college's website. 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.

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



Period covered by the report

This report covers the time period of January 1 – December 31, 2015.

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, 2015. Vavrinek, Trine, Day & Co., Certified Public Accountants, prepared the report to comply with Proposition 39 accountability within the California Constitution.

Vavrinek, Trine, Day & Co. 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, 2015, 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 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)(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, 2015

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
General Obligation Bond Balance to be Issued:	\$34,366,759

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
Interest:	\$7,219,273
TOTAL AVAILABLE REVENUE:	\$153,702,124

EXPENDITURES (January 1 - December 31, 2015)

Cost of Issuance Series C and D:	(\$5,515)
Project Management:	\$2,450
Public Safety Training Complex:	\$434,738
Student Services Center:	\$172,187
Industrial Technology Modernization/Addition:	\$426,796
Childcare Center Addition:	\$8,965
Parking Lot 1 Expansion:	\$1,703
Bldg. D Roof and HVAC - ADA:	\$42,536
LVC Roof/ADA Upgrades:	\$7,550
Technology - General:	\$6,131
Instructional Equipment Modernization:	\$347,936
Technology Equipment Modernization:	\$528,626
Technology VOIP Equipment:	\$67,116
TOTAL EXPENDITURES 2015:	\$2,041,220
Total Prior Period Expenditures:	\$147,968,754
GRAND TOTAL EXPENDITURES:	\$150,009,974

ENDING BALANCE: \$3,692,150

Measure I Projects Status

Current 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). This year, the project received LEED Gold certification.

The Public Safety Training Complex was partially occupied in December 2013 and has now been the home of eight law enforcement/fire academy class graduations. The Law Enforcement Academy shooting range remains under construction and will

not be available for use by the District until the 2016 program year. After installation of the shooting range baffle system the permitting agency, Division of the State Architect (DSA), required the baffle system design to undergo further DSA plan-check review. Reconstruction of the baffle system commenced this past reporting period and portions of the baffle support system continue in the DSA plan-check review process.

The burn building is operational and the District has identified corrective action that needs to take place to ensure safety and maximum utility of the facility. The concrete elevations adjacent to the building require an architectural remedy to provide a level training surface. The District will restore to the original design interior heat-protective wall tiles that were not installed originally as part of the value engineering process.

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: \$37,930,509 | **2015 Project Expenditures:** \$434,738

Future Capital Construction Projects

Industrial Technology and Physical Education/Athletic Fields, Concession/Restroom Building



The concession/restroom building & vineyard trellis project constructs an approximately 1,130 sq. ft. concession/restroom building. The building contains a concession area, storage, restrooms, and training room. The project will be located adjacent to the softball and baseball fields that were developed as part of the Industrial Technology and Physical Education/Athletic Fields project. The project design also includes a 320 sq. ft. vineyard picnic area wood trellis shade structure. This portion of the project is not covered by

Bond Measure I; the vineyard picnic area will be funded from donations. This project is pending bidding.

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 2016.

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

Architect: KBZ Architects | **Construction Manager:** TBD | **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: \$1,306,683 (current project allocation)

Future Scheduled Maintenance

Lompoc Valley Center Repairs and Upgrades

This project installs a new emergency generator that 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 project plans and specifications received approval from the Division of the State Architect in 2015.

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

Architect: Harris Architect and Design | **Project Design Budget:** \$129,922

Projects Successfully Completed by Bond Measure I

CAPITAL CONSTRUCTION

Project Name	Project Total
Academic Resource Center	\$3,317,135
Community Education Building	\$1,971,485
Science Building	\$4,611,072
Student Services Center	\$21,058,236
Childcare Center Addition	\$8,358,164
Industrial Technology/ Physical Education and Athletic Fields (Buildings and Fields)	\$24,287,610

SCHEDULED MAINTENANCE

Project Name	
Building D Repairs and Upgrades	Phase I Energy
Parking Lot 1 Expansion	Roof Repair and Replacement, Buildings E, F, G & M300
Copper Cabling Project	Audio Visual, Skills & Science
Building C, Roof, Paint, and Flooring	Underground Fuel/Oil Tank Repair & Replacement
LVC Chiller Replacement	Campus Upgrade to VOIP
LVC EMS Upgrade & HVAC Repair	Copper Cabling Project
Pool Resurfacing	
Building N Roof, Phase III	Scheduled Maintenance
M300 HVAC Upgrades Phase I	Total: \$13,765,466

Technology Projects

Technology Equipment Modernization



The Technology Advisory Committee (TAC) recommended 170 technology modernization projects in 2015. The major projects included the following:

- Facilities virtual tour on AHC
- Classroom and lab computers
- Language lab English Discoveries software
- LVC podium upgrades
- Streaming video equipment
- MESA computers
- Online catalog professional services
- Wireless network upgrades
- Athletic department tablets
- Campus Graphics latex wide-format printer
- Student Center audio visual equipment
- LVC digital signage

Of the project budget, a total of 89 percent has been committed.

Project Manager: Carol Moore, Director, Information Technology Services | Nancy Meddings, Dean, Academic Affairs

Vendors: Various | **Total Project Budget:** Measure I Funds \$11,066,046 | **2015 Project Expenditures:** \$528,626

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.

In 2015, the balance of the funds were used for these projects:

- Professional services to integrate the bookstore system with ONESolution
- ONESolution position budgeting training
- Computers for a new lab in the Industrial Technology building

This project is now completed and all funds have been spent.

Project Manager: Carol Moore, Director, Information Technology Services | **Vendors:** Various

Total Project Budget: Measure I Funds \$400,618 | **2015 Project Expenditures:** \$6,131

Voice over Internet Protocol Equipment and Services Project



The Voice over IP project replaced an old PBX telephone and voice mail system at all locations with a modern Voice over Internet Protocol (VoIP) telephone system.

All locations and buildings are now using the new ShoreTel VoIP telephone system as of August 15, 2012. The AHC office in the new VAFB training facility was able to use the new phone system when it opened in January 2014.

The replacement of the network core switch to handle the increased network traffic and improve reliability was completed in 2015. Additional phones were purchased to support planned new hires in the near future.

This project is considered complete with 99.7 percent of the funds committed.

Project Manager: Carol Moore, Director, Information Technology Services

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

Total Project Budget: Measure I Funds \$1,456,323 | **2015 Project Expenditures:** \$67,116

Allan Hancock Joint Community College District Board of Trustees

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Ms. Cinthya Ortiz

Student Representative

Kevin G. Walthers, Ph.D.

Superintendent/President



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Annual Report

Editors:
Melinda Martinez,
Andrew Masuda
Design & Printing:
Matt MacPherson
Allan Hancock College
Campus Graphics

MEASURE I
CITIZENS' OVERSIGHT COMMITTEE MEETING
MARCH 1, 2016

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, 2015, interest income in the amount of \$7,219,272 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 2014-15	\$ 7,211,038
2015-16 est.	<u>\$ 25,000</u>
Total	\$153,718,889
Less: Cost of Issuance	<u>\$ 871,815</u>
Proceeds Projected for Bond Projects	<u>\$152,847,074</u>

As of December 31, 2015 \$150,009,974 has been spent on bond-related projects (including cost of issuance).

The following summary reflects major categories of expenditures:

Cost of Issuance	\$ 871,815
COP Repayment	\$ 8,275,496
Project Management	\$ 3,300,795
Construction Projects	
Public Safety Complex	\$37,725,670
Skills Center	\$ 1,971,485
Science Building	\$ 4,611,073
One-Stop Center	\$21,230,423
Industrial Tech Building	\$24,714,405
Child Care Addition	\$ 8,367,129
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	\$104,089,711
Scheduled Maintenance	\$ 13,804,679
Technology	<u>\$ 19,667,478</u>
Total	<u>\$150,009,974</u>

Allan Hancock College Governmental Funds Group

Gen Oblig Bonds Building Fund

Income Statement by Fund

For Period Ending 12/31/2015

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
REVENUES			
Local Revenues	25,000	8,235	32.94
Total REVENUES	<u>25,000</u>	<u>8,235</u>	<u>32.94</u>
EXPENDITURES			
Supplies and Materials	9,801	2,812	28.69
Other Operating Expenses	340,778	25,013	7.34
Capital Outlay	1,608,051	449,707	27.96
Total EXPENDITURES	<u>1,958,631</u>	<u>477,533</u>	<u>24.38</u>
Excess of Revenues over (Under) Expenditures	(1,933,631)	(469,298)	
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses	<u>(1,933,631)</u>	<u>(469,298)</u>	
FUND BALANCE:			
Fund balance, July 1	4,185,448	4,185,448	
Current balance	<u>2,251,816</u>	<u>3,716,150</u>	

ALLAN HANCOCK COLLEGE
GENERAL OBLIGATION BONDS ELECTION OF 2006, SERIES A, B, C, AND D
PROJECT LIST
PROJECTED EXPENDITURES 2006-07 THROUGH 2015-16

Beginning Balance	\$68,000,000				\$180,000,000
Projected Interest Revenue	\$7,236,038				\$7,236,038
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	\$36,860,309				\$0
Premium on Sale of Bonds	\$135,891				\$135,891
Series D Issuance	\$8,773,376				\$0
Premium on Sale of Bonds	\$70,187				\$70,187
					Project Grand Total
	Ten Year Project Total	Nine Year Actual	Proposed 2015-16	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)	21,204,461	21,204,461	0	0	20,560,907
b. Public Safety Complex (Preliminary Plans, Working Drawings, & Construction Funding)	37,930,509	37,635,248	295,260	0	37,930,509
c. Childcare Center (Preliminary Plans, Working Drawings, & Construction Funding)	8,386,598	8,359,177	27,420	46,356	8,432,953
d. Industrial Technologies Modernization and Addition (Initial Project Proposal and Final Project Proposal)	25,053,520	24,899,872	353,848	0	25,053,520
e. Physical Education Addition	352,445	349,445	3,000	3	352,446
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	104,948,328	103,950,642	997,686	35,747,956	140,052,729
6. Scheduled Maintenance Projects	13,917,408	13,800,729	116,679	0	13,917,408
Subtotal Scheduled Maintenance	13,917,408	13,800,729	116,679	0	13,917,408
7. Mainframe Replacement	8,115,513	8,115,513	0	0	8,115,513
8. Technology/Instructional Equipment Modernization	10,180,035	9,360,835	819,199	778,011	10,958,046
9. VOIP Project	1,456,327	1,432,002	24,326	0	1,456,327
10. Technology General	400,614	400,614	0	0	400,614
Subtotal Technology	20,152,489	19,308,964	843,525	778,011	20,930,500
10. Project Management	3,301,538	3,300,795	742	0	3,301,538
Subtotal Project Management	3,301,538	3,300,795	742	0	3,301,538
TOTAL BUDGET	151,467,074	149,508,442	1,958,632	36,525,967	187,349,486
* FUND BALANCE	2,251,816				735,904
GRAND TOTAL	\$153,718,889				\$188,085,390

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2015

	2015-16 ADOPTED BUDGET	2015-16 WORKING BUDGET	2015-16 ACTUAL TOTAL	2015-16 ENCUMBRANCE TOTAL	2015-16 BALANCE
GO BOND/GENERAL					
71700002 GO Bond Project Management					
Operating Expenses and Service	742	742	-	-	742
TOTAL GO Bond Project Management	742	742	-	-	742
TOTAL GO BOND/GENERAL	742	742	-	-	742
GO BOND/CONSTRUCTION					
71710005 Public Sfty Cmplx-Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	139,588	139,588	8,640	127,798	3,150
Capital Outlay	137,129	155,673	81,917	124,629	(50,874)
TOTAL Public Sfty Cmplx-Construction	276,717	295,260	90,557	252,427	(47,724)
71710006 Public Sfty Cmplx-Equipment					
Books, Supplies and Materials	-	-	(135)	-	135
Operating Expenses and Service	412	-	-	-	-
Capital Outlay	18,132	-	-	-	-
TOTAL Public Sfty Cmplx-Equipment	18,544	-	(135)	-	135
TOTAL Public Safety Complex	295,260	295,260	90,422	252,427	(47,589)
71710017 One-Stop Std Svc Ctr Addtn Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	2,811	(2,811)
Capital Outlay	-	-	-	4,860	(4,860)
TOTAL One-Stop Std Svc Ctr Add Construction	-	-	-	7,670	(7,670)
71710018 One-Stop Std Svc Ctr Addtn Equipment					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	3,771	-	(3,771)
TOTAL One-Stop Std Svc Ctr Addtn Equipment	-	-	3,771	-	(3,771)
71711017 One-Stop Std Svcs Bldg A Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	4,556	(4,556)
Capital Outlay	-	-	-	19,201	(19,201)
TOTAL One-Stop Std Svcs Bldg A Construction	-	-	-	23,757	(23,757)
71711018 One-Stop Std Svcs Bldg A Equipment					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	22,191	-	(22,191)
TOTAL One-Stop Std Svcs Bldg A Equipment	-	-	22,191	-	(22,191)

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2015

	2015-16 ADOPTED BUDGET	2015-16 WORKING BUDGET	2015-16 ACTUAL TOTAL	2015-16 ENCUMBRANCE TOTAL	2015-16 BALANCE
71711917 One-Stop Std Svcs Bldg A Construction BAB					
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	-	-	-	30,354	(30,354)
TOTAL One-Stop Std Svcs Bldg A Construction BAB	-	-	-	30,354	(30,354)
TOTAL One-Stop Student Services Center	0	0	25,962	61,782	(87,744)
71710022 Indstr Tech Mdr/Add-Working Drawings					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	16,703	16,703	-	-	16,703
TOTAL Indstr Tech Mdr/Add-Working Drawings	16,703	16,703	-	-	16,703
71710023 Indstr Tech Mdr/Add-Construction					
Books, Supplies and Materials	-	200	-	-	200
Operating Expenses and Service	12,031	13,006	1,859	9,305	1,843
Capital Outlay	321,323	321,323	12,874	32,911	275,538
TOTAL Indstr Tech Mdr/Add-Construction	333,353	334,529	14,733	42,215	277,580
71710024 Indstr Tech Mdr/Add-Equipment					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	3,792	2,617	-	-	2,617
TOTAL Indstr Tech Mdr/Add-Equipment	3,792	2,617	-	-	2,617
TOTAL Industrial Tech Modernization	353,848	353,848	14,733	42,215	296,900
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	4,086	4,086	7,952	403	(4,269)
Capital Outlay	23,332	23,332	-	-	23,332
TOTAL Child Care Ctr Addt/Construction	27,417	27,417	7,952	403	19,062
TOTAL Child Care Center Addition	27,420	27,420	7,952	403	19,065
71710034 Fine Arts Complex-Working Drawings					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	260,959	260,959	-	45,061	215,898
TOTAL Fine Arts Complex-Working Drawings	260,959	260,959	-	45,061	215,898
TOTAL Fine Arts Complex	260,959	260,959	-	45,061	215,898
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	-	5,382	16,796
TOTAL Theater Arts Project - Working Drawings	26,183	26,183	-	5,382	20,801

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2015

	2015-16 ADOPTED BUDGET	2015-16 WORKING BUDGET	2015-16 ACTUAL TOTAL	2015-16 ENCUMBRANCE TOTAL	2015-16 BALANCE
71710041 Theater Arts Prj - Equip Phs					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	<u>31,015</u>	<u>31,015</u>	-	-	<u>31,015</u>
TOTAL Theater Arts Project - Equipment Phase	31,015	31,015	-	-	31,015
TOTAL Theater Arts Project	57,198	57,198	-	5,382	51,816
71710043 Phys Ed Addt-Preliminary Plans					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	-	-	-	-	-
Capital Outlay	<u>3,000</u>	<u>3,000</u>	-	-	<u>3,000</u>
TOTAL Phys Ed Addt - Preliminary Plans	3,000	3,000	-	-	3,000
TOTAL Physical Education Addition	3,000	3,000	-	-	3,000
TOTAL GO BOND/CONSTRUCTION	997,686	997,686	139,069	407,270	451,346
GO BOND/SCHEDULED MAINTENANCE					
71720008 Fire Alarm/Emr Call Sys-WD					
Capital Outlay	<u>182</u>	<u>182</u>	-	-	<u>182</u>
TOTAL Fire Alarm/Emr Call Sys-WD	182	182	-	-	182
TOTAL Fire Alarm Call System	182	182	-	-	182
71720910 LVC Roof/ADA Upgrades-Wrk Drw B1					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	4,732	4,732	-	-	4,732
Capital Outlay	<u>2,500</u>	<u>2,500</u>	<u>3,950</u>	<u>2,500</u>	<u>(3,950)</u>
L LVC Roof/ADA Upgrades-Wrk Drw B1	7,232	7,232	3,950	2,500	782
TOTAL LVC Roof/ADA Upgrades	7,232	7,232	3,950	2,500	782
71720018 Bldg D Roof/HVAC/ADA-Wrk Drwg					
Capital Outlay	<u>983</u>	<u>983</u>	-	-	<u>983</u>
TOTAL Bldg D Roof/HVAC/ADA-Wrk Drwg	983	983	-	-	983
TOTAL Bldg D Roof/HVAC/ADA	983	983	-	-	983
71720021 Parking Lot 1 Expn, Phase II Construction					
Books, Supplies and Materials	-	-	-	-	-
Operating Expenses and Service	282	282	-	-	282
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL Parking Lot 1 Expn, Phase II Construction	282	282	-	-	282
TOTAL Parking Lot 1 Expn, Phase II	282	282	-	-	282

GENERAL OBLIGATION BOND FINANCIAL REPORT
12/31/2015

	2015-16 ADOPTED BUDGET	2015-16 WORKING BUDGET	2015-16 ACTUAL TOTAL	2015-16 ENCUMBRANCE TOTAL	2015-16 BALANCE
71720060 Forum Lighting and AV					
Capital Outlay	-	108,000	-	-	108,000
TOTAL Forum Lighting and AV	-	108,000	-	-	108,000
TOTAL GO BOND/SCHEDULED MAINTENANCE	8,679	116,679	3,950	2,500	110,229
GO BOND/TECHNOLOGY					
71730002 GO Bond-Inst Equip Modernization					
Books, Supplies and Materials	4,173	4,173	1,625	1,248	1,301
Operating Expenses and Service	26,721	26,721	-	-	26,721
Capital Outlay	413,880	305,880	97,273	51,017	157,590
TOTAL GO Bond-Inst Equip Modernization	444,774	336,774	98,898	52,265	185,612
71730003 GO Bond-Tech Equipment Modernization					
Books, Supplies and Materials	2,240	2,240	1,323	1,041	(124)
Operating Expenses and Service	146,614	146,614	30,563	24,474	91,577
Capital Outlay	333,572	333,572	227,730	27,327	78,515
TOTAL GO Bond-Tech Equipment Modernization	482,425	482,425	259,616	52,842	169,968
71730004 GO Bond-VOIP Equipment					
Books, Supplies and Materials	618	3,189	-	-	3,189
Operating Expenses and Service	13,874	1,004	-	-	1,004
Capital Outlay	9,833	20,133	-	20,133	-
TOTAL GO Bond-VOIP Equipment	24,326	24,326	-	20,133	4,193
TOTAL GO BOND/TECHNOLOGY	951,525	843,525	358,514	125,239	359,772
GO BOND CONTINGENCY					
71799999 GO Bond Contingency					
Capital Outlay	-	-	-	-	-
Other Outgo	2,251,816	2,251,816	-	-	2,251,816
TOTAL GO BOND CONTINGENCY	2,251,816	2,251,816	-	-	2,251,816
GRAND TOTAL	4,210,448.16	4,210,448	501,533	535,009	3,173,906

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

Quarter Ending:	Prior Quarters	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	6/30/2015	12/31/2015	Total
Income															
Bond Proceeds	98,643,088		38,996,200					8,843,564							146,482,852
Interest	6,802,411	64,823	67,807	46,199	41,587	43,820	30,511	24,754	20,345	17,541	15,644	11,112	16,229	16,487	7,219,272
	105,445,499	64,823	39,064,007	46,199	41,587	43,820	30,511	8,868,318	20,345	17,541	15,644	11,112	16,229	16,487	153,702,124
Expenditures															
Fiscal Services	643,274		21,000	124,000	-9,109	-130,000		224,403	-1,753		3,333	2,182	-5,515	0	871,815
Cost of Issuance	8,275,496			3,722	534	-1,535,292								0	8,275,496
COP Repayment	4,927,045	-104,125								193	3,909	2,361	2,448	0	3,300,795
Bond Project Management	27,837,901	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	628,983	397,648	104,089,711
Construction	8,148,615	76,972	23,663	47,711	473,419	3,249,711	931,960	574,620	19,099	174,917	19,623	12,578	46,137	5,654	13,804,679
Scheduled Maintenance	14,682,932	945,660	280,508	233,003	651,895	499,383	103,402	289,621	179,742	463,388	135,544	250,591	596,726	353,083	19,667,478
Technology															
	64,515,263	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	1,268,779	756,385	150,009,974
Net Cash	40,930,236	-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	-437,381	-1,252,550	-739,898	3,692,150
Cash Balance	40,930,236	30,556,922	64,731,512	56,955,828	46,254,406	25,189,447	20,753,773	21,253,053	14,756,025	9,993,966	6,121,979	5,684,598	4,432,048	3,692,150	



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

We have audited the financial statements of the Measure I General Obligation Bond Funds (Measure I) of Allan Hancock Joint Community College District (the District) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 26, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the Measure I General Obligation Bond Funds' financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements of the financial statements.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

ALLAN HANCOCK
JOINT COMMUNITY COLLEGE DISTRICT

MEASURE I GENERAL OBLIGATION BONDS
FINANCIAL AND PERFORMANCE AUDITS

JUNE 30, 2015

**ALLAN HANCOCK
JOINT COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
FINANCIAL AUDIT**

JUNE 30, 2015

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

**FINANCIAL AUDIT
TABLE OF CONTENTS
JUNE 30, 2015**

FINANCIAL SECTION

Independent Auditor's Report	2
Measure I General Obligation Bonds	
Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	12
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Financial Statement Findings	15
Summary Schedule of Prior Audit Findings	16

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board 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's (the District), Measure I General Obligation Bond Funds (Measure I), as of and for the year ended June 30, 2015, 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 statement 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 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 financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 General Obligation Bond Funds (Measure I) of the District at June 30, 2015, 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 present only the Measure I General Obligation Bond Funds (Measure I), and are not intended to present fairly the financial position and changes in financial position of the District in accordance 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 18, 2015, on our consideration of the District's Measure I General Obligation Bond Funds (Measure I) 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 the 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 Measure I General Obligation Bond Funds (Measure I) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannex, Time, Day & Co. LLP

Rancho Cucamonga, California
December 18, 2015

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

**BALANCE SHEET
JUNE 30, 2015**

ASSETS

Investments	\$ 7,689,155
Accounts receivable	8,252
Due from other funds	15,247
Total Assets	\$ 7,712,654

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,525,494
Due to other funds	1,711
Total Liabilities	3,527,205

FUND BALANCE

Restricted for capital projects	4,185,449
Total Liabilities and Fund Balance	\$ 7,712,654

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 YEAR ENDED JUNE 30, 2015**

REVENUES	
Interest income	\$ 35,593
EXPENDITURES	
Salaries and benefits	6,827
Supplies and materials	22,916
Services and operating expenditures	781,154
Capital outlay	1,474,289
Total Expenditures	<u>2,285,186</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(2,249,593)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,435,042</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,185,449</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, 2015

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 Funds (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).

Financial Reporting Entity

The financial statements include only the Measure I General Obligation Bond Funds (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 Funds (Measure I) are 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 Funds (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, 2015**

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.

Fund Balance - Measure I General Obligation Bonds (Measure I)

As of June 30, 2015, the fund balance is 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.

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.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). 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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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 an investment of \$7,689,155 with the Santa Barbara County Investment Pool. The fair value of this investment is approximately \$7,733,951 with an average maturity of 448 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 been rated as of June 30, 2015.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015, consisted of the following:

Interest	<u>\$ 8,252</u>
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NOTE 4 - INTERFUND TRANSACTIONS

Interfund receivable balance at June 30, 2015, consisted of the following:

Due from General Fund	\$ 6,668
Due from PCPA Fund	8,579
	<u>\$ 15,247</u>

Interfund payable balance at June 30, 2015, consisted of the following:

Due to General Fund	<u>\$ 1,711</u>
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NOTE 5 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2015, consisted of the following:

Capital outlay	<u>\$ 3,525,494</u>
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NOTE 6 - FUND BALANCE

Fund balance is composed of the following element:

Restricted Capital projects	<u>\$ 4,185,449</u>
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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2015, the Measure I General Obligation Bonds (Measure I) had the following commitments with respect to unfinished projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Public Safety Complex	\$ 178,405	2015-16
Fine Arts Complex	45,061	2019-20
LVC Roof/ADA Upgrade	2,500	2015-16
Theater Arts Project	5,382	2020-21
Building K Elevator Upgrade	109,435	2015-16
Boiler Project	2,280	2015-16
Building C Electric Upgrade	11,188	2015-16
Building P Roof Project	146,058	2015-16
Energy Efficient Project	202,241	2015-16
Smart Pool Pump Control System	45,000	2015-16
Building D HVAC Compressor	10,795	2015-16
	<u>\$ 758,345</u>	

The projects are funded through a combination of 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 adverse effect on the overall financial position of the Measure I General Obligation Bond Funds (Measure I) at June 30, 2015.

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INDEPENDENT AUDITOR'S REPORT

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board and
Citizens 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 accompanying financial statements of the Allan Hancock Joint Community College District (the District) Measure I General Obligation Bond Funds (Measure I), as of and for the year ended June 30, 2015, and the related notes of the financial statements, and have issued our report thereon dated December 18, 2015.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure I General Obligation Bond Funds specific to Measure I, and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Measure I General Obligation Bond Funds (Measure I) 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 District's Measure I General Obligation Bond Funds (Measure I) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Measure I General Obligation Bond Funds (Measure I) 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Measure I General Obligation Bond Funds (Measure I) 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 Funds (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 Measure I General Obligation Bond Funds (Measure I) internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure I General Obligation Bond Funds (Measure I) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannex, Time, Day & Co. LLP

Rancho Cucamonga, California
December 18, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2015**

None reported.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

There were no audit findings reported in the prior year's Financial Statement Findings.

**ALLAN HANCOCK
JOINT COMMUNITY COLLEGE DISTRICT**

**MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

JUNE 30, 2015

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

**PERFORMANCE AUDIT
TABLE OF CONTENTS
JUNE 30, 2015**

Independent Auditor's Report on Performance	1
Authority for Issuance	2
Purpose of Issuance	2
Authority for the Audit	2
Objectives of the Audit	3
Scope of the Audit	3
Procedures Performed	3
Conclusion	4
Schedule of Findings and Questioned Costs	5
Summary Schedule of Prior Audit Findings	6

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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board 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's (the District) Measure I General Obligation Bond Funds (Measure I) for the year ended June 30, 2015.

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, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. 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 expended Measure I General Obligation Bond Funds (Measure I) only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 18, 2015

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT MEASURE I GENERAL OBLIGATION BONDS

JUNE 30, 2015

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, and fourth 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

JUNE 30, 2015

3. Requires the community college district to appoint a citizen's 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 Comptroller 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.

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Measure I General Obligation Bond Funds 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 Funds 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, 2014 to June 30, 2015. 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, 2015, 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 period July 1 2014 through June 30, 2015, for the Measure I General Obligation Bond Funds (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, 2014 and ending June 30, 2015, 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 \$693,488. This represents 30 percent of the total expenditures of \$2,285,186.
3. Based on our testing, we verified that funds from the Measure I General Obligation Bond Funds (Measure I) were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

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

JUNE 30, 2015

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 Funds (Measure I) and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Measure I General Obligation Bond Funds, and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

None reported.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.