



BOND MEASURE I CITIZENS' OVERSIGHT COMMITTEE

Agenda

February 23, 2024
Captain's Room, B-102

Allan Hancock College
800 South College Drive, Santa Maria, CA 93454

<u>ITEM</u>	<u>PRESENTER</u>	<u>TIME</u>
1. Call to Order	Dr. Walthers	3:00 PM
2. Introductions/Committee Photos	Dr. Walthers	3:00 PM
3. Public Comment: Public comment is welcomed on an agenda item or another topic within the jurisdiction of the Citizens' Oversight Committee. <i>Under the provisions of the Brown Act, the committee is prohibited from responding to comments made regarding topics not on the official agenda.</i> Procedure: Public comment is limited to three minutes per speaker.	Dr. Walthers	3:15 PM
4. Action Items:		3:20 PM
4.a. Elect a Chair/Vice Chair	Dr. Walthers	
4.b. Approval of the Minutes of the January 31, 2023 Meeting	COC Chair	
4.c. Review and Approval of the draft 2023 Citizens' Oversight Committee Annual Report to the Board of Trustees	Dr. Walthers	
5. Oral Reports:		3:35 PM
5.a. Financial Report for the period ending December 31, 2023	Dennis Curran	
5.b. Audit Reports for the year ending June 30, 2023	Dennis Curran	
5.c. Facilities Summary Report	Dennis Curran	
6. Committee Members' Comments	All	3:50 PM
7. Member Recognition	Dr. Walthers	3:55 PM
8. Adjournment	COC Chair	4:00 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.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
BOND MEASURE I
CITIZENS' OVERSIGHT COMMITTEE

Minutes
Regular Meeting
Captain's Room, B-102
January 31, 2023

Angelica Gutierrez, Chair, Business Organization
Kenneth Wolf, Vice Chair, Community At-large
Judith Dale, Support Organization
Samantha Martinez, Student Representative
Roy Reed, Taxpayers Association
Sue Slavens, Senior Organization

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

1. Call to Order

Chair Gutierrez called the meeting to order at 3:33 p.m. with the following committee members present: Judith Dale, Angelica Gutierrez, Samantha Martinez, Roy Reed, and Sue Slavens

Absent: Kenneth Wolf

District staff present: Kevin Walthers, Eric Smith, Lauren Milbourne, and Melinda Martinez

2. Introductions

Chair Gutierrez led introductions.

3. Public Comment

No public comment was made.

4. Action Items

4.a. Approval of Minutes from the February 24, 2022 meeting

On a motion by Judith Dale, seconded by Sue Slavens, the Citizens' Oversight Committee approved the minutes from the February 24, 2022 meeting as submitted. (Ayes: Dale, Gutierrez, Martinez, Slavens; Noes: None; Absent: Wolf; Abstain: Reed)

4.b. Review and approval of the draft 2022 Citizens' Oversight Committee Annual Report to the Board of Trustees

On a motion by Roy Reed, seconded by Samantha Martinez, the Citizens' Oversight Committee approved the draft 2022 Citizens' Oversight Committee Annual Report to the Board of Trustees, as presented. (Ayes: Dale, Gutierrez, Martinez, Reed, Slavens; Noes: None; Absent: Wolf; Abstain: None)

5. Oral Reports

5.a. Financial Report for the period ending December 31, 2022

Associate Superintendent Smith reviewed the expenditure and cash flow reports. He is projecting a positive balance left at the end of the bond projects. A decision on how to use the remaining funds has not been made.

5.b. Audit Reports for the year ending June 30, 2022

Associate Superintendent Smith explained there are two audits for the bond, a financial audit, and a performance audit. Both audits reported no findings. Mr. Smith pointed out the Fine Arts Complex project is unique and required a five percent retention to be held by a third party, Citizens Bank. This is noted in the audit.

5.c. Facilities Summary Report

Associate Superintendent Smith shared facilities updates in the review of the draft annual report.

6. Committee Members' Comments

Samantha Martinez thanked the committee for having her at the meeting. She gave a student perspective of the Fine Arts Complex and looks forward to attending the grand opening.

Sue Slavens commented she heard the term UC Hancock and inquired as to what that meant. Dr. Walthers explained it is a reference to community colleges. Ms. Slavens requested a campus tour for an upcoming Youth Commission conference.

Roy Reed commented he enjoys serving on the Citizens' Oversight Committee and feels Hancock demonstrates a beautiful model of bond issuance.

Mr. Smith offered to lead the group on a tour of the Fine Arts Complex after the meeting.

7. Adjournment

Chair Gutierrez adjourned the meeting at 4:00 p.m.

DRAFT



2023

Annual Report to the Board of Trustees

Bond Measure I
Citizens' Oversight Committee

Presented TBD



2023 Citizens' Oversight Committee members

Judith Dale

Support Organization

Angelica Gutierrez

Business Organization

Samantha Martinez

Student Representative

Roy Reed

Taxpayers Association

Sue Slavens

Senior Organization

Kenneth Wolf

Community at-large

DISTRICT STAFF

Kevin G. Walthers, Ph.D.

Superintendent/President

Melinda Martinez

Executive Secretary to the Superintendent/President

Lauren Milbourne

Director, Public Affairs & Communications

Eric D. Smith

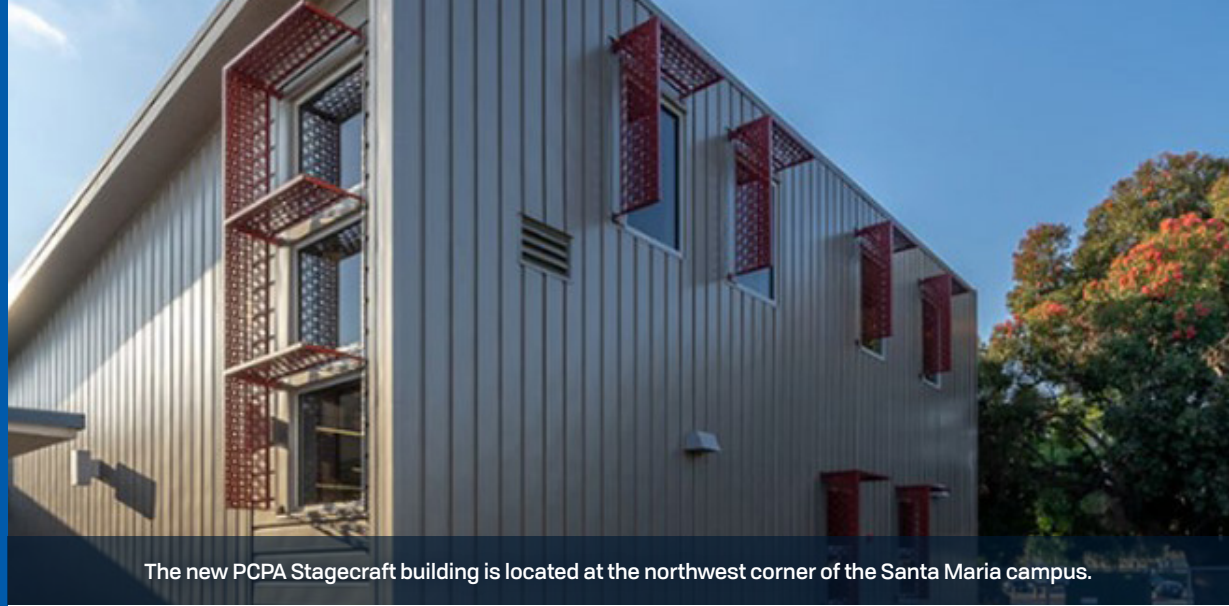
Associate Superintendent Vice President, Finance & Administration

Andy Specht, Ph.D.

Director, Information Technology Services

Cover Image:

New Fine Arts Complex



The new PCPA Stagecraft building is located at the northwest corner of the Santa Maria campus.

LETTER FROM THE THE CHAIR



On behalf of the Allan Hancock College Measure I Citizens' Oversight Committee, it is my privilege as Chair to present the Measure I 2023 Annual Report to the Board of Trustees.

Since the community approved the bond in 2006, Measure I has revolutionized and modernized the college. This year has seen the grand opening of one of the largest projects to date: the new Fine Arts Complex. Located on the Santa Maria campus, the Fine Arts Complex is the hub for creativity and learning at Hancock. The two-story, 88,787-square-foot facility is an impressive presence on campus. It features a 350-seat concert hall and houses the college's dance, drama, film, graphics, music, photography, and multimedia arts programs. The Fine Arts Complex joins other major bond-funded buildings, like the Public Safety Training Complex in Lompoc and the Industrial Technology and Student Services buildings on the Santa Maria campus. The face of the college continues to transform in ways that will positively serve our community for generations to come.

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

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Angelica Gutierrez".

Angelica Gutierrez

Chair

Measure I Citizens' Oversight Committee

Bond Measure I Overview

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

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

The Citizens' Oversight Committee

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

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

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

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

Recognition

Thank you to Angelica Gutierrez, Roy Reed, and Kenneth Wolf for their service on the Bond Measure I Citizens' Oversight Committee.



Angelica Gutierrez, 2019-2023



Roy Reed, 2019-2023



Kenneth Wolf, 2019-2023

Period covered by the report

This report covers the time period of January 1 – December 31, 2023.

Statement of purpose/ responsibilities of the Citizens’ Oversight Committee

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

Report on independent financial and performance audits

The district has received, and the Citizens’ Oversight Committee has reviewed, the financial and performance audit for the Measure I Bond Construction Fund for the fiscal year ending June 30, 2023. COSSOLIAS/WILSON/DOMINGUEZ/ LEAVITT (CWDL), Certified Public Accountants, prepared the report to comply with Proposition 39 accountability within the California Constitution.

CWDL stated, “In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I General Obligation Bond Funds of the District at June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.” The auditors further noted, “There were no audit findings reported in the prior year’s Financial Statement Findings.”

Financial compliance confirmation

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

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

Allan Hancock Joint Community College District

General Obligation Bond Expenditure Report

September 1, 2006 – December 31, 2023

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

REVENUE

Series A Issuance	\$68,000,000
Premium on Sale of Bonds Issuance A	\$528,271
Series B and B1 Issuance	\$29,999,556
Premium on Sale of Bonds Issuance B and B1	\$115,261
Series C Issuance	\$38,860,309
Premium on Sale of Bonds Issuance C	\$135,891
Series D Issuance	\$8,773,376
Premium on Sale of Bonds Issuance D	\$70,187
Series E Issuance	\$23,000,000
Premium on Sale of Bonds Issuance E	\$88,746
Series F Issuance	\$11,059,086
Premium on Sale of Bonds Issuance F	\$42,503
Interest	\$8,263,131
TOTAL AVAILABLE REVENUE	\$188,936,317

EXPENDITURES (January 1 - December 31, 2023)

Project Management	\$15,245
Fine Arts Complex	\$1,327,562
STEM/MESA Center	N/A
PCPA-Stage Craft Bldg Relocation	\$3,573,136
Auto Mechanics Relocation	N/A
Demolition Bldg E & F	\$348,623
Demolition Bldg O-300	\$71,476
Fine Arts Alarm Project	\$77,110
TOTAL EXPENDITURES 2023	\$5,413,152
Total Prior Period Expenditures	\$176,095,330
GRAND TOTAL EXPENDITURES	\$181,508,481

ENDING BALANCE **\$7,427,836**

Measure I Projects Status

Current Capital Construction Projects



FINE ARTS COMPLEX

The 88,787-square-foot Fine Arts Complex was occupied by faculty, staff and students beginning in winter quarter of 2023. Since its opening, students have been learning about and honing their craft in music, dance, theater, ceramics, painting and a host of other fine arts activities throughout the facility. The Fine Arts Complex sits at the heart of the campus and is a bustling hub of activity throughout the day.

Architect: DLR Group

Construction Manager: Roebbelen Construction Management Services, Inc.

Contractor: AMG & Associates

Total Project Budget: \$48,453,206



PCPA STAGECRAFT

The recently completed PCPA Stagecraft facility is a 6,676-square-foot structure located on the northwest corner of the Santa Maria Campus. This state-of-the-art structure houses costume and set design and other stagecraft functions for PCPA performances. The grand opening was held September 15, 2023.

Architect: 19six Architects

Construction Manager: Allan Hancock College

Contractor: Quincon, Inc.

Total Project Budget: \$6,900,000



Buildings E & F during and after demolition.

DEMOLITION PROJECTS

The college recently demolished two older structures, the E and F buildings, which were directly north of the Performing Arts Center. This demolition project was completed in August 2023.

A second demolition project in 2023 to raze building O-300 began on December 11, 2023. This 31,630-square-foot building formerly housed PCPA Stagecraft and other continuing education functions. Estimated completion for the demolition is January 2024.

Construction Manager: Roebbelin Construction Management Services
Project Budgets:

Buildings E & F Demolition: \$433,227

Building O Demolition: \$1,500,000

Projects Successfully Completed by Bond Measure I

CAPITAL CONSTRUCTION

Santa Maria Campus



Academic Resource Center

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



Student Services Center

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



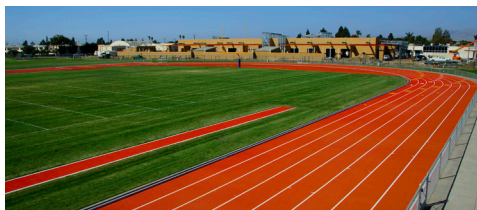
Science Building

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



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

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



Community Education Building

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



MESA/STEM Academic Success Center

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



Childcare Center Addition

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

Lompoc Valley Center



Public Safety Training Complex

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



Completed Scheduled Maintenance Projects

SANTA MARIA CAMPUS PROJECTS

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

LOMPOC VALLEY CENTER PROJECTS

Chiller Replacement	Emergency Medical Services (EMS) Upgrade & Heating, Ventilation and Air Conditioning (HVAC) Repair
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Completed Scheduled Maintenance Total: \$13,913,739

Measure I online

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

Measure I Citizens' Oversight Committee contact information

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

Melinda Martinez
Executive Secretary to the
Superintendent/President
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melinda.martinez1@hancockcollege.edu

2023 Allan Hancock Joint Community College District Board of Trustees

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Area 5 (Santa Ynez Valley, Vandenberg Space Force Base,
East Santa Maria, and the Cuyama Valley)

Hilda Zacarías, Vice President

Area 1 (Northern Santa Maria)

Alejandra Enciso, Trustee

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Oscar Rivera, Student Trustee

Kevin G. Walthers, Ph.D.

Superintendent/President



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Annual Report

Editors:
Melinda Martinez
Lauren Milbourne

Design & Printing:
Tihani Moore
Allan Hancock College
Campus Graphics

MEASURE I
CITIZENS' OVERSIGHT COMMITTEE MEETING
DECEMBER 31, 2023

FINANCIAL REPORT

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



Administrative Services

Bond Income and Expenditure Summary

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

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

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

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

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

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

As of June 30, 2023, interest income in the amount of \$8,216,714 had been received.

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

Sale of Series A-F bonds	\$180,673,186
Interest Income: 2006-07 through 2022-23	\$ 8,216,714
2023-24 est.	<u>\$ 75,000</u>
Total	\$188,964,900
Less: Cost of Issuance	<u>\$ 1,265,852</u>
Proceeds Projected for Bond Projects	<u>\$187,699,048</u>

As of December 31, 2023, \$181,508,482 has been spent on bond-related projects (including cost of issuance).

The following summary reflects major categories of expenditures:

Cost of Issuance	\$ 1,265,852
COP Repayment	\$ 8,275,496
Project Management	\$ 3,400,338
Construction Projects	
Public Safety Complex	\$ 40,492,100
Skills Center	\$ 1,971,485
Science Building	\$ 4,611,072
One-Stop Center	\$ 20,893,316
Industrial Tech Building	\$ 24,742,262
Child Care Addition	\$ 8,371,957
Facilities/Utilities Master Plan	\$ 634,231
Fine Arts Complex	\$ 23,015,232
Physical Education Addition	\$ 349,445
Theater Arts Project	\$ 305,049
STEM/MESA Center	\$ 1,907,850
PCPA Stage Craft Bldg Relocation	\$ 5,925,081
Auto Mechanics Relocation	\$ 7,480
Demolition Building E & F	\$ 348,623
Demolition Building O-300	\$ 71,476
Fine Arts Alarm Project	<u>\$ 77,110</u>
Total Construction	\$133,723,769
Scheduled Maintenance	\$ 13,913,740
Technology	<u>\$ 20,929,287</u>
Total	<u>\$181,508,482</u>

Allan Hancock College
General Obligation Bond Fund

Income Statement by Fund
For Period Ending 12/31/2023

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
REVENUES			
Local Revenues	\$ 75,000	\$ 46,417	61.89%
Total REVENUES	<u>75,000</u>	<u>46,417</u>	<u>61.89%</u>
EXPENDITURES			
Supplies and Materials	2,465	1,141	46.26%
Other Operating Exp. and Services	102,569	83,692	81.60%
Capital Outlay	<u>6,602,458</u>	<u>836,887</u>	<u>12.68%</u>
Total EXPENDITURES	<u>6,707,493</u>	<u>921,720</u>	<u>13.74%</u>
Excess of Revenues Over/ (Under) Expenditures	(6,632,493)	(875,303)	
FUND BALANCE			
Fund balance, July 1	<u>8,303,139</u>	<u>8,303,139</u>	
Current Balance	<u>\$ 1,670,646</u>	<u>\$ 7,427,836</u>	

ALLAN HANCOCK COLLEGE
GENERAL OBLIGATION BONDS ELECTION OF 2006, SERIES A, B, C, D, E AND F
PROJECT LIST
PROJECTED EXPENDITURES 2006-07 THROUGH 2023-24

Beginning Balance	\$ 68,000,000
Projected Interest Revenue	\$ 8,291,714
Premium on Sale of Bonds	\$ 528,271
Series B Issuance	\$ 29,999,814
Premium on Sale of Bonds	\$ 115,003
Series C Issuance	\$ 38,860,309
Premium on Sale of Bonds	\$ 135,891
Series D Issuance	\$ 8,773,376
Premium on Sale of Bonds	\$ 70,187
Series E Issuance	\$ 23,000,000
Premium on Sale of Bonds	\$ 88,746
Series F Issuance	\$ 11,059,086
Premium on Sale of Bonds	\$ 42,503

	Eighteen Year Project Total Through June 2024	Seventeen Year Actual Through June 2023	Current Budget 2023-2024
1. Cost of Issuance	\$ 1,265,852	\$ 1,265,852	\$ -
Subtotal Cost of Issuance	\$ 1,265,852	\$ 1,265,852	\$ -
2. COP Refinance (Repayment)			
a. Student Center	\$ 4,958,361	\$ 4,958,361	\$ -
b. Library Media/Technology Center	\$ 3,317,135	\$ 3,317,135	\$ -
Subtotal COP Refinance	\$ 8,275,496	\$ 8,275,496	\$ -
3. Project Augmentation – State Match			
a. Science/Health Occupations	\$ 4,611,072	\$ 4,611,072	\$ -
b. Skills Center	\$ 1,971,485	\$ 1,971,485	\$ -
4. Construction Projects			
a. One Stop Student Center Complex Addition	\$ 20,893,316	\$ 20,893,316	\$ -
b. Public Safety Complex	\$ 40,492,100	\$ 40,492,100	\$ -
c. Childcare Center	\$ 8,371,957	\$ 8,371,957	\$ -
d. Industrial Technologies Modernization and Addition	\$ 24,742,262	\$ 24,742,262	\$ -
e. Physical Education Addition	\$ 349,445	\$ 349,445	\$ -
f. Fine Arts Complex	\$ 23,180,703	\$ 22,494,307	\$ 686,396
g. Theater Arts Project	\$ 305,049	\$ 305,049	\$ -
h. STEM/MESA Center	\$ 1,918,186	\$ 1,907,850	\$ 10,337
i. PCPA Stage Craft Bldg Relocation	\$ 6,244,232	\$ 5,712,046	\$ 532,186
j. Auto Mechanics Relocation	\$ 8,800	\$ 7,480	\$ 1,320
k. Demolition Bldg E & F	\$ 395,499	\$ 312,644	\$ 82,855
l. Demolition Bldg O-300	\$ 452,217	\$ 300	\$ 451,917
m. Fine Arts Alarm Project	\$ 87,027	\$ -	\$ 87,027
5. Facilities and Utilities Master Plan	\$ 634,231	\$ 634,231	\$ -
Subtotal Project Augmentation/Construction	\$ 134,657,582	\$ 132,805,544	\$ 1,852,038
6. Scheduled Maintenance Projects	\$ 13,913,740	\$ 13,913,740	\$ -
Subtotal Scheduled Maintenance	\$ 13,913,740	\$ 13,913,740	\$ -
7. Mainframe Replacement	\$ 8,115,513	\$ 8,115,513	\$ -
8. Technology/Instructional Equipment Modernization	\$ 10,845,519	\$ 10,845,519	\$ -
9. VOIP Project	\$ 1,456,327	\$ 1,456,327	\$ -
10. Technology General	\$ 511,928	\$ 511,928	\$ -
Subtotal Technology	\$ 20,929,287	\$ 20,929,287	\$ -
11. Project Management	\$ 3,404,611	\$ 3,396,841	\$ 7,770
Subtotal Project Management	\$ 3,404,611	\$ 3,396,841	\$ 7,770
TOTAL BUDGET	\$ 182,446,568	\$ 180,586,760	\$ 1,859,808
FUND BALANCE	\$ 6,518,332		
GRAND TOTAL	\$ 188,964,900		

GENERAL OBLIGATION PROJECT EXPENDITURE SUMMARY
12/31/2023

	2023-24 WORKING BUDGET	2023-24 ACTUAL TOTAL	2023-24 ENCUMBRANCE TOTAL	2023-24 BALANCE
GO BOND/GENERAL				
Project Management				
Classified Salaries	\$ -	\$ -		\$ -
Employee Benefits	\$ -	\$ -		\$ -
Operating Expenses and Services	\$ 7,770	\$ 3,497	\$ 777	\$ 3,497
TOTAL Project Management	\$ 7,770	\$ 3,497	\$ 777	\$ 3,497
TOTAL PROJECT MANAGEMENT	\$ 7,770	\$ 3,497	\$ 777	\$ 3,497
GO BOND/CONSTRUCTION				
Fine Arts Complex-Working Drawings				
Capital Outlay	\$ 1,600	\$ -	\$ -	\$ 1,600
TOTAL Fine Arts Complex-Working Drawings	\$ 1,600	\$ -	\$ -	\$ 1,600
Fine Arts Complex-Construction Phase				
Books, Supplies and Materials	\$ 465	\$ -	\$ -	\$ 465
Capital Outlay	\$ 679,015	\$ 520,924	\$ 158,091	\$ -
TOTAL Fine Arts Complex-Construction Phase	\$ 679,480	\$ 520,924	\$ 158,091	\$ 465
Fine Arts Complex-Equipment Phase				
Operating Expenses and Service	\$ 4,000	\$ -	\$ 4,000	\$ -
Capital Outlay	\$ 1,315	\$ -	\$ -	\$ 1,315
TOTAL Fine Arts Complex-Equipment Phase	\$ 5,315	\$ -	\$ 4,000	\$ 1,315
TOTAL Fine Arts Complex	\$ 686,396	\$ 520,924	\$ 162,091	\$ 3,381
STEM/MESA Center				
Operating Expenses and Service	\$ 554	\$ -	\$ -	\$ 554
Capital Outlay	\$ 9,783	\$ -	\$ -	\$ 9,783
TOTAL STEM/MESA Center	\$ 10,337	\$ -	\$ -	\$ 10,337
PCPA-Stage Craft Bldg Relocation				
Books, Supplies and Materials	\$ 2,000	\$ 1,141	\$ -	\$ 859
Operating Expenses and Service	\$ 2,419	\$ 2,419	\$ -	\$ -
Capital Outlay	\$ 527,767	\$ 209,475	\$ 317,041	\$ 1,251
TOTAL PCPA-Stage Craft Bldg Relocation	\$ 532,186	\$ 213,035	\$ 317,041	\$ 2,110
Auto Mechanics Relocation				
Capital Outlay	\$ 1,320	\$ -	\$ -	\$ 1,320
TOTAL Auto Mechanics Relocation	\$ 1,320	\$ -	\$ -	\$ 1,320
Demolition Building E & F				
Capital Outlay	\$ 82,855	\$ 35,979	\$ 46,185	\$ 691
TOTAL Demolition Building E & F	\$ 82,855	\$ 35,979	\$ 46,185	\$ 691
Demolition Building O-300				
Operating Expenses and Service	\$ 800	\$ 667	\$ -	\$ 133
Capital Outlay	\$ 451,117	\$ 70,509	\$ 349,186	\$ 31,421
TOTAL Demolition O-300	\$ 451,917	\$ 71,176	\$ 349,186	\$ 31,555
Fine Arts Alarm Project				
Operating Expenses and Service	\$ 87,027	\$ 77,110	\$ 9,917	\$ -
TOTAL Fine Arts Alarm Project	\$ 87,027	\$ 77,110	\$ 9,917	\$ -
TOTAL GO BOND/CONSTRUCTION	\$ 1,852,038	\$ 918,224	\$ 884,420	\$ 49,394
GO BOND CONTINGENCY				
Capital Outlay	\$ 6,596,845			\$ 6,596,845
Other Outgo	\$ -	\$ -	\$ -	\$ -
TOTAL GO BOND CONTINGENCY	\$ 6,596,845	\$ -	\$ -	\$ 6,596,845
GRAND TOTAL	\$ 8,456,653	\$ 921,720	\$ 885,197	\$ 6,649,736

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

Quarter Ending:	Prior Quarters	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	Total
Income							
Bond Proceeds		\$ 146,482,852	\$ 23,088,746	\$ 11,101,589	\$ -	\$ -	\$ 180,673,187
Interest		7,323,573	188,000	270,822	248,111	31,604	8,263,131
		<u>153,806,425</u>	<u>23,276,746</u>	<u>11,372,411</u>	<u>248,111</u>	<u>31,604</u>	<u>188,936,318</u>
Expenditures							
Fiscal Services							
Cost of Issuance		871,815	359,356	42,503	(7,822)	-	\$ 1,265,852
COP Repayment		8,275,496	-	-	-	-	\$ 8,275,496
Bond Project Management		3,300,797	-	12,133	43,930	28,233	\$ 3,400,338
Construction		106,094,943	451,980	3,171,344	10,033,677	8,471,774	\$ 133,723,769
Scheduled Maintenance		13,913,740	-	-	-	-	\$ 13,913,740
Technology		20,929,287	-	-	-	-	\$ 20,929,287
		<u>153,386,078</u>	<u>811,336</u>	<u>3,225,980</u>	<u>10,069,785</u>	<u>8,500,007</u>	<u>181,508,482</u>
Net Cash		<u>420,347</u>	<u>22,465,410</u>	<u>8,146,431</u>	<u>(9,821,674)</u>	<u>(8,468,403)</u>	<u>7,427,836</u>
Cash Balance		<u>\$ 420,347</u>	<u>\$ 22,885,757</u>	<u>\$ 31,032,188</u>	<u>\$ 21,210,514</u>	<u>\$ 12,742,111</u>	<u>\$ 7,427,836</u>



See what's possible.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS

FINANCIAL AUDIT

JUNE 30, 2023

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

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Allan Hancock Joint Community College District (the District), Measure I General Obligation Bond Fund (Measure I), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure I General Obligation Bonds of Allan Hancock Joint Community College District as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allan Hancock Joint Community College District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements of the General Obligation Bond Fund specific to Measure I are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the Measure I General Obligation Bonds' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure I General Obligation Bonds' internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 29, 2023

FINANCIAL SECTION

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 BALANCE SHEET
 JUNE 30, 2023**

ASSETS	
Investments	\$ 9,380,056
Cash	13,652
Accounts receivable	<u>53,538</u>
Total Assets	\$ 9,447,246
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 1,133,700
Due to other funds	<u>10,408</u>
Total Liabilities	<u>1,144,108</u>
 Fund Balance	
Restricted for capital projects	<u>8,303,138</u>
Total Liabilities and Fund Balance	\$ 9,447,246

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

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REVENUES	
Interest income	\$ 186,209
Total Revenues	<u>186,209</u>
EXPENDITURES	
Services and operating expenditures	48,971
Capital outlay	<u>7,765,009</u>
Total Expenditures	<u>7,813,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,627,771)</u>
Net Change in Fund Balance	(7,627,771)
Fund Balance, July 1, 2022	<u>15,930,909</u>
Fund Balance, June 30, 2023	<u>\$ 8,303,138</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, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

Fund Accounting

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

Basis of Accounting

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

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances lapse at June 30, 2023.

Fund Balance

As of June 30, 2023, the fund balance of Measure I General Obligation Bonds (Measure I) was classified as follows:

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Spending Order Policy

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

NOTE 2 – INVESTMENTS

Policies and Practices

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

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – INVESTMENTS, continued

Investment in County Treasury

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

General Authorizations

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

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

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 – INVESTMENTS, continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Santa Barbara County Investment Pool. The District maintains a Measure I General Obligation Bond Fund investment with a book value of \$9,380,056 and a fair market value of \$9,068,016 with the Santa Barbara County Investment Pool, with an average maturity of 643 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Santa Barbara County Investment Pool is not required to be rated, nor has it been rated as of June 30, 2023.

NOTE 3 – FAIR VALUE MEASUREMENTS

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

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

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

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

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 3 – FAIR VALUE MEASUREMENTS, continued

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

The District's fair value measurements are as follows at June 30, 2023:

Investment Type	Fair Value	Uncategorized
Santa Barbara County Investment Pool	\$ 9,068,016	\$ 9,068,016

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

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, consisted of the following:

Interest	\$ 53,538
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NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2023, consisted of the following:

Capital outlay	\$ 1,133,700
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NOTE 6 - INTERFUND TRANSACTIONS

Interfund Payables (Due To)

Interfund payables balances at June 30, 2023, consisted of the following:

Due to Other Funds	\$ 10,408
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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
 MEASURE I GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 7 - FUND BALANCE

Fund balance is composed of the following element:

Restricted Capital projects	<u>\$ 8,303,138</u>
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NOTE 8 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, the District had \$2,088,388 in construction commitments with respect to unfinished projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
PCPA Stage Craft Bldg Relocation	\$ 513,123	July 2023
Fine Arts Complex	1,575,265	October 2023
	<u>\$ 2,088,388</u>	

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

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material or adverse effect on the overall financial position of the Measure I General Obligation Bond Fund (Measure I) at June 30, 2023.

Escrow Account

For all capital projects under contract, the District requires that 5% of each invoice be retained until the project is complete. The fine arts complex construction retention is held outside of the District with a fiscal agent. As of June 30, 2023, the total amount of cash with fiscal agents totaled \$2,326,209.

**INDEPENDENT
AUDITORS' REPORT**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Allan Hancock Joint Community College District (the District) Measure I General Obligation Bond Fund (Measure I), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Measure I General Obligation Bonds' basic financial statements, and have issued our report thereon dated December 29, 2023.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Measure I General Obligation Bond Fund (Measure I) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California
December 29, 2023

FINDINGS AND RESPONSES SECTION

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
FINANCIAL STATEMENT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

There were no audit findings noted during the 2022-23 year.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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



See what's possible.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT

JUNE 30, 2023

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

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

We were engaged to conduct a performance audit of the Allan Hancock Joint Community College District (the District) Measure I General Obligation Bond Fund (Measure I) for the year ended June 30, 2023.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

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

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

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

CWDL, Certified Public Accountants

San Diego, California
December 29, 2023

BACKGROUND

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
JUNE 30, 2023**

AUTHORITY FOR ISSUANCE

The general obligation bonds associated with Measure I were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County on June 6, 2006 (the Resolution), pursuant to a request of the District made by a resolution adopted by the Board of Education of the District on August 15, 2006.

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

PURPOSE OF ISSUANCE

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

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code Sections 15278-15282:

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

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
JUNE 30, 2023**

AUTHORITY FOR THE AUDIT, continued

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

PERFORMANCE AUDIT

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
JUNE 30, 2023**

OBJECTIVES OF THE AUDIT

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

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2022 to June 30, 2023. 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, 2023, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2023, for the Measure I General Obligation Bond Fund (Measure I). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure I as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2022 and ending June 30, 2023, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$3,390,134. This represents 43 percent of the total expenditures of \$7,813,980.
3. Based on our testing, we verified that funds from the Measure I General Obligation Bond Fund (Measure I) were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

CONCLUSION

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

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

There were no audit findings noted during the 2022-23 year.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

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