



BOND MEASURE I CITIZENS' OVERSIGHT COMMITTEE

Agenda

January 22, 2026

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	Chair Dale	4:00 PM
2.	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 comments are limited to three minutes per speaker.	Chair Dale	
3.	Approval of the Minutes of the March 17, 2025 Meeting	Chair Dale	
4.	Review and Approval of the draft 2025 Citizens' Oversight Committee Annual Report to the Board of Trustees	Dr. Walthers	
5.	Financial Report for the period ending December 31, 2025	Dennis Curran	
6.	Audit Reports for the year ending June 30, 2025	Dennis Curran	
7.	Facilities Summary Report	Dennis Curran	
8.	Member Recognition	Dr. Walthers	
9.	Elect a Chair	Dr. Walthers	
10.	Committee Members' Comments	All	
11.	Adjournment	Chair Dale	

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the President's Office at 805-346-1001. 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
March 17, 2025

Leigh Collier, Community at-large
Judith Dale, Support Organization
Lynette Dunn, Community at-large
Edgar Gascon, Business Organization
Larry Lahr, Taxpayers Association
Arlene Peterson, Senior Organization
Ora Shrecengost, Student Representative

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

1. Call to Order

Associate Superintendent Curran called the meeting to order at 4:01 p.m. with the following committee members present: Leigh Collier, Lynette Dunn, Edgar Gascon, Larry Lahr, Arlene Peterson, Ora Shrecengost

Absent: Judith Dale

District staff present: Dennis Curran, Melinda Martinez, Lauren Milbourne

2. Committee Member Introductions

Associate Superintendent Curran led introductions.

3. Public Comment

No public comment was made.

4. Action Items

4.a. Elect a Committee Vice Chair

On a motion by Lynette Dunn, seconded by Leigh Collier, the Citizens' Oversight Committee elected Edgar Gascon as Vice Chair of the committee. (Ayes: Collier, Dunn, Gascon, Lahr, Peterson; Noes: None; Absent: Dale; Abstain: None)

4.b. Approval of Minutes from the February 23, 2024 Meeting

On a motion by Arlene Peterson, seconded by Leigh Collier, the Citizens' Oversight Committee approved the minutes from the February 23, 2024 meeting as submitted. (Ayes: Collier, Dunn, Peterson; Noes: None; Absent: Dale; Abstain: Lahr, Gascon)

4.c. Review and approval of the draft 2024 Citizens' Oversight Committee Annual Report to the Board of Trustees

On a motion by Larry Lahr, seconded by Edgar Gascon, the Citizens' Oversight Committee approved the draft 2024 Citizens' Oversight Committee Annual Report to the Board of Trustees as presented. (Ayes: Collier, Dunn, Gascon, Lahr, Peterson; Noes: None; Absent: Dale; Abstain: None)

5.a. Financial Report for the period ending December 31, 2024

Associate Superintendent Curran reviewed bond issuance and premiums paid in the expenditure report. Mr. Curran also reviewed the income statement and noted the campus fire alarm project is an ongoing project paid by bond funds. He shared the list of projects completed by the bond and said the remaining fund balance would support projects such as the temporary facilities yard and the Public Safety Training Complex (PSTC) restroom project. The nursing lab and the modernization of the gym (bldg. N) are pending additional funding from other sources before proceeding.

5.b. Audit Reports for the year ending June 30, 2024

Associate Superintendent Curran noted both audit reports showed no findings and the District received approval from the board of trustees to use the same auditing firm for the next five years.

5.c. Facilities Summary Report

Associate Superintendent Curran provided a facilities overview in item 5.a. and responded to additional facilities questions from the committee.

6. Committee Members' Comments

Ora Shrecengost noted the addition of all-gender spaces in the locker rooms made last year. Mr. Curran responded that two enclosed spaces were added in each locker room, however, the project was not paid for by the bond.

7. Adjournment

Associate Superintendent Curran adjourned the meeting at 4:24 p.m.

2025

Annual Report to the Board of Trustees

DRAFT

Bond Measure I
Citizens' Oversight Committee

Presented TBA, 2026



2025 Citizens’ Oversight Committee members

- Leigh Collier**
Community at-large
- Judith Dale**
Support Organization
- Lynette Dunn**
Community at-large
- Edgar Gascon**
Business Representative
- Larry Lahr**
Taxpayers Association
- Arlene Peterson**
Senior Organization
- Ora Shrecengost**
Student Representative

DISTRICT STAFF

- Kevin G. Walthers, Ph.D.**
Superintendent/President
- Dennis Curran**
Associate Superintendent/
Vice President, Finance &
Administration
- Melinda Martinez**
Executive Secretary
Office of the
Superintendent/President
- Lauren Milbourne**
Director, Public Affairs
& Communications

Cover Image:
Interior Lobby, Fine Arts Complex



From left to right: Edgar Gascon, Leigh Collier, Lynette Dunn, Ora Shrecengost, Arlene Peterson, Larry Lahr
Not pictured: Judith Dale

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 2025 Measure I Annual Report to the Board of Trustees.

Since the community approved the bond in 2006, Measure I has continued to transform and modernize our college. In 2025, we completed campus-wide fire alarm upgrades and started two projects: Public Safety Training Complex (PSTC) Restrooms and Temporary Facilities Yard. The year also saw continued progress in campus modernization and planning for future facility improvements. Meanwhile, the Fine Arts Complex, which opened in 2023, has grown into a thriving hub for the arts, hosting student performances, exhibitions, and community events while providing state-of-the-art learning spaces for students pursuing dance, drama, film, graphics, music, photography, and multimedia arts.

The committee continues to review detailed reports from the college’s management and staff regarding the progress and expenditures of Measure I projects. Our role remains vital in ensuring transparency and accountability, and that every bond dollar is spent as promised to the voters.

Based on our oversight activities, as well as the independent financial and performance audits detailed in this report, the committee affirms that the college remains fully compliant with Article XIII A, Section 1(b)(3) of the California Constitution.

We trust that you will find the 2025 Annual Report to be accurate, informative, and comprehensive.

Sincerely,

Judith Dale
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 Judith Dale for her service on the Bond Measure I Citizens' Oversight Committee.



Committee Meetings

The Citizens' Oversight Committee held their annual meeting on March 17, 2025.

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

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

Melinda Martinez
Executive Secretary
Office of the Superintendent/President
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, 2025.

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, 2025. 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, 2025, 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, 2025

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	(38,996,200)
Series D Issuance	(8,773,376)
Series E Issuance	(23,000,000)
Series F Issuance	(11,200,000)
GENERAL OBLIGATION BOND	
REMAINING AUTHORIZATION	\$30,868

REVENUE	
Series A Issuance	\$68,000,000
Cost of Issuance	N/A
Series B and B1 Issuance	29,999,556
Cost of Issuance	N/A
Series C Issuance	38,996,200
Cost of Issuance	(145,000)
Series D Issuance	8,773,376
Cost of Issuance	(151,000)
Series E Issuance	23,000,000
Cost of Issuance	(270,000)
Series F Issuance	11,200,000
Cost of Issuance	(140,915)
Interest	8,630,910
TOTAL AVAILABLE REVENUE	\$187,893,128

EXPENDITURES (January 1 - December 31, 2025)	
Project Management	\$16,755
Fine Arts Complex	27,238
Demolition Bldg E & F	(1,930)
Fire Alarm Project	(369,741)
PSTC Restrooms	503,105
Facilities Yard	71,525
TOTAL EXPENDITURES 2025	\$246,952
Total Prior Period Expenditures	183,586,843
SUBTOTAL EXPENDITURES	\$183,833,795
Prior Period Adjustments	(1,410,969)
GRAND TOTAL EXPENDITURES	\$182,422,826
ENDING BALANCE	\$5,470,303

Measure I Projects Status

Current Capital Construction Projects

TEMPORARY FACILITIES YARD PROJECT

The district will improve the grounds and add utilities on the surface where building 0-300 was demolished. These upgrades will serve as the foundation for a temporary meeting space for the maintenance team along with an area to place containers for storing equipment and supplies. The permanent location, noted in the facilities master plan, will require funding in the future. Additionally, this project will add a concrete walkway and landscaping that leads to the front entrance of the PCPA Stagecraft facility.

Architect: 19Six Architects

Construction Manager: Allan Hancock College

Contractor: Seamair Construction, Inc.

Total Project Budget: \$822,004



PUBLIC SAFETY TRAINING COMPLEX (PSTC) RESTROOM PROJECT

This project is a stand-alone restroom facility located at the PSTC. It includes four oversize restrooms to provide space for placing gear and equipment that PSTC students may carry on their person. An outdoor hand washing area completes the structure. This project is expected to be completed in early 2026.

Architect: Ravatt Albrecht & Associates, Inc

Construction Manager: Allan Hancock College

Contractor: Specialty Constructors Services, Inc.

Total Project Budget: \$864,294



FIRE ALARM PROJECT

The district upgraded fire alarm systems throughout our facilities in Santa Maria, South Campus and Lompoc Valley Center. The project included new wiring, replacement of outdated fire panels and a new control center. The control center, located into the Police Department, integrates the district alarms into a single system across all three campuses.

Architect: 19Six Architects

Construction Manager: Allan Hancock College

Contractor: Siemens Industry, Inc.

Total Project Budget: \$1,776,738



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 & 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



Fine Arts Complex

Project total: \$57,681,414
Year Completed: 2023



Buildings E & F Demolition

Project total: \$424,266
 Year Completed: 2023



PCPA Stagecraft

Project total: \$6,204,456
 Year Completed: 2024



Building 0-300 Demolition

Project total: \$441,886
 Year Completed: 2024

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

LOMPOC VALLEY CENTER PROJECTS

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

Completed Scheduled Maintenance Total: \$15,503,431

2025 Allan Hancock Joint Community College District Board of Trustees

Hilda Zacarías, President

Area 1 (Northern Santa Maria)

Suzanne Levy, Ed.D., Vice President

Area 2 (Casmalia, South Santa Maria, Orcutt)

Alejandra Enciso, Trustee

Area 3 (Central Santa Maria, Guadalupe)

Kenneth D. Ostini, Trustee

Area 4 (Lompoc Valley)

Gregory A. Pensa, Trustee

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

Ora Shrecengost, Student Trustee

Kevin G. Walthers, Ph.D.

Superintendent/President

Annual Report

Contributors:

Dennis Curran

Melinda Martinez

Lauren Milbourne

Design & Printing:

Tihani Moore

Allan Hancock College Campus Graphics



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Santa Maria, CA 93454-6399
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805-922-6966

MEASURE I
CITIZENS' OVERSIGHT COMMITTEE MEETING
DECEMBER 31, 2025

FINANCIAL REPORT

Bond Income Summary
Income Statement
Projects List



Administrative Services

Election 2006 GO Bond

Series A	
Issued September 2006	
Principal	68,000,000
Premium	830,871
Net Purchase Price Received	68,830,871
Underwriters	(302,600)
Cost of Issuance	(303,440)
Debt Service Fund	(224,832)
Net to Building Fund	68,000,000

Series B & B-1	
Issued October 2009	
Principal	29,999,556
Premium	305,261
Net Purchase Price Received	30,304,817
Underwriters	(190,000)
Cost of Issuance	(115,261)
Debt Service Fund	-
Net to Building Fund	29,999,556

Series C	
Issued September 2012	
Principal	38,996,200
Premium	208,601
Net Purchase Price Received	39,204,801
Underwriters	(205,000)
Cost of Issuance	(145,000)
Debt Service Fund	(3,601)
Net to Building Fund	38,851,200

Series D	
Issued December 2013	
Principal	8,773,376
Premium	73,091
Net Purchase Price Received	8,846,467
Underwriters	(70,187)
Cost of Issuance	(151,000)
Debt Service Fund	(2,904)
Net to Building Fund	8,622,376

Series E	
Issued May 2019	
Principal	23,000,000
Premium	1,021,091
Net Purchase Price Received	24,021,091
Underwriters	(88,746)
Cost of Issuance	(270,000)
Debt Service Fund	(932,345)
Net to Building Fund	22,730,000

Series F	
Issued May 2020	
Principal	11,200,000
Premium	1,163,692
Net Purchase Price Received	12,363,692
Underwriters	(42,503)
Cost of Issuance	(140,915)
Debt Service Fund	(1,121,189)
Net to Building Fund	11,059,085

* Totals may not sum due to rounding

Total Net to Building Fund	179,262,218
Interest Earned	8,630,910
Total Available Funds	187,893,128

Allan Hancock College
General Obligation Bond Fund

Income Statement by Fund
For Period Ending 12/31/2025

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
REVENUES			
Local Revenues	\$ 75,000	\$ 47,252	63.00%
Total REVENUES	<u>75,000</u>	<u>47,252</u>	<u>63.00%</u>
EXPENDITURES			
Supplies and Materials	0	0	0.00%
Other Operating Exp. and Services	32,940	28,536	86.63%
Capital Outlay	<u>2,057,087</u>	<u>467,206</u>	<u>22.71%</u>
Total EXPENDITURES	<u>2,090,027</u>	<u>495,742</u>	<u>23.72%</u>
Excess of Revenues Over/ (Under) Expenditures	(2,015,027)	(448,490)	
FUND BALANCE			
Fund balance, July 1	<u>5,918,793</u>	<u>5,918,793</u>	
Current Balance	<u>\$ 3,903,766</u>	<u>\$ 5,470,303</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 2025-26

Series A Issuance	\$ 68,000,000
Cost of Issuance	\$ -
Series B Issuance	\$ 29,999,556
Cost of Issuance	\$ -
Series C Issuance	\$ 38,996,200
Cost of Issuance	\$ (145,000)
Series D Issuance	\$ 8,773,376
Cost of Issuance	\$ (151,000)
Series E Issuance	\$ 23,000,000
Cost of Issuance	\$ (270,000)
Series F Issuance	\$ 11,200,000
Cost of Issuance	\$ (140,915)
Projected Interest Revenue	\$ 8,658,658

	Twenty Year Project Total Through June 2026	Nineteen Year Actual Through June 2025	Budget as of 12/31/2025
1. Cost of Issuance	\$ 706,915	\$ 706,915	\$ -
Subtotal Cost of Issuance	\$ 706,915	\$ 706,915	\$ -
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	\$ 23,059,313	\$ 23,059,313	\$ -
g. Theater Arts Project	\$ 305,049	\$ 305,049	\$ -
h. STEM/MESA Center	\$ 1,907,850	\$ 1,907,850	\$ -
i. PCPA Stage Craft Bldg Relocation	\$ 6,201,761	\$ 6,201,761	\$ -
j. Auto Mechanics Relocation	\$ 7,480	\$ 7,480	\$ -
k. Demolition Bldg E & F	\$ 349,747	\$ 349,747	\$ -
l. Demolition Bldg O-300	\$ 441,887	\$ 441,887	\$ -
m. Fine Arts Alarm Project	\$ 106,885	\$ 106,885	\$ -
n. Facilities Yard	\$ 919,167	\$ 93,451	\$ 825,716
o. PSTC Restrooms	\$ 788,893	\$ 102,878	\$ 686,015
5. Facilities and Utilities Master Plan	\$ 634,231	\$ 634,231	\$ -
Subtotal Project Augmentation/Construction	\$ 136,153,899	\$ 134,642,169	\$ 1,511,731
6. Scheduled Maintenance Projects	\$ 15,366,384	\$ 14,800,413	\$ 565,971
Subtotal Scheduled Maintenance	\$ 15,366,384	\$ 14,800,413	\$ 565,971
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	\$ 3,437,159	\$ 3,424,835	\$ 12,325
Subtotal Project Management	\$ 3,437,159	\$ 3,424,835	\$ 12,325
Prior Period Adjustments	\$ (852,032)	\$ (852,032)	\$ -
TOTAL BUDGET	\$ 184,017,109	\$ 181,927,082	\$ 2,090,027
FUND BALANCE	\$ 3,903,766		
GRAND TOTAL	\$ 187,920,875		



See what's possible.

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

FINANCIAL AUDIT
JUNE 30, 2025

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
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JUNE 30, 2025**

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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, as of and for the year ended June 30, 2025, and the related notes to 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 the District as of June 30, 2025 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

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, 2025, 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.

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.

Auditors' Responsibilities 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 GAAS 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 GAAS 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 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
November 21, 2025

FINANCIAL SECTION

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2025**

ASSETS

Investments	\$ 5,451,280
Accounts receivable	45,775
Due from other funds	<u>480,241</u>

Total Assets	<u>\$ 5,977,296</u>
---------------------	---------------------

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 47,315
Due to other funds	<u>11,188</u>

Total Liabilities	<u>58,503</u>
--------------------------	---------------

Fund Balance

Restricted for capital projects	<u>5,918,793</u>
---------------------------------	------------------

Total Liabilities and Fund Balance	<u>\$ 5,977,296</u>
---	---------------------

**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, 2025**

REVENUES

Interest income	\$ 179,459
-----------------	------------

Total Revenues

179,459

EXPENDITURES

Services and operating expenditures	65,825
-------------------------------------	--------

Capital outlay	504,008
----------------	---------

Total Expenditures

569,833

Net Change in Fund Balance

(390,374)

Fund Balance, July 1, 2024

6,309,167

Fund Balance, June 30, 2025

\$ 5,918,793

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 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 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 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 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 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, 2025**

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, 2025.

Fund Balance

As of June 30, 2025, the fund balance of Measure I General Obligation Bonds 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, 2025

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 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%	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, 2025**

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 \$5,451,280 and a fair market value of \$5,455,335 with the Santa Barbara County Investment Pool, with an average maturity of 664 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, 2025.

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, 2025**

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, 2025:

Investment Type	Fair Value	Uncategorized
Santa Barbara County Investment Pool	\$ 5,455,335	\$ 5,455,335

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025, consisted of the following:

Interest Receivable	\$ 45,775
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NOTE 5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2025, consisted of the following:

Capital Outlay	\$ 47,315
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NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables (Due From)

Interfund receivables balances at June 30, 2025, consisted of the following:

Due from Other Funds	\$ 480,241
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Interfund Payables (Due To)

Interfund payables balances at June 30, 2025, consisted of the following:

Due to Other Funds	\$ 11,188
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**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 - FUND BALANCE

Fund balance is composed of the following element:

Restricted for Capital Projects	<u>\$ 5,918,793</u>
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NOTE 8 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2025, the District had \$743,833 in construction commitments with respect to unfinished projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Fire Alarm Retrofit	\$ 94,662	Fall 2025
PSTC Restrooms	621,716	Fall 2025
Facilities Yard	27,455	Summer 2026
	<u>\$ 743,833</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 at June 30, 2025.

Escrow Account

For all capital projects under contract, the District requires that 5% of each invoice be retained until the project is complete.

NOTE 9 – SUBSEQUENT EVENTS

The District evaluated subsequent events through November 21, 2025, the date on which the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the Measure I General Obligation Bond Fund's financial statements.

OTHER REPORTS



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 (GAAS) 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, as of and for the year ended June 30, 2025 and the related notes to financial statements, which collectively comprise the Measure I General Obligation Bonds' basic financial statements, and have issued our report thereon dated November 21, 2025.

Report on Internal Control over Financial Reporting

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

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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Measure I General Obligation Bond Fund 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
November 21, 2025

FINDINGS AND QUESTIONED COSTS

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 financial statement findings or questioned costs identified during 2024-25.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

There were no financial statements findings or questioned costs identified during 2023-24.



See what's possible.

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

PERFORMANCE AUDIT
JUNE 30, 2025

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
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JUNE 30, 2025**

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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 for the year ended June 30, 2025.

We conducted this performance audit in accordance with *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 is in compliance with Proposition 39 as outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

CWDL, Certified Public Accountants

San Diego, California
November 21, 2025

BACKGROUND

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
JUNE 30, 2025**

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 Allan Hancock Joint Community College District (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, 2025**

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, 2025**

OBJECTIVES

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

The scope of our performance audit covered the period of July 1, 2024 to June 30, 2025. 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, 2025, were not reviewed or included within the scope of our audit or in this report.

METHODOLOGY

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2025, for the Measure I General Obligation Bond Fund. 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, 2024 and ending June 30, 2025, 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 \$403,335. This represents 71 percent of the total expenditures of \$569,833.
3. Based on our testing, we verified that funds from the Measure I General Obligation Bond Fund 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 District has properly accounted for the expenditures held in the Measure I General Obligation Bond Fund 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.

FINDINGS AND QUESTIONED COSTS

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

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 performance audit findings or questioned costs identified during 2024-25.

**ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

There were no performance audit findings or questioned costs identified during 2023-24.