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

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**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

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## **FINANCIAL SECTION**

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

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**ASSETS**

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

**Total Assets** \$ 5,977,296

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable	\$ 47,315
Due to other funds	11,188

**Total Liabilities** 58,503

**Fund Balance**

Restricted for capital projects	<u>5,918,793</u>
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**Total Liabilities and Fund Balance** \$ 5,977,296

**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**

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<b>REVENUES</b>	
Interest income	\$ 179,459
<b>Total Revenues</b>	<u>179,459</u>
<b>EXPENDITURES</b>	
Services and operating expenditures	65,825
Capital outlay	<u>504,008</u>
<b>Total Expenditures</b>	<u>569,833</u>
<b>Net Change in Fund Balance</b>	(390,374)
<b>Fund Balance, July 1, 2024</b>	<u>6,309,167</u>
<b>Fund Balance, June 30, 2025</b>	<u>\$ 5,918,793</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, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Allan Hancock Joint Community College District's (the "District") Measure I General Obligation Bond Fund 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**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Encumbrances**

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

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**NOTE 2 – INVESTMENTS, continued**

**Investment in County Treasury**

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

**General Authorizations**

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

Authorized Investment Type	Maximum 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**

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**NOTE 2 – INVESTMENTS, continued**

**Interest Rate Risk**

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

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**NOTE 3 – FAIR VALUE MEASUREMENTS, continued**

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

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

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**NOTE 7 - FUND BALANCE**

Fund balance is composed of the following element:

Restricted for Capital Projects	\$ 5,918,793
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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:

<b>Capital Projects</b>	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
	\$ 743,833	

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.

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## **OTHER REPORTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America (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

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## **FINDINGS AND QUESTIONED COSTS**

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**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**

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

***There were no 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**

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