PRELIMINARY OFFICIAL STATEMENT DATED APRIL 22, 2020

NEW ISSUE—FULL BOOK-ENTRY | **RATINGS: Moody's: "Aa2"; S&P: "AA"**
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series F Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)

$____________*
Election of 2006 General Obligation Bonds, Series F

$____________*
2020 General Obligation Refunding Bonds
(Federally Taxable)

Dated: Date of Delivery | **Due: August 1, as shown on the inside cover**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The Allan Hancock Joint Community College District (Santa Barbara, San Luis Obispo and Ventura Counties, California) Election of 2006 General Obligation Bonds, Series F (the "Series F Bonds"), were authorized at an election of the registered voters of the Allan Hancock Joint Community College District (the "District") held on June 6, 2006, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of $180,000,000 aggregate principal amount of general obligation bonds of the District. The Series F Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuance of the Series F Bonds.

The Allan Hancock Joint Community College District (Santa Barbara, San Luis Obispo and Ventura Counties, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Refunding Bonds," and together with the Series F Bonds, the "Bonds") are being issued by the District to (i) advance refund certain of the District's outstanding Prior Bonds and (ii) pay the costs of issuing the Refunding Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of Santa Barbara, San Luis Obispo and Ventura Counties are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See "THE BONDS – Book-Entry Only System" herein.

The Bonds will be issued as current interest bonds, such that interest thereon shall accrue from the date of delivery and be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2020. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association as the designated Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as stated herein.*

Maturity Schedule*
(See inside front cover)

The Bonds are offered when, as and if issued, and received by the Underwriter, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, and for the Underwriter by Norton Rose Fulbright US LLP. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, in New York, New York, on or about ____________, 2020.

Morgan Stanley

Dated: ___________, 2020.

* Preliminary, subject to change.

MATURITY SCHEDULE*

$____________*
ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)
Election of 2006 General Obligation Bonds, Series F

Base CUSIP[1]: 016730

$______________ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix[1]

$_______________ - ___% Term Bonds due August 1, 20__ - Yield: ___%; CUSIP[1] Suffix:

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* Preliminary, subject to change.

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

MATURITY SCHEDULE*

$____________*

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)
2020 General Obligation Refunding Bonds
(Federally Taxable)

Base CUSIP(1): 016730

$______________ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix(1)

$_______________ - ___% Term Bonds due August 1, 20__ - Yield: ___%; CUSIP(1) Suffix:

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* Preliminary, subject to change.

(2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of their transaction, but the Underwriter does not guarantee the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The District maintains a website. However, the information presented there is not part of this Official Statement, is not incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

KNN Public Finance, LLC
Oakland, California

Paying Agent and Escrow Agent

U.S. Bank National Association
Seattle, Washington

Escrow Verification

Causey Demgen & Moore, P.C.
Denver, Colorado

TABLE OF CONTENTS

Page

TABLE OF CONTENTS (cont'd)

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ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)

$____________*	**$____________***
Election of 2006 General Obligation Bonds, Series F	**2020 General Obligation Refunding Bonds (Federally Taxable)**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover pages and appendices hereto, provides information in connection with the sale of (i) Allan Hancock Joint Community College District (Santa Barbara, San Luis Obispo and Ventura Counties, California) Election of 2006 General Obligation Bonds, Series F (the "Series F Bonds") and (ii) Allan Hancock Joint Community College District (Santa Barbara, San Luis Obispo and Ventura Counties, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Refunding Bonds," and together with the Series F Bonds, the "Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Allan Hancock Joint Community College District (the "District"), a community college district and political subdivision of the State of California (the "State"), was originally formed in 1920 as Santa Maria Junior College and reorganized in 1963 as Allan Hancock Joint Community College District. The District is located in northern Santa Barbara County (the "County") and in portions of San Luis Obispo and Ventura Counties (collectively with the County, the "Counties") and the Channel Islands. The District encompasses an area that includes the cities of Santa Maria, Orcutt, Guadalupe, Lompoc, Buellton, Solvang, Santa Ynez and Cuyama. The District currently maintains one comprehensive community college in Santa Maria, Allan Hancock College, with satellite centers located in Lompoc, Solvang and Vandenberg Air Force Base. Allan Hancock College is fully accredited by the Accrediting Commission for Community and Junior Colleges (the "ACCJC"). For fiscal year 2019-20, taxable property in the District has an assessed valuation of $28,937,737,058, and the District has a projected resident full-time equivalent student ("FTES") count of approximately 8,915 students. The District's actual FTES count, however, may be affected by the ongoing COVID-19 (as defined herein) outbreak. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein.

The District is governed by a five-member Board of Trustees (the "Board"), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent/President appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Dr. Kevin G. Walthers is the District's Superintendent/President.

For more information about the District generally, see "ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT" herein. For more information regarding the District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS" herein. The District's audited financial statements for fiscal year ended June 30, 2019 are attached hereto as APPENDIX B and should be read in their entirety.

Purpose of the Bonds

Series F Bonds. The Series F Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of the District sites and facilities, and (ii) pay the costs of issuing the Series F Bonds.

Refunding Bonds. The Refunding Bonds are being issued to (i) advance refund certain of the District's outstanding Prior Bonds (as defined herein), and (ii) pay the costs of issuing the Refunding Bonds.

See also "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to resolutions adopted by the Board on March 10, 2020. See "THE BONDS – Authority for Issuance" herein.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties (the "County Boards") are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See also "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – Book-Entry Only System" herein. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions. See also "THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the captions "INTRODUCTION – Tax Matters" and "TAX MATTERS" herein and in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount or any integral multiple thereof.

Redemption.*[*]* The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as further described herein. See also "THE BONDS – Redemption" herein.

Payments. The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the initial date of delivery thereof (the "Date of Delivery"), such interest to be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2020 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1 in the amounts and years set forth on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association as the designated paying agent, bond registrar and transfer agent (collectively, the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series F Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to certain tax consequences of ownership of the Bonds.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York on or about ___________, 2020.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District and certain other considerations related thereto, see "TAX BASE FOR REPAYMENT OF BONDS" and "LIMITATIONS ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriter (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing

[*] Preliminary, subject to change.

Disclosure" herein. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "intend," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, acting as Bond Counsel and Disclosure Counsel to the District and KNN Public Finance LLC, Oakland, California, acting as Municipal Advisor to the District, will each receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds or the District. In addition to acting as Paying Agent for the Bonds, U.S. Bank National Association will act as Escrow Agent for the Refunded Bonds. Causey Demgen & Moore P.C., Denver, Colorado, will act as Verification Agent for the Refunded Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from Allan Hancock Joint Community College District, 800 S. College Drive, Santa Maria, CA 93454, telephone: (805) 922-6966. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

Certain of the information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions.

THE BONDS

Authority for Issuance

Series F Bonds. The Series F Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Act"), commencing with Section 53506 *et seq*., as amended, Article XIIIA of the California Constitution and pursuant to a resolution adopted by the Board on March 10, 2020 (the "Series F Resolution"). The District received authorization at an election held on June 6, 2006 by the requisite 55% of the votes cast by eligible voters within the District to issue $180,000,000 aggregate principal amount of general obligation bonds (the "Authorization"). The Bonds are the sixth and final series of bonds issued under the Authorization.

Refunding Bonds. The Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and pursuant to a resolution adopted by the Board on March 10, 2020 (the "Refunding Resolution," and together with the Series F Resolution, the "Resolutions").

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Boards are empowered and obligated to levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation thereby (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. Such *ad valorem* property taxes will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest thereon when due, as described above. The levy of *ad valorem* property taxes for payment of the Bonds may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. While the Counties have historically levied *ad valorem* property taxes to establish such a reserve for other bonds of the District, the Counties are not obligated to establish or maintain such a reserve for any of the Bonds, and the District can make no representation that the Counties will do so in future years. Such taxes, when collected, will be placed by the Counties in the respective Debt Service Funds (as defined herein) established by the Resolutions, which funds are required to be segregated and maintained by the Counties and which are designated for the payment of the series of Bonds to which such fund relates, and interest thereon when due, and for no other purpose. Pursuant to the Resolutions, the District has pledged funds on deposit in the Debt Service Funds to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the Counties will maintain the Debt Service Funds, the Bonds are not a debt of either of the Counties.

Moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the series of Bonds to which such fund relates, as the same becomes due and payable, will be transferred by the Counties to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the Counties to repay the Bonds, as described above, will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by a natural or manmade disaster, such as earthquake, flood, wildfire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal of and interest on, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIIIA of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. See "— Book-Entry Only System" herein. Beneficial Owners will not receive certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2020. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2020, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover pages hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest on, and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds when due will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds.

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Annual Debt Service

The following table shows the annual debt service requirements of the District with respect to the Bonds, together with debt service on the District's prior outstanding bonded indebtedness, and assuming no further optional redemptions:

		Series F Bonds		Refunding Bonds		
Year Ending August 1	Outstanding Bonds Debt Service(1)	Annual Principal Payment	Annual Interest Payment(2)	Annual Principal Payment	Annual Interest Payment(2)	Total Annual Debt Service
2020	$7,648,650.00					
2021	7,196,450.00					
2022	7,482,600.00					
2023	7,908,475.00					
2024	8,192,075.00					
2025	8,482,825.00					
2026	8,784,175.00					
2027	9,089,362.50					
2028	9,476,812.50					
2029	9,863,312.50					
2030	10,262,450.00					
2031	10,686,730.00					
2032	11,390,230.00					
2033	11,842,630.00					
2034	12,311,788.50					
2035	12,294,138.50					
2036	12,803,688.50					
2037	13,329,888.50					
2038	13,881,288.50					
2039	14,615,813.50					
2040	14,882,301.00					
2041	15,475,891.00					
2042	16,093,826.00					
2043	16,739,608.50					
2044	17,410,938.50					
2045	14,579,240.00					
2046	15,160,720.00					
2047	15,766,080.00					
Total	$333,651,988.50					

(1) Includes debt service on the Prior Bonds to be refunded with the Refunding Bonds.
(2) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2020.

For additional information, and for a full debt service schedule of all of the District's prior outstanding bonded indebtedness, see "ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds" herein.

Application and Investment of Bond Proceeds

Series F Bonds. The Series F Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the Series F Bonds. The proceeds of the sale from the Series F Bonds, net of costs of issuance and any premium received upon the sale thereof, will be deposited by the County to the credit of the building fund created by the Series F Resolution (the "Series F Building Fund"), and will be applied solely for the purposes for which the Series F Bonds are being issued. Interest earnings in the Series F Building Fund will be retained therein.

The *ad valorem* property taxes levied by the Counties for the payment of the Series F Bonds, when collected, are required to be held separate and apart by the County in a debt service fund created by the Series F Resolution (the "Series F Debt Service Fund"), and used only for payment of principal of and interest on Series F Bonds. Accrued interest and any premium received upon the sale of the Series F Bonds will be deposited into the Series F Debt Service Fund. Any interest earnings on moneys held in the Series F Debt Service Fund will be retained therein. If, after all of the Series F Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Series F Debt Service Fund, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Refunding Bonds. The Refunding Bonds are being issued to (i) advance refund the Prior Bonds, and (ii) pay the costs of issuing the Refunding Bonds.

The net proceeds from the sale of the Refunding Bonds will be deposited with U.S. Bank National Association, as escrow agent ("Escrow Agent"), to the credit of an escrow fund (the "Escrow Fund") held pursuant to that certain Escrow Agreement, dated as of May 1, 2020, by and between the District and the Escrow Agent. Amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the "Federal Securities"), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay (i) the redemption price of certain of the Prior Bonds on the first optional redemption dates therefor, as well as the interest due on certain of the Prior Bonds on and prior to such dates, and (ii) the principal and interest on certain of the 2014 Refunding Bonds, as the same becomes due and payable.

The tables below reflect information on the maturities of the bonds expected to be refunded with proceeds of the Refunding Bonds (collectively, the "Prior Bonds"); however, the specific maturities of the bonds, or portions thereof, to be refunded and which shall comprise the Refunded Bonds (the "Refunded Bonds"), shall be selected by the District on or about the date of sale of the Refunding Bonds.

PRIOR BONDS*

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)
Election of 2006 General Obligation Bonds, Series C*

Maturity Date (August 1)	CUSIP	Denominational Amount	Accreted Value to be Refunded	Date of Redemption	Redemption Price (% of Accreted Value)
2039	016730CZ4	$1,490,828.50	$2,598,175.65	8/1/2022	100%

* Preliminary, subject to change.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)
Election of 2006 General Obligation Bonds, Series D*

Current Interest Bonds

Maturity Date (August 1)	CUSIP	Original Principal Amount	Outstanding Principal to be Refunded	Date of Redemption	Redemption Price (% of Principal Amount)
2024	016730DT7	$60,000.00	$60,000.00	8/1/2023	100%
2025	016730DU4	60,000.00	60,000.00	8/1/2023	100
2026	016730DV2	55,000.00	55,000.00	8/1/2023	100
2027	016730DW0	55,000.00	55,000.00	8/1/2023	100
2028	016730DX8	50,000.00	50,000.00	8/1/2023	100
2029	016730DY6	45,000.00	45,000.00	8/1/2023	100
2039	016730DZ3	2,495,000.00	2,495,000.00	8/1/2023	100

Capital Appreciation Bonds

Maturity Date (August 1)	CUSIP	Denominational Amount	Accreted Value to be Refunded	Date of Redemption	Redemption Price (% of Accreted Value)
2030	016730EJ8	$18,390.15	$30,884.85	8/1/2023	100%
2031	016730EA7	53,387.60	90,419.00	8/1/2023	100
2032	016730EB5	131,071.50	222,613.50	8/1/2023	100
2033	016730EC3	153,476.05	261,652.30	8/1/2023	100
2034	016730ED1	594,825.00	1,016,925.00	8/1/2023	100
2035	016730EE9	628,028.10	1,078,713.45	8/1/2023	100
2036	016730EF6	610,895.25	1,055,224.80	8/1/2023	100
2037	016730EG4	593,923.05	1,030,730.40	8/1/2023	100
2038	016730EH2	519,379.70	944,540.10	8/1/2023	100

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT
(Santa Barbara, San Luis Obispo and Ventura Counties, California)
2014 General Obligation Refunding Bonds*

Maturity Date (August 1)	CUSIP	Original Principal Amount	Outstanding Principal to be Refunded	Date of Redemption	Redemption Price (% of Principal Amount)
2020	016730EP4	$2,035,000.00	$2,035,000.00[(1)]	--	100%
2021	016730EQ2	2,370,000.00	2,370,000.00[(1)]	--	100
2022	016730ER0	2,750,000.00	2,750,000.00[(1)]	--	100
2023	016730ES8	3,160,000.00	3,160,000.00[(1)]	--	100
2024	016730ET6	3,610,000.00	3,610,000.00[(1)]	--	100
2025	016730EU3	4,095,000.00	4,095,000.00	8/1/2024	100
2026	016730EV1	4,615,000.00	4,615,000.00	8/1/2024	100
2027	016730EW9	5,175,000.00	5,175,000.00	8/1/2024	100
2028	016730EX7	5,795,000.00	5,795,000.00	8/1/2024	100
2029	016730EY5	930,000.00	930,000.00	8/1/2024	100
2029	016730FA6	5,520,000.00	5,520,000.00	8/1/2024	100
2030	016730EZ2	1,000,000.00	1,000,000.00	8/1/2024	100
2030	016730FB4	6,140,000.00	6,140,000.00	8/1/2024	100

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* Preliminary, subject to change.

(1) To be defeased to each respective maturity date, upon issuance of the Refunding Bonds.

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Prior Bonds as described above will be verified by Causey Demgen & Moore, P.C., as the verification agent (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Prior Bonds will be defeased and the obligation of the Counties to levy *ad valorem* property taxes for payment thereof will terminate.

Any accrued interest received by the District from the sale of the Refunding Bonds will be paid to the County treasury, to the credit of the debt service fund created by the Refunding Resolution (the "Refunding Debt Service Fund," and together with the Series F Debt Service Fund, the "Debt Service Funds") and used only for payment of principal of and interest on the Refunding Bonds, and for no other purpose.

Investment of Proceeds. Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Series F Building Fund and the Debt Service Funds will be invested through the County's pooled investment fund. See "APPENDIX E – SANTA BARBARA COUNTY INVESTMENT POOL" attached hereto.

Redemption

Optional Redemption.* The Series F Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Series F Bonds maturing on or after August 1, 20__ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of the Series F Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The Refunding Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Refunding Bonds maturing on or after August 1, 20__ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption***.** The Bonds maturing on August 1, 20__ (the "Term Bonds"), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__ at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Term Bonds to be so redeemed and the dates therefor and the final maturity date is as indicated in the following table:

Redemption Date (August 1)	**Principal Amount to be Redeemed**
Total	

* Preliminary, subject to change.

In the event that a portion of the Term Bonds shown above is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as so directed by the District, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; *provided, however*, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice will further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolutions will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Conditional Notice of Redemption. With respect to any notice of optional redemption of Bonds as described above, unless upon the giving of such notice such Bonds (or portions thereof) shall be deemed to have been defeased as described in "—Defeasance" herein, such notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, and premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that, if such moneys shall not have been so received, said notice shall be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. Notice having been given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as described in "—Defeasance" herein, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest accrued to such redemption date, shall be held in trust so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and will be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District, the Municipal Advisor nor the Underwriter take any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has an S&P (as defined herein) rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolutions. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Paying Agent, DTC or the DTC Participant in connection with such transfers or exchanges.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to the Owners thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolutions.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Seattle, Washington. Interest on the Bonds will be paid by the Paying Agent by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such designated office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the owner equal to the principal amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash. By irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the Debt Service Fund, is sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and premium, if any) at or before their maturity date; or

(b) Government Obligations. By irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations (as defined herein) together with any amounts transferred from the applicable Debt Service Fund, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon, and premium, if any), at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District and the Paying Agent with respect to all outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of the Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by S&P Global Ratings ("S&P") or by Moody's Investors Service ("Moody's").

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

	Series F Bonds	Refunding Bonds
Sources of Funds		
Principal Amount of Bonds		
Original Issue Premium		
Total Sources		
Uses of Funds		
Deposit to Building Fund		
Deposit to Debt Service Fund		
Deposit to Escrow Fund		
Costs of Issuance[(1)]		
Underwriter's Discount		
Total Uses		

(1) Reflects all costs of issuance, including but not limited to credit rating fees, printing costs, legal and Municipal Advisory fees, Escrow Agent fees, Verification Agent fees, and the costs and fees of the Paying Agent. See also "MISCELLANEOUS – Underwriting" herein.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The principal of and interest on the Bonds are payable solely from the proceeds of* ad valorem *property taxes levied and collected by the Counties on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the Counties at the same time and on the same tax rolls as county, city and special district property taxes. Assessed valuations are the same for both the District and county taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The Counties levy and collect all property taxes for property falling within such county's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the respective treasurer-tax collector (or equivalent officer) of the Counties. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a minimum $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the treasurer-tax collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. Information regarding District-level unsecured tax delinquencies is not currently available. See also "—Alternative Method of Tax Apportionment – Teeter Plan" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts and community college districts will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the applicable county in which such property is located, except for public utility property which is assessed by the State Board of Equalization ("SBE"). Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the State Constitution. For a discussion of how properties currently are assessed and re-assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein. Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

The following table sets forth the 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year.

ASSESSED VALUATIONS
Fiscal Years 2010-11 through 2019-20
Allan Hancock Joint Community College District

Santa Barbara County Portion

	Local Secured	Utility	Unsecured	Total
2010-11	$19,877,359,234	$5,599,805	$1,238,739,046	$21,121,698,085
2011-12	20,212,503,160	3,022,795	1,216,215,698	21,431,741,653
2012-13	20,348,036,506	633,951	1,227,506,514	21,576,176,971
2013-14	20,832,746,985	633,701	1,211,765,333	22,045,146,019
2014-15	21,807,731,609	633,701	1,536,929,944	23,345,295,254
2015-16	22,689,004,458	393,701	1,670,161,526	24,359,559,685
2016-17	23,216,562,725	444,856	1,696,775,583	24,913,783,164
2017-18	24,494,076,492	917,939	1,717,617,561	26,212,611,992
2018-19	25,666,151,040	917,939	1,743,004,093	27,410,073,072
2019-20	27,074,263,927	917,939	1,755,134,326	28,830,316,192

San Luis Obispo County Portion

	Local Secured	Utility	Unsecured	Total
2010-11	$33,805,029	--	$621,419	$34,426,448
2011-12	35,977,401	--	575,492	36,552,893
2012-13	37,314,932	--	1,484,756	38,799,688
2013-14	38,321,902	--	1,821,532	40,143,434
2014-15	41,347,013	--	1,640,817	42,987,830
2015-16	45,940,537	--	2,063,996	48,004,533
2016-17	45,979,278	--	2,005,643	47,984,921
2017-18	47,427,777	--	1,534,872	48,962,649
2018-19	49,823,521	--	1,795,501	51,619,022
2019-20	54,290,872	--	1,855,104	56,145,976

Ventura County Portion

	Local Secured	Utility	Unsecured	Total
2010-11	$21,568,945	--	$7,078,166	$28,647,111
2011-12	21,601,296	--	6,367,195	27,968,491
2012-13	22,455,610	--	18,952,003	41,407,613
2013-14	23,548,289	--	12,127,687	35,675,976
2014-15	24,936,868	--	18,306,592	43,243,460
2015-16	28,005,178	--	11,560,882	39,566,060
2016-17	28,527,117	--	9,752,818	38,279,935
2017-18	28,795,040	--	7,468,520	36,263,560
2018-19	29,962,109	--	21,624,553	51,586,662
2019-20	30,953,322		20,321,568	51,274,890

Total District

	Local Secured	Utility	Unsecured	Total
2010-11	$19,932,733,208	$5,599,805	$1,246,438,631	$21,184,771,644
2011-12	20,270,081,857	3,022,795	1,223,158,385	21,496,263,037
2012-13	20,407,807,048	633,951	1,247,943,273	21,656,384,272
2013-14	20,894,617,176	633,701	1,225,714,552	22,120,965,429
2014-15	21,874,015,490	633,701	1,556,877,353	23,431,526,544
2015-16	22,762,950,173	393,701	1,683,786,404	23,447,130,278
2016-17	23,291,069,120	444,856	1,708,534,044	25,000,048,020
2017-18	24,570,299,309	917,939	1,726,620,953	26,297,838,201
2018-19	25,745,936,670	917,939	1,766,424,147	27,513,278,756
2019-20	27,159,508,121	917,939	1,777,310,998	28,937,737,058

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in land values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by a natural or manmade disaster, such as earthquake, flood, wildfire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would necessitate a corresponding increase in the respective annual tax rates levied by the Counties to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuation. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such an appeal applies to the year for which the application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, wildfire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals currently pending or in the future, or actions by the respective counties assessors, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB

102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

Assessed Valuation by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2019-20.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2019-20
Allan Hancock Joint Community College District

Non-Residential:	2019-20 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Agricultural/Vineyards	$3,072,066,908	11.31%	4,612	6.51%
Commercial	2,783,827,400	10.25	2,185	3.08
Vacant Commercial	172,361,897	0.63	412	0.58
Industrial	1,405,946,567	5.18	820	1.16
Petroleum & Gas	719,353,520	2.65	369	0.52
Vacant Industrial	68,724,583	0.25	255	0.36
Recreational	80,567,302	0.30	437	0.62
Government/Social/Institutional	145,356,523	0.54	401	0.57
Miscellaneous	14,161,536	0.05	922	1.30
Subtotal Non-Residential	$8,462,366,236	31.16%	10,413	14.69%
Residential:				
Single Family Residence	$15,902,949,069	58.55%	46,480	65.58%
Condominium/Townhouse	937,087,000	3.45	4,435	6.26
Mobile Home/Mobile Home Lots	137,887,163	0.51	5,033	7.10
Mobile Home Park	135,838,491	0.50	44	0.06
2-4 Residential Units	522,916,009	1.93	1,897	2.68
5+ Residential Units/Apartments	864,829,413	3.18	629	0.89
Miscellaneous Residential	4,246,452	0.02	6	0.01
Vacant Residential	191,388,288	0.70	1,933	2.73
Subtotal Residential	$18,697,141,885	68.84%	60,457	85.31%
Total	$27,159,508,121	100.00%	70,870	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation by Jurisdiction. The following table below shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2019-20 assessed valuation.

ASSESSED VALUATION AND PARCELS BY JURISDICTION
Fiscal Year 2019-20
Allan Hancock Joint Community College District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Buellton	$1,053,374,156	3.64%	$1,053,374,156	100.00%
City of Guadalupe	448,237,784	1.55	448,237,784	100.00
City of Lompoc	2,922,472,763	10.10	2,922,472,763	100.00
City of Santa Maria	9,295,636,386	32.12	9,295,636,386	100.00
City of Solvang	1,331,471,604	4.60	1,331,471,604	100.00
Unincorporated San Luis Obispo County	56,145,976	0.19	27,450,459,947	0.20
Unincorporated Santa Barbara County	13,779,123,499	47.62	39,668,585,549	34.74
Unincorporated Ventura County	51,274,890	0.18	23,508,607,477	0.22
Total District	$28,937,737,058	100.00%		
Summary by County:				
San Luis Obispo County	56,145,976	0.19	57,417,344,452	0.10
Santa Barbara County	28,830,316,192	99.63	$86,974,657,707	33.15
Ventura County	51,274,890	0.18	$141,212,482,726	0.04
Total District	$28,937,737,058	100.00%		

Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single Family Homes. The following table shows the distribution of single-family homes within the District in terms of its fiscal year 2019-20 assessed valuation among various ranges, as well as the average and median assessed valuation of single-family homes within the District.

ASSESSED VALUATION OF SINGLE-FAMILY HOMES(1)
Fiscal Year 2019-20
Allan Hancock Joint Community College District

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	46,480	$15,902,949,069	$342,146	$285,000

2019-20 Assessed Valuation	No. of Parcels(1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	1,113	2.395%	2.395%	$39,498,471	0.248%	0.248%
50,000 - 99,999	3,503	7.537	9.931	248,711,092	1.564	1.812
100,000 - 149,999	3,072	6.609	16.540	390,620,111	2.456	4.269
150,000 - 199,999	5,391	11.599	28.139	949,990,153	5.974	10.242
200,000 - 249,999	6,123	13.173	41.312	1,377,327,872	8.661	18.903
250,000 - 299,999	5,719	12.304	53.617	1,570,175,979	9.873	28.777
300,000 - 349,999	5,225	11.241	65.858	1,696,221,115	10.666	39.443
350,000 - 399,999	4,566	9.824	74.682	1,704,205,366	10.716	50.159
400,000 - 449,999	3,083	6.633	81.315	1,303,277,821	8.195	58.354
450,000 - 499,999	2,093	4.503	85.818	991,275,860	6.233	64.587
500,000 - 549,999	1,501	3.229	89.047	786,173,650	4.944	69.531
550,000 - 599,999	1,097	2.360	91.407	628,734,420	3.954	73.483
600,000 - 649,999	644	1.386	92.793	400,738,177	2.520	76.004
650,000 - 699,999	506	1.089	93.881	341,129,619	2.145	78.150
700,000 - 749,999	396	0.852	94.733	286,331,572	1.800	79.950
750,000 - 799,999	351	0.755	95.488	271,442,511	1.707	81.657
800,000 - 849,999	278	0.598	96.086	229,098,146	1.441	83.097
850,000 - 899,999	238	0.512	96.599	207,665,713	1.306	84.403
900,000 - 949,999	183	0.394	96.992	169,055,360	1.063	85.466
950,000 - 999,999	150	0.323	97.315	146,125,018	0.919	86.385
1,000,000 and greater	1,248	2.685	100.000	2,165,151,043	13.615	100.000
Total	46,480	100.000%		$15,902,949,069	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple-family units.
Source: California Municipal Statistics, Inc.

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Tax Levies and Delinquencies

The following table shows secured *ad valorem* property tax levies within the District, and amounts delinquent as of June 30, for the fiscal years 2009-10 through 2018-19. The Counties have implemented the Teeter Plan. See "– Alternative Method of Tax Apportionment – Teeter Plan" below.

SECURED TAX CHARGES AND DELINQUENCIES[(1)]
Fiscal Years 2009-10 through 2018-19
Allan Hancock Joint Community College District

Fiscal Year	Secured Tax Charge	Amount Delinquent as of June 30	Percent Delinquent as of June 30
2009-10	$4,867,941.13	$150,187.93	3.09%
2010-11	4,887,864.15	112,237.98	2.30
2011-12	4,941,458.94	78,170.82	1.58
2012-13[(2)]	5,005,633.69	56,845.21	1.14
2013-14	5,137,754.65	49,732.47	0.97
2014-15	5,387,846.68	66,309.81	1.23
2015-16	5,532,394.52	17,628.07	0.32
2016-17	5,720,653.94	48,130.12	0.84
2017-18	5,728,119.85	67,331.74	1.18
2018-19	5,699,836.92	84,102.15	1.48

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(1) District's general obligation bond debt service levy.
(2) Dollar amounts unavailable.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment – Teeter Plan

The Boards of Supervisors of the Counties have implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the Counties apportion secured property taxes on an accrual basis when due (irrespective of actual collections) to their local political subdivisions, including the District, for which such Counties act as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the Counties act as the tax-levying or tax-collecting agency, or for which the applicable county treasury is the legal depository of the tax collections. As adopted by the Counties, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the principal of and interest on the Bonds when due will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

The Teeter Plan is to remain in effect unless the respective Boards of Supervisors of the Counties order its discontinuance or unless, prior to the commencement of any fiscal year of the Counties (which commence on July 1), the Boards of Supervisors receive a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in such Counties. In the event such Board of Supervisors are to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the Counties act as the tax-levying or tax-collecting agency.

There can be no assurance that the Counties will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the Counties to maintain the Teeter Plan may depend on their financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the Counties' control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 (as defined herein) or other outbreak of disease or natural or manmade disaster. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein. However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the Counties to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Tax Rates

A representative tax rate area ("TRA") located within the District is TRA 3-000. The table below demonstrates the total *ad valorem* property tax rates levied, as a percentage of assessed valuation, by all taxing entities in TRA 3-000 during the five-year period from 2015-16 through 2019-20.

TYPICAL TAX RATE (TRA 3-000)[1]
Fiscal Years 2015-16 through 2019-20
Allan Hancock Joint Community College District

	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.00000%	1.00000%	1.00000%	1.00000%	1.000000%
Santa Maria-Bonita School District	.02575	.02575	.02575	.02060	.020600
Santa Maria Joint Union High School District	.04949	.04943	.07864	.07449	.067300
Allan Hancock Joint Community College District	.02500	.02500	.02375	.02256	.021880
Total All Property	1.10024%	1.10018%	1.12814%	1.11765%	1.109780%

(1) Fiscal year 2019-20 assessed valuation of TRA 3-000 is 5,524,063,502, which is 19.09% of the district's total assessed valuation.
Source: California Municipal Statistics, Inc.

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Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2019-20 secured assessed valuations. Each taxpayer listed below is an entity listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2019-20
Allan Hancock Joint Community College District

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total[1]
1.	Windset Farms California Inc.	Nursery/Greenhouse	$237,974,739	0.88%
2.	Jackson Family Estates II & III LLC	Vineyards	140,488,892	0.52
3.	Celite Corporation	Mining	136,268,753	0.50
4.	Exxon Corporation	Petroleum/Gas	125,157,878	0.46
5.	Pacific Coast Energy Company LP	Petroleum/Gas	121,170,385	0.45
6.	Okonite Company Inc.	Light Manufacturing	112,643,273	0.41
7.	Santa Ynez Band of Mission Indians	Hotel/Agricultural	86,665,395	0.32
8.	ERG Resources LLC	Petroleum/Gas	76,857,894	0.28
9.	Premiere Agricultural Properties LLC	Vineyards	68,061,224	0.25
10.	Greka Oil & Gas Inc.	Petroleum/Gas	63,286,150	0.23
11.	Dario L Pini	Apartments	59,455,156	0.22
12.	Beringer Wine Estates Company	Vineyards	56,323,412	0.21
13.	KW Bradley Square LLC	Apartments	51,049,394	0.19
14.	Wal-Mart Real Estate Business Trust	Commercial	49,710,108	0.18
15.	Santa Maria Land Partners LLC	Apartments	48,727,098	0.18
16.	Gallo Vineyards Inc.	Vineyards	45,634,390	0.17
17.	Windscape Apartments LLC	Apartments	45,339,000	0.17
18.	MGP 50 LLC	Assisted Living Facility	44,875,614	0.17
19.	Betteravia Investments LLC	Industrial	43,989,423	0.16
20.	HT Partners LP	Apartments	43,279,941	0.16
			$1,656,958,119	6.10%

(1) The fiscal year 2019-20 total District secured assessed valuation is $27,159,508,121.
Source: California Municipal Statistics, Inc.

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Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report"), prepared by California Municipal Statistics, Inc. and effective as of March 1, 2020. The Debt Report is included for general information purposes only. Neither the District nor the Municipal Advisor has reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The following table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Allan Hancock Joint Community College District

2019-20 Assessed Valuation: $28,937,737,058

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/20
Allan Hancock Joint Community College District	**100.000%**	**$146,039,237**[1]
Cuyama Joint Unified School District	100.000	3,950,000
Lompoc Unified School District	100.000	13,875,971
Santa Maria Joint Union High School District	99.998	108,012,094
Santa Ynez Union High School District	100.000	12,780,000
Buellton School District	100.000	6,320,887
College School District	100.000	5,975,720
Guadalupe Union School District	100.000	6,942,088
Los Olivos School District	100.000	3,225,000
Orcutt School District	100.000	23,125,000
Santa Maria-Bonita Joint School District	99.996	44,998,200
Solvang School District	100.000	6,174,202
Lompoc Healthcare District	100.000	67,000,000
City of Lompoc 1915 Act Bonds	100.000	1,765,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$450,183,399
OVERLAPPING GENERAL FUND DEBT:		
Santa Barbara County Certificates of Participation	33.148%	$11,808,975
San Luis Obispo and Ventura County Obligations	0.098 & 0.036	172,938
Santa Maria Union High School District Certificates of Participation	99.998	2,097,510
Santa Ynez Union High School District Certificates of Participation	100.000	1,765,000
College School District Certificates of Participation	100.000	1,918,696
Santa Maria-Bonita School District Certificates of Participation	99.996	31,398,744
Other School District Certificates of Participation	100.000	4,764,060
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$53,925,923
Less: Santa Barbara County supported obligations		841,959
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$53,083,964
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		16,250,000
GROSS COMBINED TOTAL DEBT		$520,359,322[2]
NET COMBINED TOTAL DEBT		$519,517,363

Ratios to 2019-20 Assessed Valuation:
Direct Debt ($146,039,767)..0.50%
Total Direct and Overlapping Tax and Assessment Debt 1.56%
Gross Combined Total Debt 1.80%
Net Combined Total Debt...1.80%

Ratios to Redevelopment Incremental Valuation ($661,385,767):
Total Overlapping Tax Increment Debt 2.46%

(1) Excludes the Bonds, and includes the Prior Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the Counties on taxable property within the District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the Counties on behalf of the District to levy taxes for payment of the principal of and interest on the Bonds. The tax levied by the Counties for payment of the Series F Bonds and the Prior Bonds was approved by the District's voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the Counties to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition The tax for the payment of the Bonds falls within the exception described in item (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the State Legislature (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues. The tax for payment of the Series F Bonds and the Prior Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds of all members of the State Legislature to change any state taxes for the purpose of increasing tax revenues.

Split Roll Property Tax Ballot Measure. On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the "2020 Ballot Measure"). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, the 2020 Ballot Measure would amend Article XIIIA such that the "full cash value" of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the 2020 Ballot Measure would not affect the "full cash value" of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing the 2020 Ballot Measure, approximately 40% of the remaining additional tax revenues generated as a result of the 2020 Ballot Measure would be deposited into a fund created pursuant to the 2020 Ballot Measure called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State's constitutional minimum funding requirement. The District cannot predict whether the 2020 Ballot Measure will appear on the Statewide ballot at the November 2020 election or, if it does, whether the 2020 Ballot Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of the 2020 Ballot Measure will have on District revenues or the assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to claims, if any, on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor, (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 % of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120 % of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 % of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105 % of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 % of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 % of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community supported district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, community college district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to community college districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a community college district to mean the percentage change in the ADA of the community college district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including community college districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as community college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the minimum funding level for such districts. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into K-14 school district base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" (also referred to as a "maintenance factor") to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the governing board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary or high school district), or $25 (for a community college district), per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to K-14 school districts or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for school districts and community college districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Dissolution of Redevelopment Agencies" herein.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98" and "—Proposition 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as a an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1,"

(iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum funding guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State Legislature will select among eligible projects as part of the annual state budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 state facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 22, 26, 30, 39, 55 and 98 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from State revenues. The Bonds are payable solely from the proceeds of an ad valorem *property tax which is required to be levied by the Counties in an amount sufficient for the payment thereof.*

Major Revenues

General. California community college districts (other than Community Supported/basic aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is *ad valorem* property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, Education Protection Account funds ("EPA funds") and State aid comprise a district's revenue limit. State funding is generally subject to the appropriation of funds in the State's annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

"Community Supported" community college districts (also referred to "basic aid" districts) are those districts whose *ad valorem* property taxes, student enrollment fee collections, and EPA funds exceed the revenue allocation determined by the current State funding model. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 55" herein. Thus, Community Supported districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that the legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District does not currently qualify as a Community Supported district.

Enrollment Based Funding. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 ("SB 361"). SB 361 provided for a basic allocation (a "Basic Allocation") based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation ("CDCP") non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than $4,367 per credit FTES; (b) at a uniform rate of $2,626 per non-credit FTES; and (c) $3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP

FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a "COLA"), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the "funded" FTES, for which a community college district would receive a revenue allocation. A district's enrollment cap was based on the previous fiscal year's reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered "unfunded" FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

Student Centered Funding Formula. Assembly Bill 1809 ("AB 1809"), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, implemented a new funding mechanism referred to as the "Student Centered Funding Formula," (the "SCFF"). The SCFF includes three components: (1) a base allocation (the "Base Allocation") driven primarily by enrollment, (2) a supplemental allocation (the "Supplemental Allocation") based on the number of certain types of low-income students, and (3) a student success allocation (the "Student Success Allocation") that is calculated using various performance-based metrics.

The SCFF includes several hold-harmless provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2019-20 through 2020-21, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2021-22 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2019-20, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

Base Allocation. The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see "—Enrollment Based Funding"), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college district in fiscal year 2019-20. Future year's allocations are yet to be determined.

The SCFF provides minimum funding levels for credit FTES for the first three fiscal years, as follows: (i) $3,727 for fiscal year 2019-20. For fiscal year 2019-20 the State's 2019-20 Budget calculates funding rates in the base, supplemental and student success allocations so that 70% of the SCFF funds would be allocated to the base allocation. Beginning in 2020-21 those funding rates would be adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts, which do not include the District, that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See "—Enrollment Based Funding" herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

For fiscal year 2018-19 the District's budgeted Base Allocation was equal to $43,405,289 and it projects a Base Allocation equal to $43,329,401 for fiscal year 2019-20.

The table below shows the District's resident FTES figures for the last nine fiscal years, along with projected FTES for the current fiscal year.

RESIDENT FULL TIME EQUIVALENT STUDENTS
Fiscal Years 2010-11 through 2019-20
Allan Hancock Joint Community College District

Fiscal Year	Funded FTES	Unfunded FTES	Total FTES
2010-11	9,751	307	10,059
2011-12	9,017	241	9,258
2012-13	9,127	159	9,286
2013-14	9,385	46	9,481
2014-15	9,475	0	9,475
2015-16	8,494	0	8,494
2016-17	10,022	0	10,022
2017-18	9,357	0	9,357
2018-19	9,554	0	9,554
2019-20(1)	8,915	0	8,915

(1) Projected.
Source: Allan Hancock Joint Community College District.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of State wide funding, will be distributed to districts based on their headcounts of students that qualify for Federal Pell Grants, California College Promise Grants or student fee waivers under Education Code 76300. The SCFF provides $919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the provision of COLAs and other adjustments to this amount will be subject to appropriation therefor in the annual State budget. Headcounts are not unduplicated, such that districts will receive twice as much supplemental funding for a student that falls into more than one of the aforementioned categories.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in a various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts in fiscal year 2018-19 and 2019-20. Each metric is assigned a point value, with some metrics weighted more than others. A single student outcome with more points will generate more funding. Beginning in fiscal year 2019-20 the student success allocation will also calculate based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants and California College Promise Grants are eligible for additional funding.

For fiscal year 2019-20, the SCFF provides a rate for all students of $660 per point, and additional $167 per point for Pell Grant and California College Promise Grant students. For fiscal year 2020-21, the rates increase to $880 per point and $222 per point, respectively, subject to COLAs and other base adjustments.

Considerations Regarding COVID-19

An outbreak of disease or similar public health threat, such as the novel strain of coronavirus ("COVID-19") outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results.

The spread of COVID-19 is having significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations are to coordinate and formalize emergency actions across federal, State and local governmental agencies, and to proactively prepare for a wider spread of the virus.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed by the President of the United States. The CARES Act appropriates over $2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. The CARES Act includes approximately $14.25 billion in funding for higher education, including California community college districts, principally in the form of direct emergency aid to students and institutional grants. The CARES Act also waives a number of federal regulatory requirements to provide institutions greater flexibility in addressing the effects of the COVID-19 outbreak.

On March 17, 2020, the Governor signed Senate Bill 89 ("SB 89"), which amends the Budget Act of 2019 by appropriating $500,000,000 from the State General Fund for any purpose related to executing the emergency proclamation issued by the Governor on March 4, 2020. On March 19, 2020, the Governor ordered all California residents to stay home or at their place of residence to protect the general health and well-being, except as needed to maintain continuity of 16 critical infrastructure sectors described therein (the "Stay Home Order"). In response to the COVID-19 outbreak, the District extended its spring break an extra week and moved the majority of courses to alternative methods of instruction, beginning March 30, 2020. Currently, the school calendar will be extended an extra week to account for this extra week of vacation.

During certain emergency conditions, state regulations provide that a community college district may be provided an "emergency conditions allowance," calculated to approximate the same general purpose apportionment that such district would have received in absence of the emergency. Emergency conditions are defined to include epidemics, an order from a city or county board of health or the State Board of Health, or another emergency declared by the State or federal government. Districts are required to demonstrate that the occurrence of the emergency condition prevented the district from maintaining its schools during a fiscal year for a period of 175 days, or caused the district's general purpose apportionment to be materially decreased in that year or in subsequent years. To receive the emergency conditions allowance, a district must demonstrate to the satisfaction of the Chancellor that the district made good faith efforts to avoid material decreases in general purposes apportionments. Community college districts may also seek a waiver of the 175-day requirement. Finally, the Board of Governors of the California Community Colleges (the "Board of Governors"), on March 16, 2020, granted the Chancellor temporary emergency powers to suspend or waive State regulatory requirements and local rules and regulations that present barriers to the continuity of educational services. This temporary grant is in addition to standing emergency powers the Chancellor has to hold community college districts financially harmless in the wake of campus closures.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while District facilities remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues (including property tax revenue, sales tax revenue and other revenues), potential declines in property values, and decreases in new home sales and real estate development. The economic consequences and the declines in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. "ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT – Retirement Programs" herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the District's operations and finances is unknown. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to the Governor's office (http://www.gov.ca.gov), the California Department of Public Health (http://covid19.ca.gov/), the County (https://publichealthsbc.org/), and the Chancellor's Office (https://www.cccco.edu/About-Us/Chancellors-Office/Divisions/Communications-and-Marketing/Novel-Coronavirus). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such website*s.

There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or average daily attendance within the District and, notwithstanding Executive Order N-26-20 and the Stay Home Order, materially adversely impact the financial condition or operations of the District. See also "TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations" herein.

Budget Procedures

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the State Legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the State Chancellor will pay special attention to each district's general fund balance, spending pattern, and FTES patterns. Those districts with greater financial difficulty will receive follow-up visits from the State Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgets.

Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111

General. In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test ("Test 3") to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIIIB).

Calculating Minimum Funding Guarantee. There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 education aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40%. Because of the major shifts of property tax from local government to community colleges and K-12 which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth (i.e. FTES) and per-capita personal income COLA.

Test 3, established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of 1% of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

State Assistance

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Municipal Advisor guarantees the accuracy or completeness of this information and neither has independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the Counties in an amount sufficient for the payment thereof.*

2019-20 Budget. On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from summaries of the 2019-20 Budget prepared by the State Department of Finance and the LAO.

For fiscal year 2018-19, the 2019-20 Budget projected total general fund revenues and transfers of $138 billion and total expenditures of $142.7 billion. The State was projected to end the 2018-19 fiscal year with total available general fund reserves of $20.7 billion, including $5.4 billion in the traditional general fund reserve, $14.4 billion in the BSA and $900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projected total general fund revenues and transfers of $143.8 billion and authorized expenditures of $147.8 billion. The State was projected to end the 2019-20 fiscal year with total available general fund reserves of $18.8 billion, including $1.4 billion in the traditional general fund reserve, $16.5 billion in the BSA and $900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorized a deposit to the PSSSA of $376.5 million in order to comply with Proposition 2.

For fiscal year 2019-20, the 2019-20 Budget sets the minimum funding guarantee at $81.1 billion. Other significant features with respect to community college funding include the following:

- *Apportionments* – An increase of $230 million in Proposition 98 funding, reflecting a 3.26% COLA to community college district apportionments. The Proposed 2020-21 Budget also includes an increase of $24.7 million in Proposition 98 funding available for enrollment growth.

- *Settle-Up Payment* - An increase of $686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.

- *Pension Costs* – A $3.15 billion payment from non-Proposition 98 funds to CalSTRS and CalPERS, to reduce long-term liabilities for K-14 school districts. Of this amount, $850 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. With these payments, CalSTRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The CalPERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year 2019-20, and the projected CalPERS employer contribution is expected to be reduced from 23.6% to 22.9 % in fiscal year 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability. See also "ALLAN HANCOCK COMMUNITY COLLEGE DISTRICT – Retirement Programs," herein.

- *Free College* - $42.6 million in ongoing Proposition 98 funding to support a second academic year of the California College Promise to waive enrollment fees for fist-time, full-time students.

- *Deferred Maintenance* – A one-time increase of $13.5 million in Proposition 98 funding for deferred maintenance, instructional equipment and specified water conservation projects.

- *Student Support* – An ongoing increase of $9 million in Proposition 98 funding to provide support to community college students who are homeless or are experiencing housing insecurity. The 2019-20 Budget also provides a one-time increase of $3.9 million in Proposition 98 funding to address student basic needs, including housing and food insecurity.

- *Veterans Resources* – An ongoing increase of $5 million in Proposition 98 funding for the establishment or enhancement of veterans resource centers at community colleges. In addition, the 2019-20 Budget also provides an increase of $2.25 million in Proposition 98 settle-up funds to expand veterans resource centers at specified colleges.

- *Workforce Development* – A one-time increase of $4.75 million in one-time, Proposition 98 settle-up funds to support the improvement of workforce development programs at specified community colleges.

- *Proposition 51* – The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative approved at the November 8, 2016 election that authorizes the sale and issuance of $9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities. The 2019-20 Budget allocates $535.3 million of such bond funds for critical fire and life safety projects at campuses statewide.

Proposed 2020-21 Budget. On January 10, 2020, the Governor released his proposed State budget for fiscal year 2020-21 (the "Proposed 2020-21 Budget"). The following information is drawn from the summaries of the Proposed 2020-21 Budget prepared by the State Department of Finance and the LAO.

For fiscal year 2019-20, the Proposed 2020-21 Budget projects total general fund revenues and transfers of $146.5 billion and total expenditures of $149.7 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of $20 billion, including $3.1 billion in the traditional general fund reserve, $16 billion in the BSA and $900 million in the Safety Net Reserve Fund for the CalWORKs. The Proposed 2020-21 Budget also increases the deposit into the PSSA by $147.7 million, for a total of $524 million, in order to comply with Proposition 2.

For fiscal year 2020-21, the Proposed 2020-21 Budget projects total general fund revenues and transfers of $151.6 billion and authorizes expenditures of $153.1 billion. The State is projected to end the 2020-21 fiscal year with total available general fund reserves of $20.5 billion, including $1.6 billion in the traditional general fund reserve, $18 billion in the BSA and $900 million in the Safety Net Reserve Fund. The Proposed 2020-21 Budget also authorizes a deposit to the PSSSA of $487 million in order to comply with Proposition 2. Pursuant to the provisions of Proposition 2, the Proposed 2020-21 Budget also projects a draw on the PSSSA of approximately $37.6 million.

The Proposed 2020-21 Budget makes certain revisions to Proposition 98 funding levels set by prior budgetary legislation. For fiscal year 2018-19, the minimum funding guarantee is revised to $78.4 billion, an increase of $301.5 million from prior levels. For fiscal year 2019-20, the minimum funding guarantee is revised to $81.6 billion, an increase of $517 million from the prior level. These increases are due largely to increases in property tax revenues in fiscal year 2018-19, and increases in State general fund revenues in both fiscal years.

For fiscal year 2020-21, the Proposed 2020-21 Budget sets the minimum funding guarantee at $84 billion, an increase of approximately $2.6 billion over the revised prior year level. Other significant features with respect to community college funding include the following:

- *Apportionments* – An increase of $167.2 million in Proposition 98 funding, reflecting a 2.29% COLA to community college district apportionments. The Proposed 2020-21 Budget also includes an increase of $31.9 million in Proposition 98 funding available to fund 0.50% growth in enrollment.

- *Faculty Support* – An increase of $15 million in one-time Proposition 98 funding for a pilot program to improve faculty diversity, and an increase of $10 million in one-time Proposition 98 funding for part-time faculty office hours.

- *Textbooks* - $10 million in one-time Proposition 98 funding to develop and implement zero-textbook-cost degrees using open educational resources.

- *Student Support* – The Proposed 2020-21 Budget includes a number of student support measures, including (i) $11.4 million for campus food pantries, (ii) $10 million to provide legal services to immigrant students, staff and faculty, (iii) $5.8 million to fund liasons and student support services, including those related to career pathways and economic mobility, for immigrant students, and (iv) $5 million to provide instructional materials to dual enrollment students.

- *Apprenticeships* - $83.2 million in Proposition 98 funding to support the expansion of apprenticeship opportunities and work-based models and programs at community colleges, as well as to support a projected growth in reimbursable apprenticeship instructional hours.

- *Proposition 51* – The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative approved at the

November 8, 2016 election that authorizes the sale and issuance of $9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities. The Proposed 2020-21 Budget allocates $27.6 million of such bond funds for community college facility projects.

For additional information regarding the Proposed 2020-21 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

On March 24, 2020, the State Department of Finance released Budget Letter 20-08 which states that the State Department of Finance anticipates a severe drop in economic activity in California as a result of the COVID-19 pandemic, which could negatively impact anticipated revenue levels in fiscal year 2019-20, and will certainly produce impacts in fiscal year 2020-21 and beyond.

The Proposed 2020-21 Budget was prepared prior to the novel COVID-19 outbreak, and the projections included therein did not account for any of the negative economic impacts to date associated with the outbreak, nor any potential impacts yet to be realized. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein. The May revision to the Proposed 2020-21 Budget, and the final budget approved by the Legislature, could reflect significantly lower projections of State revenues or higher projections of State expenditures.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools and community colleges. The novel COVID-19 outbreak has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels for fiscal year 2019-20 and beyond. In addition, the outbreak could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Considerations Regarding COVID-19" herein. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy ad valorem property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

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ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax which is required to be levied by the Counties in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District, a community college district and political subdivision of the State, was originally formed in 1920 as Santa Maria Junior College and reorganized in 1963 as Allan Hancock Joint Community College District. The District is located in the northern portion of the County and in portions of San Luis Obispo and Ventura Counties and the Channel Islands. The District encompasses an area that includes the cities of Santa Maria, Orcutt, Guadalupe, Lompoc, Buellton, Solvang, Santa Ynez and Cuyama. The District currently maintains one comprehensive community college in Santa Maria, Allan Hancock College, with satellite centers located in Lompoc, Solvang and Vandenberg Air Force Base. Allan Hancock College is fully accredited by the ACCJC. For fiscal year 2019-20, the District has a projected FTES count of approximately 8,915 students. For fiscal year 2019-20, taxable property within the District has a total assessed valuation of $28,937,737,058.

Administration

The District is governed by a five-member Board, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between three and four available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

Name	Office	Term Expires
Larry Lahr	President	December 2022
Jeffery Hall	Vice President	December 2020
Hilda Zacarías	Trustee	December 2020
Dan Hilker	Trustee	December 2020
Gregory A. Pensa	Trustee	December 2022

Source: Allan Hancock Joint Community College District.

The Superintendent/President of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Dr. Kevin G. Walthers is the District's current Superintendent/President.

Brief biographies of the Superintendent/President and Associate Superintendent/Vice President Finance and Administration follow:

Dr. Kevin G. Walthers, Superintendent/President. Dr. Walthers began his tenure as the Superintendent/President of the District on July 8, 2013. Immediately prior to joining the District, Dr. Walthers served as the President of Las Positas College. Prior thereto, Dr. Walthers served in executive roles with the Utah State Board of Regents and the College of Eastern Utah, and served as the Vice Chancellor for Administration with the West Virginia Community and Technical College System and the West Virginia Higher Education Policy Commission. Dr. Walthers has taught at all levels of higher education and continues to lecture on leadership, management and social justice issues. Dr. Walthers earned a doctorate from the University of Utah in Educational Leadership and Policy, a master's degree in Educational Administration from Texas A&M University – Commerce, and a bachelor's degree in Education from the University of Texas at Austin.

Eric D. Smith, Associate Superintendent/Vice President of Finance and Administration. Mr. Smith joined the District in November of 2018 after a distinguished school business career in K-12 Education. Immediately prior to joining the District, Mr. Smith served as staff for the State's Fiscal Crisis and Management Assistance Team ("FCMAT"). Prior to his six and half year tenure with FCMAT. Mr. Smith served as the Deputy Superintendent and Chief Business Official for the Santa Barbara Unified School District, the Berkeley Unified School District and the San Luis Obispo County Office of Education. Mr. Smith served as the State President of the California Association of School Business Officials in 2008-09. Mr. Smith received a Master's of Public Administration from California State University, Stanislaus and a Bachelor of Arts Degree in Political Science from California Polytechnic State University, Pomona.

Labor Relations

District employees, except management and some part-time employees, are represented by three bargaining units as shown in the following table.

BARGAINING UNITS
Allan Hancock Joint Community College District

Bargaining Unit	Number of Employees in Bargaining Unit	Contract Expiration Date
California School Employees Association	276	6/30/2020
Faculty Association	161	6/30/2021
California Federation of Teachers/Part-time Faculty	819	6/30/2020

Source: Allan Hancock Joint Community College District.

Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District, the Municipal Advisor or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the schedule on the following page:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary.

The District's contributions to STRS were $1,584,311 for fiscal year 2014-15, $1,967,612 for fiscal year 2015-16, $2,423,719 for fiscal year 2016-17, $2,837,760 for fiscal year 2017-18 and $3,243,210 for fiscal year 2018-19. The District has budgeted its contribution to STRS to be $3,679,422 for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2018 included 1,579 public agencies and 1,313 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 20.733% of eligible salary expenditures in fiscal year 2019-20. The employer contribution rate for fiscal year 2020-21 will be 22.68%, which reflects an initial actuarially determined rate of 23.35% that has been reduced by 0.67% pursuant to SB 90. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-^20 and will be 7% of such salaries in fiscal year 2020-21, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-^20 and will be 7% in fiscal year 2020-21. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated $144 million for fiscal year 2019-20 and $100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated $660 million to be applied toward certain unfunded liabilities for K-14 school district employers. As a result of the payments made by the State pursuant to SB 90, the employer contribution rate for fiscal year 2019-20 is 19.721%.

The District's contributions to PERS were $1,635,480 for fiscal year 2014-15, $1,594,311 for fiscal year 2015-16, $1,970,753 for fiscal year 2016-17, $2,356,517 for fiscal year 2017-18 and $2,943,251 for fiscal year 2018-19. The District has budgeted its contribution to PERS to be $3,699,033 for fiscal year 2019-20.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

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FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) [1]
Fiscal Years 2010-11 through 2018-19

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[2]	Unfunded Liability (MVA)[2]	Value of Trust Assets (AVA)[3]	Unfunded Liability (AVA)[3]
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)[3]	Unfunded Liability (AVA)[3]
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--[4]	--[4]
2014-15	73,325	56,814	16,511	--[4]	--[4]
2015-16	77,544	55,785	21,759	--[4]	--[4]
2016-17	84,416	60,865	23,551	--[4]	--[4]
2017-18	92,071	64,846	27,225	--[4]	--[4]
2018-19[5]	99,528	68,177	31,351	--[4]	--[4]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) On April 21, 2020, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2020-21 and released certain actuarial information to be incorporated into the June 30, 2019 actuarial valuation to be released in the latter half of 2020.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the "2018 STRS Actuarial Valuation") reports that the unfunded actuarial obligation decreased by $109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 21, 2020, the PERS Board established the employer contribution rates for 2020-21 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2019, ahead of its release date in the latter half of 2020. From June 30, 2018 to June 30, 2019 the funded status for the Schools Pool decreased by △1.9% (from 70.4% to 68.5%); mainly due to the reduction in the discount rate from 7.25% to 7.00% and investment return in 2018-19 being lower than expected. The funded status as of June 30, 2019 does not reflect the State's additional payment of $660 million that was made pursuant to SB 90, since PERS received the payment in July 2019. PERS attributes the decline in the funded status over the last five years to recent investment losses in excess of investment gains, adoption of new assumptions, both demographic and economic, lowering of the discount rate, and negative amortization. Assuming all actuarial assumptions are realized, including investment return of 7% in fiscal year 2019-20, that no changes to assumptions, methods of benefits will occur during the projection period, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for fiscal year 2021-22 is projected to be 24.6%, with annual increases thereafter, resulting in a projected 26.2% employer contribution rate for fiscal year 2026-27. As of the April 21, 2020, PERS reported that the year to date return for the 2019-20 fiscal year was well below the 7% assumed return.

The Schools Pool Actuarial Valuation as of June 30, 2018 (the "2018 PERS Actuarial Valuation"), reported that the contribution rate for fiscal year 2020-21 is projected to be 22.8%, with annual increases thereafter, resulting in a projected 26.7% employer contribution rate for fiscal year 2026-27. The projected contribution rates reflect a 6.7% investment return reduced by estimated administrative expenses for fiscal year 2018-19 and the anticipated decrease in normal cost due to new hires entering lower benefit formulas under the Reform Act, as well as the additional $904 million contributed by the

State in July 2019 pursuant to SB 90. As reported in the 2018 PERS Actuarial Valuation, the funded status for the Schools Pool decreased by 1.7% from June 30, 2017 to June 30, 2018, primarily due to increases in liability resulting from the decrease in the discount rate, discussed above, and the new actuarial valuation system, partially offset by the investment return in fiscal year 2017-18 being greater than expected.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan.

Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2019, the District's proportionate shares of the STRS and PERS net pension liabilities were $34,542,841 and $30,705,677, respectively. For more information, see "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

Post-Employment Health Care Benefits

Benefits Plan. The District provides medical, dental (self-pay only) and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting plan eligibility requirements (the "Benefits") under an agent multiple-employer defined benefits plan. The eligibility requirement for employees participating in PERS is a minimum age of 55 and includes minimum continuous service requirements for retirement that range from 10 to 20 years and vary by employee class. The eligibility requirement for employees participating in STRS is a minimum age ranging from 50 to 60. In addition, the District also has minimum continuous service requirements for retirement that range from 10 to 25 years and vary by employee class. Additional age and service criteria may be required.

Funding Policy. The District recognizes expenditures for retiree Benefits on a pay-as-you-go-basis to cover the cost of Benefits for current retirees. For fiscal years 2016-17, 2017-18 and 2018-19 the District contributed $486,076, $153,168 and $166,291 for the Benefits, respectively, all of which was used for current premiums.

The District has established a special reserve fund (the "Special Reserve Fund") to collect .52% of covered payroll and fund its costs with respect to the Benefits of currently active employees ("Service Costs"), who meet the criteria established in the Board Retirement Benefit Policy. As of June 30, 2019, the Special Reserve Fund had a balance of $1,141,607. The Special Reserve Fund, however, has not been irrevocably pledged to the payment of the Benefits, and may be accessed for other purposes upon Board action.

The District has established an irrevocable trust (the "Trust"), pursuant to the January 20, 2015 Board meeting, to fund Service Costs. The balance in the Trust as of January 2020 was $9,683,126. The most recent actuarial report prepared in accordance with recently enacted Governmental Accounting Standards Board Statements 74 and 75 is dated as of April 2, 2019, with a measurement date of June 30, 2018, and indicates that the accrued past liabilities are fully funded.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, "GASB 74" and "GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. Measured as of June 30, 2018, and determined by an actuarial valuation date as of June 30, 2017, the District reported a Total OPEB Liability of $7,883,452, a Fiduciary Net Position of $9,114,689 and a Net OPEB Liability of $1,231,237. See also "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 10" attached hereto.

Risk Management

The District is a member of the following JPAs: the Bay Area Community College Districts JPA ("BACCD"), Statewide Association of Community Colleges ("SWACC"), Self-Insured Schools of California ("SISC III"), and Santa Barbara County Schools Self-Insurance Program for Employees ("SIPE"). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. In fiscal year 2018-19, the District made payments of $252,007, $5,925,254, and $387,380 to BACCD, SISC III, and SIPE, respectively. The District estimates payments of $323,124, $5,813,451 and $446,196 to BACCD, SISC III, and SIPE, respectively in fiscal year 2019-20. The District does not make direct payments to SWACC.

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Allan Hancock College Foundation

The Allan Hancock College Foundation (the "Foundation") is a not-for-profit public benefit corporation organized under Section 501(c)(3) of the Code. The Foundation provides financial support for various college-related programs, including student scholarships and awards, general department and program support, equipment purchases and capital improvements, and faculty research and teaching activities. Under GASB rules, the Foundation is a component unit of the District for financial reporting purposes. As of June 30, 2019 the Foundation had net assets valued at $27,334,117. The following table shows contributions to the Foundation from fiscal years 2013-14 through 2018-19, and a projected contribution amount for fiscal year 2019-20. The Foundation contributions are deposited into the Foundation Agency Fund.

FOUNDATION CONTRIBUTIONS
Fiscal Years 2013-14 through 2019-20
Allan Hancock Joint Community College District

Fiscal Year	Foundation Contributions
2013-14	$4,215,394
2014-15	1,392,597
2015-16	1,753,134
2016-17	1,161,499
2017-18	2,422,090
2018-19	1,446,567
2019-20[1]	1,415,611

[1] Projected.
Source: Allan Hancock Joint Community College District.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. GASB has released Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective on May 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between $10 million and $100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

General Fund Budgeting

The table on the following page shows the District's general fund budgets for fiscal years 2015-16 through 2019-20, unaudited ending results for fiscal years 2015-16 through 2018-19 and projected actual results for fiscal year 2019-20. For further information, see also "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

GENERAL FUND BUDGETING
Fiscal Years 2015-16 through 2019-20
Allan Hancock Joint Community College District

	Fiscal Year 2015-16[1]		Fiscal Year 2016-17[1]		Fiscal Year 2017-18[1]		Fiscal Year 2018-19[1]		Fiscal Year 2019-20	
REVENUES:	**Budgeted**	**Ending**	**Budgeted**	**Ending**	**Budgeted**	**Ending**	**Budgeted**	**Ending**	**Budgeted[1]**	**Projected[2]**
Federal Revenues	$3,353,612	$2,556,723	$2,121,798	$2,343,709	$2,593,111	$1,946,343	$1,816,084	$2,047,544	$2,178,505	$2,972,409
State Revenues	49,712,501	50,977,386	49,214,303	51,904,110	54,875,124	54,673,643	55,612,325	57,994,649	64,723,197	62,681,854
Local Revenues	18,733,407	21,500,706	21,914,797	23,168,615	22,341,627	24,909,110	24,589,332	25,704,530	24,798,966	24,971,016
Total Revenues	71,799,520	75,034,815	73,250,898	77,416,434	79,809,862	81,529,096	82,017,741	85,746,723	91,700,668	90,625,279
EXPENDITURES:										
Academic Salaries	25,093,804	25,258,314	26,799,264	25,908,343	26,575,922	26,529,223	27,790,000	26,977,152	28,908,501	29,419,156
Classified Salaries	15,941,555	16,076,203	17,195,239	17,440,364	19,225,225	19,058,365	20,530,761	19,765,946	21,977,253	22,835,220
Employee Benefits	11,704,739	12,367,089	13,433,836	13,236,951	14,050,266	13,838,733	15,368,117	14,432,077	15,433,830	15,385,206
Supplies and Materials	2,153,080	2,142,387	2,406,953	2,596,657	3,115,005	2,445,778	3,333,223	2,371,987	3,865,153	3,927,393
Other Operating Expenses and Services	7,485,684	7,885,629	8,781,361	10,223,133	11,878,379	11,481,249	11,453,575	11,229,003	14,717,505	12,685,469
Capital Outlay	1,146,013	2,256,821	2,101,910	2,652,363	2,199,807	2,579,536	2,044,362	2,074,557	3,036,497	4,565,155
Total Expenditures	63,524,875	65,986,443	70,718,563	72,057,811	77,044,604	75,932,884	80,520,038	76,850,722	87,938,739	88,817,599
Excess /(Deficiency) of Revenues over Expenditures	8,274,645	9,048,372	2,532,335	5,358,623	2,765,258	5,596,212	1,497,703	8,896,001	3,761,929	1,807,680
Other Financing Sources	787,982	7,083,706	1,235,484	213,932	77,903	407,373	289,657	2,979,571	103,164	625,168
Other Outgo	2,938,933	7,925,941	3,616,956	3,143,473	2,637,201	4,406,139	2,729,624	6,967,030	3,761,515	4,653,971
Net Increase/(Decrease) in Fund Balance	6,123,694	8,206,137	150,863	2,429,082	205,960	1,597,446	(942,264)	4,908,542	103,578	(2,221,123)
Beginning Fund Balance:	13,398,879	13,398,879	21,505,017	21,505,017	23,934,099	23,934,099	25,531,545	25,531,545	30,440,087	30,440,087
Net Beginning Balance, July 1	--	(99,999)	--	--	--	--	--	--	--	--
Adjustments	--	13,298,880	--	--	--	--	--	--	--	--
Ending Fund Balance, June 30	$19,522,573	$21,505,017	$21,655,880	$23,934,099	$24,140,059	$25,531,545	$24,589,281	$30,440,087	$30,543,665	$28,218,964

(1) Budgeted and ending results of the combined Restricted and Unrestricted General Fund for fiscal years 2015-16 through 2018-19, and budgeted figures for fiscal year 2019-20, from the District's CCFS-311 Reports filed with the California Community Colleges Chancellor's Office. For audited statements of total revenues, expenditures and changes in fund balances for the District's governmental funds for fiscal years 2014-15 through 2018-19, see "ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT – Comparative Financial Statements."

(2) Projected actual results for fiscal year 2019-20 reflect ongoing budget updates, and include restricted funds of ($1,463,123) and a planned one-time unrestricted transfer of ($757,713) for a total of ($2,221,123).

Source: Allan Hancock Joint Community College District.

Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and changes in net assets from fiscal years 2014-15 through 2018-19.

STATEMENT OF TOTAL REVENUES AND EXPENDITURES
AND CHANGES IN NET POSITION
Fiscal Years 2014-15 through 2018-19
Allan Hancock Joint Community College District

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17(1)	Fiscal Year 2017-18	Fiscal Year 2018-19
Operating revenues:					
Student Tuition and Fees	$11,078,808	$9,347,503	$10,062,531	$10,825,109	$10,672,683
Less: Scholarship discount and allowance	(6,757,466)	(4,759,907)	(5,538,177)	(6,408,582)	(6,393,945)
Net tuition and fees	4,321,342	4,587,596	4,524,354	4,416,527	4,278,738
Grants and contracts, noncapital:					
Federal	15,670,677	14,126,712	2,626,281	2,312,539	2,843,983
State	7,597,243	11,011,770	13,757,479	14,571,268	16,399,382
Local	2,206,211	1,733,455	184,696	488,378	395,644
Auxiliary Enterprise Sales and Charges	2,316,508	2,282,275	--	--	--
Total operating revenues	32,111,981	33,741,808	21,092,810	21,788,712	19,639,009
Operating expenses:					
Salaries	41,571,547	44,215,207	45,458,326	48,043,171	49,547,977
Employee benefits	12,042,241	12,058,422	13,573,862	14,948,457	19,722,874
Supplies, materials and other operating expenses and services	13,358,713	14,752,833	17,858,832	19,738,917	18,390,362
Student Financial Aid	13,664,280	12,761,547	12,414,706	13,487,905	13,843,627
Utilities (Equipment, Maintenance and Repairs)	1,758,422	1,961,205	1,661,217	--	--
Depreciation	4,877,281	5,715,265	5,830,112	6,338,226	6,856,233
Total operating expenses	87,272,484	91,464,479	95,135,838	102,556,676	108,361,073
Operating Income (Loss)	(55,160,503)	(57,722,671)	(74,043,028)	(80,767,964)	(84,443,326)
Nonoperating revenues and expenses:					
State apportionments, noncapital	34,502,020	34,071,697	35,695,935	38,167,922	41,687,566
Local property taxes	19,382,265	21,950,056	23,188,797	25,093,962	24,458,068
State taxes and other revenues	2,379,709	7,443,859	3,024,957	3,422,612	2,351,730
Financial aid grants, noncapital	--	--	12,067,736	13,075,817	13,469,372
Investment income, capital	17,005	23,668	38,260	264,304	538,576
Interest income, noncapital	152,048	173,695	290,318	615,243	743,274
Interest expense, capital	(9,149,417)	(6,423,954)	(6,512,615)	(6,742,825)	(8,228,238)
Transfers between other agencies	(214,394)	(167,563)	(182,047)	(173,213)	(218,483)
Other nonoperating revenues	2,180,462	1,519,369	4,649,033	3,616,435	5,506,286
Total nonoperating revenues and expenses	49,249,698	58,590,827	72,260,374	77,340,257	80,308,151
Income/Loss before other revenues	(5,910,805)	868,156	(1,782,654)	(3,427,707)	(4,135,175)
Other revenues					
State revenues	1,359,368	967,823	1,237,889	1,597,169	826,353
Local revenues	477,266	981,401	111,920	695,879	210,069
Loss on disposal of capital assets	--	--	(2,442)	(38,415)	(24,189)
Total other revenues	1,836,634	1,949,224	1,347,367	2,254,633	1,012,233
Change in net position	(4,074,171)	2,817,380	(435,287)	(1,173,074)	(3,122,942)
Net assets, beginning of year	113,240,340(1)	65,298,935	68,116,315	58,315,864	57,142,790
Prior year restatement	(43,867,234)	--	--	--	--
Net assets, beginning of year, restated	69,373,106	--	--	--	--
Net assets, end of year	$65,298,935	$68,116,315	$67,681,028	$57,142,790	$54,019,848

(1) Figures represented as Change in Net Position in fiscal year 2017-18 audited financial statement.
Source: Allan Hancock Joint Community College District.

District Debt Structure

Long-Term Debt. A schedule of the District's general long-term debt as of June 30, 2019, is shown below:

	Beginning July 1, 2018	Additions	Deductions	Balance June 30, 2019
General Obligation Bonds				
2009B and B-1 Bonds[1]	$25,625,000	--	--	$25,625,000
2012C Bonds	42,511,752	$2,386,081	--	44,897,833
2013D Bonds	7,365,486	246,182	$55,000	7,556,668
2014 Refunding Bonds	50,365,000	--	1,445,000	48,920,000
2017A Refunding Bonds	13,515,000	--	--	13,515,000
2017B Refunding Bonds	24,275,000	--	--	24,275,000
2019E Bonds	--	23,000,000	--	23,000,000
Unamortized Bond Premiums	11,181,259	1,021,091	834,944	11,367,406
Total General Obligation Bonds	174,838,497	26,653,354	2,334,944	199,156,907
Capital Leases	191,185	--	45,236	145,949
Compensated Absences – Net	1,072,031	8 7,948	--	1,159,979
Aggregate Net Pension Obligation	61,533,162	3 ,715,356	--	65,248,518
Total	$62,796,378	$3 ,803,304	$45,236	$66,554,446
Total Long-Term Debt	$237,634,875	$30,456,658	$2,380,180	$265,711,353

(1) 2009B Bonds redeemed on August 1, 2019, with proceeds from the sale of the 2017A Refunding Bonds. 2009B-1 Bonds redeemed on August 1, 2019, with proceeds from the sale of the 2017B Refunding Bonds.
Source: Allan Hancock Joint Community College District.

General Obligation Bonds. At an election held on June 6, 2006, the voters of the District authorized the issuance of $180,000,000.00 of general obligation bonds (the "Authorization"). On September 28, 2006 the District caused the issuance of the 2006 Series A Bonds ("2006A Bonds") in the aggregate principal amount of $68,000,000.00, the first series of bonds pursuant to the Authorization. On October 29, 2009, the District concurrently caused the issuance of its 2006 Series B Bonds ("2009B Bonds") in the aggregate principal amount of $4,374,556.30 and its 2006 Series B-1 Bonds ("2009B-1 Bonds") in the aggregate principal amount of $25,625,000.00, the second and third series of bonds pursuant to the Authorization, respectively. On September 13, 2012, the District caused the issuance of its 2006 Series C Bonds ("2012C Bonds") in the aggregate principal amount of $38,996,199.80, the fourth series of bonds pursuant to the Authorization. On December 10, 2013, the District caused the issuance of its Election of 2006 General Obligation Bonds, Series D (the "2013D Bonds") in the aggregate principal amount of $8,773,376.40, the fifth series of bonds pursuant to the Authorization. On May 7, 2019, the District caused the issuance of its Election of 2006 General Obligation Bonds, Series E (the "2019E Bonds") in the aggregate principal amount of $23,000,000, the sixth series of bonds pursuant to the Authorization. On October 28, 2014, the District caused the issuance of its 2014 Refunding Bonds in the aggregate amount of $52,260,000, to refund a portion of the then outstanding 2006A Bonds. On November 30, 2017, the District caused the issuance of its 2017 General Obligation Refunding Bonds, Series A ("2017A Refunding Bonds") in the aggregate principal amount of $13,515,000, to refund the District's then outstanding 2006A Bonds and to refund a portion of the District's then outstanding 2009B Bonds and 2012C Bonds. On November 30, 2017, the District issued a second series of refunding bonds, its 2017 General Obligation Refunding Bonds, Series B (2019 Crossover) ("2017B Refunding Bonds") in an aggregate principal amount of $24,275,000, to refund the District's then outstanding 2009B-1 Bonds. After the issuance of the Series F Bonds, none of the Authorization will remain unissued.

The table on the following page shows the annual debt service requirements for all the District's outstanding general obligation bonded debt, assuming no optional redemptions are made.

GENERAL OBLIGATION BONDS ANNUAL DEBT SERVICE
Allan Hancock Joint Community College District

Year Ending August 1	2012C Bonds[1]	2013D Bonds	2014 Refunding Bonds	2017A Refunding Bonds	2017B Refunding Bonds	2019E Bonds	The Bonds	Total Annual Debt Service
2020	--	$197,800.00	$4,338,212.50	$524,925.00	$968,450.00	$1,619,262.50[2]		
2021	--	195,400.00	4,591,812.50	524,925.00	968,450.00	915,862.50		
2022	--	199,050.00	4,853,312.50	524,925.00	968,450.00	936,862.50		
2023	--	192,425.00	5,125,812.50	524,925.00	1,258,450.00	806,862.50		
2024	--	190,625.00	5,417,812.50	524,925.00	1,251,850.00	806,862.50		
2025	--	188,675.00	5,722,312.50	524,925.00	1,240,050.00	806,862.50		
2026	--	181,575.00	6,037,562.50	524,925.00	1,233,250.00	806,862.50		
2027	--	179,512.50	6,366,812.50	524,925.00	1,211,250.00	806,862.50		
2028	--	172,312.50	6,728,062.50	524,925.00	909,650.00	1,141,862.50		
2029	--	165,312.50	7,093,312.50	524,925.00	909,650.00	1,170,112.50		
2030	--	163,512.50	7,478,250.00	524,925.00	909,650.00	1,186,112.50		
2031	$1,313,280.00	258,512.50	--	524,925.00	7,409,650.00	1,180,362.50		
2032	1,313,280.00	483,512.50	--	524,925.00	8,339,650.00	728,862.50		
2033	1,313,280.00	573,512.50	--	524,925.00	8,702,050.00	728,862.50		
2034	8,801,838.50	1,993,512.50	--	524,925.00	262,650.00	728,862.50		
2035	4,766,838.50	2,233,512.50	--	3,139,925.00	--	2,153,862.50		
2036	4,766,838.50	2,323,512.50	--	3,536,475.00	--	2,176,862.50		
2037	4,766,838.50	2,413,512.50	--	3,942,875.00	--	2,206,662.50		
2038	4,766,838.50	2,513,512.50	--	4,368,075.00	--	2,232,862.50		
2039	11,521,838.50	2,613,512.50	--	--	--	480,462.50		
2040	11,981,838.50	--	--	--	--	2,900,462.50		
2041	12,462,228.50	--	--	--	--	3,013,662.50		
2042	12,960,638.50	--	--	--	--	3,133,187.50		
2043	13,478,558.50	--	--	--	--	3,261,050.00		
2044	14,019,176.00	--	--	--	--	3,391,762.50		
2045	14,579,240.00	--	--	--	--	--		
2046	15,160,720.00	--	--	--	--	--		
2047	15,766,080.00	--	--	--	--	--		
Total	$153,739,351.00	$17,432,812.50	$63,753,275.00	$22,861,225.00	$36,543,150.00	$39,322,175.00		

(1) A portion of the 2012C Bonds, maturing in years 2035 through 2038 (the "2012C Prior Refunded Bonds") to be redeemed on August 1, 2022 with proceeds from the 2017A Refunding Bonds. Debt service on the 2012C Prior Refunded Bonds is excluded from the table.
(2) Excludes capitalized interest in such fiscal year.
Source: Allan Hancock Joint Community College District.

TAX MATTERS

Series F Bonds. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series F Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series F Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series F Bond (the first price at which a substantial amount of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Series F Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series F Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Series F Bond Owner will increase the Series F Bond Owner's basis in the applicable Series F Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series F Bond is excluded from the gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Owners of the Series F Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Series F Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Series F Bonds to assure that interest (and original issue discount) on the Series F Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Internal Revenue Code of 1986, as amended (the "Code") might cause the interest (and original issue discount) on the Series F Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series F Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series F Bond Owner's original basis for determining loss on sale or exchange in the applicable Series F Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Series F Bond Owner's basis in the applicable Series F Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Series F Bond Owner realizing a taxable gain when a Series F Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series F Bond to the Owner. Purchasers of the Series F Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series F Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series F Bonds might be affected as a result of such an audit of the Series F Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series F Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series F Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES F BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE SERIES F BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES F BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES F BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES F BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE SERIES F BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES F BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolutions and the Tax Certificate relating to the Series F Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Series F Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Series F Bonds is excluded from gross income for federal income tax purposes provided that the District continue to comply with certain requirements of the Code, the ownership of the Series F Bonds and the accrual or receipt of interest (and original issue discount) on the Series F Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series F Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series F Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Series F Bonds is attached hereto as APPENDIX A.

Refunding Bonds. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Refunding Bond (the first price at which a substantial amount of the Refunding Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Refunding Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Refunding Bond will increase the Owner's basis in the Refunding Bond. Owners of Refunding Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Refunding Bonds.

In the event of a legal defeasance of a Refunding Bond, such bond might be treated as retired and "reissued" for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable Refunding Bondholder generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the Refunding Bondholder's adjusted tax basis in such bond.

The amount by which a Refunding Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable Refunding Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Refunding Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Refunding Bond Owner's basis in the applicable Refunding Bond (and the amount of taxable interest received). The basis reduction as a result of the amortization of bond premium may result in the Owner of a Refunding Bond realizing a taxable gain when a Refunding Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Refunding Bond to the Owner. The Owners of the Refunding Bonds that have a basis in the Refunding Bonds that is greater than the principal amount of the Refunding Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Refunding Bonds is included for general information only and may not be applicable depending upon an Owner's particular situation. The ownership and disposition of the Refunding Bonds and the accrual or receipt of interest with respect to the Refunding Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Refunding Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Budget Procedures" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the proceeds general obligation bonds can only be used to finance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the Treasury Pool, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – SANTA BARBARA COUNTY INVESTMENT POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinions of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed forms of the approving opinions of Bond Counsel attached hereto as Appendix A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

Under provisions of the Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

Continuing Disclosure

Current Undertakings. In connection with the issuance of the Bonds, the District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for fiscal year 2019-20, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. The District has not, in the past five years, failed to file in a timely manner the annual reports or notices of listed events as required pursuant to its prior continuing disclosure undertakings.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Code, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinions

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers thereof without cost. Copies of the proposed forms of such legal opinions for the Bonds are attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "Aa2" and "AA" by Moody's and S&P, respectively.

The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The District's audited financial statements with required supplemental information for the year ended June 30, 2019, the independent auditor's report of the District, the related statements of activities and of cash flows for the year then ended, and the report dated December 11, 2019 of Eide Bailly LLP (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Underwriting

Morgan Stanley & Co. LLC (the "Underwriter") has agreed to purchase all of the Series F Bonds for a purchase price of $_____________ (consisting of the principal amount of the Series F Bonds of $_____________, plus/minus original issue premium/discount of $_____________, and less an Underwriter' discount of $_____________).

The Underwriter will purchase the Refunding Bonds for a purchase price of $_____________ (which is equal to the principal amount of the Bonds of $_____________, less the Underwriter's discount of $_____________).

The purchase contracts relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contracts, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover pages of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriter.

Underwriter Disclosure. The Underwriter has provided the following for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District nor the Municipal Advisor.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

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ADDITIONAL INFORMATION

This Official Statement supplies information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Some of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

By: ____
Dr. Kevin G. Walthers
Superintendent/President

APPENDIX A

FORMS OF OPINIONS OF BOND COUNSEL

Upon issuance and delivery of the Series F Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series F Bonds substantially in the following form.

____________, 2020

Governing Board
Allan Hancock Joint Community College District

Members of the Governing Board:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $______________ Allan Hancock Joint Community College District (Santa Barbara, San Luis Obispo and Ventura Counties, California) Election of 2006 General Obligation Bonds, Series F (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the "Act"), commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the Allan Hancock Joint Community College District (the "District") voting at an election held on June 6, 2006, and a resolution of the Board of Trustees of the District (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will

accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. Original issue discount that accrues to the Bond Owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6 The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Upon issuance and delivery of the Refunding Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Refunding Bonds substantially in the following form:

_________, 2020

Governing Board
Allan Hancock Joint Community College District

Members of the Governing Board:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $_________ Allan Hancock Joint Community College District (Santa Barbara, San Luis Obispo and Ventura Counties, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Government Code Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5, and a resolution of the Board of Trustees of the District adopted on March 20, 2020 (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Interest on the Bonds is exempt from State of California personal income tax.

5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.

6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the

amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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Financial Statements
June 30, 2019

Allan Hancock Joint Community College District

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS
JUNE 30, 2019

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Allan Hancock Joint Community College District
Santa Maria, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Allan Hancock Joint Community College District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2018-2019 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 11, and other required supplementary information on pages 64 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 11, 2019

This section of Allan Hancock Community College District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The District's financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB Statement No. 34) and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities* (GASB Statement No. 35). These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type.

The financial statements presented herein include all of the activities of the District and its component unit. Separate financial statements for the blended component unit, Allan Hancock College Auxiliary Programs Corporation (the Corporation), can be obtained from the District's business office at 800 South College Drive, Santa Maria, CA 93454-6399.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District, as well as all liabilities (including long-term obligations). Additionally, certain eliminations have occurred as prescribed by GASB Statements No. 34 and No. 35 in regards to interfund activity, payables, and receivables.

The District's audited financial statements include:

1) A Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.

2) Financial statements prepared using full accrual accounting for all of the District's activities that reflect the government-wide financial picture as opposed to individual fund financial statements.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows

The *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Net Position* report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the District's net position and changes in it. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the District facilities will likely be important components in this evaluation.

The *Statement of Cash Flows* provides an analysis of the sources and uses of all cash within the operations of the District.

FINANCIAL HIGHLIGHTS

Net Position

The District's net position was $54,019,848 for the fiscal year ended June 30, 2019. Of this amount, $(47,310,755) was an unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Board's ability to use that net position for day-to-day operations. Our analysis below focuses on net position and change in net position of the District's business-type activities.

	2019	2018	Change
ASSETS			
Current Assets			
Cash and investments	$ 107,421,851	$ 82,901,639	$ 24,520,212
Accounts receivable and other assets	6,947,868	4,179,265	2,768,603
Total Current Assets	114,369,719	87,080,904	27,288,815
Net Other Postemployment Benefits (OPEB) Asset	1,231,237	1,233,320	(2,083)
Capital Assets (Net)	198,670,703	201,463,992	(2,793,289)
Total Assets	314,271,659	289,778,216	24,493,443
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	5,009,173	5,376,437	(367,264)
Deferred outflows of resources related to OPEB	605	187,658	(187,053)
Deferred outflows of resources related to pensions	18,344,220	18,814,296	(470,076)
Total Deferred Outflow of Resources	23,353,998	24,378,391	(1,024,393)
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5,872,709	5,819,826	52,883
Unearned revenue	6,913,923	7,833,984	(920,061)
Current portion of long-term obligations other than pensions	2,074,856	1,896,040	178,816
Total Current Liabilities	14,861,488	15,549,850	(688,362)
Long-Term Obligations	263,636,497	235,738,835	27,897,662
Total Liabilities	278,497,985	251,288,685	27,209,300
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	4,733	-	4,733
Deferred inflows of resources related to pensions	5,103,091	5,725,132	(622,041)
Total Deferred Inflow of Resources	5,107,824	5,725,132	(617,308)
NET POSITION			
Net investment in capital assets	41,772,008	43,838,460	(2,066,452)
Restricted	59,558,595	56,487,199	3,071,396
Unrestricted deficit	(47,310,755)	(43,182,869)	(4,127,886)
Total Net Position	$ 54,019,848	$ 57,142,790	$ (3,122,942)

This schedule has been prepared from the District *Statement of Net Position* (page 12), which is presented on the accrual basis of accounting whereby capital assets are capitalized and depreciated and all liabilities of the District are recognized.

Cash and short-term investments consist primarily of funds held in the County Treasury. The changes in cash position is explained in the *Statement of Cash Flows* (pages 14-15).

Much of the unrestricted deficit net position has been designated by the Board or by contracts for such purposes as Federal and State grants, outstanding commitments on contracts, debt service, and general reserves for the ongoing financial health of the District.

Change in Net Position

The *Statement of Revenues, Expenses, and Changes in Net Position* (page 13) presents the operating results of the District, as well as the nonoperating revenues and expenses. State general apportionment, while budgeted for operations, is considered nonoperating revenues by generally accepted accounting principles.

	2019	2018	Change
Operating Revenues			
Student tuition and fees	$ 4,278,738	$ 4,416,527	$ (137,789)
Federal grants and contracts, noncapital	2,843,983	2,312,539	531,444
State grants and contracts, noncapital	16,399,382	14,571,268	1,828,114
Local grants and contracts, noncapital	395,644	488,378	(92,734)
Total Operating Revenues	23,917,747	21,788,712	2,129,035
Operating Expenses			
Salaries and benefits	69,270,851	62,991,628	6,279,223
Supplies, materials, and other operating expenses	18,390,362	19,738,917	(1,348,555)
Student financial aid	13,843,627	13,487,905	355,722
Depreciation	6,856,233	6,338,226	518,007
Total Operating Expenses	108,361,073	102,556,676	5,804,397
Loss on Operations	(84,443,326)	(80,767,964)	(3,675,362)
Nonoperating Revenues			
State apportionments	41,687,566	38,167,922	3,519,644
Property taxes	24,458,068	25,093,962	(635,894)
Federal and State financial aid grants	13,469,372	13,075,817	393,555
State revenues	2,351,730	3,422,612	(1,070,882)
Net interest expense	(6,946,388)	(5,863,278)	(1,083,110)
Other nonoperating revenues, net	5,287,803	3,443,222	1,844,581
Total Nonoperating Revenues	80,308,151	77,340,257	2,967,894
Other Revenues and Losses			
State, local capital income and losses, net	1,012,233	2,254,633	(1,242,400)
Net Change in Net Position	$ (3,122,942)	$ (1,173,074)	$ (1,949,868)

The operating revenues for the District are specifically defined as revenues from users of the College's facilities and programs. Excluded from operating revenues are the components of the primary source of District funding; the State apportionment process which includes the State general apportionment and local property taxes. As these resources of revenues are from the general population of the State of California, and not from the direct users of the educational services, they are considered to be nonoperating. As a result, the operating loss of $84,443,326 is balanced by other funding sources. Total District expenses exceeded total revenues by $3,122,942 for the year ended June 30, 2019.

Grants and contract revenues relate to student financial aid, as well as specific Federal and State grants received for programs serving students of the District. These grants and program revenues are restricted as to the allowable expenses related to the programs.

Interest income is primarily the result of cash held at the County Treasury. Interest expense relates to interest payments on the general obligation bonds as described in Note 10 of the financial statements.

Cash Flows

The *Statement of Cash Flows* provides information about cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing.

	2019	2018	Change
Cash Provided by (Used in)			
Operating activities	$ (75,346,458)	$ (71,070,602)	$ (4,275,856)
Noncapital financing activities	79,157,964	82,152,214	(2,994,250)
Capital financing activities	20,109,556	23,904,351	(3,794,795)
Investing activities	1,167,065	(26,049,224)	27,216,289
Net Increase in Cash	25,088,127	8,936,739	16,151,388
Cash, Beginning of Year	56,421,431	47,484,692	8,936,739
Cash, End of Year	$ 81,509,558	$ 56,421,431	$ 25,088,127

The primary operating receipts are student tuition and fees. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff, as well as District administrators.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the District had $198,670,703 in a broad range of capital assets including land, construction in progress, buildings, and furniture and equipment. During the year, the District also continued to modernize and refurbish various sites.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

	2019	2018
Land and construction in progress	$ 11,861,256	$ 10,040,199
Buildings and improvements	225,688,902	224,392,072
Furniture and equipment	25,938,798	25,050,994
Total Capital Assets	263,488,956	259,483,265
Less accumulated depreciation	(64,818,253)	(58,019,273)
Capital Assets, Net	$ 198,670,703	$ 201,463,992

Long-Term Obligations

At the end of this year, the District had $265,711,353 in outstanding long-term obligations. This is primarily made up of $199,156,907 of general obligation bonds.

Note 10 in the financial statements provides additional information on long-term obligations. A summary of long-term obligations is presented below.

	2019	2018
General obligation bonds	$ 199,156,907	$ 174,838,497
Capital leases	145,949	191,185
Compensated absences	1,159,979	1,072,031
Aggregate net pension obligation	65,248,518	61,533,162
Total Long-Term Obligations	$ 265,711,353	$ 237,634,875

Net Pension Liability (NPL)

At year-end, the District has a net pension liability of $65,248,518 versus $61,533,162 last year, an increase of $3,715,356, or 6.0 percent.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2018-2019 ARE NOTED BELOW:

This fiscal year the District filed an application for fiscal independence with the Chancellor's Office and achieved fiscal independence, effective July 1, 2019.

In May 2019, the District issued Election of 2006 Series E General Obligation Bonds in the amount of $23,000,000. The bonds were issued to finance the acquisition, construction, modernization and equipping of District sites and facilities, and to pay for the costs of issuance of the bonds.

The District implemented the Finance, Human Resources, and Payroll modules of the ERP software, Banner.

The District satisfied funding the liability for the postemployment retiree benefit liability fund (OPEB) therefore ending employer contributions to the postemployment retiree benefit fund effective 2019-2020. The District made the first draw from the OPEB Allan Hancock Joint Community College District Futuris Trust in 2018-2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES 2019-2020

The fiscal year 2018-2019 budget focus is on maintaining fiscal stability and managing reserves in light of the declining enrollment experienced in the past four fiscal years. Funding priorities include instructional supplies and teaching faculty to relieve capacity constraints in high demand program areas such as Science, Math and English. The actual enrollment forecast for fiscal year 2019-2020 is expected to remain flat. The District is projected to receive increased revenue in fiscal year 2019-2020 due to the new student centered funding formula which includes a COLA of 3.26 percent and applying a local deficit of 1.0 percent or approximately $1,336,585. Fund budgets will represent information available to the District at the time of budget adoption. Revisions will occur as the year progresses, primarily due to final program funding approvals, budget transfers, and reallocation of restricted reserves.

Bond Measure I funds are projected to support the Fine Arts Complex project. This project consists of a new 88,000 square-foot, two-story building that includes visual arts, multimedia and applied design, photography, film and video, dance, music and shared amenities.

Management closely monitors all economic factors in an effort to control the ultimate impact on the District's financial health.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District at: Allan Hancock Joint Community College District, Business Services, 800 South College Drive, Santa Maria, CA, 93454-6399 or call (805) 922-6966, ext. 3268.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2019

ASSETS	
Current Assets	
Cash and cash equivalents	$ 1,662,809
Investments	105,759,042
Accounts receivable	5,390,514
Student receivable	851,988
Due from fiduciary funds	482,702
Prepaid expenses	222,664
Total Current Assets	114,369,719
Noncurrent Assets	
Net other postemployment benefits (OPEB) asset	1,231,237
Nondepreciable capital assets	11,861,256
Depreciable capital assets, net of depreciation	186,809,447
Total Noncurrent Assets	199,901,940
TOTAL ASSETS	314,271,659
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	5,009,173
Deferred outflows of resources related to OPEB	605
Deferred outflows of resources related to pensions	18,344,220
Total Deferred Outflows of Resources	23,353,998
LIABILITIES	
Current Liabilities	
Accounts payable	3,372,195
Accrued interest payable	2,500,514
Unearned revenue	6,913,923
Current portion of long-term obligations other than pensions	2,074,856
Total Current Liabilities	14,861,488
Noncurrent Liabilities	
Noncurrent portion of long-term obligations other than pensions	198,387,979
Aggregate net pension obligation	65,248,518
Total Noncurrent Liabilities	263,636,497
TOTAL LIABILITIES	278,497,985
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	4,733
Deferred inflows of resources related to pensions	5,103,091
Total Deferred Inflows of Resources	5,107,824
NET POSITION	
Net investment in capital assets	41,626,059
Restricted for:	
Debt service	34,384,083
Capital projects	8,311,941
Educational programs	15,596,756
Other activities	1,265,815
Unrestricted deficit	(47,164,806)
TOTAL NET POSITION	$ 54,019,848

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

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2019

OPERATING REVENUES	
Student Tuition and Fees	$ 10,672,683
Less: Scholarship discount and allowance	(6,393,945)
Net tuition and fees	4,278,738
Grants and Contracts, Noncapital	
Federal	2,843,983
State	16,399,382
Local	395,644
Total grants and contracts, noncapital	19,639,009
TOTAL OPERATING REVENUES	23,917,747
OPERATING EXPENSES	
Salaries	49,547,977
Employee benefits	19,722,874
Supplies, materials, and other operating expenses and services	18,390,362
Student financial aid	13,843,627
Depreciation	6,856,233
TOTAL OPERATING EXPENSES	108,361,073
OPERATING LOSS	(84,443,326)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	41,687,566
Local property taxes, levied for general purposes	18,347,141
Taxes levied for other specific purposes	6,110,927
Federal financial aid grants, noncapital	11,294,945
State financial aid grants, noncapital	2,174,427
State taxes and other revenues	2,351,730
Investment income	743,274
Interest expense on capital related debt	(8,228,238)
Investment income on capital asset-related debt	538,576
Transfer to fiduciary funds	(218,483)
Other nonoperating revenue	5,506,286
TOTAL NONOPERATING REVENUES (EXPENSES)	80,308,151
LOSS BEFORE OTHER REVENUES AND (LOSSES)	(4,135,175)
OTHER REVENUES AND (LOSSES)	
State revenues, capital	826,353
Local revenues, capital	210,069
Loss on disposal of capital assets	(24,189)
TOTAL OTHER REVENUES AND (LOSSES)	1,012,233
CHANGE IN NET POSITION	(3,122,942)
NET POSITION, BEGINNING OF YEAR	57,142,790
NET POSITION, END OF YEAR	$ 54,019,848

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

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 3,693,368
Federal and State grants and contracts	17,052,625
Payments to vendors for supplies and services	(17,510,058)
Payments to or on behalf of employees	(64,738,766)
Payments to students for scholarships and grants	(13,843,627)
Net Cash Flows From Operating Activities	(75,346,458)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	39,863,979
Federal and State financial aid grants	13,406,733
Property taxes - nondebt related	18,347,141
State taxes and other apportionments	2,676,570
Other nonoperating	4,863,541
Net Cash Flows From Noncapital Financing Activities	79,157,964
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(4,028,845)
Proceeds from capital debt	26,653,354
State revenue, capital projects	826,353
Local revenue, capital projects	210,069
Property taxes - related to capital debt	6,110,927
Principal paid on capital debt	(2,380,180)
Interest paid on capital debt	(7,820,698)
Interest received on capital asset-related debt	538,576
Net Cash Flows From Capital Financing Activities	20,109,556
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	567,915
Interest received from investments	599,150
Net Cash Flows From Investing Activities	1,167,065
NET CHANGE IN CASH AND CASH EQUIVALENTS	25,088,127
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	56,421,431
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 81,509,558

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

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	$ (84,443,326)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Depreciation expense	6,856,233
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows	
Receivables	(2,251,693)
Prepaid expenses	34,691
Accounts payable and accrued liabilities	1,532,490
Unearned revenue	(920,061)
Net other postemployment benefits (OPEB) asset	2,083
Deferred outflows of resources related to pensions	470,076
Deferred outflows of resources related to OPEB	187,053
Deferred inflows of resources related to pensions	(622,041)
Net other postemployment benefits (OPEB) liability	4,733
Aggregate net pension obligation	3,715,356
Compensated absences	87,948
Total Adjustments	9,096,868
Net Cash Flows From Operating Activities	$ (75,346,458)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 1,662,809
Cash in County Treasury	79,846,749
Total Cash and Cash Equivalents	$ 81,509,558
NONCASH TRANSACTIONS	
On behalf payments for benefits	$ 1,652,931

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

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Retiree OPEB Trust	Other Trusts	Agency Funds
ASSETS			
Cash and cash equivalents	$ -	$ 1,197,242	$ 160,477
Investments	9,524,093	180,960	-
Accounts receivable	-	9,830	1,824
Student receivable	-	53,819	-
Prepaid expenses	-	2,004	115
Inventories	-	-	94,197
Other current assets	-	-	20,966
Total Assets	9,524,093	1,443,855	$ 277,579
LIABILITIES			
Accounts payable	-	5,014	$ 16,729
Due to primary government	469,666	10,517	2,519
Unearned revenue	-	22,984	1,000
Due to student groups	-	-	257,331
Total Liabilities	469,666	38,515	$ 277,579
NET POSITION			
Restricted for postemployment benefits other than pensions	9,054,427	-	
Unrestricted	-	1,405,340	
Total Net Position	$ 9,054,427	$ 1,405,340	

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

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Retiree OPEB Trust	Other Trusts
ADDITIONS		
Interest and investment income	$ 382,774	$ -
Net realized and unrealized gain	107,139	-
Local revenues	-	518,018
TOTAL ADDITIONS	489,913	518,018
DEDUCTIONS		
Academic salaries		448
Classified salaries	-	9,146
Employee benefits	469,666	-
Books and supplies	-	226,539
Administrative expenses	80,509	-
Services and operating expenditures	-	152,454
Capital outlay	-	6,947
TOTAL DEDUCTIONS	550,175	395,534
OTHER FINANCING SOURCES (USES)		
Transfer from primary government	-	218,483
Other sources	-	210
Other uses	-	(187,785)
TOTAL OTHER FINANCING SOURCES (USES)	-	30,908
CHANGE IN NET POSITION	(60,262)	153,392
NET POSITION - BEGINNING OF YEAR	9,114,689	1,251,948
NET POSITION - END OF YEAR	$ 9,054,427	$ 1,405,340

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

NOTE 1 - ORGANIZATION

Allan Hancock Joint Community College District (the District) is a comprehensive, public, two-year institution offering higher education in the County of Santa Barbara (the County), in the State of California (the State). The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, as well as all other funds, but these budgets are managed at the department level. The District consists of one community college located in Santa Maria, California, with multiple satellite centers located in Lompoc, Solvang, and Vandenberg Air Force Base, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

Financial Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units.* This statement amends GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion.

The following entity met the criterion for inclusion as a "blended" component unit and is consolidated within the financial statements of the District:

The Allan Hancock College Programs Auxiliary Corporation

The Allan Hancock College Programs Auxiliary Corporation (the Corporation) is a legally separate organization and a component unit of the District. The Corporation is an auxiliary operation of the District and includes the Pacific Conservatory of Performing Arts (PCPA) and Associated Students Trust fund. The purpose of the Corporation is to provide benefits to the educational programs and services for the District. The District supplies all staff and performs all administrative functions for the Corporation. Such common governance and administrative structure are the prime criteria used to evaluate the Corporation for inclusion in the accompanying financial statements as a blended component unit. Accordingly, the activities of the Corporation are accounted for in the District's business-type activities. Separate financial statements for the Corporation can be obtained from the District's business office at 800 South College Drive, Santa Maria, CA 93454-6399. Condensed component unit information for the Corporation (the District's blended component unit) for the year ended June 30, 2019, is as follows:

Condensed Combining Statement of Net Position

	PCPA	Associated Students Trust Fund	Total
ASSETS			
Current assets	$ 1,438,626	$ 124,691	$ 1,563,317
LIABILITIES			
Current liabilities	519,836	-	519,836
NET POSITION			
Restricted	918,790	124,691	1,043,481
Total Net Position	$ 918,790	$ 124,691	$ 1,043,481

Condensed Combining Statement of Revenues, Expenses, and Changes in Net Position

	PCPA	Associated Students Trust Fund	Total
OPERATING REVENUES			
Auxiliary enterprise sales and charges	$ 3,047,026	$ -	$ 3,047,026
Local revenues	-	248,331	248,331
Total Operating Revenues	3,047,026	248,331	3,295,357
OPERATING EXPENDITURES			
Operating expenses	2,538,515	187,886	2,726,401
CHANGE IN NET POSITION	508,511	60,445	568,956
NET POSITION, BEGINNING OF YEAR	410,279	64,246	474,525
NET POSITION, END OF YEAR	$ 918,790	$ 124,691	$ 1,043,481

Based upon the application of the criteria listed above, the following potential component units have been excluded from the District's reporting entity:

Allan Hancock College Viticulture and Enology Foundation

The Allan Hancock College Viticulture and Enology Foundation (the Viticulture Foundation) is a legally separate, not-for-profit corporation. The purpose of the Viticulture Foundation is to provide benefits to the educational programs and services for the District. The Viticulture Foundation is not included as a component unit because the economic resources received and held by the Viticulture Foundation are not significant to the District. Separate financial statements for the Viticulture Foundation can be obtained from the District's business office at 800 South College Drive, Santa Maria, CA 93454-6399.

Allan Hancock College Foundation

The Allan Hancock College Foundation (the Foundation) is a legally separate, not-for-profit corporation. The Foundation provides financial support for various college-related programs including student scholarships and awards, general department and program support, equipment purchases and capital improvements, and faculty research and teaching activities. The Board of the Foundation consists of community members, alumni, and other supporters of the Foundation. The Foundation is not included as a component unit because the economic resources received and held by the Foundation are not significant to the District and because the District does not control the timing of amount of receipts from the Foundation. Separate financial statements for the Foundation can be obtained from the Foundation's business office at 800 South College Drive, Santa Maria, CA 93454-6399.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State financial aid grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
  - Statements of Net Position - Primary Government
  - Statements of Revenues, Expenses, and Changes in Net Position - Primary Government
  - Statements of Cash Flows - Primary Government
  - Financial Statements for the Fiduciary Funds including:
    - Statements of Fiduciary Net Position
    - Statements of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2019, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District does not record an allowance for uncollectible accounts because collectability of the receivables from such sources is probable. When receivables are determined to be uncollectible, a direct write-off is recorded.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

Capital Assets and Depreciation

Capital assets are stated at cost at the date of acquisition or fair value at the date of gift. The District's capitalization policy includes all items with a unit cost of $5,000 (for equipment) and an estimated useful life of greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements that cost more than $150,000, significantly increase the value, or extend the useful life of the structure, are capitalized. Routine repair and maintenance costs are charged to operating expenses in the year in which the expense is incurred. Depreciation of equipment and vehicles, facilities, and other physical properties is provided using the straight-line method over the estimated useful lives of the respective assets, or in the case of assets acquired under capital leases, the shorter of the lease term or useful life. Costs for construction in progress are capitalized when incurred.

The following estimated useful lives are used to compute depreciation:

Land improvements	20 - 50 years
Buildings and improvements	20 - 50 years
Equipment	3 - 10 years
Vehicles	3 - 10 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

Debt Issuance Costs, Premiums, and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

Deferred Charges on Refunding

Deferred charges on refunding is amortized using the straight-line method over the remaining life of the new or the remaining life of the old debt, whichever is shorter.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. Payments for the aggregate net pension obligation are made by the fund for which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Payments related to the net OPEB asset are made by the fund for which the employee worked.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. At year end, there was no outstanding liabilities for load banking.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, compensated absences, capital leases, and the aggregate net pension obligation with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The government-wide financial statements report $59,558,595 of restricted net position.

Operating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

> **Operating expenses -** Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
>
> **Nonoperating expenses -** Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Santa Barbara bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a General Obligation Bond in 2006 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within the scholarship, discounts, and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG) Grants, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The District has implemented the provisions of this Statement as of June 30, 2019.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The District has implemented the provisions of this Statement as of June 30, 2019.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Early implementation is encouraged.

NOTE 3 - DEPOSITS AND 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 instruments; 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 agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

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 accompanying financial statements 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

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Summary of Deposits and Investments

Deposits and investments as of June 30, 2019, consist of the following:

Primary government	$ 107,421,851
Fiduciary funds	11,062,772
Total Deposits and Investments	$ 118,484,623

Cash on hand and in banks	$ 3,014,978
Cash in revolving	5,550
Investments	115,464,095
Total Deposits and Investments	$ 118,484,623

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 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, mutual funds, and U.S. Treasury Bonds.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Book Value	Fair Value	Weighted Average Maturity in Days
Santa Barbara County Investment Pool	$ 80,027,709	$ 80,316,841	289
Mutual Funds	9,524,093	9,524,093	N/A
U.S. Treasury Bonds	25,912,293	25,912,293	32
Total	$ 115,464,095	$ 115,753,227	

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, the Mutual Funds, and the U.S. Treasury Bonds are not required to be rated, nor have been rated as of June 30, 2019.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019, the District's bank balance of $4,401,552 was fully insured or collateralized with securities, held by the pledging financial institutions trust department in the District's name.

NOTE 4 - 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 are not available to other market participants.

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, 2019:

Investment Type	Fair Value	Level 1 Inputs	Level 3 Inputs	Uncategorized
Santa Barbara County Investment Pool	$ 80,316,841	$ -	$ -	$ 80,316,841
Mutual Funds	9,524,093	9,524,093	-	-
U.S. Treasury Bonds	25,912,293	-	25,912,293	-
Total	$ 115,753,227	$ 9,524,093	$ 25,912,293	$ 80,316,841

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

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	Primary Government	Fiduciary Funds
Federal Government		
Categorical aid	$ 1,420,180	$ -
State Government		
Apportionment	247,351	-
Categorical aid	1,708,739	-
Local Sources		
District Foundation	570,362	130
Viticulture & Enology Foundation	2,519	-
Interest	328,383	-
Other local sources	1,112,980	11,524
Total	$ 5,390,514	$ 11,654
Student receivables	$ 851,988	$ 53,819

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Capital Assets Not Being Depreciated				
Land	$ 3,758,448	$ -	$ -	$ 3,758,448
Construction in progress	6,281,751	3,117,887	1,296,830	8,102,808
Total Capital Assets Not Being Depreciated	10,040,199	3,117,887	1,296,830	11,861,256
Capital Assets Being Depreciated				
Land improvements	6,555,136	-	-	6,555,136
Buildings and improvements	217,836,936	1,296,830	-	219,133,766
Furniture and equipment	25,050,994	969,246	81,442	25,938,798
Total Capital Assets Being Depreciated	249,443,066	2,266,076	81,442	251,627,700
Total Capital Assets	259,483,265	5,383,963	1,378,272	263,488,956
Less Accumulated Depreciation				
Land improvements	3,832,008	222,839	-	4,054,847
Buildings and improvements	39,922,842	4,580,845	-	44,503,687
Furniture and equipment	14,264,423	2,052,549	57,253	16,259,719
Total Accumulated Depreciation	58,019,273	6,856,233	57,253	64,818,253
Net Capital Assets	$ 201,463,992	$ (1,472,270)	$ 1,321,019	$ 198,670,703

Depreciation expense for the year was $6,856,233.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, consisted of the following:

	Primary Government	Fiduciary Funds
Accrued payroll	$ 1,559,371	$ -
Construction	87,704	-
Professional services	396,109	-
Student liabilities	216,732	-
Foundation payable	62,056	-
Other	1,050,223	21,743
Total	$ 3,372,195	$ 21,743

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2019, consisted of the following:

	Primary Government	Fiduciary Funds
Federal financial assistance	$ 26,209	$ -
State categorical aid	4,026,645	-
Enrollment fees	1,521,069	22,984
Other local	1,340,000	1,000
Total	$ 6,913,923	$ 23,984

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2019, the amounts owed to the primary government from the fiduciary funds were $482,702.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2018-2019 fiscal year, the amount transferred to the fiduciary funds from the primary government amounted to $218,483. The amount transferred to the primary government from the fiduciary funds amounted to $0.

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2019 fiscal year consisted of the following:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
Bonds Payable					
General obligation bonds, 2009 Series B and B-1	$ 25,625,000	$ -	$ -	$ 25,625,000	$ -
General obligation bonds, 2012 Series C	42,511,752	2,386,081	-	44,897,833	-
General obligation bonds, 2013 Series D	7,365,486	246,182	55,000	7,556,668	60,000
General obligation bonds, 2014 Refunding Bonds	50,365,000	-	1,445,000	48,920,000	1,725,000
General obligation bonds, 2017 Refunding Bonds, Series A	13,515,000	-	-	13,515,000	-
General obligation bonds, 2017 Refunding Bonds, Series B	24,275,000	-	-	24,275,000	-
General obligation bonds, 2019 Series E	-	23,000,000	-	23,000,000	-
Unamortized bond premium	11,181,259	1,021,091	834,944	11,367,406	-
Total Bonds Payable	174,838,497	26,653,354	2,334,944	199,156,907	1,785,000
Other Liabilities					
Capital leases	191,185	-	45,236	145,949	48,145
Compensated absences	1,072,031	87,948	-	1,159,979	241,711
Aggregate net pension obligation	61,533,162	3,715,356	-	65,248,518	-
Total Other Liabilities	62,796,378	3,803,304	45,236	66,554,446	289,856
Total Long-Term Obligations	$ 237,634,875	$ 30,456,658	$ 2,380,180	$ 265,711,353	$ 2,074,856

Description of Debt

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. The compensated absences will be paid by the fund for which the employee worked. The capital leases will be paid by the General Fund. Payments related to OPEB obligations will be paid by the fund for which the employee worked. Payments related to the aggregate net pension obligation will be paid by the fund for which the employee worked. See Note 12 for further details of the aggregate net pension obligation.

Bonded Debt

Bonds Payable

In October 2009, the District issued Election of 2006 Series B and B-1 General Obligation Bonds in the amount of $29,999,556. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 4.00 to 5.00 percent. Principal and interest payments are due each August 1 and February 1 through August 1, 2034. At June 30, 2019, the principal balance outstanding for Series B-1 was $25,625,000.

In September 2012, the District issued Election of 2006 Series C General Obligation Bonds in the amount of $38,996,200. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 5.70 percent. Principal and interest payments are due each August 1 and February 1 through August 1, 2047. At June 30, 2019, the principal balance outstanding was $44,897,833. Unamortized premium received on issuance of the bonds amounted to $169,394 as of June 30. 2019.

In December 2013, the District issued Election of 2006 Series D General Obligation Bonds in the amount of $8,773,376. The bonds were issued to finance the acquisition, construction, modernization, and renovation of District facilities. The bonds bear interest rates of 2.00 to 4.75 percent. Principal and interest payments are due each August 1 and February 1 through August 1, 2039. At June 30, 2019, the principal balance outstanding was $7,556,668. Unamortized premium received on issuance of the bonds amounted to $57,378 as of June 30, 2019.

In October 2014, the District issued the $52,260,000 2014 General Obligation Refunding Bonds. The bonds have a final maturity which occurs on August 1, 2030, with interest rates from 2.00 to 5.00 percent. The net proceeds of $62,050,345 (representing the principal amount of $52,260,000 and premium on issuance of $9,790,345) from the issuance were used to advance refund a portion of the District's outstanding 2006 General Obligation Bonds, Series A. The refunding resulted in a cumulative cash flow saving of $5,978,913 over the life of the new debt and an economic gain of $4,736,721 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.440 percent. At June 30, 2019, the principal balance outstanding was $48,920,000. Unamortized premium received on issuance of the bonds and deferred amount on refunding were $6,963,187 and $3,439,557, respectively, as of June 30, 2019.

In November 2017, the District issued the 2017 General Obligation Refunding Bonds, Series A in the amount of $13,515,000. The bonds have a final maturity which occurs on August 1, 2038, with interest rates from 3.00 to 4.25 percent. The refunding bonds were issued as current interest bonds. The net proceeds of $14,509,302 (representing the principal amount of $13,515,000 and premium on issuance of $994,302) from the issuance were used to currently refund the District's outstanding Election of 2006 General Obligation Bonds, Series A, to advance refund a portion of the District's outstanding Election of 2006 General Obligation Bonds, Series B, and to advance refund a portion of the District's outstanding Election of 2006 General Obligation Bonds, Series C in the amount of $4,365,000, $760,000, and $7,504,661, respectively. The refunding resulted in a cumulative cash flow saving of $5,827,061 over the life of the new debt and an economic gain of $3,123,064 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 3.00 percent. As of June 30, 2019, the principal balance outstanding was $13,515,000, and unamortized premium on issuance and deferred amount on refunding were $899,606 and $1,569,616, respectively.

In October 2017, the District issued the 2017 General Obligation Refunding Bonds, Series B in the amount of $24,275,000. The bonds have a final maturity which occurs on August 1, 2034, with interest rates from 3.00 to 4.00 percent. The refunding bonds were issued as current interest bonds. The net proceeds of $26,832,650 (representing the principal amount of $24,275,000 and premium on issuance of $2,557,650) from the issuance were used to provide advance refunding on the crossover date of August 1, 2019, of the District's outstanding Election of 2006 General Obligation Bonds, Series B-1 in the amount of $25,625,000. As of June 30, 2019, the principal balance outstanding was $24,275,000, and unamortized premium on issuance was $2,256,750.

In May 2019, the District issued Election of 2006 Series E General Obligation Bonds in the amount of $23,000,000. The bonds were issued to finance the acquisition, construction, modernization and equipping of District sites and facilities, and to pay the costs of issuance of the bonds. The bonds bear interest rates of 3.00 percent to 5.00 percent. Principal and interest payments are due each August 1 and February 1 through August 1, 2044. At June 30, 2019, the principal balance outstanding was $23,000,000. Unamortized premium received on the issuance of the bonds amounted to $1,021,091 as of June 30, 2019.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2018	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2019
2009	08/01/34	4.00%-5.00%	$ 29,999,556	$ 25,625,000	$ -	$ -	$ -	$ 25,625,000
2012	08/01/47	2.00%-5.70%	38,996,200	42,511,752	-	2,386,081	-	44,897,833
2013	08/01/39	2.00%-4.75%	8,773,376	7,365,486	-	246,182	55,000	7,556,668
2014	08/01/30	2.00%-5.00%	52,260,000	50,365,000	-	-	1,445,000	48,920,000
2017	08/01/38	3.00%-4.25%	13,515,000	13,515,000	-	-	-	13,515,000
2017	08/01/34	3.00%-4.00%	24,275,000	24,275,000	-	-	-	24,275,000
2019	08/01/44	3.00%-5.00%	23,000,000	-	23,000,000	-	-	23,000,000
				$ 163,657,238	$ 23,000,000	$ 2,632,263	$ 1,500,000	$ 187,789,501

The Series B bonds mature through 2035 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ -	$ 1,838,785	$ 1,838,785
2021	-	1,838,784	1,838,784
2022	-	1,838,784	1,838,784
2023	-	1,838,784	1,838,784
2024	170,000	1,832,770	2,002,770
2025-2029	795,000	8,988,074	9,783,074
2030-2034	23,875,000	6,387,086	30,262,086
2035	785,000	28,182	813,182
Total	$ 25,625,000	$ 24,591,249	$ 50,216,249

The Series C bonds mature through 2048 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Current Interest to Maturity	Total
2030-2034	$ -	$ -	$ 6,323,259	$ 6,323,259
2035-2039	1,685,984	2,349,016	23,834,195	27,869,195
2040-2044	19,857,370	21,242,630	20,371,269	61,471,269
2045-2048	23,354,479	28,555,521	6,165,628	58,075,628
Total	$ 44,897,833	$ 52,147,167	$ 56,694,351	$ 153,739,351

The Series D bonds mature through 2040 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Current Interest to Maturity	Total
2020	$ 60,000	$ -	$ 139,000	$ 199,000
2021	60,000	-	136,600	196,600
2022	60,000	-	134,725	194,725
2023	65,000	-	133,238	198,238
2024	60,000	-	131,525	191,525
2025-2029	280,000	-	627,545	907,545
2030-2034	517,796	532,204	593,464	1,643,464
2035-2039	3,958,872	6,926,128	592,560	11,477,560
2040	2,495,000	-	59,256	2,554,256
Total	$ 7,556,668	$ 7,458,332	$ 2,547,913	$ 17,562,913

The 2014 Refunding bonds mature through 2031 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ 1,725,000	$ 2,337,713	$ 4,062,713
2021	2,035,000	2,262,513	4,297,513
2022	2,370,000	2,162,563	4,532,563
2023	2,750,000	2,034,562	4,784,562
2024	3,160,000	1,886,812	5,046,812
2025-2029	23,290,000	6,400,310	29,690,310
2030-2031	13,590,000	659,906	14,249,906
Total	$ 48,920,000	$ 17,744,379	$ 66,664,379

The 2017 Refunding bonds, Series A, mature through 2039 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ -	$ 524,925	$ 524,925
2021	-	524,925	524,925
2022	-	524,925	524,925
2023	-	524,925	524,925
2024	-	524,925	524,925
2025-2029	-	2,624,625	2,624,625
2030-2034	-	2,624,625	2,624,625
2035-2039	13,515,000	1,734,812	15,249,812
Total	$ 13,515,000	$ 9,608,687	$ 23,123,687

The 2017 Refunding bonds, Series B, mature through 2035 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ -	$ 968,450	$ 968,450
2021	-	968,450	968,450
2022	-	968,450	968,450
2023	-	968,450	968,450
2024	290,000	962,650	1,252,650
2025-2029	1,180,000	4,642,450	5,822,450
2030-2034	22,550,000	3,269,650	25,819,650
2035	255,000	3,825	258,825
Total	$ 24,275,000	$ 12,752,375	$ 37,027,375

The Series E bonds mature through 2045 as follows:

Fiscal Year	Principal	Current Interest to Maturity	Total
2020	$ -	$ 615,459	$ 615,459
2021	780,000	827,562	1,607,562
2022	100,000	813,863	913,863
2023	125,000	809,362	934,362
2024	-	806,863	806,863
2025-2029	335,000	4,025,937	4,360,937
2030-2034	1,225,000	3,738,688	4,963,688
2035-2039	6,210,000	3,164,913	9,374,913
2040-2044	10,940,000	1,661,975	12,601,975
2045	3,285,000	53,381	3,338,381
Total	$ 23,000,000	$ 16,518,003	$ 39,518,003

Capital Leases

The District has entered into agreements to lease vehicles. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

Balance, July 1, 2018	$ 218,570
Payments	56,203
Balance, June 30, 2019	$ 162,367

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2020	$ 56,276
2021	52,486
2022	35,827
2023	17,778
Total	162,367
Less: Amount Representing Interest	16,418
Present Value of Minimum Lease Payments	$ 145,949

The vehicles purchased through capital lease arrangements has been capitalized and is being depreciated over the estimated useful lives.

Vehicles	$	281,506
Less: Accumulated depreciation		80,894
Total	$	200,612

Amortization of the leased vehicles under capital lease is included with depreciation expense.

Compensated Absences

At June 30, 2019, the liability for compensated absences was $1,159,979.

Net Other Postemployment Benefits (OPEB) Asset

For the fiscal year ended June 30, 2019, the District reported net OPEB asset, deferred outflows of resources, deferred inflows of resources, and OPEB expense of $1,231,237, $605, $4,733, and $193,869, respectively.

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Benefits Trust Company.

Plan Membership

At June 30, 2018, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	86
Active members	278
	364

Allan Hancock Joint Community College District Futuris Trust

Allan Hancock Joint Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Allan Hancock Joint Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California *Government Code* Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical, dental, and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting Plan eligibility requirements under an agent multiple-employer defined benefit Plan. Eligible employees retiring from the District may become eligible for these benefits when the requirements are met. The eligibility requirement for employees participating in California Public Employees' Retirement System (CalPERS) is a minimum age of 55 and also has minimum continuous service requirements for retirement that range from 10 to 20 years and varies by employee class. The eligibility requirement for employees participating in California State Teachers' Retirement System (CalSTRS) is a minimum age ranging from 50 to 60. In addition, the District also has minimum continuous service requirements for retirement that range from 20 to 25 years and varies by employee class. Additional age and service criteria may be required.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District, the local California School Employees Association (CSEA), the Faculty Association of Allan Hancock College, and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the District governing board. For fiscal year 2017-2018, the District contributed $187,658 to the Plan, of which $34,490 was used for current premiums and $153,168 was transferred to the OPEB trust. Plan members are not required to contribute to the Plan.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Domestic equity	23%
Fixed income	50%
International equity	20%
Real estate	7%

Rate of Return

For the year ended June 30, 2018, the annual money-weighed rate of return on investments, net of investment expense, was 5.71 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the District

The District's net OPEB asset of $1,231,237 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2017. The components of the net OPEB asset of the District at June 30, 2018, were as follows:

Total OPEB liability	$ 7,883,452
Plan fiduciary net position	9,114,689
District's net OPEB asset	$ 1,231,237
Plan fiduciary net position as a percentage of the total OPEB liability	116%

Actuarial Assumptions

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	5.80 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the assumed long-term expected rate of return on Plan assets.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actual experience study as of June 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	9.3%
Fixed income	4.8%
International equity	8.8%
Real estate	8.0%
Cash	1.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.8 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Asset

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balance at June 30, 2017	$ 7,764,883	$ 8,998,203	$ (1,233,320)
Service cost	182,047	-	182,047
Interest	441,012	-	441,012
Employer Contributions	-	187,658	(187,658)
Expected Investment Income	-	510,303	(510,303)
Investment Gains/(Losses)	-	5,917	(5,917)
Administrative Expense	-	(82,902)	82,902
Benefit Payments	(505,165)	(505,165)	-
Differences between expected and actual experience	675	675	-
Net change in total OPEB liability	118,569	116,486	2,083
Balance at June 30, 2018	$ 7,883,452	$ 9,114,689	$ (1,231,237)

There were no changes in benefit terms since the previous valuation.

There were no changes of assumptions and other inputs since the previous valuation.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the District, as well as what the District's net OPEB asset would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Asset
1% decrease (4.8%)	$ (552,479)
Current discount rate (5.8%)	(1,231,237)
1% increase (6.8%)	(1,825,727)

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the District, as well as what the District's net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Asset
1% decrease (3.0%)	$ (1,904,229)
Current healthcare cost trend rate (4.0%)	(1,231,237)
1% increase (5.0%)	(480,675)

Deferred Outflows of Resources Related to OPEB

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 605	$ -
Differences between projected and actual earnings on OPEB plan investments	-	4,733
Total	$ 605	$ 4,733

The deferred inflows of resources related to the differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Inflows of Resources
2020	(1,184)
2021	(1,184)
2022	(1,184)
2023	(1,181)
	$ (4,733)

Amounts reported as deferred outflows of resources and related to the differences between expected and actual experience will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 9.7 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2020	70
2021	70
2022	70
2023	70
2024	70
Thereafter	255
	$ 605

Aggregate Net Pension Obligation

At June 30, 2019, the liability for the aggregate net pension obligation amounted to $65,248,518. See Note 12 for additional information.

NOTE 11 - RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year ending June 30, 2019, the District contracted with the Bay Area Community College Districts (BACCD), the Statewide Association of Community Colleges (SWACC), and the Self-Insured Schools of California (SISC III) Joint Powers Authorities (JPAs) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. These have not been a significant reduction in coverage from the prior year.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2019, the District contracted with the BACCD Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2018-2019, the District participated in the Santa Barbara County Schools Self-Insurance Program for Employees (SIPE) Joint Powers Authority (JPA), an insurance purchasing pool. The District is self insured for the first $10,000 of each workers' compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits
Santa Barbara County School SIPE	Workers' Compensation	$1,000,000
U.S. Specialty Underwriters	Excess Workers' Compensation	$25,000,000
BACCD JPA	Property and Liability	$1,000,000-$250,000,000

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

For the fiscal year ended June 30, 2019, the District reported the net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 34,542,841	$ 9,513,276	$ 5,014,342	$ 3,547,052
CalPERS	30,705,677	8,830,944	88,749	6,202,800
Total	$ 65,248,518	$ 18,344,220	$ 5,103,091	$ 9,749,852

The details of each plan are as follows:

<u>California State Teachers' Retirement System (CalSTRS)</u>

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required State contribution rate	9.828%	9.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above, and the District's total contributions were $3,243,210.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 34,542,841
State's proportionate share of net pension liability associated with the District	19,777,392
Total	$ 54,320,233

The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2018 and June 30, 2017, was 0.0376 percent and 0.0378 percent, respectively, resulting in a net decrease in the proportionate share of 0.0002 percent.

For the year ended June 30, 2019, the District recognized pension expense of $3,547,052. In addition, the District recognized pension expense and revenue of $2,323,398 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,243,210	$ -
Net change in proportionate share of net pension liability	796,627	3,182,471
Differences between projected and actual earnings on the pension plan investments	-	1,330,118
Differences between expected and actual experience in the measurement of the total pension liability	107,116	501,753
Changes of assumptions	5,366,323	-
Total	$ 9,513,276	$ 5,014,342

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 288,806
2021	(209,566)
2022	(1,115,918)
2023	(293,440)
Total	$ (1,330,118)

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 484,385
2021	484,385
2022	484,386
2023	289,499
2024	874,747
Thereafter	(31,560)
Total	$ 2,585,842

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2018, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 50,601,220
Current discount rate (7.10%)	34,542,841
1% increase (8.10%)	21,228,887

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2019, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	18.062%	18.062%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above, and the total District contributions were $2,943,251.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $30,705,677. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2018 and June 30, 2017, was 0.1152 percent and 0.1112 percent, respectively, resulting in a net increase in the proportionate share of 0.0040 percent.

For the year ended June 30, 2019, the District recognized pension expense of $6,202,800. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,943,251	$ -
Net change in proportionate share of net pension liability	557,060	88,749
Differences between projected and actual earnings on the pension plan investments	251,855	-
Differences between expected and actual experience in the measurement of the total pension liability	2,012,952	-
Changes of assumptions	3,065,826	-
Total	$ 8,830,944	$ 88,749

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 916,054
2021	219,066
2022	(702,027)
2023	(181,238)
Total	$ 251,855

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.0 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ 2,397,880
2021	2,300,490
2022	848,719
Total	$ 5,547,089

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and services

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of Scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 44,705,998
Current discount rate (7.15%)	30,705,677
1% increase (8.15%)	19,090,407

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2019, which amounted to $1,652,931, (8.297 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2019. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of operating revenue and employee benefit expense.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018-2019 contribution on behalf of school employers of $2.246 billion for CalSTRS and $904 million for CalPERS. A proportionate share of these contributions has been recorded in these financial statements.

Deferred Compensation

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the Program). The Program, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust.

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the BACCD JPA, SWACC, SISC III, and Santa Barbara County Schools SIPE. The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one Board member and one alternative to the Governing Board of BACCD and Santa Barbara County SIPE.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2019, the District made payments of $252,007, $5,925,254, and $387,380 to BACCD, SISC III, and SIPE, respectively.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2019.

Operating Leases

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are as follows:

Year Ending June 30,	Lease Payment
2020	$ 75,809
2021	66,571
2022	58,775
2023	58,775
2024	39,183
Total	$ 299,113

Total lease expense of approximately $108,369 was included in other operating expenses and services for the year ended June 30, 2019.

In addition to the above operating leases, the District also has a lease agreement with the Columbia Business Center Partners for the PCPA space. Future minimum lease payments under this agreement are as follows:

Year Ending June 30,	Lease Payment
2020	$ 290,568
2021	290,568
2022	290,568
2023	290,568
2024	290,568
2025-2026	581,136
Total	$ 2,033,976

Total lease expense of approximately $277,148 was included in other operating expenses and services for the year ended June 30, 2019.

Construction Commitments

As of June 30, 2019, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECTS	Remaining Construction Commitment	Expected Date of Completion
Fine Arts Complex	$ 861,325	2021-2022

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

NOTE 15 - FUNCTIONAL EXPENSES CLASSIFICATION

The District's operating expenses by functional classification for the fiscal year ended June 30, 2019, are:

	Salaries	Benefits	Supplies, Material, and Other Expenses and Services	Depreciation	Total
Instruction	$ 22,352,856	$ 8,328,159	$ 5,688,174	$ -	$ 36,369,189
Instructional Administration	3,380,593	1,338,747	1,176,715	-	5,896,055
Instructional Support Services	1,375,284	500,593	629,435	-	2,505,312
Admissions and Records	595,018	290,517	75,825	-	961,360
Counseling and Guidance	3,319,079	1,270,714	558,914	-	5,148,707
Other Student Services	4,046,251	1,420,915	1,183,487	-	6,650,653
Operations and Maintenance	2,532,669	1,239,117	2,203,571	-	5,975,357
Planning and Policy Making	1,244,976	574,750	657,055	-	2,476,781
General Institutional Services	5,306,030	2,827,433	5,173,357	-	13,306,820
Community Services	728,686	337,566	1,313,682	-	2,379,934
Ancillary Services	2,238,409	744,672	1,496,418	-	4,479,499
Auxiliary Operations	2,361,702	820,450	1,012,011	-	4,194,163
Physical Property and Related Acquisitions	66,424	29,241	26,948	-	122,613
Transfers and Student Payments	-	-	11,038,397	-	11,038,397
Depreciation	-	-	-	6,856,233	6,856,233
Total	$ 49,547,977	$ 19,722,874	$ 32,233,989	$ 6,856,233	$ 108,361,073

REQUIRED SUPPLEMENTARY INFORMATION

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	$ 182,047	$ 389,747
Interest	441,012	428,206
Benefit payments	(505,165)	(486,067)
Differences between expected and actual experience	675	-
Net changes in total OPEB liability	118,569	331,886
Total OPEB Liability - beginning	7,764,883	7,432,997
Total OPEB Liability - ending (a)	$ 7,883,452	$ 7,764,883
Plan fiduciary net position		
Contributions - employer	187,658	1,525,633
Expected investment income	510,303	800,978
Investment gains	5,917	-
Benefit payments	(505,165)	(486,067)
Differences between expected and actual experience	675	
Administrative expense	(82,902)	(74,291)
Net change in plan fiduciary net position	116,486	1,766,253
Plan fiduciary net position - beginning	8,998,203	7,231,950
Plan fiduciary net position - ending (b)	$ 9,114,689	$ 8,998,203
District's net OPEB asset - ending (a) - (b)	$ (1,231,237)	$ (1,233,320)
Plan fiduciary net position as a percentage of the total OPEB liability	115.62%	115.88%
Covered-employee payroll	$ 36,602,688	$ 34,993,144
District's net OPEB asset as a percentage of covered-employee payroll	3.36%	3.52%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Annual money-weighted rate of return, net of investment expense	5.71%	9.71%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalSTRS		
District's proportion of the net pension liability	0.0376%	0.0378%
District's proportionate share of the net pension liability	$ 34,542,841	$ 34,975,009
State's proportionate share of the net pension liability associated with the District	19,777,392	20,690,920
Total	$ 54,320,233	$ 55,665,929
District's covered-employee payroll	$ 19,665,696	$ 19,266,447
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	175.65%	181.53%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%
CalPERS		
District's proportion of the net pension liability	0.1152%	0.1112%
District's proportionate share of the net pension liability	$ 30,705,677	$ 26,558,153
District's covered-employee payroll	$ 15,172,990	$ 14,190,330
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	202.37%	187.16%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

2017	2016	2015
0.0395%	0.0445%	0.0419%
$ 31,984,006	$ 29,940,012	$ 24,496,314
18,207,924	15,834,966	14,791,932
$ 50,191,930	$ 45,774,978	$ 39,288,246
$ 18,337,484	$ 17,841,340	$ 17,076,861
174.42%	167.81%	143.45%
70%	74%	77%
0.1122%	0.1125%	0.1068%
$ 22,165,339	$ 16,580,009	$ 12,125,929
$ 13,457,508	$ 13,894,147	$ 14,354,658
164.71%	119.33%	84.47%
74%	79%	83%

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalSTRS		
Contractually required contribution	$ 3,243,210	$ 2,837,760
Contributions in relation to the contractually required contribution	3,243,210	2,837,760
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 19,921,437	$ 19,665,696
Contributions as a percentage of covered-employee payroll	16.28%	14.43%
CalPERS		
Contractually required contribution	$ 2,943,251	$ 2,356,517
Contributions in relation to the contractually required contribution	2,943,251	2,356,517
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 16,295,266	$ 15,172,990
Contributions as a percentage of covered-employee payroll	18.062%	15.531%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

2017	2016	2015
$ 2,423,719	$ 1,967,612	$ 1,584,311
2,423,719	1,967,612	1,584,311
$ -	$ -	$ -
$ 19,266,447	$ 18,337,484	$ 17,841,340
12.58%	10.73%	8.88%
$ 1,970,753	$ 1,594,311	$ 1,635,480
1,970,753	1,594,311	1,635,480
$ -	$ -	$ -
$ 14,190,330	$ 13,457,508	$ 13,894,147
13.888%	11.847%	11.771%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability/(Asset) and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability/(asset), including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB asset. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **-** There were no changes in benefit terms since the previous valuation.

Changes of Assumptions - There were no changes of assumptions and other inputs since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **-** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes of Assumptions - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information

DISTRICT ORGANIZATION
JUNE 30, 2019

Allan Hancock Joint Community College District was founded in 1920 when the Santa Maria High School District established Santa Maria Junior College, and is comprised of an area of approximately 3,000 square miles located in Santa Barbara County. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

In September 1954, the community voted to establish the Santa Maria Joint Junior College District. In 1963, the Lompoc Unified School District and Santa Ynez Union High School District were annexed to the community college district, and the District was renamed the Allan Hancock Joint Community College District.

Today, the District includes all of northern Santa Barbara County and small parts of San Luis Obispo and Ventura counties, including the cities of Santa Maria, Lompoc, Cuyama, Guadalupe, Solvang, and Buellton and Vandenberg Air Force Base.

BOARD OF TRUSTEES

ADMINISTRATION

Kevin G. Walthers, Ph.D.	Superintendent/President
Eric D. Smith	Associate Superintendent/Vice President, Finance and Administration
Robert Curry, Ph.D.	Associate Superintendent/Vice President, Academic Affairs
Nohemy Ornelas, Ed.D.	Associate Superintendent/Vice President, Student Services
Ruben Ramirez	Director, Human Resources
Keli Seyfert	Interim, Director, Business Services

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through Subrecipients
U.S. DEPARTMENT OF EDUCATION				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		$ 320,250	$ -
Federal Work-Study Program (FWS)	84.033		167,424	-
Federal Pell Grant Program (PELL)	84.063		10,109,530	-
Federal Direct Student Loans	84.268		865,165	-
Total Student Financial Assistance Cluster			11,462,369	-
TRIO Cluster				
TRIO - Student Support Services	84.042A		249,757	-
Total TRIO Cluster			249,757	-
Advance, Innovate, Maintain (AIM)	84.031S		561,153	-
Child Care Access Means Parents in School	84.335A		49,225	-
Passed through California Community Colleges Chancellor's Office				
Career and Technical Education Act, Perkins Title I, Part C	84.048A	18-C01-001	523,350	-
CTE Transitions	84.048A	18-C01-001	41,377	-
Total U.S. Department of Education			12,887,231	-
U.S. DEPARTMENT OF AGRICULTURE				
Passed through California Department of Education				
Child and Adult Care Food Program	10.558	04380-CACFP-42-CC-IC	53,389	-
Passed through the Foundation for Santa Barbara City College				
Santa Barbara County Multi-Campus College Student Food Insecurity Planning Project	10.225	[1]	1,307	-
Total U.S. Department of Agriculture			54,696	-
Research and Development Cluster				
NATIONAL SCIENCE FOUNDATION				
Collaborative Research-Enabling Transfer Students Access to Engineering	47.076		8,274	-
Advance Technical Program (ATE)	47.076		44,764	-
Improving Undergraduate STEM Education (IUSE)	47.076		4,340	-
LSAMP: Pre-Alliance Planning: C6: California Central Coast Community College Collaborative	47.076		44,831	-
Passed through The Regents of the University of California, Santa Barbara				
Enhancing Success in Transfer Education for Engineering Majors (ESTEEM)	47.076	KK1727	104,117	-
Total National Science Foundation			206,326	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through National Institutes of Health				
AHC-CPSU Bridges to the Baccalaureate Partnership Program	93.859	5R25GM086299-09	126,588	21,797
AHC-CPSU Bridges to the Baccalaureate Partnership Program	93.859	5R25GM086299-10	30,657	13,777
Total U.S. Department of Health and Human Services			157,245	35,574
Total Research and Development Cluster			363,571	35,574

[1] Pass-Through Entity Identifying Number not available.

See accompanying note to supplementary information.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through California Community Colleges Chancellor's Office				
Temporary Assistance for Needy Families (TANF) Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	$ 59,260	$ -
Total TANF Cluster			59,260	-
Foster and Kinship Care Education Program	93.658	[1]	44,782	-
Passed through California Department of Education				
Child Care and Development Fund (CCDF) Cluster				
Child Care and Development Block Grant	93.575	15136	30,931	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	67,285	-
Total Child Care and Development Fund (CCDF) Cluster			98,216	-
Total U.S. Department of Health and Human Services			202,258	-
Total Expenditures of Federal Awards			$ 13,507,756	$ 35,574

[1] Pass-Through Entity Identifying Number not available.

See accompanying note to supplementary information.

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues				
Program	Cash Received	Accounts Receivable (Payable)	Unearned Revenue	Total Revenue	Program Expenditures
AB104 Adult Education (CCCCO)	2,620,896	-	974,151	1,646,745	1,646,745
Board Financial Assistance Program	433,974	(13,972)	-	420,002	420,002
Cal Grants - Financial Aid	1,156,224	-	-	1,156,224	1,156,224
Cal SOAP Grant	191,841	242,561	-	434,402	434,402
CalWORKs	347,756	-	-	347,756	347,756
Campus Safety and Sexual Assault	19,014	-	12,346	6,668	6,668
California Articulation Number (CAN)	203	-	-	203	203
CARE	303,709	-	-	303,709	303,709
CCCCO Corrections Contract	523,444	308,031	-	831,475	831,475
CCCCO Guided Pathways	243,596	-	69,320	174,276	174,276
CCCCO-One Time Basic Skills 17/18	184,516	-	6,167	178,349	178,349
CCCCO-One Time Basic Skills	468,807	-	221,147	247,660	247,660
California State Preschool Program	266,889	(11,972)	-	254,917	254,917
General Child Care and Development	207,234	40,403	-	247,637	247,637
Child and Adult Care Food Program	3,341	465	876	2,930	2,930
Child Development Training Consortium	10,007	-	3	10,004	10,004
Classified Professional Development AB1840	48,145	-	48,145	-	-
CTE Career Pathway Enhancement Prtic Agmt (Santa Clarita)	179	-	179	-	-
CTE Data Unlocked (Sub Award - Rancho Santiago CCD)	21,512	-	21,512	-	-
Disabled Students Program and Services	697,869	-	-	697,869	697,869
DSN AWET	113,272	112,141	-	225,413	225,413
Extended Opportunity Program and Services	881,419	(180)	-	881,239	881,239
Faculty Entrepr. Champion Mini Grant	288	-	-	288	288
Financial Aid Technology	189,411	-	67,434	121,977	121,977
Fine Arts Complex	-	708,000	-	708,000	708,000
Foster and Kinship Care Education Program	57,891	-	-	57,891	57,891
FPACT	4,599	-	-	4,599	2,510
Hunger Free Campus	96,640	-	69,212	27,428	27,428
Institutional Effectiveness MOU Grant (Santa Clarita CCD)	15,618	-	-	15,618	15,618
Mental Health Support	89,129	-	73,800	15,329	15,329
MESA	31,858	40,468	-	72,326	72,326
National Partnership Environmental Technology Education	4,748	-	4,748	-	-
NEXTUP/(CAFYES)	386,114	-	-	386,114	386,114
Nursing Education	75,776	-	-	75,776	75,776
Prop 39 Clean Energy Workforce Program	884,910	-	-	884,910	884,910
Puente Project	6,035	-	6,035	-	-
Regional DSN-Skills USA Mini Award	1,000	1,930	-	2,930	2,930
Regional Stong Workforce	630,078	-	202,991	427,087	427,087
Santa Barbara QRIS Grant	72,298	-	43,124	29,174	29,174
Santa Clarita DSN Information and Communication	95	-	95	-	-
SB Toddler Accreditation	1,129	-	1,129	-	-
Sierra-Innovation Maker3-MakerSpace Sub-Rec Award	215,813	103,722	-	319,535	319,535
Small Business Dev Ctr Grants	225	-	225	-	-
Small Business Sector Navigator	239	-	239	-	-
SSSP Credit Coord	1,884,829	-	76,375	1,808,454	1,808,454
SSSP Non Credit Coord	332,888	-	41,202	291,686	291,686
Staff Development (Carryforward)	3,199	-	1,718	1,481	1,481
Staff Development	27	-	-	27	27
Staff Diversity - Equal Employment Opportunity	107,753	-	65,697	42,056	42,056

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019, (CONTINUED)

	Program Revenues				
Program	Cash Received	Accounts Receivable (Payable)	Unearned Revenue	Total Revenue	Program Expenditures
Strong Workforce Grant (Local)	$ 1,277,404	$ -	$ 685,138	$ 592,266	$ 592,266
Strong Workforce (Local) Rnd 3	1,219,351	-	1,219,351	-	-
Student Equity Carryover	7,583	-	-	7,583	7,583
Student Equity Coord	1,153,014	-	90,601	1,062,413	1,062,413
Student Success Completion (SSG)	1,024,591	-	6,388	1,018,203	1,018,203
Teacher Prep STEM/CTE	5,000	-	-	5,000	5,000
Tech Prep/State Center Foundation	1,044	-	1,044	-	-
Transfer Center Funding	100	-	100	-	-
Veterans Resource Ctr 17-18	24,501	-	-	24,501	24,501
Veteran's Resource Center	35,045	-	16,153	18,892	18,892
Zero Textbook Cost Program	-	108,521	-	108,521	108,521
Zero Textbook Cost Program-Travel	7,217	41,506	-	48,723	48,723
ZTCD Equity Champions	-	991	-	991	991
	$ 18,591,287	$ 1,682,615	$ 4,026,645	$ 16,247,257	$ 16,245,168

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2019

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2018 only)			
1. Noncredit**	103.87	-	103.87
2. Credit	785.63	-	785.63
B. Summer Intersession (Summer 2019 - Prior to July 1, 2019)			
1. Noncredit**	0.70	-	0.70
2. Credit	704.31	-	704.31
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	4,764.14	-	4,764.14
(b) Daily Census Contact Hours	341.88	-	341.88
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit**	546.92	-	546.92
(b) Credit	857.10	-	857.10
3. Alternative Attendance Accounting Procedure Courses			
(a) Weekly Census Procedure Courses	1,012.71	-	1,012.71
(b) Daily Census Procedure Courses	436.66	-	436.66
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	9,553.92	-	9,553.92
SUPPLEMENTAL INFORMATION (Subset of Above Information)			
E. In-Service Training Courses (FTES)	13.98	-	13.98
H. Basic Skills Courses and Immigrant Education			
1. Noncredit**	458.81	-	458.81
2. Credit	263.20	-	263.20
CCFS-320 Addendum			
CDCP Noncredit FTES	228.01	-	228.01
Centers FTES			
1. Noncredit**	48.75	-	48.75
2. Credit	1,122.57	-	1,122.57

** Including Career Development and College Preparation (CDCP) FTES.

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2019

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	$ 9,404,683	$ -	$ 9,404,683	$ 9,404,683	$ -	$ 9,404,683
Other	1300	7,951,934	-	7,951,934	7,984,446	-	7,984,446
Total Instructional Salaries		17,356,617	-	17,356,617	17,389,129	-	17,389,129
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	4,729,057	-	4,729,057
Other	1400	-	-	-	655,280	-	655,280
Total Noninstructional Salaries		-	-	-	5,384,337	-	5,384,337
Total Academic Salaries		17,356,617	-	17,356,617	22,773,466	-	22,773,466
Classified Salaries							
Noninstructional Salaries							
Regular Status	2100	-	-	-	9,734,748	-	9,734,748
Other	2300	-	-	-	817,038	-	817,038
Total Noninstructional Salaries		-	-	-	10,551,786	-	10,551,786
Instructional Aides							
Regular Status	2200	1,014,634	-	1,014,634	1,038,009	-	1,038,009
Other	2400	465,281	-	465,281	465,907	-	465,907
Total Instructional Aides		1,479,915	-	1,479,915	1,503,916	-	1,503,916
Total Classified Salaries		1,479,915	-	1,479,915	12,055,702	-	12,055,702
Employee Benefits	3000	5,191,364	-	5,191,364	11,017,400	-	11,017,400
Supplies and Material	4000	-	-	-	863,228	-	863,228
Other Operating Expenses	5000	1,196,950	-	1,196,950	5,735,284	-	5,735,284
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		25,224,846	-	25,224,846	52,445,080	-	52,445,080

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 401,716	$ -	$ 401,716	$ 401,716	$ -	$ 401,716
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	286,346	-	286,346
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	201,840	-	201,840
Objects to Exclude							
Rents and Leases	5060	-	-	-	448,821	-	448,821
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	235,951	-	235,951
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	149,948	-	149,948
Noninstructional Supplies and Materials	4400	-	-	-	70,517	-	70,517
Total Supplies and Materials		-	-	-	456,416	-	456,416

See accompanying note to supplementary information.

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ 1,042,145	$ -	$ 1,042,145
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		401,716	-	401,716	2,837,284	-	2,837,284
Total for ECS 84362, 50 Percent Law		$ 24,823,130	$ -	$ 24,823,130	$ 49,607,796	$ -	$ 49,607,796
Percent of CEE (Instructional Salary Cost/Total CEE)		50.04%		50.04%	100.00%		100.00%
50% of Current Expense of Education					$ 24,803,898		$ 24,803,898

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2019.

See accompanying note to supplementary information.

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				$ 9,093,364
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 9,093,364	$ -	$ -	$ 9,093,364
Total Expenditures for EPA		$ 9,093,364	$ -	$ -	$ 9,093,364
Revenues Less Expenditures					$ -

See accompanying note to supplementary information.

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance:		
General Funds	$ 30,440,087	
Child Development	347,025	
PCPA Fund	918,790	
Debt Service	36,884,597	
Capital Project funds	31,220,715	
Internal Service Fund	4,009,076	
Fiduciary Funds	10,481,367	
Agency Funds - Due to Student Groups	257,331	
Total Fund Balance - All District Funds		**$ 114,558,988**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	263,488,956	
Accumulated depreciation is	(64,818,253)	198,670,703
Amounts held in trust on behalf of others (Trust and Agency Funds)		(10,717,098)
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.		(2,500,514)
Deferred charges on refunding (the difference between the reacquisition price and net carrying amount of refunded debt) are capitalized and amortized over the remaining life of the new or old debt (whichever is shorter) and are included with governmental activities.		5,009,173
Recognizing the OPEB asset resulting from the difference between annual OPEB cost on the accrual basis and the OPEB contributions in the governmental funds.		1,231,237
Deferred outflows of resources related to OPEB represents a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year-end consist of:		
Differences between expected and actual experience in the measurement of the total OPEB liability		605
Deferred inflows of resources related to OPEB represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year-end consist of:		
Differences between projected and actual earnings on OPEB plan investments		(4,733)

See accompanying note to supplementary information.

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, (CONTINUED)
JUNE 30, 2019

Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to measurement date	$ 6,186,461	
Net change in proportionate share of net pension liability	1,353,687	
Differences between projected and actual earnings on pension plan investments	251,855	
Differences between expected and actual experience in the measurement of the total pension liability	2,120,068	
Changes of assumptions	8,432,149	
Total Deferred Outflows of Resources Related to Pensions		$ 18,344,220
Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pensions liability	(3,271,220)	
Differences between projected and actual earnings on pension plan investments	(1,330,118)	
Differences between expected and actual experience in the measurement of the total pension liability	(501,753)	
Total Deferred Inflows of Resources Related to Pensions		(5,103,091)
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term obligations at year-end consist of:		
Bonds payable	(184,816,642)	
Compensated absences (vacations)	(1,159,979)	
Less compensated absences already recorded in funds	241,711	
Capital leases payable	(145,949)	
Aggregate net pension obligation	(65,248,518)	
In addition, the District has issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is:	(14,340,265)	(265,469,642)
Total Net Position		**$ 54,019,848**

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 20192019

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members, as of June 30, 2019.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

Description	CFDA Number	Amount
Total Federal Revenues from Statement of Revenues, Expenses, and Changes in Net Position		$ 14,138,928
Build America Bonds	N/A	(602,386)
Federal Pell Grant Program Administrative Allowance	84.063	(13,915)
Federal Supplemental Educational Opportunity Grants Administrative Allowance	84.007	(1,054)
Federal Work-Study Program Administrative Allowance	84.033	(11,818)
Forest Reserve	10.665	(5,521)
Child and Adult Care Food Program	10.558	6,777
Veterans Services	64.000	(3,255)
Total Expenditures of Federal Awards		$ 13,507,756

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 20192019

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the District's audited financial statements.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Independent Auditor's Reports

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

Board of Trustees
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 business-type activities and the aggregate remaining fund information of Allan Hancock Joint Community College District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2019.

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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

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Compliance and Other Matters

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

Purpose of this Report

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 11, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Allan Hancock Joint Community College District
Santa Maria, California

Report on Compliance for Each Major Federal Program

We have audited Allan Hancock Joint Community College District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2019. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 11, 2019

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Allan Hancock Joint Community College District
Santa Maria, California

Report on State Compliance

We have audited Allan Hancock Joint Community College District's (the District) compliance with the types of compliance requirements as identified in the 2018-2019 California Community Colleges Chancellor's Office *District Audit Manual* that could have a direct and material effect on each of the District's State programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with State laws and regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2018-2019 California Community Colleges Chancellor's Office *District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted below that were audited for the year ended June 30, 2019.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

Eide Bailly LLP

Rancho Cucamonga, California
December 11, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007; 84.033; 84.063; 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Type of auditor's report issued on compliance for State programs:	Unmodified

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Allan Hancock Joint Community College District (the "District") in connection with the issuance of (i) $______________ of the District's Election of 2006 General Obligation Bonds, Series F and (ii) $______________ of the District's 2020 General Obligation Refunding Bonds (Federally Taxable) (together, the "Bonds"). The Bonds are being issued pursuant to Resolutions of the Board of Trustees of the District adopted on March 10, 2020. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially KNN Public Finance, LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement relating to the sale of the Bonds, dated as of _____________, 2020.

"Participating Underwriter" shall mean the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean, the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2019-20 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent, no later than the date required b subsection (a). The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(i) State funding received by the District for the last completed fiscal year;

(ii) FTES of the District for the last completed fiscal year;

(iii) Outstanding District indebtedness;

(iv) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting the adopted budget for the then-current fiscal year;

(v) Assessed valuation for real property located in the District for the then-current fiscal year; and

(vi) Top 20 secured taxpayers within District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. <u>Reporting of Significant Events</u>.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Holders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the District to the undertaking herein provided.

Date: ______________, 2020

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

By____
Associate Superintendent/Vice President of Finance and Administration

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2006 General Obligation Bonds, Series F;
2020 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: ______________, 2020

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

ALLAN HANCOCK JOINT COMMUNITY COLLEGE DISTRICT

By ____[form only; no signature required]_____

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SANTA MARIA, THE CITY OF LOMPOC AND SANTA BARBARA COUNTY

The following information regarding the City of Santa Maria, the City of Lompoc (each a "City", and together, the "Cities") and Santa Barbara County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Cities or of the County. This material has been prepared by or excerpted from the sources noted herein and has not been reviewed for accuracy by the District, Bond Counsel, the Underwriter or the municipal advisor.

General

The City of Santa Maria. The City of Santa Maria was incorporated in 1905 and it is a charter city with a Council–Manager form of government. The City Council consists of a Mayor and four members who are elected at large to staggered four-year terms. Located on the Central Coast of California (the "State"), Santa Maria is adjacent to the City of Lompoc and encompasses approximately 23 square miles. Its key economic revenues are in the form of auto sales, agriculture and tourism. It was named an All-America City in 1998, one of only 10 cities from across the nation to receive the designation that year. It is a designation that exists into perpetuity and recognizes exemplary grassroots community problem solving that achieves results.

The City of Lompoc. The City of Lompoc was incorporated in 1888 and it is a general law city. It has a Council–Manager form of government, with four Council members elected biennially to four-year terms, while the fifth Council member is the Mayor, who is elected for a two-year term. Lompoc encompasses 10.5 square miles, and it is located approximately 10 miles inland of the Pacific Ocean and 150 miles northwest of downtown Los Angeles, in northern Santa Barbara County. Key local economic activities include auto sales and transportation, fuel and service stations, general consumer goods, and restaurants and hotels. Vandenberg Air Force Base and Vandenberg Village/Mission Hills are neighboring areas.

Santa Barbara County. One of the original 27 California counties, Santa Barbara County was incorporated in 1850. Policymaking and legislative authority is vested in the elected supervisors from each of five districts who make up the County Board of Supervisors. Each supervisor serves a four-year staggered term. Located approximately 300 miles south of San Francisco and 100 miles north of Los Angeles, the County's largest employment categories include services, wholesale and retail trade, public administration and manufacturing. Spanning over 2,700 square miles, the County is also a picturesque tourist and recreational area.

Population

The following table shows historical population figures for the Cities, the County and the State of California for the past 10 years.

POPULATION ESTIMATES
2010 through 2019
City of Santa Maria, City of Lompoc,
Santa Barbara County and the State of California

Year[1]	City of Santa Maria	City of Lompoc	Santa Barbara County	State of California
2010[2]	99,553	42,434	423,895	37,253,956
2011	99,738	42,039	425,140	37,594,781
2012	101,851	43,029	429,243	37,971,427
2013	101,907	43,293	434,020	38,321,459
2014	102,676	43,858	439,004	38,622,301
2015	103,549	43,953	443,312	38,952,462
2016	105,348	43,886	447,227	39,214,803
2017	105,936	43,793	449,823	39,504,609
2018	106,645	43,534	452,747	39,740,508
2019	107,356	43,649	454,593	39,927,315

(1) As of January 1.
(2) As of April 1.
Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2011-19 (2010 DRU Benchmark): California Department of Finance for January 1.

Income

The following table shows the per capita personal income for the County, the State of California and the United States for the past 10 years of data that is currently available.

PER CAPITA PERSONAL INCOME
2010 through 2019
Santa Barbara County, the State of California, and the United States

Year	Santa Barbara County	State of California	United States
2010	$45,621	$43,636	$40,547
2011	48,888	46,175	42,739
2012	51,207	48,813	44,605
2013	50,763	49,303	44,860
2014	53,758	52,363	47,071
2015	57,307	55,808	48,994
2016	57,432	57,801	49,890
2017	59,633	60,219	51,910
2018	62,690	63,711	54,526
2019	(1)	66,661	56,663

(1) 2019 not available.
Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Estimates for 2010 through 2018 reflect county population estimates available as of March, 2019. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The following tables show the principal employers located in the Cities and the County.

PRINCIPAL EMPLOYERS
2018[1]
City of Santa Maria

Employer	Industry	Number of Employees
Vandenberg AFB	Public Administration: National Security	6,700[2]
Santa Maria-Bonita School District	Education Services	2,100
Marian Medical Center	Health Services	1,920
Allan Hancock College	Education Services	1,480
C&D Zodiac Aerospace, Inc.	Manufacturing: Aircraft Auxiliary Equipment	915
Santa Maria Joint High School District	Education Services	805
Windset Farms	Agricultural Production Crops	750
City of Santa Maria	Public Administration	586
Wal-Mart (3 locations)	Retail Trade: General Merchandise	440
Agro-Jal Farms	Cold Storage Facility	420

(1) Data not available for 2019.
(2) Although outside the city limits, Northern Santa Barbara County Economic Outlook considered Vandenberg Air Force Base as a principal employer; whereas the more current survey conducted by the California Economic Forecast excluded employers outside the city limits.
Source: City of Santa Maria Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

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PRINCIPAL EMPLOYERS
2018[1]
City of Lompoc

Employer	Industry	Number of Employees
Vandenberg AFB	Public Administration: National Security	6,878[2]
Lompoc Unified School District	Educational Services	888
Lompoc Hospital	Health Services	558
U.S. Department of Justice	Public Administration: Justice, Public Order and Safety: Correctional Institutions	547
Den Mat Holdings LLC	Manufacturing: Analyzing, Medical Goods	266
Imerys Filtration Minerals	Mining: Miscellaneous Nonmetallic Minerals	175
Walmart	Retail Trade: General Merchandise	166
Housing Authority, County of Santa Barbara	Public Administration	89
Home Depot	Retail Trade: Building Materials	58
Albertson	Retail Trade: Food Stores	38

[1] Data not available for 2019.
[2] Vandenberg Airforce is located outside of the city limits. Employment numbers are estimated based on the 2010 United States Census.
Source: City of Lompoc Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

PRINCIPAL EMPLOYERS
2019
Santa Barbara County

Employer	Industry	Number of Employees
County of Santa Barbara	Public Administration	4,600
University of California, Santa Barbara	Educational Services	4,300
Cottage Health Organization	Health Services	3,600
Vandenberg Air Force Base	National Security	2,500
Santa Maria-Bonita School District	Educational Services	2,120
Chumash Casino Resort	Services: Casino Hotels	2,000
Marian Regional Medical Center	Health Services	1,920
Allan Hancock College	Education	1,480
Santa Barbara Unified School District	Education	1,400
Safran	Manufacturer	1,200

Source: County of Santa Barbara Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2015 through 2019 for the Cities, the County, the State of California and the United States.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
2015 through 2019[1]
City of Santa Maria, City of Lompoc, Santa Barbara County,
the State of California, and the United States

Year and Area	Labor Force	Employment[2]	Unemployment	Unemployment Rate (%)[3]
2015				
City of Santa Maria	48,000	45,000	3,100	6.4
City of Lompoc	18,000	16,700	1,200	6.9
Santa Barbara County	217,100	205,600	11,500	5.3
State of California	18,828,800	17,660,700	1,168,100	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
City of Santa Maria	48,700	45,000	3,700	7.5
City of Lompoc	17,600	16,400	1,200	6.9
Santa Barbara County	215,400	204,500	10,900	5.1
State of California	19,021,200	17,980,100	1,041,100	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
City of Santa Maria	48,900	45,400	3,500	7.1
City of Lompoc	17,400	16,300	1,000	6.0
Santa Barbara County	215,200	205,500	9,700	4.5
State of California	19,176,400	18,257,100	919,300	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
City of Santa Maria	49,200	46,000	3,200	6.4
City of Lompoc	17,100	16,200	900	5.2
Santa Barbara County	215,500	206,900	8,600	4.0
State of California	19,280,800	18,460,700	820,100	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
City of Santa Maria	49,700	46,700	3,000	6.0
City of Lompoc	17,300	16,400	900	5.0
Santa Barbara County	217,900	209,800	8,000	3.7
State of California	19,411,600	18,627,400	784,200	4.0
United States	163,539,000	157,538,000	6,001,000	3.7

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2019 Benchmark.

Industry

The County is included in the Santa Maria-Santa Barbara Metropolitan Statistical Area (the "MSA"). The distribution of employment in the MSA is presented in the following table for the last 5 years. These figures may be multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2015 through 2019
Santa Barbara County (Santa Maria-Santa Barbara MSA)

Category	2015	2016	2017	2018	2019
Total Farm	21,000	20,900	21,700	22,900	24,000
Total Nonfarm	179,400	180,300	182,000	184,100	187,700
Total Private	140,800	142,300	143,300	145,100	148,200
Goods Producing	21,900	22,500	22,300	22,700	22,900
Mining and Logging	1,100	900	900	1,000	1,100
Construction	7,800	8,200	8,300	8,800	8,900
Manufacturing	13,000	13,400	13,100	12,900	12,900
Durable Goods	9,200	9,400	9,300	9,000	9,300
Service Providing	157,500	157,800	159,700	161,400	164,800
Private Service Providing	118,900	119,800	121,000	122,400	125,300
Trade, Transportation and Utilities	27,400	27,100	27,100	27,200	27,200
Wholesale Trade	4,700	4,700	5,000	5,100	5,100
Retail Trade	19,500	19,200	18,900	18,700	18,600
Transportation, Warehousing and Utilities	3,300	3,200	3,200	3,400	3,500
Information	4,400	4,400	4,200	4,000	4,000
Financial Activities	6,400	6,500	6,600	6,700	7,200
Professional and Business Services	22,500	21,900	22,000	22,700	23,600
Educational and Health Services	25,700	26,600	27,300	27,400	28,300
Leisure and Hospitality	26,600	27,200	27,800	28,200	25,600
Other Services	5,900	6,000	6,100	6,200	6,500
Government	38,700	38,100	38,700	39,000	39,500
Total, All Industries	200,400	201,200	203,700	207,000	211,700

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Average Labor Force and Industry Employment. March 2019 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the Cities and the County from 2015 through 2018 are shown in the following tables.

ANNUAL TAXABLE SALES
2015 through 2018
City of Santa Maria
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2015	1,275	$1,355,892	2,221	$1,773,545
2016	1,375	1,390,005	2,337	1,807,115
2017	1,414	1,445,183	2,373	1,893,333
2018	1,426	1,536,540	2,516	1,971,453

Note: Data for 2019 not available.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2015 through 2018
City of Lompoc
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2015	562	$325,371	894	$377,171
2016	592	325,588	955	382,265
2017	612	353,508	1,005	415,782
2018	624	358,949	1,072	421,528

Note: Data for 2019 not available.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
2015 through 2018
Santa Barbara County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2015	8,087	$4,858,204	13,994	$6,821,697
2016	8,326	4,910,041	14,309	6,914,318
2017	8,632	5,022,937	14,801	7,058,111
2018	8,609	5,268,478	15,394	7,310,271

Note: Data for 2019 not available.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Construction Activity

The following tables show the annual building permit valuations and number of permits for new dwelling units issued from 2014 through 2018 for the Cities and the County.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
City of Santa Maria
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$54,875	$79,949	$61,358	$91,426	$50,630
Non-Residential	33,356	21,358	40,318	69,625	42,704
Total	$88,231	$101,307	$101,676	$161,051	$93,334
Units					
Single Family	130	154	193	324	124
Multiple Family	214	278	36	196	88
Total	344	432	229	520	212

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
City of Lompoc
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$9,150	$10,150	$2,900	$1,015	$2,033
Non-Residential	7,758	16,527	4,379	8,433	2,772
Total	$16,908	$26,677	$7,279	$9,448	$4,805
Units					
Single Family	22	30	3	0	3
Multiple Family	21	0	3	0	0
Total	43	30	6	0	3

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
Santa Barbara County
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$290,490	$350,587	$343,379	$441,039	$364,512
Non-Residential	183,825	228,961	260,239	258,437	267,759
Total	$474,315	$579,548	$603,618	$699,476	$632,271
Units					
Single Family	369	377	367	704	512
Multiple Family	552	694	550	609	539
Total	921	1,071	917	1,313	1,051

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

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APPENDIX E

SANTA BARBARA COUNTY INVESTMENT POOL

The following information concerning the Santa Barbara County Investment Pool (the "Investment Pool") has been provided by the Treasurer-Tax Collector (the "Treasurer") of Santa Barbara County (the "County"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. None of the District, the Municipal Advisor or the Underwriter has made an independent investigation of the investments in the Investment Pool nor have they made an assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer on https://www.countyofsb.org/; however, the information presented on such website is not incorporated herein by any reference.

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BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name:	Treasurer - Tax Collector
Department No.:	065
For Agenda Of:	02/25/20
Placement:	Administrative
Estimated Tme:	
Continued Item:	No
If Yes, date from:	
Vote Required:	Majority

TO:	Board of Supervisors	
FROM:	Department Director(s)	Harry E. Hagen, CPA, CPFA, CPFO, ACPFIM, CFIP, CGIP, Treasurer - Tax Collector 568-2490
	Contact Info:	Dan A. Chandler, CPA, CFIP, CGIP, Investment Officer 568-2154
SUBJECT:	**Treasurer's Investment Pool, FY 2019-2020 Second Quarter (Oct-Dec 2019)**	

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Accept for filing the Fiscal Year 2019-2020 Second Quarter (October – December 2019) report on the Treasurer's Investment Pool, pursuant to Government Code section 53646(b).

Summary Text:

The value of the Treasurer's Investment Pool at principal cost on December 31, 2019, was $1,817,331,805. Market value of the investment pool was $1,821,135,365. The weighted average days-to-maturity (WAM) for the investment pool was 539 days.

The Treasurer's Investment Pool earned $6,864,336 for the quarter ending December 31, 2019, an annualized return of 1.731%. The net yield earned over the past year is 1.90%. Per Government Code Section 53600.5, the Santa Barbara County Treasurer has a mandated responsibility to manage and invest public funds with the primary objective of safeguarding principal, the secondary objective of meeting the liquidity needs of pool participants, and thirdly, the objective of attaining a market average rate of return, consistent with the primary objectives of safety and liquidity.

For the quarter ending December 31, 2019, the Treasurer's Investment Pool anticipated and met all liquidity requirements, precluding any need to sell holdings unexpectedly at a potential loss in order to meet cash flow demands.

All investments purchased, met or exceeded state and local policy requirements for credit quality. Credit quality of assets held in the Treasurer's Investment Pool is monitored on an ongoing basis.

The Santa Barbara County Treasurer conforms to all applicable State statutes and County resolutions that govern the investment of public funds.

Background:

This quarterly report is being submitted to you pursuant to California Government Code section 53646 (b). In addition, California Government Code section 53646 (b) (3) requires the Treasurer-Tax Collector to include a statement in the Treasurer's Report affirming the ability of the Santa Barbara County Investment Pool to meet expenditure requirements for the next six months.

Performance Measure:

To ensure the financial stability of the County, monitor and project liquidity requirements as evidenced by zero securities sold at a loss to meet cash flow needs of pool participants: Accomplished.

To ensure the financial stability of the County and secure public agency funds, all investments stay within compliance 100% of the time with the Government Code and the Treasurer's Investment Policy: Accomplished.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

For the quarter ending December 31, 2019, net investment earnings achieved by the Treasurer's Investment Pool were $6,864,336, with the County receiving 41.0%, Schools 49.8%, and Special Districts the balance of 9.2%. The net yield earned for the quarter on an annualized basis is 1.731% and over the past year is 1.90%

Attachments:

1. Treasurer's Second Quarter Investment Pool Report (October – December 2019)

Authored by:

Dan A. Chandler, Investment Officer

SANTA BARBARA COUNTY

TREASURER'S REPORT TO THE BOARD OF SUPERVISORS AND THE TREASURY OVERSIGHT COMMITTEE

FOR THE QUARTER ENDED DECEMBER 31, 2019

ECONOMIC TREND

- **The Federal Open Market Committee (Committee) met on December 10, 2019. The Committee decided to maintain the target range for the federal funds rate at 1½ to 1¾ percent. Members judged that the current stance of monetary policy is appropriate to support sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective.**

- **As summarized in the Beige Book issued January 15, 2020, Economic activity generally continued to expand modestly in the final six weeks of 2019. On balance, holiday sales were said to be solid, with several Districts noting the growing importance of online shopping. Manufacturing activity was essentially flat in most Districts, as in the previous report. In many Districts, tariffs and trade uncertainty continued to weigh on some businesses. Expectations for the near-term outlook remained modestly favorable across the nation.**

- **Employment was steady to rising modestly in most Districts, while labor markets remained tight throughout the nation. Most Districts cited widespread labor shortages as a factor constraining job growth, and, in a few cases, business expansion. Wage growth was characterized as modest or moderate in most Districts and there were scattered reports of wage increases from year-end hikes in minimum wages.**

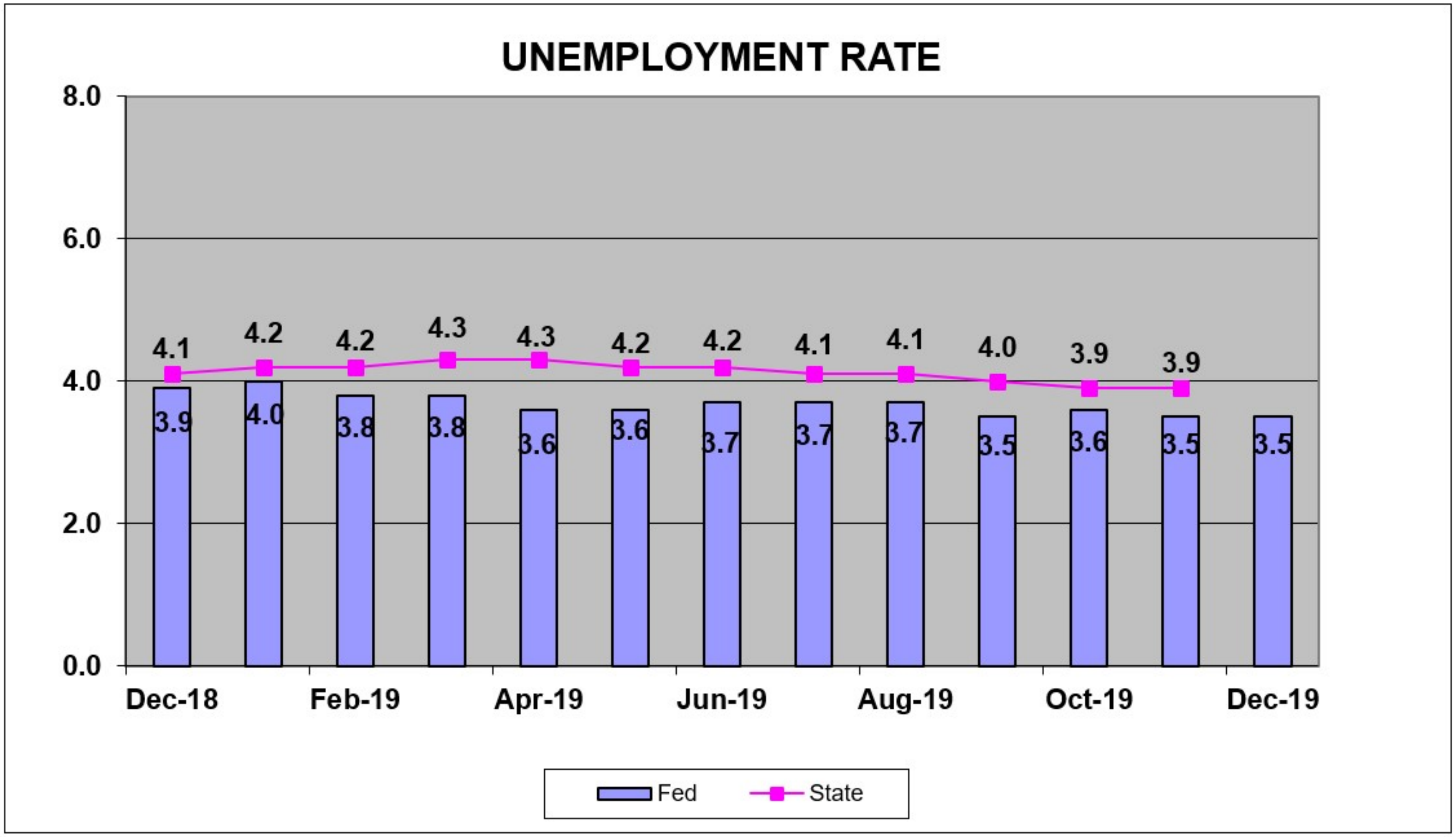
INVESTMENT ACTIVITIES

- **The investment portfolio is in compliance with the Government Code and the Treasurer's Investment Policy.**

- **The Treasurer's Investment Pool has sufficient cash flow available to meet all budgeted expenditures for the next six months.**

ECONOMIC TREND: Unemployment Rate

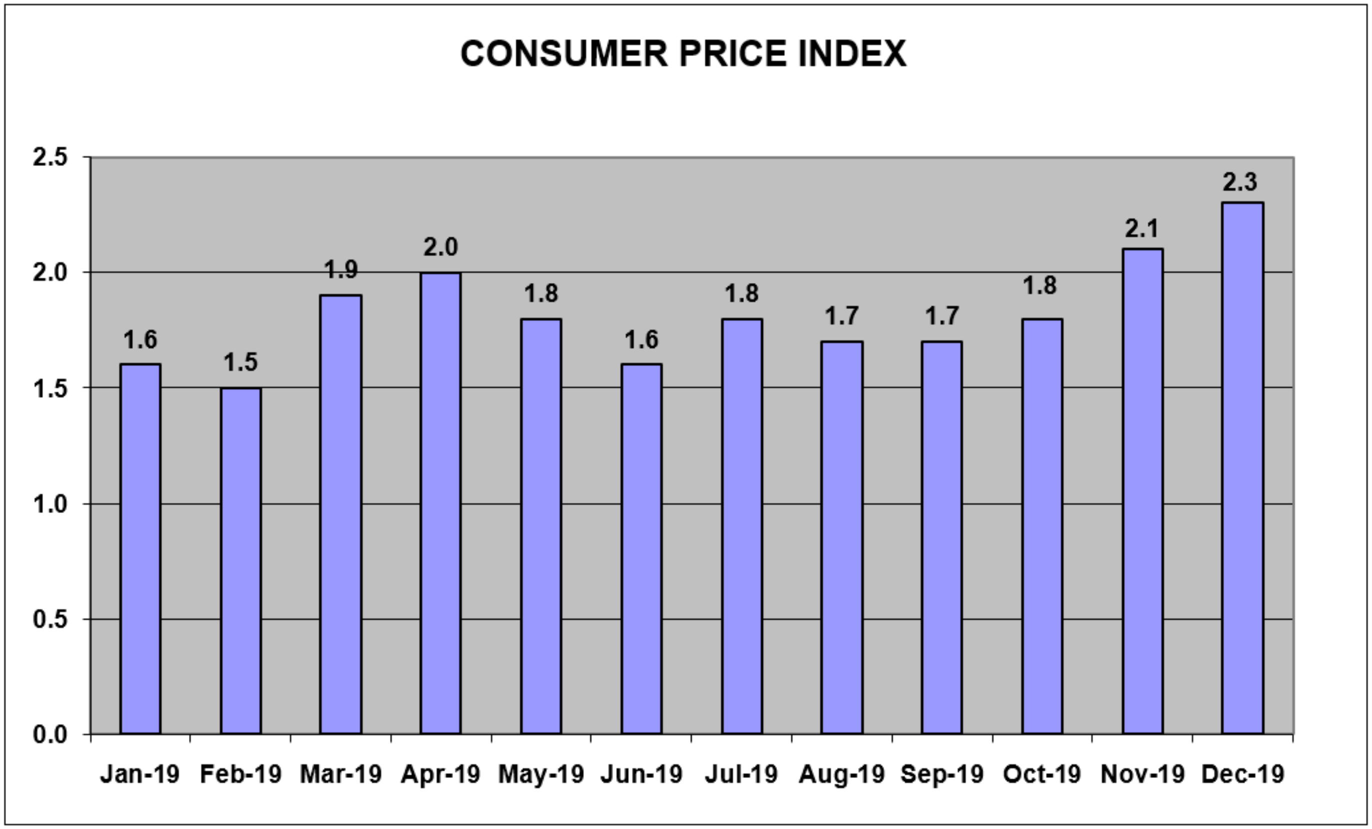
The unemployment rate represents the number of unemployed persons as a percent of the labor force. The sampling used each month to calculate the rate is approximately 60,000 households. The national unemployment rate began the quarter at 3.5% and ended the quarter at 3.5%. California's preliminary unemployment rate was 3.9% in November.



Source: Bureau of Labor Statistics

ECONOMIC TREND: Inflation

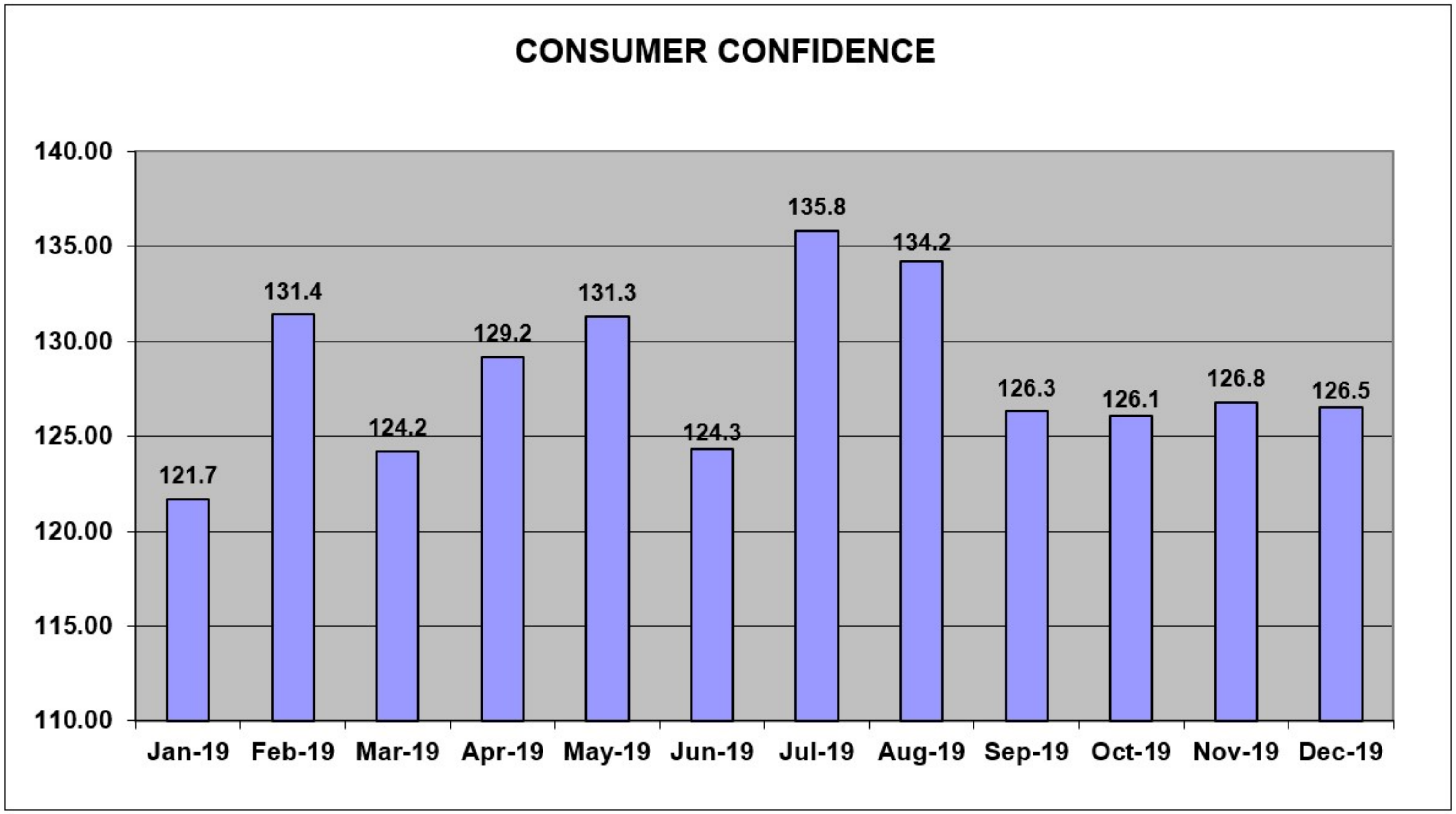
The Consumer Price Index (CPI) represents changes in prices of all goods and services purchased for consumption by urban households. CPI was 2.3% at the end of December. The Core CPI, which excludes food and energy, was 2.3% at the end of December.



Source: Bureau of Labor Statistics

ECONOMIC TREND: Consumer Confidence

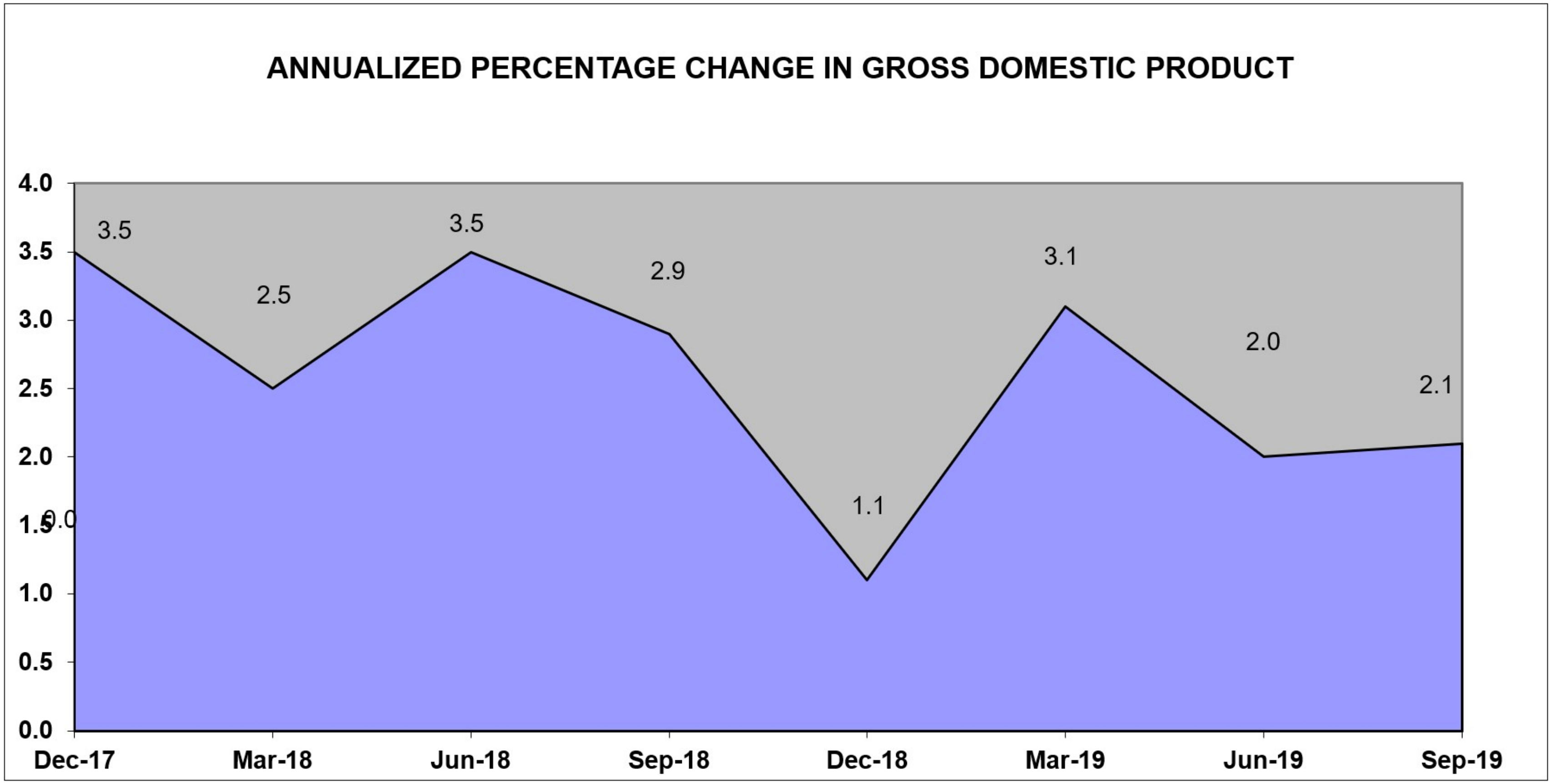
Consumer Confidence is the average of responses to current business and employment conditions and responses to six-month future expectations for business conditions, employment conditions, and total family income. It began the quarter at 126.3 and ended at 126.5.



Source: Conference Board

ECONOMIC TREND: GDP (Gross Domestic Product)

Gross domestic product is the value of all goods and services produced. For the most recent quarter ending September 30, 2019, the economy reported GDP at 2.1%.



Source: Bureau of Economic Analysis

Santa Barbara County Treasurer's Investment Pool
Statement of Assets
As of December 31, 2019

Asset Description	Cost	Net Unrealized Holding Gains/(Losses)	Fair Value* 12/31/2019	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value* 9/30/2019	Net Change
Cash	$ 103,806,360	$ -	$ 103,806,360	5.70	1.54%	1	$ 136,656,244	$ (32,849,884)
California Asset Management Program (CAMP)	65,000,000	-	65,000,000	3.57	1.91	1	115,000,000	(50,000,000)
Local Agency Investment Fund (LAIF)	65,000,000	-	65,000,000	3.57	2.11	1	65,000,000	-
Federally Insured Cash Account (FICA)	25,000,000	-	25,000,000	1.37	1.66	1	65,000,000	(40,000,000)
U.S. Treasury Bills	103,372,436	1,251,014	104,623,450	5.74	2.02	85	114,323,700	(9,700,250)
U.S. Treasury Notes	222,623,047	1,521,603	224,144,650	12.29	1.85	397	144,459,600	79,685,050
Government Agency Bonds	380,457,134	698,512	381,155,646	20.91	1.74	488	326,428,715	54,726,931
Government Agency Discount Notes	302,131,185	730,115	302,861,300	16.63	1.57	162	84,666,600	218,194,700
Government Agency Bonds - Callable	549,941,644	(397,686)	549,543,958	30.22	1.94	1,180	425,531,169	124,012,790
Total	$ 1,817,331,805	$ 3,803,559	$ 1,821,135,365	100.00	1.81%	539	$ 1,477,066,028	$ 344,069,336

*Provided by Union Bank

Treasurer's Pool Earnings Summary:	
Total Net Earnings on the Treasurer's Pool**	$ 6,864,336
Average Daily Balance on the Treasurer's Pool	$ 1,573,585,529
Net Interest Rate on the Treasurer's Pool	1.731%

**Total net earnings including earned interest, amortization and realized gains and losses on investments.

Asset Description	Cost	Net Unrealized Holding Gains/(Losses)	Fair Value 12/31/2019	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value 9/30/2019	Net Change
Cannabis Cash***	$ 4,205,592	$ -	$ 4,205,592	0.00	1.12%	1	$ 8,513,089	$ (4,307,497)
Total	$ 4,205,592	$ -	$ 4,205,592	0.00	1.12%	1	$ 8,513,089	$ (4,307,497)

***Proceeds from Cannabis operations are segregated from the Investment Pool and do not receive Investment Pool interest apportionment.

Santa Barbara County Treasurer’s Investment Pool

Notes to the Statement of Assets

December 31, 2019

Note 1 – Summary of Significant Accounting Policies

The Financial Reporting Entity

The Treasurer’s Investment Pool Statement of Assets includes the cash balances of substantially all funds, which are invested by the County Treasurer. The Santa Barbara County Treasurer’s Investment Pool (The Pool) is managed by the Treasurer on behalf of the Pool participants which includes the County, local school districts, and certain special districts who are required by State statutes to participate in the pool. Other municipal agencies may voluntarily participate in the pool.

Cash

The cash balance on the Statement of Assets includes cash on deposit at the bank, deposits in-transit to the bank, and deposits in-transit from banks for payments related to third-party credit card and debit card transactions.

Investments

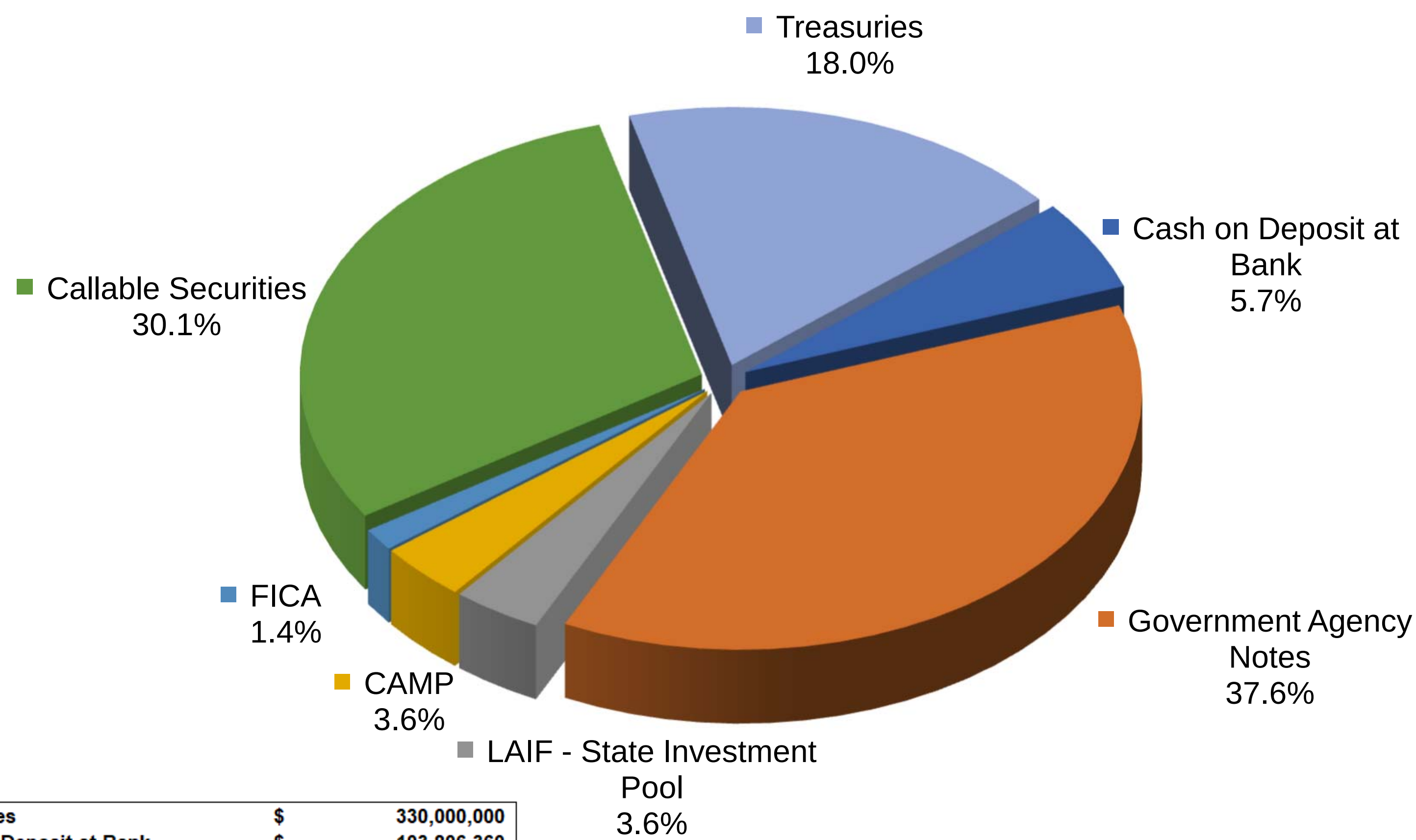
Pursuant to Section 53646 of the Government Code, the County Treasurer prepares an *Investment Policy Statement* annually and presents it to the Treasury Oversight Committee for review and the Board of Supervisors for approval.

The Investment Policy Statement provides the basis for the management of a prudent, conservative investment program. The objectives of the Pool are primarily to safeguard investment principal, secondarily to maintain sufficient liquidity to meet cash flow needs, and lastly to attain a return on the funds. All investments are made in accordance with the Government Code and, in general, the Treasurer’s Investment Policy is more restrictive than state law. Types of securities in which the Treasurer may invest include U.S. Treasury and U.S. government agency securities; state and/or local agency bonds, notes, warrants or certificates of indebtedness; bankers' acceptances; commercial paper; corporate notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; the State of California Local Agency Investment Fund (LAIF); and investment pools managed by a Joint Powers Authority.

Financial Statement Presentation

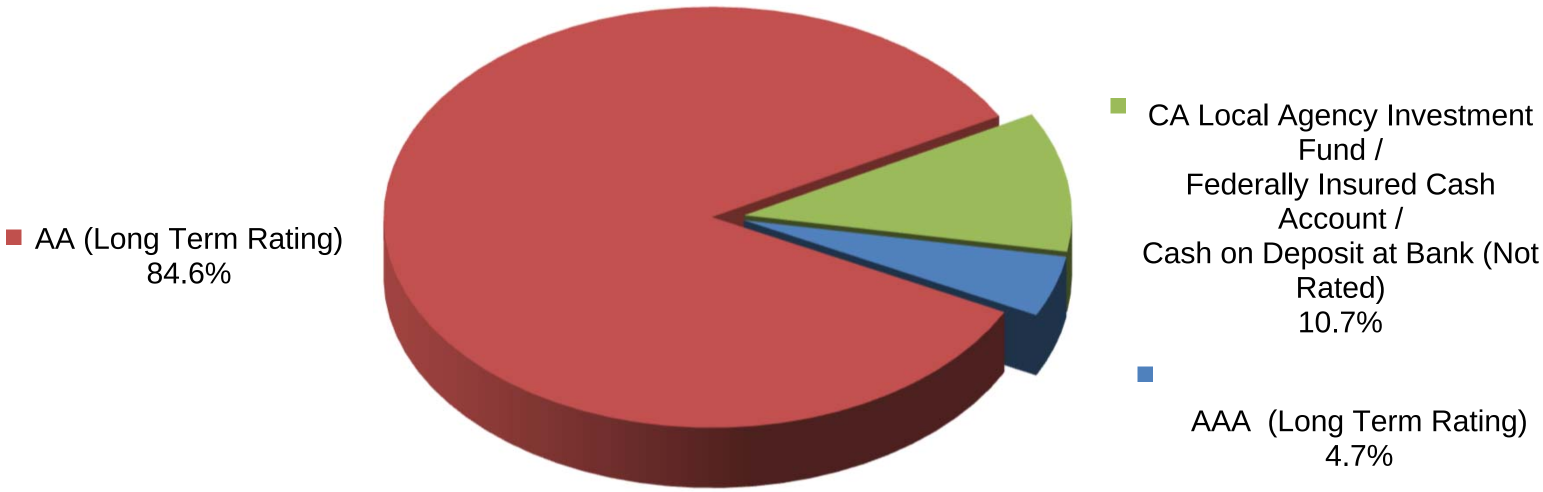
The accompanying special-purpose statement of assets was prepared on the modified cash basis of accounting and for the purpose of presenting the assets of the Treasury pursuant to the California Government Code Section 26920 and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, Treasury management has elected to omit certain note disclosures required by Governmental Accounting Standards Board statements since such disclosures are not required by the California Government Code Section 26920.

TREASURER'S INVESTMENT POOL
ASSET DISTRIBUTION BY SECTOR (PAR VALUE)
12/31/2019



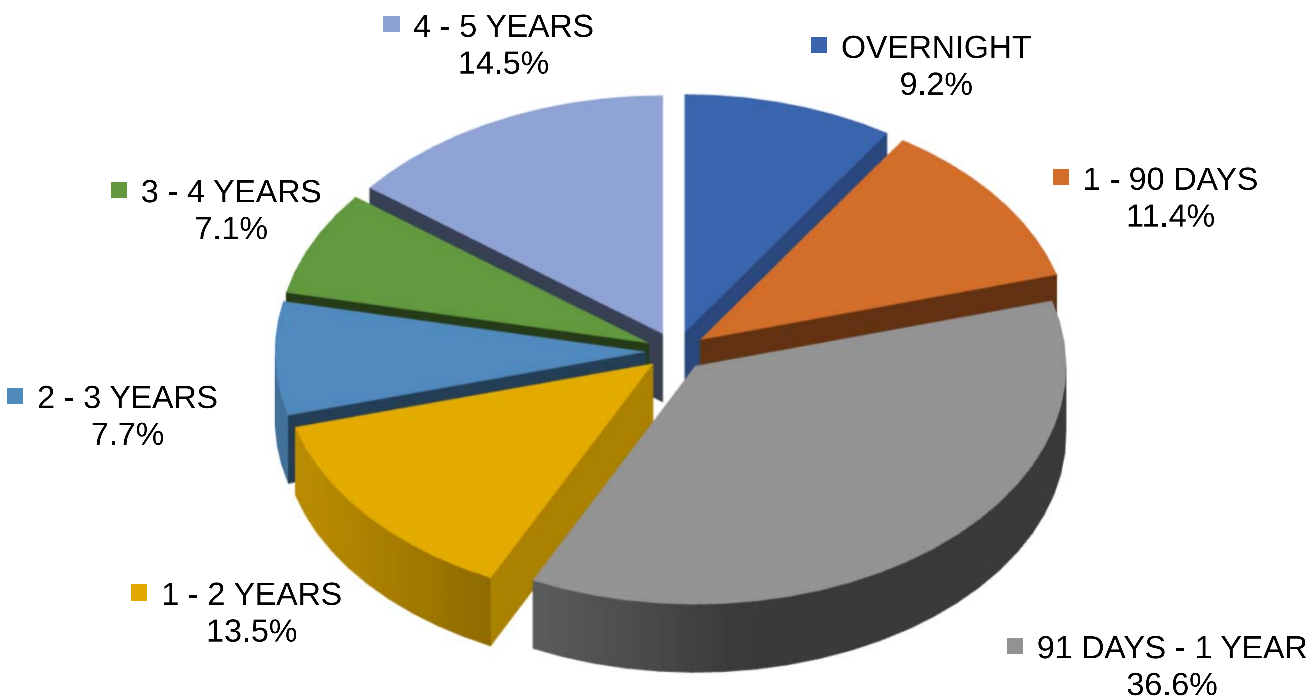
Treasuries	$	330,000,000
Cash on Deposit at Bank	$	103,806,360
Government Agency Notes	$	686,168,000
LAIF - State Investment Pool	$	65,000,000
CAMP	$	65,000,000
FICA	$	25,000,000
Callable Securities	$	550,241,000
TOTAL	$	1,825,215,360

S&P CREDIT RATING AT TIME OF PURCHASE
BY PERCENT OF BOOK VALUE
12/31/2019

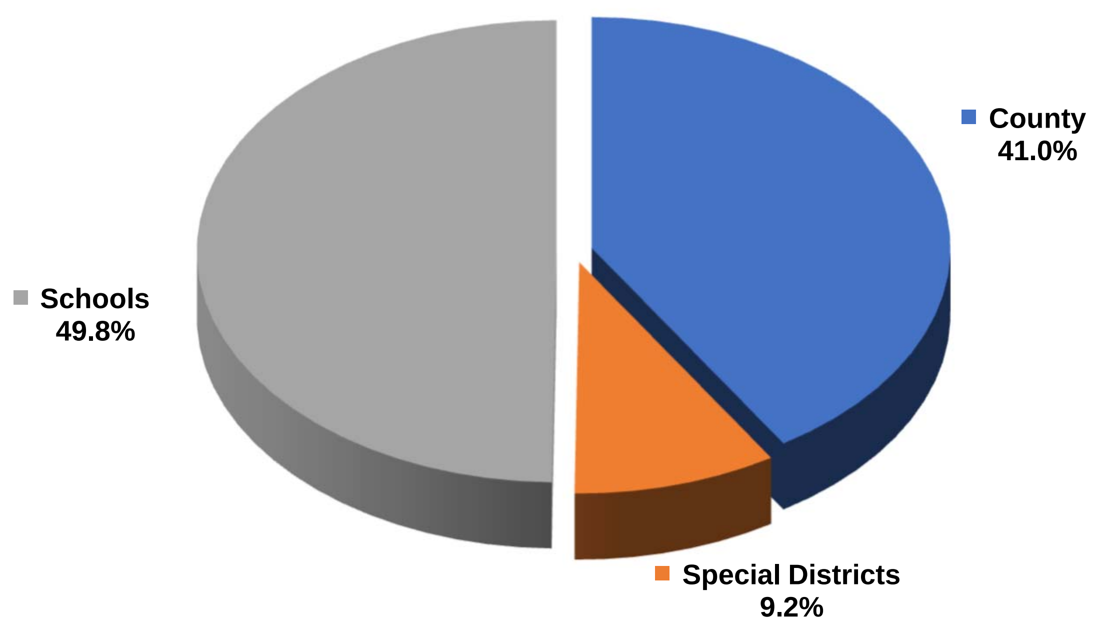


Investment Policy Requirements:
-- US Treasuries: N/A
-- Agency of the Federal Government/US Government Sponsored: N/A
-- Commercial Paper of US Corporations, Assets Greater Than $500 million: A1, P1, F1 (by two of the three rating agencies)
-- State of California - LAIF/Managed Investment Pools: N/A
-- Negotiable CD's: A1, P1, F1 (by two of the three rating agencies)
-- Medium Term Notes/Corporate Notes of US Corporations: Up to three years: AA- by at least two of the three rating agencies. Greater than three years: AA by at least two of the three rating agencies.

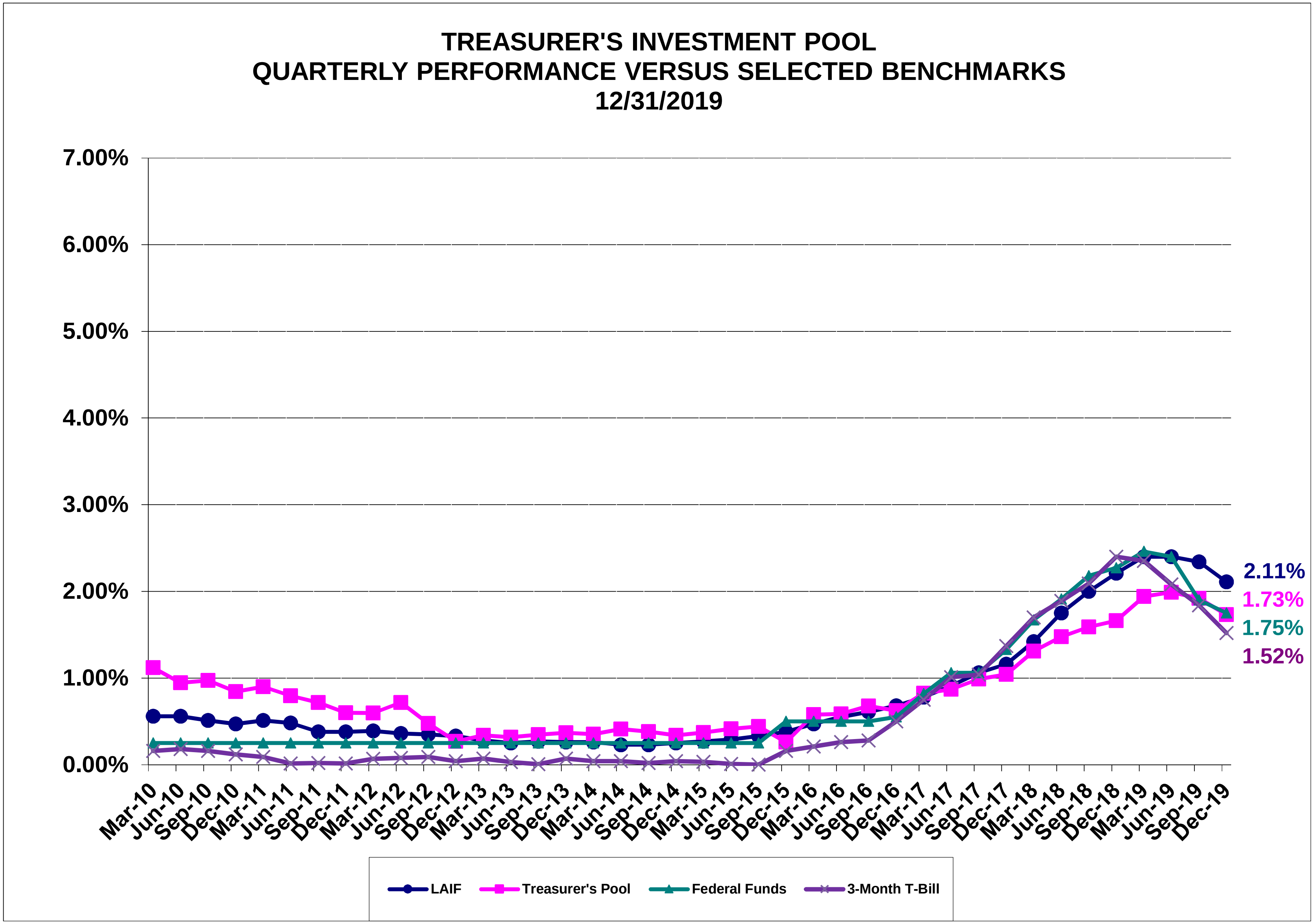
TREASURER'S INVESTMENT POOL
MATURITY DISTRIBUTION
12/31/2019



TREASURER'S INVESTMENT POOL
AVERAGE DAILY CASH BALANCE & INCOME DISTRIBUTION
FOR THE QUARTER ENDED 12/31/2019



The average daily cash balance of all entities in the pool during the quarter was $1,573,585,529.
Aggregate interest earnings of $6,864,336 was distributed to pool participants.


TREASURER'S INVESTMENT POOL
QUARTERLY PERFORMANCE VERSUS SELECTED BENCHMARKS
12/31/2019
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
Mar-10
Jun-10
Sep-10
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
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Sep-15
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Mar-16
Jun-16
Sep-16
Dec-16
Mar-17
Jun-17
Sep-17
Dec-17
Mar-18
Jun-18
Sep-18
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
2.11%
1.73%
1.75%
1.52%
LAIF
Treasurer's Pool
Federal Funds
3-Month T-Bill

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
BofA											
SYS6995	6995	Bank of America Corp.		07/01/2019	103,806,360.00	103,806,360.00	103,806,360.00	1.540	1.540	1	
		Subtotal and Average	**1,128,330.00**		**103,806,360.00**	**103,806,360.00**	**103,806,360.00**		**1.540**	**1**	
FICA											
SYS6255	6255	FICA			25,000,000.00	25,000,000.00	25,000,000.00	1.660	1.660	1	
		Subtotal and Average	**33,374,711.84**		**25,000,000.00**	**25,000,000.00**	**25,000,000.00**		**1.660**	**1**	
CAMP											
SYS5272	5272	CAMP			65,000,000.00	65,000,000.00	65,000,000.00	1.910	1.910	1	
		Subtotal and Average	**81,304,347.83**		**65,000,000.00**	**65,000,000.00**	**65,000,000.00**		**1.910**	**1**	
Local Agency Investment Funds											
SYS1009	1009	LAIF			65,000,000.00	65,000,000.00	65,000,000.00	2.110	2.110	1	
		Subtotal and Average	**65,000,000.00**		**65,000,000.00**	**65,000,000.00**	**65,000,000.00**		**2.110**	**1**	
Federal Agency Coupon Securities											
3133EGR98	6184	Federal Farm Credit Bank		12/07/2016	5,000,000.00	5,000,000.00	5,000,000.00	2.020	2.020	615	09/07/2021
3133EHHB2	6355	Federal Farm Credit Bank		04/27/2017	5,000,000.00	4,997,750.00	4,999,033.33	1.450	1.512	117	04/27/2020
3133EHKH5	6392	Federal Farm Credit Bank		05/23/2017	5,000,000.00	5,000,700.00	4,999,539.30	1.570	1.587	204	07/23/2020
3133EHVX8	6517	Federal Farm Credit Bank		09/18/2017	5,000,000.00	4,998,700.00	4,997,771.50	1.500	1.571	236	08/24/2020
3133EHZA4	6523	Federal Farm Credit Bank		09/20/2017	5,000,000.00	5,008,200.00	4,993,122.22	1.660	1.743	628	09/20/2021
3133EHJ95	6574	Federal Farm Credit Bank		10/26/2017	5,000,000.00	5,004,350.00	4,999,726.85	1.750	1.757	299	10/26/2020
3133EH6L2	6633	Federal Farm Credit Bank		01/10/2018	5,000,000.00	5,000,450.00	4,999,937.50	1.950	2.001	9	01/10/2020
3133EJAD1	6641	Federal Farm Credit Bank		01/23/2018	5,000,000.00	5,027,700.00	4,998,122.67	2.150	2.190	357	12/23/2020
3133EJXV6	6718	Federal Farm Credit Bank		08/28/2018	5,000,000.00	5,064,000.00	4,997,997.54	2.700	2.736	419	02/23/2021
3133EE5Z9	6833	Federal Farm Credit Bank		03/28/2019	5,528,000.00	5,534,965.28	5,508,617.88	1.750	2.355	216	08/04/2020
3133EKZK5	6920	Federal Farm Credit Bank		08/14/2019	10,000,000.00	9,987,500.00	9,993,213.54	1.600	1.619	1,321	08/14/2023
3133EKZV1	6922	Federal Farm Credit Bank		08/16/2019	5,000,000.00	4,999,300.00	4,988,056.25	1.550	1.700	593	08/16/2021
3133EKA63	6923	Federal Farm Credit Bank		08/16/2019	5,000,000.00	4,964,600.00	4,992,923.75	1.600	1.632	1,689	08/16/2024
3133EKM45	6935	Federal Farm Credit Bank		09/09/2019	5,000,000.00	4,986,000.00	4,995,027.16	1.500	1.538	979	09/06/2022
3133EKZY5	6939	Federal Farm Credit Bank		09/12/2019	5,000,000.00	4,994,000.00	4,985,959.14	1.550	1.670	882	06/01/2022
3133EKY91	6965	Federal Farm Credit Bank		10/11/2019	5,000,000.00	4,968,300.00	4,990,092.59	1.375	1.448	1,014	10/11/2022
3133EK4X1	6975	Federal Farm Credit Bank		11/01/2019	5,000,000.00	4,992,850.00	4,986,870.83	1.600	1.671	1,400	11/01/2023
3133EK4X1	6978	Federal Farm Credit Bank		11/04/2019	5,000,000.00	4,992,850.00	4,993,277.66	1.600	1.636	1,400	11/01/2023
3133EK6J0	6988	Federal Farm Credit Bank		11/08/2019	5,000,000.00	4,964,750.00	4,987,237.19	1.625	1.680	1,773	11/08/2024
3133EK7A8	6992	Federal Farm Credit Bank		11/13/2019	10,000,000.00	10,009,100.00	9,993,257.78	1.625	1.675	498	05/13/2021
3133ELCP7	7009	Federal Farm Credit Bank		12/03/2019	5,000,000.00	4,963,100.00	4,992,715.11	1.625	1.656	1,798	12/03/2024
3133ELCS1	7023	Federal Farm Credit Bank		12/11/2019	5,000,000.00	4,964,200.00	4,987,663.40	1.550	1.611	1,531	03/11/2024

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Federal Agency Coupon Securities											
3133ELDU5	7028	Federal Farm Credit Bank		12/13/2019	5,000,000.00	4,998,450.00	4,993,516.25	1.580	1.648	712	12/13/2021
3133ELFJ8	7056	Federal Farm Credit Bank		12/30/2019	10,000,000.00	9,998,100.00	10,000,000.00	1.625	1.625	364	12/30/2020
3130AANA2	6240	Federal Home Loan Bank		01/30/2017	5,000,000.00	5,002,300.00	5,000,000.00	1.750	1.750	211	07/30/2020
3130AB3T1	6342	Federal Home Loan Bank		04/24/2017	5,000,000.00	5,002,600.00	5,000,000.00	1.750	1.750	205	07/24/2020
3130ABVU7	6469	Federal Home Loan Bank		07/27/2017	5,000,000.00	4,999,800.00	5,000,000.00	1.625	1.625	208	07/27/2020
3130ABUN4	6518	Federal Home Loan Bank		09/18/2017	5,000,000.00	4,998,750.00	5,000,000.00	1.520	1.520	58	02/28/2020
3130A66T9	6526	Federal Home Loan Bank		09/21/2017	5,000,000.00	4,998,900.00	5,000,000.00	1.625	1.625	254	09/11/2020
3130ACHQ0	6570	Federal Home Loan Bank		10/19/2017	5,000,000.00	5,002,150.00	4,998,933.33	1.750	1.778	292	10/19/2020
3130ACN83	6578	Federal Home Loan Bank		10/30/2017	5,000,000.00	5,001,650.00	4,999,560.66	1.700	1.724	135	05/15/2020
3130ACUK8	6587	Federal Home Loan Bank		11/28/2017	5,000,000.00	5,025,750.00	5,000,000.00	2.000	2.000	513	05/28/2021
3130ABY34	6588	Federal Home Loan Bank		11/29/2017	5,000,000.00	4,999,000.00	4,995,280.44	1.613	1.849	149	05/29/2020
3130ACN83	6621	Federal Home Loan Bank		12/19/2017	5,000,000.00	5,001,650.00	4,995,512.70	1.700	1.947	135	05/15/2020
3130AGWK7	6926	Federal Home Loan Bank		08/20/2019	5,000,000.00	4,961,350.00	4,998,145.96	1.500	1.508	1,688	08/15/2024
313382K69	6943	Federal Home Loan Bank		09/16/2019	5,000,000.00	5,009,100.00	4,992,843.47	1.750	1.872	436	03/12/2021
3130AHB85	6960	Federal Home Loan Bank		10/07/2019	5,000,000.00	4,998,250.00	4,999,425.00	1.625	1.640	280	10/07/2020
3130AHB85	6962	Federal Home Loan Bank		10/08/2019	10,000,000.00	9,996,500.00	10,000,000.00	1.625	1.625	280	10/07/2020
3130ACE26	6969	Federal Home Loan Bank		10/18/2019	5,000,000.00	4,990,850.00	4,990,458.68	1.375	1.635	271	09/28/2020
3130AHJY0	6987	Federal Home Loan Bank		11/08/2019	3,000,000.00	3,003,630.00	2,995,241.94	1.625	1.711	688	11/19/2021
3134G8WH8	6070	Federal Home Loan Mortgage Co.		04/27/2016	5,250,000.00	5,246,010.00	5,250,000.00	1.400	1.400	117	04/27/2020
3134G9AH0	6072	Federal Home Loan Mortgage Co.		04/27/2016	5,000,000.00	4,998,500.00	5,000,000.00	1.300	1.300	26	01/27/2020
3134G9AH0	6073	Federal Home Loan Mortgage Co.		04/27/2016	4,000,000.00	3,998,800.00	4,000,000.00	1.300	1.300	26	01/27/2020
3134G9BA4	6074	Federal Home Loan Mortgage Co.		04/28/2016	4,250,000.00	4,243,922.50	4,250,000.00	1.370	1.370	209	07/28/2020
3134GA3Q5	6248	Federal Home Loan Mortgage Co.		02/28/2017	1,840,000.00	1,857,516.80	1,840,000.00	2.050	2.050	789	02/28/2022
3134GBAG7	6297	Federal Home Loan Mortgage Co.		04/11/2017	5,000,000.00	5,002,450.00	5,000,000.00	1.750	1.750	180	06/29/2020
3134GBFV9	6354	Federal Home Loan Mortgage Co.		04/27/2017	5,000,000.00	5,009,650.00	5,000,000.00	2.250	1.917	117	04/27/2020
3134GBJF0	6357	Federal Home Loan Mortgage Co.		04/27/2017	5,000,000.00	5,015,100.00	5,000,000.00	1.800	1.800	573	07/27/2021
3134GBUG5	6464	Federal Home Loan Mortgage Co.		07/21/2017	5,000,000.00	4,999,650.00	4,999,369.09	1.625	1.651	180	06/29/2020
3134GBB35	6477	Federal Home Loan Mortgage Co.		08/10/2017	5,000,000.00	5,002,400.00	5,000,000.00	1.700	1.700	222	08/10/2020
3134GBL83	6550	Federal Home Loan Mortgage Co.		09/27/2017	5,000,000.00	4,999,450.00	5,000,000.00	1.600	1.600	86	03/27/2020
3134GBN32	6556	Federal Home Loan Mortgage Co.		09/28/2017	4,100,000.00	4,102,624.00	4,099,493.19	1.700	1.717	271	09/28/2020
3134GBF64	6557	Federal Home Loan Mortgage Co.		09/28/2017	5,000,000.00	4,999,550.00	5,000,000.00	1.600	1.600	271	09/28/2020
3134GBN40	6562	Federal Home Loan Mortgage Co.		09/29/2017	5,000,000.00	4,999,950.00	5,000,000.00	1.625	1.625	180	06/29/2020
3134GBP89	6575	Federal Home Loan Mortgage Co.		10/26/2017	5,000,000.00	5,016,150.00	5,000,000.00	1.850	1.850	481	04/26/2021
3134GBU83	6577	Federal Home Loan Mortgage Co.		10/30/2017	5,000,000.00	5,033,350.00	5,000,000.00	2.000	2.000	667	10/29/2021
3134GBP55	6622	Federal Home Loan Mortgage Co.		12/20/2017	5,000,000.00	5,047,700.00	4,975,739.14	2.000	2.220	846	04/26/2022
3137EAEJ4	6625	Federal Home Loan Mortgage Co.		12/22/2017	5,000,000.00	4,999,700.00	4,985,753.26	1.625	2.020	272	09/29/2020
3134GSAC9	6627	Federal Home Loan Mortgage Co.		12/28/2017	5,000,000.00	5,022,000.00	5,000,000.00	2.050	2.050	362	12/28/2020
3134GSET8	6663	Federal Home Loan Mortgage Co.		02/27/2018	5,000,000.00	5,071,100.00	5,000,000.00	2.500	2.500	604	08/27/2021

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Federal Agency Coupon Securities											
3137EAEC9	6924	Federal Home Loan Mortgage Co.		08/16/2019	10,000,000.00	9,926,200.00	9,935,701.96	1.125	1.531	589	08/12/2021
3136G3U86	6143	Federal Nat'l Mtg. Assoc.		08/25/2016	5,000,000.00	4,988,300.00	5,000,000.00	1.300	1.300	237	08/25/2020
3136G1CL1	6187	Federal Nat'l Mtg. Assoc.		12/07/2016	5,000,000.00	4,999,250.00	4,999,985.13	1.500	1.502	50	02/20/2020
3135G0J20	6190	Federal Nat'l Mtg. Assoc.		12/09/2016	5,000,000.00	4,987,450.00	4,978,962.76	1.375	1.755	422	02/26/2021
3136G4KW2	6247	Federal Nat'l Mtg. Assoc.		02/14/2017	3,200,000.00	3,200,128.00	3,200,000.00	1.650	1.650	44	02/14/2020
3136G4KQ5	6252	Federal Nat'l Mtg. Assoc.		03/03/2017	5,000,000.00	5,000,000.00	4,999,858.41	1.650	1.715	16	01/17/2020
3135G0T60	6496	Federal Nat'l Mtg. Assoc.		08/29/2017	5,000,000.00	4,995,350.00	4,999,602.28	1.500	1.514	211	07/30/2020
3135G0T60	6603	Federal Nat'l Mtg. Assoc.		12/11/2017	5,000,000.00	4,995,350.00	4,987,446.79	1.500	1.945	211	07/30/2020
3136G4RH8	6644	Federal Nat'l Mtg. Assoc.		01/30/2018	5,000,000.00	5,030,450.00	4,998,835.19	2.200	2.223	392	01/27/2021
3135G0W33	6934	Federal Nat'l Mtg. Assoc.		09/06/2019	5,000,000.00	4,967,100.00	4,982,889.12	1.375	1.506	979	09/06/2022
3135G0D75	6954	Federal Nat'l Mtg. Assoc.		10/01/2019	10,000,000.00	9,993,000.00	9,983,751.72	1.500	1.845	173	06/22/2020
3135G0T60	6955	Federal Nat'l Mtg. Assoc.		10/01/2019	5,000,000.00	4,995,350.00	4,990,547.05	1.500	1.829	211	07/30/2020
		Subtotal and Average	**365,131,393.57**		**381,168,000.00**	**381,155,646.58**	**380,797,016.71**		**1.738**	**488**	
Federal Agency Disc. -Amortizing											
313312ZS2	6946	FC Discount Note		09/20/2019	10,000,000.00	9,911,900.00	9,893,988.89	1.880	1.930	203	07/22/2020
313312M56	7042	FC Discount Note		12/18/2019	10,000,000.00	9,872,100.00	9,865,777.78	1.600	1.640	302	10/29/2020
313312A67	7063	FC Discount Note		12/31/2019	5,000,000.00	4,953,650.00	4,953,118.06	1.570	1.605	215	08/03/2020
313312UY4	6849	Fed Farm Crd Discount Note		04/16/2019	5,000,000.00	4,980,950.00	4,970,580.56	2.380	2.456	89	03/30/2020
313312XY1	6981	Fed Farm Crd Discount Note		11/06/2019	10,000,000.00	9,929,800.00	9,930,680.55	1.550	1.584	161	06/10/2020
313312SU5	7062	Fed Farm Crd Discount Note		12/31/2019	10,000,000.00	9,984,800.00	9,984,172.22	1.540	1.564	37	02/07/2020
313384ST7	6873	FHLB Disc Corp		05/06/2019	5,000,000.00	4,992,600.00	4,988,400.00	2.320	2.385	36	02/06/2020
313384YP8	6972	FHLB Disc Corp		10/30/2019	10,000,000.00	9,923,200.00	9,925,200.00	1.560	1.564	176	06/25/2020
313384WG0	6979	FHLB Disc Corp		11/04/2019	10,000,000.00	9,947,700.00	9,948,575.00	1.530	1.563	121	05/01/2020
313384ZD4	6996	FHLB Disc Corp		11/15/2019	10,000,000.00	9,917,600.00	9,919,250.00	1.530	1.564	190	07/09/2020
313384TY5	7024	FHLB Disc Corp		12/11/2019	10,000,000.00	9,972,300.00	9,972,284.73	1.535	1.562	65	03/06/2020
313384VR7	7025	FHLB Disc Corp		12/12/2019	10,000,000.00	9,954,200.00	9,954,361.11	1.550	1.580	106	04/16/2020
313384TJ8	7026	FHLB Disc Corp		12/12/2019	5,000,000.00	4,989,450.00	4,988,950.00	1.560	1.587	51	02/21/2020
313384XT1	7036	FHLB Disc Corp		12/17/2019	10,000,000.00	9,932,000.00	9,932,616.67	1.555	1.588	156	06/05/2020
313384YA1	7037	FHLB Disc Corp		12/17/2019	10,000,000.00	9,928,900.00	9,929,593.06	1.555	1.589	163	06/12/2020
313384ZE2	7038	FHLB Disc Corp		12/17/2019	10,000,000.00	9,917,100.00	9,918,825.00	1.530	1.564	191	07/10/2020
313384UN7	7049	FHLB Disc Corp		12/23/2019	5,000,000.00	4,983,100.00	4,982,609.03	1.585	1.613	79	03/20/2020
313384YU7	7054	FHLB Disc Corp		12/27/2019	10,000,000.00	9,921,000.00	9,923,075.00	1.530	1.563	181	06/30/2020
313384RU5	6870	Fed Home Ln Discount Nt		04/25/2019	5,000,000.00	4,997,500.00	4,995,738.89	2.360	2.426	13	01/14/2020
313384SD2	7020	Fed Home Ln Discount Nt		12/10/2019	10,000,000.00	9,991,200.00	9,990,680.55	1.525	1.549	22	01/23/2020
313384YQ6	7041	Fed Home Ln Discount Nt		12/18/2019	10,000,000.00	9,922,800.00	9,924,775.00	1.530	1.563	177	06/26/2020
313396XL2	6967	Freddie Discount		10/17/2019	10,000,000.00	9,935,500.00	9,936,675.00	1.530	1.564	149	05/29/2020
313396XK4	6968	Freddie Discount		10/17/2019	10,000,000.00	9,935,900.00	9,937,100.00	1.530	1.564	148	05/28/2020

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

Federal Agency Disc. -Amortizing

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
313396YV9	6980	Freddie Discount		11/05/2019	10,000,000.00	9,921,100.00	9,925,683.33	1.470	1.502	182	07/01/2020
313396A94	6982	Freddie Discount		11/06/2019	10,000,000.00	9,906,000.00	9,909,166.66	1.500	1.534	218	08/06/2020
313396C76	6985	Freddie Discount		11/07/2019	10,000,000.00	9,899,900.00	9,902,688.89	1.510	1.545	232	08/20/2020
313396C84	6989	Freddie Discount		11/08/2019	10,000,000.00	9,899,500.00	9,900,975.00	1.530	1.566	233	08/21/2020
313396B28	6990	Freddie Discount		11/12/2019	10,000,000.00	9,905,500.00	9,906,925.00	1.530	1.565	219	08/07/2020
313396ZA4	6993	Freddie Discount		11/13/2019	10,000,000.00	9,918,900.00	9,920,525.00	1.530	1.564	187	07/06/2020
313396A37	6997	Freddie Discount		11/15/2019	10,000,000.00	9,908,000.00	9,909,900.00	1.530	1.565	212	07/31/2020
313396G31	7003	Freddie Discount		11/25/2019	10,000,000.00	9,888,500.00	9,890,944.44	1.510	1.546	260	09/17/2020
313396A37	7008	Freddie Discount		12/02/2019	10,000,000.00	9,908,000.00	9,909,900.00	1.530	1.564	212	07/31/2020
313396UM3	7016	Freddie Discount		12/06/2019	10,000,000.00	9,966,600.00	9,966,850.00	1.558	1.558	78	03/19/2020
313396G49	7032	Freddie Discount		12/16/2019	5,000,000.00	4,944,050.00	4,944,900.00	1.520	1.555	261	09/18/2020
		Subtotal and Average	**150,125,048.18**		**305,000,000.00**	**302,861,300.00**	**302,855,485.42**		**1.620**	**162**	

Treasury Coupon Securities

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
912828L65	6167	U.S. Treasury		11/18/2016	5,000,000.00	4,989,850.00	4,993,051.74	1.375	1.567	273	09/30/2020
912828L65	6168	U.S. Treasury		11/18/2016	5,000,000.00	4,989,850.00	4,993,051.74	1.375	1.567	273	09/30/2020
912828J84	6191	U.S. Treasury		12/09/2016	5,000,000.00	4,996,700.00	4,998,835.89	1.375	1.472	90	03/31/2020
912828XE5	6192	U.S. Treasury		12/09/2016	5,000,000.00	4,997,250.00	4,999,256.30	1.500	1.537	151	05/31/2020
912828S27	6216	U.S. Treasury		12/23/2016	10,000,000.00	9,930,100.00	9,876,426.14	1.125	1.993	546	06/30/2021
912828XH8	6217	U.S. Treasury		12/23/2016	5,000,000.00	5,000,000.00	4,997,909.17	1.625	1.712	181	06/30/2020
912828R77	6284	U.S. Treasury		04/06/2017	5,000,000.00	4,984,750.00	4,972,610.90	1.375	1.779	516	05/31/2021
912828T34	6590	U.S. Treasury		11/29/2017	5,000,000.00	4,959,750.00	4,929,468.07	1.125	1.967	638	09/30/2021
912828T67	6591	U.S. Treasury		11/29/2017	5,000,000.00	4,969,900.00	4,938,682.79	1.250	1.949	669	10/31/2021
912828S76	6592	U.S. Treasury		11/29/2017	5,000,000.00	4,962,700.00	4,937,428.87	1.125	1.949	577	07/31/2021
912828L32	6600	U.S. Treasury		12/08/2017	5,000,000.00	4,991,600.00	4,983,576.71	1.375	1.884	243	08/31/2020
912828XM7	6604	U.S. Treasury		12/11/2017	5,000,000.00	4,999,800.00	4,992,948.47	1.625	1.875	212	07/31/2020
912828H52	6611	U.S. Treasury		12/12/2017	5,000,000.00	4,998,400.00	4,997,611.18	1.250	1.846	30	01/31/2020
912828V31	6646	U.S. Treasury		02/06/2018	5,000,000.00	4,999,500.00	4,998,640.54	1.375	2.102	14	01/15/2020
912828W22	6647	U.S. Treasury		02/06/2018	5,000,000.00	4,998,250.00	4,995,480.59	1.375	2.128	45	02/15/2020
912828VP2	6695	U.S. Treasury		04/12/2018	5,000,000.00	5,010,350.00	4,989,266.87	2.000	2.381	212	07/31/2020
912828J50	6848	U.S. Treasury		04/15/2019	10,000,000.00	9,995,400.00	9,982,858.89	1.375	2.455	59	02/29/2020
9128282J8	6859	U.S. Treasury		04/22/2019	5,000,000.00	4,996,900.00	4,975,840.28	1.500	2.418	196	07/15/2020
912828L32	6860	U.S. Treasury		04/22/2019	5,000,000.00	4,991,600.00	4,966,290.32	1.375	2.414	243	08/31/2020
9128282V1	6861	U.S. Treasury		04/22/2019	5,000,000.00	4,990,800.00	4,964,569.09	1.375	2.404	258	09/15/2020
912828XM7	6944	U.S. Treasury		09/17/2019	5,000,000.00	4,999,800.00	4,992,578.13	1.625	1.884	212	07/31/2020
912828X96	6951	U.S. Treasury		09/30/2019	10,000,000.00	9,994,900.00	9,988,898.03	1.500	1.802	135	05/15/2020
912828XU9	6952	U.S. Treasury		09/30/2019	10,000,000.00	9,996,500.00	9,985,479.01	1.500	1.823	166	06/15/2020
912828XE5	6957	U.S. Treasury		10/02/2019	10,000,000.00	9,994,500.00	9,991,225.46	1.500	1.714	151	05/31/2020

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Treasury Coupon Securities											
9128282J8	6958	U.S. Treasury		10/03/2019	10,000,000.00	9,993,800.00	9,987,418.05	1.500	1.736	196	07/15/2020
912828XM7	6959	U.S. Treasury		10/04/2019	10,000,000.00	9,999,600.00	9,996,698.50	1.625	1.682	212	07/31/2020
9128282J8	6961	U.S. Treasury		10/07/2019	5,000,000.00	4,996,900.00	4,996,199.02	1.500	1.642	196	07/15/2020
912828YE4	6970	U.S. Treasury		10/29/2019	5,000,000.00	4,904,500.00	4,910,396.63	1.250	1.651	1,704	08/31/2024
9128282F6	7001	U.S. Treasury		11/22/2019	10,000,000.00	9,923,100.00	9,914,969.14	1.125	1.646	608	08/31/2021
912828S76	7014	U.S. Treasury		12/05/2019	10,000,000.00	9,925,400.00	9,922,382.04	1.125	1.624	577	07/31/2021
9128282F6	7027	U.S. Treasury		12/12/2019	10,000,000.00	9,923,100.00	9,905,832.01	1.125	1.702	608	08/31/2021
912828YE4	7039	U.S. Treasury		12/18/2019	10,000,000.00	9,809,000.00	9,781,870.28	1.250	1.739	1,704	08/31/2024
912828S27	7053	U.S. Treasury		12/27/2019	10,000,000.00	9,930,100.00	9,929,551.38	1.125	1.603	546	06/30/2021
		Subtotal and Average	**185,554,771.53**		**225,000,000.00**	**224,144,650.00**	**223,787,302.23**		**1.848**	**397**	
Treasury Discounts -Amortizing											
912796RT8	6780	U.S. Treasury		01/04/2019	5,000,000.00	5,000,000.00	4,999,656.25	2.475	2.557	1	01/02/2020
912796RT8	6781	U.S. Treasury		01/04/2019	5,000,000.00	5,000,000.00	4,999,656.25	2.475	2.557	1	01/02/2020
912796RT8	6784	U.S. Treasury		01/17/2019	10,000,000.00	10,000,000.00	9,999,310.42	2.483	2.564	1	01/02/2020
912796RY7	6788	U.S. Treasury		02/04/2019	5,000,000.00	4,994,350.00	4,990,011.11	2.480	2.562	29	01/30/2020
912796RY7	6789	U.S. Treasury		02/04/2019	5,000,000.00	4,994,350.00	4,990,021.18	2.478	2.560	29	01/30/2020
912796RY7	6790	U.S. Treasury		02/04/2019	5,000,000.00	4,994,350.00	4,990,023.19	2.477	2.559	29	01/30/2020
912796SD2	6811	U.S. Treasury		03/08/2019	5,000,000.00	4,988,250.00	4,980,667.50	2.442	2.522	57	02/27/2020
912796TD1	6932	U.S. Treasury		08/30/2019	5,000,000.00	4,952,500.00	4,946,640.62	1.708	1.753	225	08/13/2020
912796TA7	6933	U.S. Treasury		09/05/2019	5,000,000.00	4,998,650.00	4,997,955.56	1.840	1.878	8	01/09/2020
912796SV2	6937	U.S. Treasury		09/09/2019	5,000,000.00	4,964,050.00	4,959,627.78	1.720	1.762	169	06/18/2020
912796SV2	6938	U.S. Treasury		09/10/2019	5,000,000.00	4,964,050.00	4,959,627.78	1.720	1.762	169	06/18/2020
912796SZ3	6942	U.S. Treasury		09/13/2019	10,000,000.00	9,916,400.00	9,903,141.66	1.770	1.815	197	07/16/2020
912796TG4	6963	U.S. Treasury		10/10/2019	5,000,000.00	4,989,700.00	4,988,750.00	1.620	1.652	50	02/20/2020
912796TH2	6964	U.S. Treasury		10/10/2019	5,000,000.00	4,986,850.00	4,985,822.22	1.595	1.628	64	03/05/2020
912796TH2	6966	U.S. Treasury		10/16/2019	5,000,000.00	4,986,850.00	4,985,888.89	1.588	1.620	64	03/05/2020
912796TS8	6976	U.S. Treasury		11/01/2019	10,000,000.00	9,949,500.00	9,950,166.65	1.495	1.527	120	04/30/2020
912796TV1	6999	U.S. Treasury		11/20/2019	10,000,000.00	9,943,600.00	9,943,236.11	1.525	1.558	134	05/14/2020
		Subtotal and Average	**112,621,816.13**		**105,000,000.00**	**104,623,450.00**	**104,570,203.17**		**2.015**	**85**	
Federal Agency Coupon - Callables											
3133EF2L0	6063	Federal Farm Credit Bank		04/13/2016	5,000,000.00	4,995,600.00	5,000,000.00	1.400	1.400	103	04/13/2020
3133EF3P0	6067	Federal Farm Credit Bank		04/20/2016	6,003,000.00	6,001,139.07	6,002,679.88	1.490	1.500	201	07/20/2020
3133EGAE5	6088	Federal Farm Credit Bank		05/18/2016	5,000,000.00	4,999,000.00	4,999,825.93	1.360	1.388	48	02/18/2020
3133EGDW2	6099	Federal Farm Credit Bank		06/08/2016	5,000,000.00	4,998,150.00	5,000,000.00	1.520	1.520	159	06/08/2020
3133EGEU5	6101	Federal Farm Credit Bank		06/14/2016	5,000,000.00	4,996,050.00	5,000,000.00	1.540	1.540	348	12/14/2020
3133EGHP3	6112	Federal Farm Credit Bank		06/29/2016	5,000,000.00	4,996,750.00	5,000,000.00	1.420	1.420	180	06/29/2020

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Federal Agency Coupon - Callables											
3133EHEJ8	6313	Federal Farm Credit Bank		04/18/2017	5,000,000.00	5,000,000.00	5,000,000.00	1.625	1.625	2	01/03/2020
3133EKRP3	6903	Federal Farm Credit Bank		06/21/2019	5,000,000.00	5,009,500.00	5,000,000.00	2.220	2.220	1,633	06/21/2024
3133EKTA4	6906	Federal Farm Credit Bank		07/01/2019	5,000,000.00	5,002,100.00	5,000,000.00	2.090	2.090	912	07/01/2022
3133EKVP8	6910	Federal Farm Credit Bank		07/22/2019	5,000,000.00	5,004,600.00	5,000,000.00	2.110	2.110	933	07/22/2022
3133EKZN9	6919	Federal Farm Credit Bank		08/13/2019	5,000,000.00	4,938,000.00	5,000,000.00	2.060	2.060	1,686	08/13/2024
3133EKC20	6925	Federal Farm Credit Bank		08/19/2019	5,000,000.00	4,989,150.00	5,000,000.00	1.820	1.820	961	08/19/2022
3133EKF27	6931	Federal Farm Credit Bank		08/28/2019	10,000,000.00	9,979,900.00	9,997,430.89	1.850	1.860	968	08/26/2022
3133EKQ90	6948	Federal Farm Credit Bank		09/23/2019	5,000,000.00	4,999,200.00	5,000,000.00	2.000	2.000	996	09/23/2022
3133ELAN4	7000	Federal Farm Credit Bank		11/22/2019	5,912,000.00	5,895,328.16	5,912,000.00	1.680	1.680	1,421	11/22/2023
3133ELAU8	7002	Federal Farm Credit Bank		11/25/2019	5,000,000.00	4,983,200.00	5,000,000.00	1.710	1.710	1,059	11/25/2022
3133ELBF0	7004	Federal Farm Credit Bank		11/27/2019	5,000,000.00	5,001,900.00	5,000,000.00	1.890	1.890	1,792	11/27/2024
3133ELFF6	7052	Federal Farm Credit Bank		12/26/2019	5,000,000.00	4,999,800.00	5,000,000.00	1.900	1.900	1,364	09/26/2023
3133ELET7	7061	Federal Farm Credit Bank		12/31/2019	5,000,000.00	4,997,100.00	4,999,000.00	1.780	1.787	1,083	12/19/2022
3130A7RA5	6068	Federal Home Loan Bank		04/22/2016	5,000,000.00	4,997,800.00	5,000,000.00	1.650	1.650	387	01/22/2021
3130A6JG3	6525	Federal Home Loan Bank		09/21/2017	5,000,000.00	4,999,950.00	4,999,860.51	1.700	1.710	104	04/14/2020
3130ADFV9	6642	Federal Home Loan Bank		01/29/2018	5,000,000.00	5,000,650.00	5,000,000.00	2.250	2.250	394	01/29/2021
3130AGMK8	6905	Federal Home Loan Bank		06/28/2019	5,000,000.00	5,009,850.00	5,000,000.00	2.220	2.220	1,640	06/28/2024
3130AGXY6	6930	Federal Home Loan Bank		08/28/2019	5,000,000.00	4,979,250.00	5,000,000.00	2.150	2.150	1,701	08/28/2024
3130AHHT3	6977	Federal Home Loan Bank		11/04/2019	5,000,000.00	5,000,300.00	5,000,000.00	1.700	1.701	581	08/04/2021
3130AHH71	6984	Federal Home Loan Bank		11/07/2019	4,640,000.00	4,627,100.80	4,640,000.00	1.850	1.850	1,588	05/07/2024
3130AHN33	7010	Federal Home Loan Bank		12/04/2019	8,900,000.00	8,880,509.00	8,900,000.00	1.800	1.800	1,799	12/04/2024
3130A94N8	7015	Federal Home Loan Bank		12/06/2019	10,000,000.00	10,000,700.00	9,998,080.78	1.700	1.711	602	08/25/2021
3130AHNB5	7017	Federal Home Loan Bank		12/09/2019	5,000,000.00	4,981,950.00	5,000,000.00	1.900	1.900	1,713	09/09/2024
3130AHNB5	7018	Federal Home Loan Bank		12/09/2019	5,000,000.00	4,981,950.00	5,000,000.00	1.900	1.900	1,713	09/09/2024
3130AHM67	7019	Federal Home Loan Bank		12/09/2019	5,000,000.00	5,000,700.00	5,000,000.00	1.700	1.700	1,073	12/09/2022
3130AHPK3	7030	Federal Home Loan Bank		12/16/2019	5,000,000.00	5,000,400.00	5,000,000.00	1.875	1.875	1,262	06/16/2023
3130AHPM9	7031	Federal Home Loan Bank		12/16/2019	5,000,000.00	4,993,400.00	5,000,000.00	2.050	2.050	1,811	12/16/2024
3130AHP31	7035	Federal Home Loan Bank		12/16/2019	5,000,000.00	5,001,850.00	4,999,008.36	2.000	2.004	1,806	12/11/2024
3130AHSD6	7048	Federal Home Loan Bank		12/23/2019	5,000,000.00	5,001,150.00	5,000,000.00	2.050	2.050	1,818	12/23/2024
3130AHU50	7057	Federal Home Loan Bank		12/30/2019	5,000,000.00	5,000,100.00	5,000,000.00	2.050	2.050	1,825	12/30/2024
3130AHSC8	7059	Federal Home Loan Bank		12/30/2019	10,000,000.00	9,999,200.00	10,000,000.00	1.700	1.700	729	12/30/2021
3130AHT78	7060	Federal Home Loan Bank		12/31/2019	10,000,000.00	9,992,900.00	10,000,000.00	2.125	2.124	1,825	12/30/2024
3134G8VN6	6056	Federal Home Loan Mortgage Co.		03/31/2016	1,000,000.00	997,630.00	1,000,000.00	1.600	1.600	453	03/29/2021
3134G9DF1	6080	Federal Home Loan Mortgage Co.		05/04/2016	5,000,000.00	4,998,450.00	5,000,000.00	1.410	1.410	34	02/04/2020
3134G9UM7	6113	Federal Home Loan Mortgage Co.		06/30/2016	5,000,000.00	4,995,550.00	5,000,000.00	1.750	1.730	546	06/30/2021
3134GBH21	6564	Federal Home Loan Mortgage Co.		09/29/2017	5,000,000.00	5,000,000.00	4,997,270.37	1.700	1.776	272	09/29/2020
3134GTAS2	6825	Federal Home Loan Mortgage Co.		03/25/2019	5,000,000.00	5,006,450.00	5,000,000.00	2.500	2.500	814	03/25/2022
3134GTAW3	6830	Federal Home Loan Mortgage Co.		03/27/2019	5,000,000.00	5,005,600.00	5,000,000.00	2.550	2.550	1,547	03/27/2024

County Pool 2019-2020
Portfolio Management
Portfolio Details - Investments
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Federal Agency Coupon - Callables											
3134GTEW9	6840	Federal Home Loan Mortgage Co.		04/08/2019	5,000,000.00	5,008,450.00	5,000,000.00	2.500	2.500	828	04/08/2022
3134GTFW8	6866	Federal Home Loan Mortgage Co.		04/24/2019	5,000,000.00	5,016,450.00	5,000,000.00	2.560	2.561	1,300	07/24/2023
3134GTLC5	6884	Federal Home Loan Mortgage Co.		05/10/2019	5,000,000.00	5,002,950.00	5,000,000.00	2.520	0.646	1,044	11/10/2022
3134GTEW9	6888	Federal Home Loan Mortgage Co.		05/10/2019	5,571,000.00	5,580,414.99	5,571,000.00	2.500	2.500	828	04/08/2022
3134GTNN9	6891	Federal Home Loan Mortgage Co.		05/22/2019	5,000,000.00	5,008,200.00	5,000,000.00	2.500	2.500	1,237	05/22/2023
3134GTRA3	6896	Federal Home Loan Mortgage Co.		06/03/2019	5,000,000.00	5,006,500.00	5,000,000.00	2.375	2.375	884	06/03/2022
3134GTRL9	6897	Federal Home Loan Mortgage Co.		06/04/2019	5,000,000.00	5,002,400.00	5,000,000.00	2.350	2.351	793	03/04/2022
3134GTRM7	6900	Federal Home Loan Mortgage Co.		06/11/2019	5,000,000.00	5,005,700.00	5,000,000.00	2.520	2.520	1,623	06/11/2024
3134GTTY9	6901	Federal Home Loan Mortgage Co.		06/17/2019	10,000,000.00	10,005,600.00	10,000,000.00	2.330	2.330	1,629	06/17/2024
3134GTUF8	6902	Federal Home Loan Mortgage Co.		06/19/2019	10,000,000.00	10,007,000.00	10,000,000.00	2.250	2.250	1,265	06/19/2023
3134GTXD0	6907	Federal Home Loan Mortgage Co.		07/02/2019	5,000,000.00	5,000,000.00	5,000,000.00	2.100	2.097	548	07/02/2021
3134GTG72	6911	Federal Home Loan Mortgage Co.		07/24/2019	5,000,000.00	5,000,400.00	5,000,000.00	2.125	2.125	754	01/24/2022
3134GTH71	6912	Federal Home Loan Mortgage Co.		07/25/2019	5,000,000.00	5,005,250.00	5,000,000.00	2.000	2.000	1,301	07/25/2023
3134GTJ87	6913	Federal Home Loan Mortgage Co.		07/25/2019	5,000,000.00	5,003,200.00	5,000,000.00	2.230	2.230	1,664	07/22/2024
3134GTJ61	6914	Federal Home Loan Mortgage Co.		07/26/2019	10,000,000.00	10,009,500.00	10,000,000.00	2.000	2.000	1,302	07/26/2023
3134GTT78	6915	Federal Home Loan Mortgage Co.		08/07/2019	2,350,000.00	2,349,083.50	2,349,812.13	2.080	2.085	582	08/05/2021
3134GT2A0	6921	Federal Home Loan Mortgage Co.		08/14/2019	5,000,000.00	5,000,100.00	4,991,915.97	2.000	2.037	1,687	08/14/2024
3134GT4D2	6928	Federal Home Loan Mortgage Co.		08/23/2019	10,000,000.00	9,898,100.00	10,000,000.00	1.670	1.670	1,696	08/23/2024
3134GT2J1	6929	Federal Home Loan Mortgage Co.		08/26/2019	5,000,000.00	5,001,550.00	5,000,000.00	2.190	2.190	1,699	08/26/2024
3134GT6E8	6936	Federal Home Loan Mortgage Co.		09/09/2019	5,000,000.00	4,965,400.00	5,000,000.00	1.800	1.800	1,713	09/09/2024
3134GUAF7	6940	Federal Home Loan Mortgage Co.		09/13/2019	5,000,000.00	4,967,650.00	4,997,650.17	2.000	2.011	1,715	09/11/2024
3134GT7E7	6941	Federal Home Loan Mortgage Co.		09/13/2019	10,000,000.00	9,947,200.00	10,000,000.00	1.680	1.680	1,717	09/13/2024
3134GUCU2	6947	Federal Home Loan Mortgage Co.		09/23/2019	10,000,000.00	9,959,700.00	10,000,000.00	2.000	2.000	1,269	06/23/2023
3134GUDK3	6949	Federal Home Loan Mortgage Co.		09/25/2019	5,000,000.00	4,974,550.00	5,000,000.00	2.030	2.030	1,363	09/25/2023
3134GUFC9	6956	Federal Home Loan Mortgage Co.		10/02/2019	6,665,000.00	6,621,277.60	6,665,000.00	2.000	2.000	1,736	10/02/2024
3134GULJ7	6971	Federal Home Loan Mortgage Co.		10/30/2019	5,000,000.00	4,975,100.00	5,000,000.00	2.000	2.000	1,672	07/30/2024
3134GUMG2	6974	Federal Home Loan Mortgage Co.		10/30/2019	5,000,000.00	5,000,800.00	5,000,000.00	2.000	2.000	1,672	07/30/2024
3134GUPL8	6986	Federal Home Loan Mortgage Co.		11/08/2019	5,000,000.00	5,001,250.00	4,998,786.81	2.050	2.055	1,773	11/08/2024
3134GUQM5	6991	Federal Home Loan Mortgage Co.		11/13/2019	10,000,000.00	9,952,200.00	10,000,000.00	1.830	1.830	1,594	05/13/2024
3134GUSF8	6998	Federal Home Loan Mortgage Co.		11/19/2019	5,000,000.00	4,996,750.00	5,000,000.00	1.800	1.800	869	05/19/2022
3134GUUM0	7005	Federal Home Loan Mortgage Co.		11/27/2019	5,000,000.00	4,961,450.00	4,987,736.11	1.750	1.803	1,792	11/27/2024
3134GUTX8	7006	Federal Home Loan Mortgage Co.		11/27/2019	5,000,000.00	4,984,400.00	5,000,000.00	1.800	1.800	1,335	08/28/2023
3134GUWX4	7013	Federal Home Loan Mortgage Co.		12/05/2019	5,000,000.00	4,999,600.00	5,000,000.00	1.900	1.900	1,343	09/05/2023
3134GUYH7	7021	Federal Home Loan Mortgage Co.		12/10/2019	7,500,000.00	7,500,300.00	7,500,000.00	1.630	1.630	709	12/10/2021
3134GADT8	7022	Federal Home Loan Mortgage Co.		12/11/2019	5,000,000.00	4,998,200.00	4,993,346.42	1.620	1.701	610	09/02/2021
3134GUZB9	7029	Federal Home Loan Mortgage Co.		12/16/2019	5,000,000.00	5,000,450.00	4,998,512.50	2.030	2.036	1,811	12/16/2024
3134GUC32	7043	Federal Home Loan Mortgage Co.		12/19/2019	5,000,000.00	4,994,500.00	5,000,000.00	2.000	2.000	1,631	06/19/2024
3134GUYX2	7044	Federal Home Loan Mortgage Co.		12/19/2019	5,000,000.00	5,000,500.00	5,000,000.00	2.000	2.000	1,631	06/19/2024

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity	Maturity Date
Federal Agency Coupon - Callables											
3134GUB82	7045	Federal Home Loan Mortgage Co.		12/19/2019	5,000,000.00	4,998,200.00	5,000,000.00	1.875	1.875	1,265	06/19/2023
3134GUC32	7046	Federal Home Loan Mortgage Co.		12/19/2019	5,000,000.00	4,994,500.00	5,000,000.00	2.000	2.000	1,631	06/19/2024
3134GUE89	7047	Federal Home Loan Mortgage Co.		12/23/2019	5,000,000.00	5,001,350.00	5,000,000.00	1.850	1.850	1,177	03/23/2023
3134GUZY9	7050	Federal Home Loan Mortgage Co.		12/23/2019	8,000,000.00	8,002,480.00	8,000,000.00	1.750	1.750	904	06/23/2022
3134GUE89	7051	Federal Home Loan Mortgage Co.		12/23/2019	5,000,000.00	5,001,350.00	5,000,000.00	1.850	1.850	1,177	03/23/2023
3134GUG79	7055	Federal Home Loan Mortgage Co.		12/27/2019	5,000,000.00	4,993,900.00	5,000,000.00	2.000	2.000	1,547	03/27/2024
3134GUH60	7058	Federal Home Loan Mortgage Co.		12/30/2019	10,000,000.00	9,986,200.00	10,000,000.00	2.000	2.000	1,825	12/30/2024
3136G3MG7	6085	Federal Nat'l Mtg. Assoc.		05/18/2016	5,000,000.00	4,998,900.00	5,000,000.00	1.500	1.500	138	05/18/2020
3136G4GF4	6586	Federal Nat'l Mtg. Assoc.		11/27/2017	3,700,000.00	3,690,195.00	3,663,734.62	1.550	2.112	666	10/28/2021
3136G3Y25	6649	Federal Nat'l Mtg. Assoc.		02/07/2018	5,000,000.00	4,971,500.00	4,925,633.80	1.500	2.446	602	08/25/2021
3135G0W74	6973	Federal Nat'l Mtg. Assoc.		10/30/2019	5,000,000.00	5,002,000.00	4,998,820.73	1.800	1.809	1,031	10/28/2022
45905U6X7	6909	INTL Bank Recon & Develop		07/22/2019	10,000,000.00	10,000,900.00	10,000,000.00	2.240	2.240	933	07/22/2022
45905U4F8	6950	INTL Bank Recon & Develop		09/26/2019	10,000,000.00	9,950,500.00	10,000,000.00	2.000	2.000	1,364	09/26/2023
		Subtotal and Average	**450,927,930.14**		**550,241,000.00**	**549,543,958.12**	**550,087,105.98**		**1.936**	**1,180**	
		Total and Average	**1,445,168,349.20**		**1,825,215,360.00**	**1,821,135,364.70**	**1,820,903,473.51**		**1.815**	**539**	

County Pool 2019-2020
Portfolio Management
Portfolio Details - Cash
December 31, 2019

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to Maturity
		Average Balance	0.00							0
		Total Cash and Investments	1,445,168,349.20		1,825,215,360.00	1,821,135,364.70	1,820,903,473.51		1.815	539

County Pool 2019-2020
Maturity Report
Sorted by Maturity Date
Amounts due during October 1, 2019 - December 31, 2019

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
313384MK2	6733	1	AFD	FHDN	5,000,000.00	10/01/2019	10/15/2018	2.600	5,000,000.00	0.00	5,000,000.00	0.00
313384MK2	6868	1	AFD	FHDN	5,000,000.00	10/01/2019	04/24/2019	2.400	5,000,000.00	0.00	5,000,000.00	0.00
3137EADM8	6030	1	FAC	FHLMC	5,000,000.00	10/02/2019	01/27/2016	1.250	5,000,000.00	31,250.00	5,031,250.00	31,250.00
3137EADM8	6623	1	FAC	FHLMC	5,000,000.00	10/02/2019	12/20/2017	1.250	5,000,000.00	31,250.00	5,031,250.00	31,250.00
912796SL4	6841	1	ATD	USTR	10,000,000.00	10/03/2019	04/08/2019	2.383	10,000,000.00	0.00	10,000,000.00	0.00
313312MN7	6794	1	AFD	FCDN	10,000,000.00	10/04/2019	02/26/2019	2.480	10,000,000.00	0.00	10,000,000.00	0.00
313384MS5	6872	1	AFD	FHDN	5,000,000.00	10/08/2019	04/25/2019	2.390	5,000,000.00	0.00	5,000,000.00	0.00
313384MU0	6857	1	AFD	FHDN	5,000,000.00	10/10/2019	04/18/2019	2.400	5,000,000.00	0.00	5,000,000.00	0.00
912796RF8	6760	1	ATD	USTR	5,000,000.00	10/10/2019	12/07/2018	2.553	5,000,000.00	0.00	5,000,000.00	0.00
912828T59	6782	1	TRC	USTR	5,000,000.00	10/15/2019	01/15/2019	1.000	5,000,000.00	25,000.00	5,025,000.00	25,000.00
3136G4DR1	6152	1	FAC	FNMA	5,000,000.00	10/17/2019	10/17/2016	1.100	5,000,000.00	27,500.00	5,027,500.00	27,500.00
313384NJ4	6880	1	AFD	FHDN	5,000,000.00	10/24/2019	05/07/2019	2.365	5,000,000.00	0.00	5,000,000.00	0.00
912828F62	6783	1	TRC	USTR	5,000,000.00	10/31/2019	01/15/2019	1.500	5,000,000.00	37,500.00	5,037,500.00	37,500.00
912796SQ3	6883	1	ATD	USTR	5,000,000.00	10/31/2019	05/09/2019	2.363	5,000,000.00	0.00	5,000,000.00	0.00
3133EGA62	6158	1	MC1	FFCB	5,000,000.00	11/01/2019	11/04/2016	1.160	5,000,000.00	29,000.00	5,029,000.00	29,000.00
313384NS4	6887	1	AFD	FHDN	5,000,000.00	11/01/2019	05/10/2019	2.350	5,000,000.00	0.00	5,000,000.00	0.00
313312NV8	6759	1	AFD	FFCBDN	5,000,000.00	11/04/2019	12/07/2018	2.680	5,000,000.00	0.00	5,000,000.00	0.00
912796RM3	6882	1	ATD	USTR	5,000,000.00	11/07/2019	05/09/2019	2.365	5,000,000.00	0.00	5,000,000.00	0.00
912796SS9	6894	1	ATD	USTR	5,000,000.00	11/14/2019	05/28/2019	2.310	5,000,000.00	0.00	5,000,000.00	0.00
313384PK9	6890	1	AFD	FHDN	5,000,000.00	11/18/2019	05/15/2019	2.360	5,000,000.00	0.00	5,000,000.00	0.00
912796ST7	6895	1	ATD	USTR	5,000,000.00	11/21/2019	05/28/2019	2.310	5,000,000.00	0.00	5,000,000.00	0.00
3136G4GU1	6177	1	FAC	FNMA	5,000,000.00	11/25/2019	11/30/2016	1.400	5,000,000.00	35,000.00	5,035,000.00	35,000.00
313312QT0	6785	1	AFD	FCDN	10,000,000.00	12/20/2019	01/18/2019	2.520	10,000,000.00	0.00	10,000,000.00	0.00
912796SY6	6904	1	ATD	USTR	10,000,000.00	12/26/2019	06/27/2019	2.040	10,000,000.00	0.00	10,000,000.00	0.00
3134G8W21	6059	1	FAC	FHLMC	7,000,000.00	12/30/2019	04/08/2016	1.375	7,000,000.00	48,125.00	7,048,125.00	48,125.00
3136G3TN5	6114	1	FAC	FNMA	5,000,000.00	12/30/2019	06/30/2016	1.210	5,000,000.00	30,250.00	5,030,250.00	30,250.00
			Total Maturities		**152,000,000.00**				**152,000,000.00**	**294,875.00**	**152,294,875.00**	**294,875.00**

Santa Barbara County

County Pool 2019-2020
Purchases Report
Sorted by Purchase Date - Fund
October 1, 2019 - December 31, 2019

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
3135G0D75	6954	1	FAC	FNMA	10,000,000.00	10/01/2019	12/22 - 06/22	9,975,200.00	Received	1.500	06/22/2020	1.845	9,983,751.72
3135G0T60	6955	1	FAC	FNMA	5,000,000.00	10/01/2019	01/30 - 07/30	4,986,476.40	12,708.33	1.500	07/30/2020	1.829	4,990,547.05
3134GUFC9	6956	1	MC1	FHLMC	6,665,000.00	10/02/2019	04/02 - 10/02	6,665,000.00		2.000	10/02/2024	2.000	6,665,000.00
912828XE5	6957	1	TRC	USTR	10,000,000.00	10/02/2019	11/30 - 05/31	9,985,937.50	Received	1.500	05/31/2020	1.714	9,991,225.46
9128282J8	6958	1	TRC	USTR	10,000,000.00	10/03/2019	01/15 - 07/15	9,981,640.63	32,608.70	1.500	07/15/2020	1.736	9,987,418.05
912828XM7	6959	1	TRC	USTR	10,000,000.00	10/04/2019	01/31 - 07/31	9,995,312.50	28,702.45	1.625	07/31/2020	1.682	9,996,698.50
3130AHB85	6960	1	FAC	FHLB	5,000,000.00	10/07/2019	04/07 - 10/07	4,999,250.00		1.625	10/07/2020	1.640	4,999,425.00
9128282J8	6961	1	TRC	USTR	5,000,000.00	10/07/2019	01/15 - 07/15	4,994,531.25	17,119.57	1.500	07/15/2020	1.642	4,996,199.02
3130AHB85	6962	1	FAC	FHLB	10,000,000.00	10/08/2019	04/07 - 10/07	10,000,000.00	451.39	1.625	10/07/2020	1.625	10,000,000.00
912796TG4	6963	1	ATD	USTR	5,000,000.00	10/10/2019	02/20 - At Maturity	4,970,075.00		1.620	02/20/2020	1.652	4,988,750.00
912796TH2	6964	1	ATD	USTR	5,000,000.00	10/10/2019	03/05 - At Maturity	4,967,435.42		1.595	03/05/2020	1.628	4,985,822.22
3133EKY91	6965	1	FAC	FFCB	5,000,000.00	10/11/2019	04/11 - 10/11	4,989,300.00		1.375	10/11/2022	1.448	4,990,092.59
912796TH2	6966	1	ATD	USTR	5,000,000.00	10/16/2019	03/05 - At Maturity	4,968,911.45		1.588	03/05/2020	1.620	4,985,888.89
313396XL2	6967	1	AFD	FMCDN	10,000,000.00	10/17/2019	05/29 - At Maturity	9,904,375.00		1.530	05/29/2020	1.564	9,936,675.00
313396XK4	6968	1	AFD	FMCDN	10,000,000.00	10/17/2019	05/28 - At Maturity	9,904,800.00		1.530	05/28/2020	1.564	9,937,100.00
3130ACE26	6969	1	FAC	FHLB	5,000,000.00	10/18/2019	03/28 - 09/28	4,987,850.00	3,819.44	1.375	09/28/2020	1.635	4,990,458.68
912828YE4	6970	1	TRC	USTR	5,000,000.00	10/29/2019	02/29 - 08/31	4,907,031.25	10,130.49	1.250	08/31/2024	1.651	4,910,396.63
313384YP8	6972	1	AFD	FHDN	10,000,000.00	10/30/2019	06/25 - At Maturity	9,898,425.00			06/25/2020	1.564	9,925,200.00
3134GULJ7	6971	1	MC1	FHLMC	5,000,000.00	10/30/2019	01/30 - 07/30	5,000,000.00		2.000	07/30/2024	2.000	5,000,000.00
3134GUMG2	6974	1	MC1	FHLMC	5,000,000.00	10/30/2019	01/30 - 07/30	5,000,000.00		2.000	07/30/2024	2.000	5,000,000.00
3135G0W74	6973	1	MC1	FNMA	5,000,000.00	10/30/2019	04/28 - 10/28	4,998,750.00	500.00	1.800	10/28/2022	1.809	4,998,820.73
3133EK4X1	6975	1	FAC	FFCB	5,000,000.00	11/01/2019	05/01 - 11/01	4,986,300.00		1.600	11/01/2023	1.671	4,986,870.83
912796TS8	6976	1	ATD	USTR	10,000,000.00	11/01/2019	04/30 - At Maturity	9,924,834.70		1.495	04/30/2020	1.527	9,950,166.65
3133EK4X1	6978	1	FAC	FFCB	5,000,000.00	11/04/2019	05/01 - 11/01	4,993,000.00	666.67	1.600	11/01/2023	1.636	4,993,277.66
313384WG0	6979	1	AFD	FHDN	10,000,000.00	11/04/2019	05/01 - At Maturity	9,923,925.00		1.530	05/01/2020	1.563	9,948,575.00
3130AHHT3	6977	1	MC1	FHLB	5,000,000.00	11/04/2019	05/04 - 11/04	5,000,000.00		1.700	08/04/2021	1.701	5,000,000.00
313396YV9	6980	1	AFD	FMCDN	10,000,000.00	11/05/2019	07/01 - At Maturity	9,902,408.33		1.470	07/01/2020	1.502	9,925,683.33
313312XY1	6981	1	AFD	FFCBDN	10,000,000.00	11/06/2019	06/10 - At Maturity	9,906,569.44		1.550	06/10/2020	1.584	9,930,680.55
313396A94	6982	1	AFD	FMCDN	10,000,000.00	11/06/2019	08/06 - At Maturity	9,885,833.33		1.500	08/06/2020	1.534	9,909,166.66
3130AHH71	6984	1	MC1	FHLB	4,640,000.00	11/07/2019	05/07 - 11/07	4,640,000.00		1.850	05/07/2024	1.850	4,640,000.00
313396C76	6985	1	AFD	FMCDN	10,000,000.00	11/07/2019	08/20 - At Maturity	9,879,619.44		1.510	08/20/2020	1.545	9,902,688.89
3133EK6J0	6988	1	FAC	FFCB	5,000,000.00	11/08/2019	05/08 - 11/08	4,986,850.00		1.625	11/08/2024	1.680	4,987,237.19

Received = Accrued Interest at Purchase was received by report ending date.

County Pool 2019-2020
Purchases Report
October 1, 2019 - December 31, 2019

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
3130AHJY0	6987	1	FAC	FHLB	3,000,000.00	11/08/2019	05/19 - 11/19	2,994,870.00		1.625	11/19/2021	1.711	2,995,241.94
3134GUPL8	6986	1	MC1	FHLMC	5,000,000.00	11/08/2019	05/08 - 11/08	4,998,750.00		2.050	11/08/2024	2.055	4,998,786.81
313396C84	6989	1	AFD	FMCDN	10,000,000.00	11/08/2019	08/21 - At Maturity	9,878,025.00		1.530	08/21/2020	1.566	9,900,975.00
313396B28	6990	1	AFD	FMCDN	10,000,000.00	11/12/2019	08/07 - At Maturity	9,885,675.00		1.530	08/07/2020	1.565	9,906,925.00
3133EK7A8	6992	1	FAC	FFCB	10,000,000.00	11/13/2019	05/13 - 11/13	9,992,600.00		1.625	05/13/2021	1.675	9,993,257.78
3134GUQM5	6991	1	MC1	FHLMC	10,000,000.00	11/13/2019	05/13 - 11/13	10,000,000.00		1.830	05/13/2024	1.830	10,000,000.00
313396ZA4	6993	1	AFD	FMCDN	10,000,000.00	11/13/2019	07/06 - At Maturity	9,899,700.00		1.530	07/06/2020	1.564	9,920,525.00
313384ZD4	6996	1	AFD	FHDN	10,000,000.00	11/15/2019	07/09 - At Maturity	9,899,275.00		1.530	07/09/2020	1.564	9,919,250.00
313396A37	6997	1	AFD	FMCDN	10,000,000.00	11/15/2019	07/31 - At Maturity	9,889,925.00		1.530	07/31/2020	1.565	9,909,900.00
3134GUSF8	6998	1	MC1	FHLMC	5,000,000.00	11/19/2019	05/19 - 11/19	5,000,000.00		1.800	05/19/2022	1.800	5,000,000.00
912796TV1	6999	1	ATD	USTR	10,000,000.00	11/20/2019	05/14 - At Maturity	9,925,444.44		1.525	05/14/2020	1.558	9,943,236.11
3133ELAN4	7000	1	MC1	FFCB	5,912,000.00	11/22/2019	05/22 - 11/22	5,912,000.00		1.680	11/22/2023	1.680	5,912,000.00
9128282F6	7001	1	TRC	USTR	10,000,000.00	11/22/2019	02/29 - 08/31	9,909,375.00	25,652.47	1.125	08/31/2021	1.646	9,914,969.14
3133ELAU8	7002	1	MC1	FFCB	5,000,000.00	11/25/2019	05/25 - 11/25	5,000,000.00		1.710	11/25/2022	1.710	5,000,000.00
313396G31	7003	1	AFD	FMCDN	10,000,000.00	11/25/2019	09/17 - At Maturity	9,875,425.00		1.510	09/17/2020	1.546	9,890,944.44
3133ELBF0	7004	1	MC1	FFCB	5,000,000.00	11/27/2019	05/27 - 11/27	5,000,000.00		1.890	11/27/2024	1.890	5,000,000.00
3134GUUM0	7005	1	MC1	FHLMC	5,000,000.00	11/27/2019	05/27 - 11/27	4,987,500.00		1.750	11/27/2024	1.803	4,987,736.11
3134GUTX8	7006	1	MC1	FHLMC	5,000,000.00	11/27/2019	02/28 - 08/28	5,000,000.00		1.800	08/28/2023	1.800	5,000,000.00
313396A37	7008	1	AFD	FMCDN	10,000,000.00	12/02/2019	07/31 - At Maturity	9,897,150.00		1.530	07/31/2020	1.564	9,909,900.00
3133ELCP7	7009	1	FAC	FFCB	5,000,000.00	12/03/2019	06/03 - 12/03	4,992,600.00		1.625	12/03/2024	1.656	4,992,715.11
3130AHN33	7010	1	MC1	FHLB	8,900,000.00	12/04/2019	06/04 - 12/04	8,900,000.00		1.800	12/04/2024	1.800	8,900,000.00
3134GUWX4	7013	1	MC1	FHLMC	5,000,000.00	12/05/2019	03/05 - 09/05	5,000,000.00		1.900	09/05/2023	1.900	5,000,000.00
912828S76	7014	1	TRC	USTR	10,000,000.00	12/05/2019	01/31 - 07/31	9,918,750.00	38,824.73	1.125	07/31/2021	1.624	9,922,382.04
3130A94N8	7015	1	MC1	FHLB	10,000,000.00	12/06/2019	02/25 - 08/25	9,998,000.00	47,694.44	1.700	08/25/2021	1.711	9,998,080.78
313396UM3	7016	1	AFD	FMCDN	10,000,000.00	12/06/2019	03/19 - At Maturity	9,955,800.00			03/19/2020	1.558	9,966,850.00
3130AHNB5	7017	1	MC1	FHLB	5,000,000.00	12/09/2019	03/09 - 09/09	5,000,000.00		1.900	09/09/2024	1.900	5,000,000.00
3130AHNB5	7018	1	MC1	FHLB	5,000,000.00	12/09/2019	03/09 - 09/09	5,000,000.00		1.900	09/09/2024	1.900	5,000,000.00
3130AHM67	7019	1	MC1	FHLB	5,000,000.00	12/09/2019	06/09 - 12/09	5,000,000.00		1.700	12/09/2022	1.700	5,000,000.00
313384SD2	7020	1	AFD	FHLBDN	10,000,000.00	12/10/2019	01/23 - At Maturity	9,981,361.10		1.525	01/23/2020	1.549	9,990,680.55
3134GUYH7	7021	1	MC1	FHLMC	7,500,000.00	12/10/2019	06/10 - 12/10	7,500,000.00		1.630	12/10/2021	1.630	7,500,000.00
3133ELCS1	7023	1	FAC	FFCB	5,000,000.00	12/11/2019	03/11 - 09/11	4,987,500.00		1.550	03/11/2024	1.611	4,987,663.40
313384TY5	7024	1	AFD	FHDN	10,000,000.00	12/11/2019	03/06 - At Maturity	9,963,330.56		1.535	03/06/2020	1.562	9,972,284.73
3134GADT8	7022	1	MC1	FHLMC	5,000,000.00	12/11/2019	03/02 - 09/02	4,993,125.00	22,275.00	1.620	09/02/2021	1.701	4,993,346.42
313384VR7	7025	1	AFD	FHDN	10,000,000.00	12/12/2019	04/16 - At Maturity	9,945,750.00		1.550	04/16/2020	1.580	9,954,361.11
313384TJ8	7026	1	AFD	FHDN	5,000,000.00	12/12/2019	02/21 - At Maturity	4,984,616.67		1.560	02/21/2020	1.587	4,988,950.00
9128282F6	7027	1	TRC	USTR	10,000,000.00	12/12/2019	02/29 - 08/31	9,902,734.38	31,833.79	1.125	08/31/2021	1.702	9,905,832.01

County Pool 2019-2020
Purchases Report
October 1, 2019 - December 31, 2019

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
3133ELDU5	7028	1	FAC	FFCB	5,000,000.00	12/13/2019	06/13 - 12/13	4,993,350.00		1.580	12/13/2021	1.648	4,993,516.25
3130AHPK3	7030	1	MC1	FHLB	5,000,000.00	12/16/2019	06/16 - 12/16	5,000,000.00		1.875	06/16/2023	1.875	5,000,000.00
3130AHPM9	7031	1	MC1	FHLB	5,000,000.00	12/16/2019	06/16 - 12/16	5,000,000.00		2.050	12/16/2024	2.050	5,000,000.00
3130AHP31	7035	1	MC1	FHLB	5,000,000.00	12/16/2019	06/11 - 12/11	4,999,000.00	1,388.89	2.000	12/11/2024	2.004	4,999,008.36
3134GUZB9	7029	1	MC1	FHLMC	5,000,000.00	12/16/2019	06/16 - 12/16	4,998,500.00		2.030	12/16/2024	2.036	4,998,512.50
313396G49	7032	1	AFD	FMCDN	5,000,000.00	12/16/2019	09/18 - At Maturity	4,941,522.22		1.520	09/18/2020	1.555	4,944,900.00
313384XT1	7036	1	AFD	FHDN	10,000,000.00	12/17/2019	06/05 - At Maturity	9,926,137.50		1.555	06/05/2020	1.588	9,932,616.67
313384YA1	7037	1	AFD	FHDN	10,000,000.00	12/17/2019	06/12 - At Maturity	9,923,113.89		1.555	06/12/2020	1.589	9,929,593.06
313384ZE2	7038	1	AFD	FHDN	10,000,000.00	12/17/2019	07/10 - At Maturity	9,912,450.00		1.530	07/10/2020	1.564	9,918,825.00
313312M56	7042	1	AFD	FCDN	10,000,000.00	12/18/2019	10/29 - At Maturity	9,859,555.56		1.600	10/29/2020	1.640	9,865,777.78
313384YQ6	7041	1	AFD	FHLBDN	10,000,000.00	12/18/2019	06/26 - At Maturity	9,918,825.00		1.530	06/26/2020	1.563	9,924,775.00
912828YE4	7039	1	TRC	USTR	10,000,000.00	12/18/2019	02/29 - 08/31	9,780,078.13	37,431.32	1.250	08/31/2024	1.739	9,781,870.28
3134GUC32	7043	1	MC1	FHLMC	5,000,000.00	12/19/2019	06/19 - 12/19	5,000,000.00		2.000	06/19/2024	2.000	5,000,000.00
3134GUYX2	7044	1	MC1	FHLMC	5,000,000.00	12/19/2019	06/19 - 12/19	5,000,000.00		2.000	06/19/2024	2.000	5,000,000.00
3134GUB82	7045	1	MC1	FHLMC	5,000,000.00	12/19/2019	06/19 - 12/19	5,000,000.00		1.875	06/19/2023	1.875	5,000,000.00
3134GUC32	7046	1	MC1	FHLMC	5,000,000.00	12/19/2019	06/19 - 12/19	5,000,000.00		2.000	06/19/2024	2.000	5,000,000.00
313384UN7	7049	1	AFD	FHDN	5,000,000.00	12/23/2019	03/20 - At Maturity	4,980,627.78		1.585	03/20/2020	1.613	4,982,609.03
3130AHSD6	7048	1	MC1	FHLB	5,000,000.00	12/23/2019	06/23 - 12/23	5,000,000.00		2.050	12/23/2024	2.050	5,000,000.00
3134GUE89	7047	1	MC1	FHLMC	5,000,000.00	12/23/2019	06/23 - 12/23	5,000,000.00		1.850	03/23/2023	1.850	5,000,000.00
3134GUZY9	7050	1	MC1	FHLMC	8,000,000.00	12/23/2019	06/23 - 12/23	8,000,000.00		1.750	06/23/2022	1.750	8,000,000.00
3134GUE89	7051	1	MC1	FHLMC	5,000,000.00	12/23/2019	06/23 - 12/23	5,000,000.00		1.850	03/23/2023	1.850	5,000,000.00
3133ELFF6	7052	1	MC1	FFCB	5,000,000.00	12/26/2019	03/26 - 09/26	5,000,000.00		1.900	09/26/2023	1.900	5,000,000.00
313384YU7	7054	1	AFD	FHDN	10,000,000.00	12/27/2019	06/30 - At Maturity	9,920,950.00		1.530	06/30/2020	1.563	9,923,075.00
3134GUG79	7055	1	MC1	FHLMC	5,000,000.00	12/27/2019	03/27 - 09/27	5,000,000.00		2.000	03/27/2024	2.000	5,000,000.00
912828S27	7053	1	TRC	USTR	10,000,000.00	12/27/2019	12/31 - 06/30	9,928,906.25	Received	1.125	06/30/2021	1.603	9,929,551.38
3133ELFJ8	7056	1	FAC	FFCB	10,000,000.00	12/30/2019	06/30 - 12/30	10,000,000.00		1.625	12/30/2020	1.625	10,000,000.00
3130AHU50	7057	1	MC1	FHLB	5,000,000.00	12/30/2019	06/30 - 12/30	5,000,000.00		2.050	12/30/2024	2.050	5,000,000.00
3130AHSC8	7059	1	MC1	FHLB	10,000,000.00	12/30/2019	06/30 - 12/30	10,000,000.00		1.700	12/30/2021	1.700	10,000,000.00
3134GUH60	7058	1	MC1	FHLMC	10,000,000.00	12/30/2019	06/30 - 12/30	10,000,000.00		2.000	12/30/2024	2.000	10,000,000.00
313312A67	7063	1	AFD	FCDN	5,000,000.00	12/31/2019	08/03 - At Maturity	4,952,900.00		1.570	08/03/2020	1.605	4,953,118.06
3133ELET7	7061	1	MC1	FFCB	5,000,000.00	12/31/2019	06/19 - 12/19	4,999,000.00	2,966.67	1.780	12/19/2022	1.787	4,999,000.00
313312SU5	7062	1	AFD	FFCBDN	10,000,000.00	12/31/2019	02/07 - At Maturity	9,983,744.44		1.540	02/07/2020	1.564	9,984,172.22
3130AHT78	7060	1	MC1	FHLB	10,000,000.00	12/31/2019	06/30 - 12/30	10,000,000.00		2.125	12/30/2024	2.124	10,000,000.00
			Total Purchases		**739,617,000.00**			**736,097,584.56**	**314,774.35**				**736,671,530.37**

Received = Accrued Interest at Purchase was received by report ending date.

County Pool 2019-2020
Sales/Call Report
Sorted by Maturity Date - Fund
October 1, 2019 - December 31, 2019

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
03/27/2020												
3136G4JR5	6223	1	FNMA MC1	12/27/2016	12/27/2019 03/27/2020	5,000,000.00	1.625	5,000,000.00	5,000,000.00	20,312.50	5,020,312.50 Call	20,312.50
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**20,312.50**	**5,020,312.50**	**20,312.50**
06/26/2020												
3130ABNQ5	6440	1	FHLB MC1	06/29/2017	12/26/2019 06/26/2020	5,000,000.00	1.625	4,998,746.52	5,000,000.00	40,625.00	5,040,625.00 Call	41,878.48
					Subtotal	**5,000,000.00**		**4,998,746.52**	**5,000,000.00**	**40,625.00**	**5,040,625.00**	**41,878.48**
06/29/2020												
3136G4KD4	6224	1	FNMA MC1	12/29/2016	12/29/2019 06/29/2020	5,000,000.00	1.750	5,000,000.00	5,000,000.00	43,750.00	5,043,750.00 Call	43,750.00
3136G4KD4	6225	1	FNMA MC1	12/29/2016	12/29/2019 06/29/2020	5,000,000.00	1.750	4,999,285.71	5,000,000.00	43,750.00	5,043,750.00 Call	44,464.29
					Subtotal	**10,000,000.00**		**9,999,285.71**	**10,000,000.00**	**87,500.00**	**10,087,500.00**	**88,214.29**
06/30/2020												
3134G9ZN0	6679	1	FHLMC MC1	03/28/2018	12/30/2019 06/30/2020	5,000,000.00	2.000 V	4,985,147.78	5,000,000.00	50,000.00	5,050,000.00 Call	64,852.22
					Subtotal	**5,000,000.00**		**4,985,147.78**	**5,000,000.00**	**50,000.00**	**5,050,000.00**	**64,852.22**
01/19/2021												
3133EG4F9	6237	1	FFCB MC1	01/19/2017	11/13/2019 01/19/2021	5,000,000.00	1.930	4,999,852.08	5,000,000.00	30,558.33	5,030,558.33 Call	30,706.25
					Subtotal	**5,000,000.00**		**4,999,852.08**	**5,000,000.00**	**30,558.33**	**5,030,558.33**	**30,706.25**
01/29/2021												
3130ADC26	6643	1	FHLB MC1	01/29/2018	10/29/2019 01/29/2021	5,000,000.00	2.200	5,000,000.00	5,000,000.00	27,500.00	5,027,500.00 Call	27,500.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**27,500.00**	**5,027,500.00**	**27,500.00**
02/26/2021												
3134GB3B6	6596	1	FHLMC MC1	12/07/2017	11/26/2019 02/26/2021	5,000,000.00	2.000	4,998,155.74	5,000,000.00	25,000.00	5,025,000.00 Call	26,844.26

V - Security with variable rate change.

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
					Subtotal	**5,000,000.00**		**4,998,155.74**	**5,000,000.00**	**25,000.00**	**5,025,000.00**	**26,844.26**
03/29/2021												
3134GBTG7	6449	1	FHLMC MC1	07/03/2017	12/29/2019 03/29/2021	5,000,000.00	1.875	4,999,164.19	5,000,000.00	23,437.50	5,023,437.50 Call	24,273.31
					Subtotal	**5,000,000.00**		**4,999,164.19**	**5,000,000.00**	**23,437.50**	**5,023,437.50**	**24,273.31**
04/08/2021												
3134GTEX7	6839	1	FHLMC MC1	04/08/2019	10/08/2019 04/08/2021	5,000,000.00	2.500	5,000,000.00	5,000,000.00	62,500.00	5,062,500.00 Call	62,500.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**62,500.00**	**5,062,500.00**	**62,500.00**
05/27/2021												
3134GTNP4	6893	1	FHLMC MC1	05/28/2019	11/27/2019 05/27/2021	5,000,000.00	2.500	5,000,000.00	5,000,000.00	62,152.78	5,062,152.78 Call	62,152.78
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**62,152.78**	**5,062,152.78**	**62,152.78**
06/29/2021												
3130ACDU5	6563	1	FHLB MC1	09/29/2017	12/29/2019 06/29/2021	1,960,000.00	1.800	1,958,353.60	1,960,000.00	8,820.00	1,968,820.00 Call	10,466.40
3134GBWE8	6454	1	FHLMC MC1	07/14/2017	12/29/2019 06/29/2021	5,000,000.00	2.000 V	4,998,578.95	5,000,000.00	50,000.00	5,050,000.00 Call	51,421.05
					Subtotal	**6,960,000.00**		**6,956,932.55**	**6,960,000.00**	**58,820.00**	**7,018,820.00**	**61,887.45**
07/19/2021												
3133EHRL9	6459	1	FFCB FAC	07/19/2017	11/22/2019 07/19/2021	5,000,000.00	2.000	5,000,000.00	5,000,000.00	34,166.67	5,034,166.67 Call	34,166.67
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**34,166.67**	**5,034,166.67**	**34,166.67**
11/26/2021												
3130ACV43	6602	1	FHLB MC1	12/08/2017	11/26/2019 11/26/2021	4,250,000.00	2.125	4,246,571.43	4,250,000.00	45,156.25	4,295,156.25 Call	48,584.82
					Subtotal	**4,250,000.00**		**4,246,571.43**	**4,250,000.00**	**45,156.25**	**4,295,156.25**	**48,584.82**
06/30/2022												
3134GUEC0	6953	1	FHLMC MC1	09/30/2019	12/30/2019 06/30/2022	5,000,000.00	2.050	5,000,000.00	5,000,000.00	25,625.00	5,025,625.00 Call	25,625.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**25,625.00**	**5,025,625.00**	**25,625.00**
08/05/2022												

V - Security with variable rate change.

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
08/05/2022												
3130AGTU9	6918	1	FHLB MC1	08/13/2019	11/05/2019 08/05/2022	5,900,000.00	2.220	5,900,000.00	5,900,000.00	32,745.00	5,932,745.00 Call	32,745.00
					Subtotal	**5,900,000.00**		**5,900,000.00**	**5,900,000.00**	**32,745.00**	**5,932,745.00**	**32,745.00**
08/17/2022												
3130AC6P4	6483	1	FHLB MC1	08/17/2017	11/17/2019 08/17/2022	5,000,000.00	2.160	5,000,000.00	5,000,000.00	27,000.00	5,027,000.00 Call	27,000.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**27,000.00**	**5,027,000.00**	**27,000.00**
08/26/2022												
3134GBE65	6498	1	FHLMC MC1	08/30/2017	11/26/2019 08/26/2022	5,000,000.00	2.050	5,000,000.00	5,000,000.00	25,625.00	5,025,625.00 Call	25,625.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**25,625.00**	**5,025,625.00**	**25,625.00**
10/24/2022												
3130ACKD5	6572	1	FHLB MC1	10/24/2017	10/24/2019 10/24/2022	5,000,000.00	2.250	5,000,000.00	5,000,000.00	56,250.00	5,056,250.00 Call	56,250.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**56,250.00**	**5,056,250.00**	**56,250.00**
10/26/2022												
3130ACNM2	6605	1	FHLB MC1	12/11/2017	10/26/2019 10/26/2022	5,000,000.00	2.280	4,988,461.54	5,000,000.00	57,000.00	5,057,000.00 Call	68,538.46
					Subtotal	**5,000,000.00**		**4,988,461.54**	**5,000,000.00**	**57,000.00**	**5,057,000.00**	**68,538.46**
12/21/2022												
3134GB7G1	6624	1	FHLMC MC1	12/21/2017	12/21/2019 12/21/2022	5,000,000.00	2.250 V	5,000,000.00	5,000,000.00	56,250.00	5,056,250.00 Call	56,250.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**56,250.00**	**5,056,250.00**	**56,250.00**
03/28/2023												
3133EFU21	6916	1	FFCB FAC	08/09/2019	11/25/2019 03/28/2023	1,500,000.00	2.150	1,498,621.47	1,500,000.00	5,106.25	1,505,106.25 Call	6,484.78
					Subtotal	**1,500,000.00**		**1,498,621.47**	**1,500,000.00**	**5,106.25**	**1,505,106.25**	**6,484.78**
08/12/2024												
3134GTY72	6917	1	FHLMC MC1	08/12/2019	11/12/2019 08/12/2024	5,000,000.00	2.250	5,000,000.00	5,000,000.00	28,125.00	5,028,125.00 Call	28,125.00
					Subtotal	**5,000,000.00**		**5,000,000.00**	**5,000,000.00**	**28,125.00**	**5,028,125.00**	**28,125.00**

V - Security with variable rate change.

CUSIP	Investment #	Fund	Issuer / Sec. Type	Purchase Date	Redem. Date / Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
08/20/2024												
3133EKC38	6927	1	FFCB MC1	08/20/2019	11/26/2019 08/20/2024	5,000,000.00	2.270	4,997,160.00	5,000,000.00	30,266.67	5,030,266.67 Call	33,106.67
					Subtotal	**5,000,000.00**		**4,997,160.00**	**5,000,000.00**	**30,266.67**	**5,030,266.67**	**33,106.67**
					Total Sales	**118,610,000.00**		**118,568,099.01**	**118,610,000.00**	**911,721.95**	**119,521,721.95**	**953,622.94**