

Cerritos College



2017-18 | ANNUAL REPORT
Cerritos Community College District
Citizens' Bond Oversight Committee

Citizens' Bond Oversight Committee Annual Report – 2017-2018

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Citizens' Bond Oversight Committee

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Cerritos Community College District Citizens' Bond Oversight Committee Annual Report – Introduction

As outlined in Education Code Section 15278, the role of the Cerritos Community College District (CCCD) Citizens' Bond Oversight Committee is to “inform the public concerning the District’s expenditure of revenues received from the sale of bonds authorized by the voters.” Members are appointed for two years, with a three-term maximum. Members do not receive any compensation or benefits for their service. The committee meets a minimum of four times per year

As mandated by Proposition 39, the CCCD Board of Trustees is required to appoint an independent citizens' oversight committee of at least seven people. Each member must represent one of the following constituencies: a local business, a senior group, a bona fide taxpayer's association, an enrolled student active in a student group, and an active member of a college supporting organization, such as the foundation or a community advisory group. No district employee or official, vendor, contractor, or consultant may serve on the committee. The Citizens' Bond Oversight Committee met at least yearly for 2017-2018.

The following members serve on the Citizens' Bond Oversight Committee:

- Pat Patnaik, (Chair) Community Member
- Carmen Amarillas-Rivera, (Vice Chair) Community Member
- Richard Fisler, Business Organization Member
- Alan Gafford, Bona-Fide Taxpayers Association Member
- Phil Herrera, Student Member
- Paul Martinez, Support Organization
- Parimal Shah, Business Member

Executive Summary

The charter of the Citizens' Bond Oversight Committee for the Cerritos Community College District is to inform the public concerning bond revenue expenditures and to actively "review and report" on the expenditure of these funds. Our committee comprises a cross section of the citizenry who have volunteered their time to represent various constituencies, and fulfill the responsibilities listed above.

During this year of existence, the committee has met on a regular basis; reviewing expenditures, touring campus renovations, asking questions, and expressing concerns and recommendations. This Annual Report of the Citizens' Bond Oversight Committee for the Cerritos Community College District documents the results of these activities and serves to fulfill the basic tenets of the charter.

Within this report is the independent financial and performance audits for the fiscal year ending June 30, 2018, performed by the firm of CliftonLarsonAllen LLP. The committee examined and reviewed the audits on December 17, 2018, the results of which are contained herein.

A summary of Measure CC Bond Expenditures for the Fiscal Year ending June 30, 2018:

Athletic Facilities Projects & Improvements	\$ 2,192,221
Building Site Improvements	\$ 184,988
Bond Management	\$ 8,667
Classrooms & Modernization	\$ 1,040,274
Energy & Water Efficiency Improvements	\$ 196,625
Health & Safety Improvements	\$ 982,238
Information Technology & Equipment	\$ 1,131,713
Total Expenditures	\$ 5,736,726

Executive Summary

A summary of Measure G Bond Expenditures for the Fiscal Year ending June 30, 2018:

Building & Site Improvements	\$ 1,708,326
Bond Management	\$ 1,133,295
Classrooms & Modernization	\$ 28,236,369
Energy & Water Efficiency Improvements	\$ 5,800,690
Health & Safety Improvements	\$ 4,604,468
Information Technology & Equipment	\$ 65,113
Total Expenditures	\$ 41,548,261

Statement of Compliance

This Annual Report is submitted to the Board of Trustees by the Citizens' Bond Oversight Committee for the Cerritos Community College District.

This Committee advises that, to the best of its knowledge, the Cerritos Community College District complies with the requirements in Article XIII A, Section 1(b) (3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure CC and Measure G and no funds were used for any teacher or administrative salaries or other operating expenses as prohibited by Article XIII A, Section (b) (s) (a) of the California Constitution.

Respectfully submitted:
Pat Patnaik, Chair
Citizens' Bond Oversight Committee
Date: May 6, 2019

Citizens' Bond Oversight Committee Roster 2017-2018

Member	Representing	Beginning Term	Second Term	Final Term
Alan Gafford	Bona-Fide Taxpayers Association	March 2017 – March 2019	March 2019 – March 2021	March 2021 – March 2023
Richard Fidler	Business Organization	January 2018 – January 2020	January 2020 – January 2022	January 2022 – January 2024
Pat Patnaik	Community Member	January 2018 – January 2020	January 2020- January 2022	January 2022- January 2024
Carmen Amarillas-Rivera	Community Member	January 2018 – January 2020	January 2020 – January 2022	January 2022 – January 2024
Parimal Shah	Senior Citizens' Organization	March 2017 – March 2019	March 2019 – March 2021	March 2021 – March 2023
Paul Martinez	Support Organization	August 2013 – August 2015	January 2018 – January 2020	January 2020 – January 2022
Phillip Herrera	Student	January 2017- January 2019	January 2019 – January 2021	

Terms are based on date of appointment approved by the Board of Trustees.

Year Fifteen Commentary

July 1, 2017 through June 30, 2018

Measure CC and Measure G Bond Overview

The Citizens' Bond Oversight Committee for the Cerritos Community College District (the District) is pleased to present its Twelfth Annual Report as required by Proposition 39, the legislative authority of Measure CC and Measure G. It is the Committee's responsibility to represent the voters and to oversee the expenditures of bond funds to assure that bond proceeds are expended for the purposes set forth in the ballot measures

On March 2, 2004, the voters in the Cerritos Community College District approved Measure CC, a \$210 million General Obligation Bond for Cerritos College. One of the key elements of Measure CC was the establishment of a Bond Oversight Committee, composed of seven (7) interested community members appointed by the District's Board of Trustees. The committee represents a cross section of the Cerritos Community College District.

Eight years later on November 6, 2012, the voters in the Cerritos Community College District approved Measure G, a \$350 million General Obligation Bond for Cerritos College, providing funding for the continuing renovation of the nearly 60-year-old campus. In preparation of the final spending of Measure CC monies and the initial spending of Measure G monies, the District's Board of Trustees approved Resolution No. 13-05 on February 6, 2013, adopting Amended and Restated Bylaws that combined Measure CC and Measure G oversight responsibilities into the existing Citizens' Bond Oversight Committee.

The District issued its final Measure CC General Obligation Series 2012D in the amount of \$82,825,515 in April 2012 and is in the process of fully expending these funds. For continuity of the building program, the District issued its first Measure G General Obligation Bond Series 2014A in the amount of \$100 million in November 2014. Concurrently, the District saved taxpayers \$10,995,122.91 by refinancing previously issued Measure CC bonds.

The Health and Wellness Complex construction has steadily progressed this last year, with Phase I construction completed in January 2019. Phase I includes the Conference Center, a 120 person, multipurpose assembly area; the Dance Studios which includes two new studios; a Physical Education building that houses a group fitness room and physical therapy area; plus the main Kinesiology building which includes division offices, weight room, fitness rooms, locker rooms, and six new general purpose classrooms. A grand opening event was held on April 8, 2019 to celebrate and introduce these new spaces to the college community. Phase II is currently underway, with the construction of a new Student Health Center and Team Locker room that will accommodate several different athletic teams. This total project, both Phases, has an estimated project budget of \$68 million, with Phase II expected to be completed in the fall of 2020.

Several site improvement projects were completed in the last year. These projects included an Energy Management System upgrade, Chilled Water Loop expansion, and a new Campus Fiber backbone system. Most visible was the completion of a network of 22 Blue Light Emergency Phones, which provide emergency phone service and security cameras across campus and the parking lots. Other completed projects include a new elevator on the exterior of the Social Science and the replacement of the field turf at the stadium.

The Shade Structures located at the Aquatics Center, Alondra Drop Off, North Walk, and South Garden are essentially complete pending a deferred approval of the shading material on the top. The Division of State Architects, the Architect of Record, and the manufacturer/contractor for the project have been working diligently towards approval. It appears that the needed approval is imminent, and once this is acquired, the finished product can be installed and the project considered completed.

The new Performing Arts Center is currently under construction. A groundbreaking event was held on April 6, 2019 to commemorate this project. This 80,000 square foot building will house a 425-seat theater, performing arts instructional and support space, as well as music instructional and performance space, a black box theater, concessions and offices. The project is estimated to be completed in spring of 2022 and the total project cost is \$102 million.

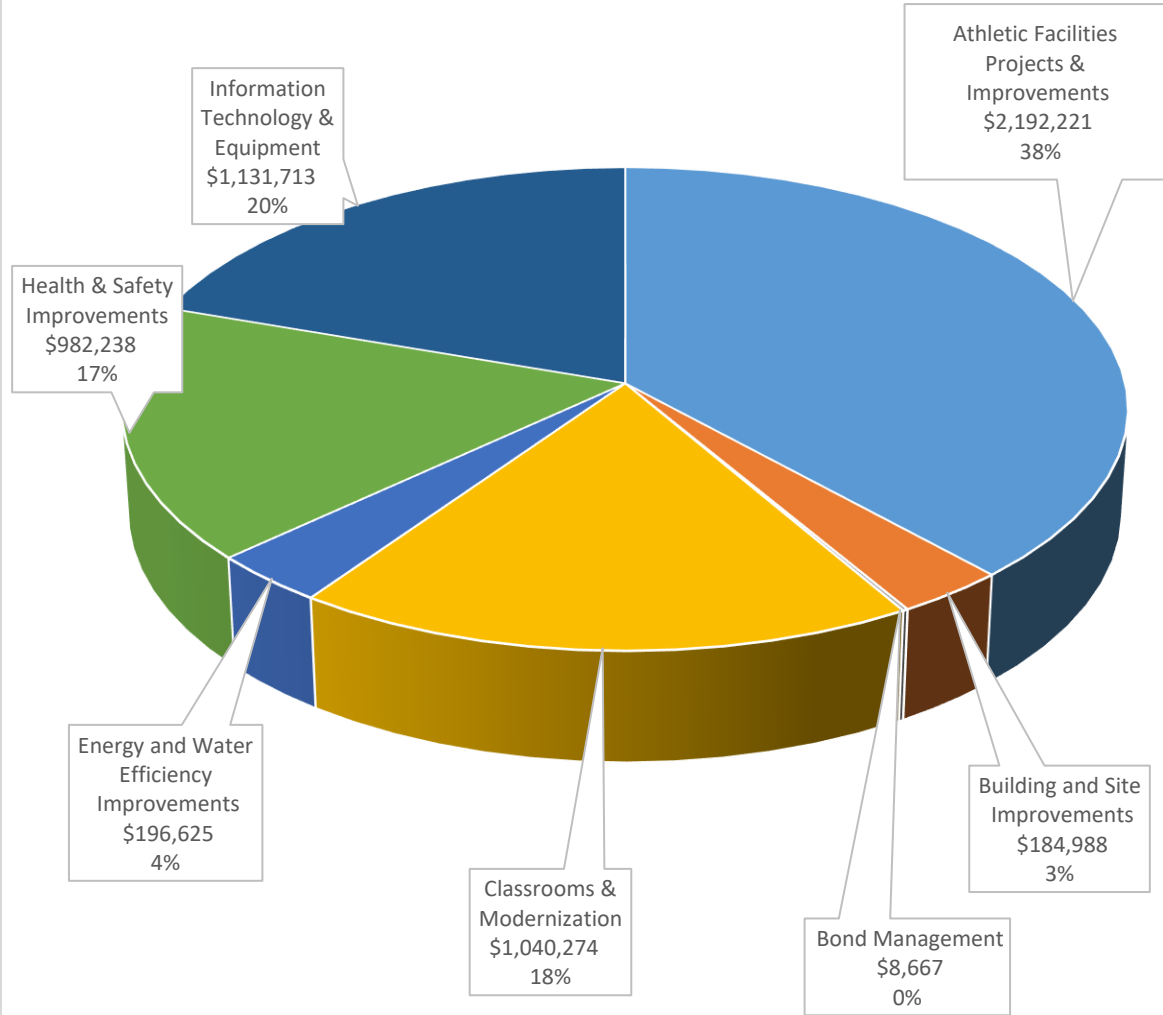
Advancing the bond construction program, a recent RFQ/RFP was conducted to select an architect for the new Student Services/Administration building. Once the final architect is approved, the design phase of this building will begin. This new building fronting Alondra Boulevard will house 14 different user groups, the bookstore, and the Board of Trustees meeting room. The District has also been engaged in developing an updated Facility Master Plan 2019, which will determine the campus building plan well into the next decade.

These are some of the many positive changes that enables Cerritos College to continue to provide top tier educational opportunities for the citizens in our communities. Information on past and future meetings and the ongoing bond projects can be found at Cerritos College's website (www.cerritos.edu/bond). This website provides detailed information about the current Facilities Master Plan and the projects in progress. We welcome all members of the public to attend our meetings.

Challenges:

A continuing challenge is minimizing the disruption to students, faculty and operations stemming from the growing number of construction activities. Other challenges include limited bond proceeds available to build out the current Facilities Master Plan therefore, it is important to leverage bond proceeds with state capital outlay.

Measure CC Bond Fund Expenditures As of June 30, 2018



Cerritos Community College District
Measure CC Bond Fund
Year 2004 - 2018

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Beginning Balance	-	(108,263)	20,220,805	13,413,488
Restatement	-	(1,769,689)	-	-
Adjusted Beginning Balance	-	(1,877,952)	20,220,805	13,413,488
Revenues				
8860 Interest	-	418,642	700,942	2,052,196
8900 Other	-	4,036,000	-	-
8940 Proceeds	-	37,325,000	-	34,845,000
	-	41,779,642	700,942	36,897,196
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	-	25,260	136,709	4,979
5000 Other Operating	22,530	2,683,626	1,663,612	6,495,003
6000 Capital Outlay	85,733	784,359	5,707,938	1,206,440
7000 Debt Service Principal	-	15,910,000	-	-
7000 Debt Service Interest	-	277,640	-	-
	108,263	19,680,885	7,508,259	7,706,422
7000 Other uses	-	-	-	-
Unadjusted Ending Fund Balance	(108,263)	20,220,805	13,413,488	42,604,262
Ending Fund Balance (Audited)	(108,263)	20,220,805	13,413,488	42,604,262

Cerritos Community College District
Measure CC Bond Fund
Year 2004 - 2018

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Beginning Balance	42,604,262	23,763,401	55,324,856	27,889,107
Restatement	-	-	-	-
Adjusted Beginning Balance	<u>42,604,262</u>	<u>23,763,401</u>	<u>55,324,856</u>	<u>27,889,107</u>
Revenues				
8860 Interest	1,781,382	486,162	672,887	306,424
8900 Other	-	-	-	10,150
8940 Proceeds	-	55,000,000	-	20,000,000
	<u>1,781,382</u>	<u>55,486,162</u>	<u>672,887</u>	<u>20,316,574</u>
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	4,427	52,355	763,746	957,330
5000 Other Operating	2,980,585	5,168,886	6,913,495	6,560,267
6000 Capital Outlay	17,637,231	18,703,466	20,431,395	11,856,274
7000 Debt Service Principal	-	-	-	-
7000 Debt Service Interest	-	-	-	-
	<u>20,622,243</u>	<u>23,924,707</u>	<u>28,108,636</u>	<u>19,373,871</u>
7000 Other uses	-	-	-	-
Unadjusted Ending Fund Balance	<u>23,763,401</u>	<u>55,324,856</u>	<u>27,889,107</u>	<u>28,831,810</u>
Ending Fund Balance (Audited)	<u><u>23,763,401</u></u>	<u><u>55,324,856</u></u>	<u><u>27,889,107</u></u>	<u><u>28,831,810</u></u>

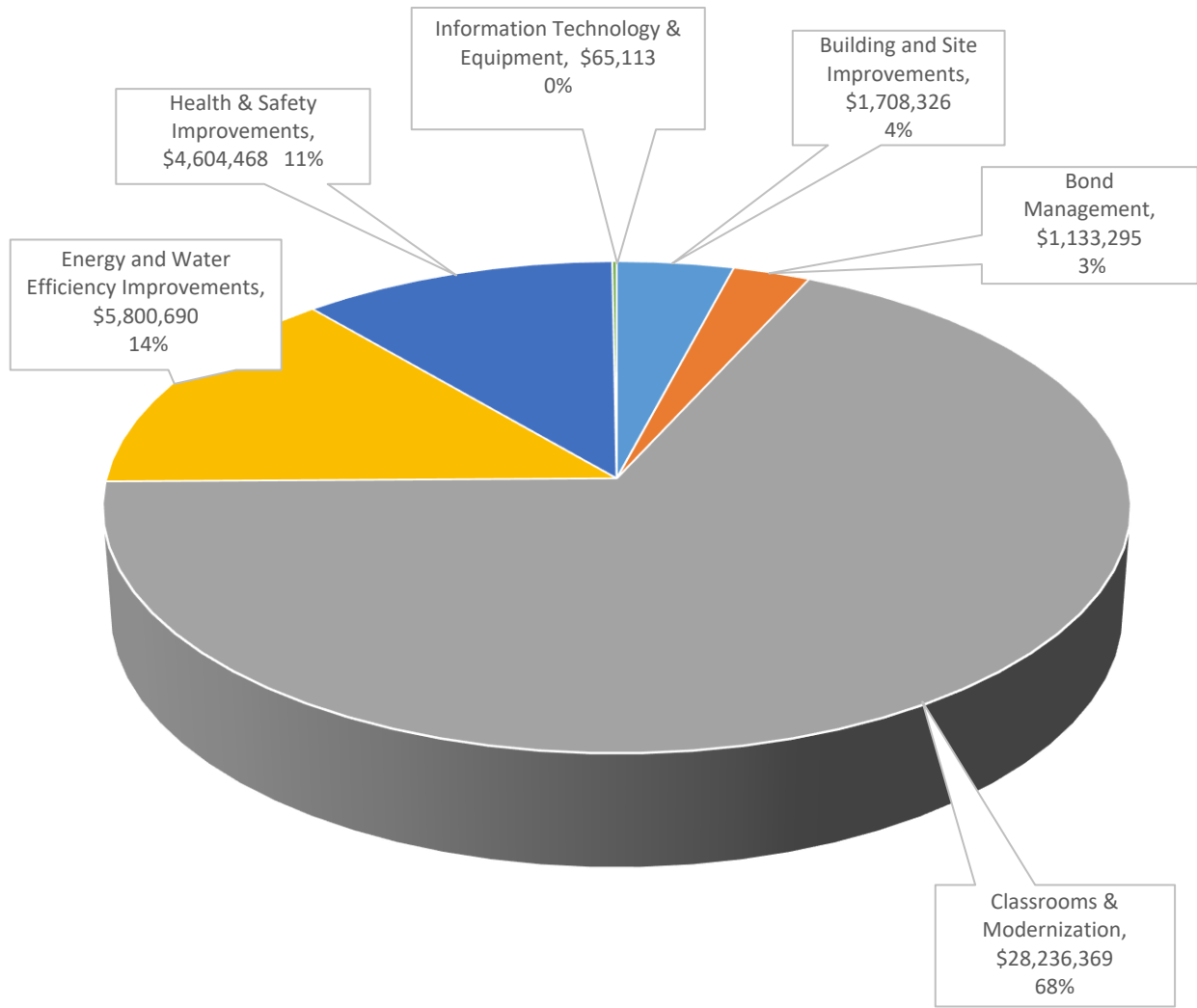
Cerritos Community College District
Measure CC Bond Fund
Year 2004 - 2018

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning Balance	28,831,810	79,873,511	61,160,720	41,594,161
Restatement	-	-	(1,908,965)	-
Adjusted Beginning Balance	<u>28,831,810</u>	<u>79,873,511</u>	<u>59,251,755</u>	<u>41,594,161</u>
Revenues				
8860 Interest	362,617	481,751	327,677	232,357
8900 Other	60,000	1,004,694	-	-
8940 Proceeds	<u>82,825,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
	83,248,132	1,486,445	327,677	232,357
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	416,390	209,224	53,500	-
5000 Other Operating	4,973,029	18,579,027	(756,427)	48,015
6000 Capital Outlay	6,204,234	1,410,985	18,688,198	11,857,087
7000 Debt Service Principal	20,000,000	-	-	-
7000 Debt Service Interest	<u>387,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
	31,981,431	20,199,236	17,985,271	11,905,102
7000 Other uses	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unadjusted Ending Fund Balance	<u>79,873,511</u>	<u>61,160,720</u>	<u>41,594,161</u>	<u>29,921,416</u>
Ending Fund Balance (Audited)	<u><u>79,873,511</u></u>	<u><u>61,160,720</u></u>	<u><u>41,594,161</u></u>	<u><u>29,921,416</u></u>

Cerritos Community College District
Measure CC Bond Fund
Year 2004 - 2018

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Beginning Balance	29,921,416	15,123,992	5,686,832	
Restatement	-	-	-	(3,678,654)
Adjusted Beginning Balance	<u>29,921,416</u>	<u>15,123,992</u>	<u>5,686,832</u>	<u>(3,678,654)</u>
Revenues				
8860 Interest	193,635	105,852	49,894	8,172,418
8900 Other	-	-	-	5,110,844
8940 Proceeds	-	-	-	229,995,515
	<u>193,635</u>	<u>105,852</u>	<u>49,894</u>	<u>243,278,777</u>
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	-	-	-	2,623,920
5000 Other Operating	38,714	(29,350)	8,666	55,349,678
6000 Capital Outlay	14,952,345	9,572,362	5,728,060	144,826,107
7000 Debt Service Principal	-	-	-	35,910,000
7000 Debt Service Interest	-	-	-	665,418
	<u>14,991,059</u>	<u>9,543,012</u>	<u>5,736,726</u>	<u>239,375,123</u>
7000 Other uses	-	-	-	225,000
Unadjusted Ending Fund Balance	<u>15,123,992</u>	<u>5,686,832</u>	-	-
Ending Fund Balance (Audited)	<u><u>15,123,992</u></u>	<u><u>5,686,832</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Measure G Bond Fund Expenditures As of June 30, 2018



Cerritos Community College District
Measure G Bond Fund
Year 2012 - 2018

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning Balance	-	-	(1,908,964)	(6,853,621)
Restatement	-			
Adjusted Beginning Balance	-	-	(1,908,964)	(6,853,621)
Revenues				
8860 Interest	-	-	-	340,149
8940 Proceeds	-	-	-	100,000,000
8980 Transfers In	-	-	-	-
	-	-	-	100,340,149
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	-	-	1,663	2,822
5000 Other Operating	-	-	-	478,189
6000 Capital Outlay	-	1,908,964	4,942,994	18,630,367
7000 Debt Service Principal	-	-	-	-
7000 Debt Service Interest	-	-	-	-
	-	1,908,964	4,944,657	19,111,378
7000 Other uses	-	-	-	-
Unadjusted Ending Fund Balance	-	(1,908,964)	(6,853,621)	74,375,150
Ending Fund Balance (Audited)	-	(1,908,964)	(6,853,621)	74,375,150

Cerritos Community College District
Measure G Bond Fund
Year 2012 - 2018

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Beginning Balance	74,375,150	43,896,392	12,252,658	
Restatement				-
Adjusted Beginning Balance	<u>74,375,150</u>	<u>43,896,392</u>	<u>12,252,658</u>	<u>-</u>
Revenues				
8860 Interest	497,586	360,366	501,225	1,699,326
8940 Proceeds	-	-	75,000,000	175,000,000
8980 Transfers In	-	-	-	-
	<u>497,586</u>	<u>360,366</u>	<u>75,501,225</u>	<u>176,699,326</u>
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	1,757	2,819	1,132	10,193
5000 Other Operating	26,613	31,135	324,025	859,962
6000 Capital Outlay	30,947,974	31,970,146	41,223,104	129,623,549
7000 Debt Service Principal	-	-	-	-
7000 Debt Service Interest	-	-	-	-
	<u>30,976,344</u>	<u>32,004,100</u>	<u>41,548,261</u>	<u>130,493,704</u>
7000 Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unadjusted Ending Fund Balance	<u>43,896,392</u>	<u>12,252,658</u>	<u>46,205,622</u>	<u>46,205,622</u>
Ending Fund Balance (Audited)	<u><u>43,896,392</u></u>	<u><u>12,252,658</u></u>	<u><u>46,205,622</u></u>	<u><u>46,205,622</u></u>

Continuing Disclosure Certificate

The Continuing Disclosure Certificate is executed and delivered by the Cerritos Community College District in connection with issuance of \$37,325,000 General Obligation Bonds, Election of 2004, Series 2004A; \$38,845,000 General Obligation Bonds, Election of 2004, Series 2006B; \$55,000,000 General Obligation Bonds, Election 2004, Series 2009C; \$55,000,000 General Obligation Bonds, Election 2004, Series 2009C; \$82,825,515 General Obligation Bonds, Election 2004, Series 2012D; \$25,135,993 in General Obligation Refunding Bonds issued in 2005; \$80,395,000 in General Obligation Refunding Bonds Series A issued in 2014; \$17,975,000 in General Obligation Refunding Bonds Series B issued in 2014; \$100,000,000 in General Obligation Bonds, Election of 2012, Series 2014A and \$75,000,000 in General Obligation Bonds, Election of 2012, Series 2018A.

The 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 of the State of California, Article XIII A of the California Constitution and pursuant to resolutions of the Board of Supervisors of Los Angeles County adopted in 2004 and 2012. The District Resolution and the County Resolution are heretofore referred to as the Resolution. The complete text for the Continuing Disclosure Certificate is available online at: <http://cms.cerritos.edu/bond/bond-oversight-committee/continuingdisclosureannualreport.htm>

In compliance with Section 4, Number 2 of the Certificate of Disclosure, here are specific answers relating to the period of July 1, 2017 through June 30, 2018.

- (A) *State funding received by the District for the last completed fiscal year (2017-2018)*
Combined General Fund unrestricted and restricted - \$85,082,706.
- (B) *Enrollment for the District for the last completed fiscal year (2017-2018)*
Full Time Equivalent Students – 16,777
- (C) *Outstanding District indebtedness*
The District had \$324,355,989 in general obligation bonds outstanding as of June 30, 2018.
- (D) *Assessed valuation for real property in the District for the last completed fiscal year (2017-2018)*
Assessed Valuation - \$45,329,918,950
- (E) *List of 10 largest taxpayers, together with their assessed valuation and their percentage of total assessed valuation for the District for the last completed fiscal year; to the extent such information is available from Los Angeles County.*
On file in the County Assessor's office.
- (F) *Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the fiscal year.*
Information contained in annual reports from the District is available through the Office of the Vice President of Business Services/Assistant Superintendent.

Appendix

Independent Auditor's Financial Audit

<http://cms.cerritos.edu/bond/audit-reports/default.htm>

Independent Auditor's Performance Audit

<http://cms.cerritos.edu/bond/audit-reports/default.htm>

Citizens' Bond Oversight Committee Agendas and Minutes

<http://cms.cerritos.edu/bond/bond-oversight-committee/citizens-bond-oversight-committee-agendas-2015-2016.htm>

Citizens' Bond Oversight Committee Bylaws

[http://cms.cerritos.edu/uploads/Bond/CBOC_Amended_Bylaws_\(020613\).pdf](http://cms.cerritos.edu/uploads/Bond/CBOC_Amended_Bylaws_(020613).pdf)

Original Resolution 03-18 and Exhibit A & B

http://www.cerritos.edu/uploads/Bond/GO_Bond_Resolution_No._03-18_Approved_11-19-03.pdf

Resolution Authorizing 2004 General Obligation Bonds, Series 2006B

<http://cms.cerritos.edu/uploads/Board/Agendas/13%20-%20August%202,%202006.pdf>

Resolution Authorizing 2004 General Obligation Bonds, Series 2009C

<http://cms.cerritos.edu/uploads/Board/BoardBooks/041509%20Board%20Book.pdf>

Resolution Authorizing 2004 General Obligation Bonds, Series 2012D

http://cms.cerritos.edu/uploads/Board/BoardBooks/021512_Board_Book.pdf

Resolution Authorizing 2004 General Obligation Bonds, 2014 Refunding, Series A & B

http://cms.cerritos.edu/uploads/Board/BoardBackup/Item_1_Refunding_Bonds.pdf

Resolution Authorizing 2012 General Obligation Bonds, Series 2014A

http://cms.cerritos.edu/uploads/Board/BoardBooks/100114_Board_Book.pdf

Resolution Authorizing 2012 General Obligation Bonds, Series 2018B

<http://www.cerritos.edu/board/includes/docs/BoardBooks/111517%20Board%20Book2.pdf>



Elected Board Members

Carmen Avalos, President
Marisa Perez, Vice President
Martha Camacho-Rodriguez, Clerk
James Cody Birkey, Member
Zurich Lewis, Member
Dr. Shin Liu, Member
Dr. Sandra Salazar, Member
Phil Herrera, Student Member



<http://cms.cerritos.edu/bond/>