

Cerritos College



2016-17 | ANNUAL REPORT
Cerritos Community College District
Citizens' Bond Oversight Committee

Citizens' Bond Oversight Committee Annual Report – 2016-2017

Table of Contents

Citizens' Bond Oversight Committee

Introduction	Page i
Executive Summary	Pages 1-2
Statement of Compliance	Page 3
Citizens' Bond Oversight Committee Roster	Page 4

The Bonds

Year Fourteen Commentary	Pages 5-6
Measure CC Bond Fund Expenditures as of June 30, 2017 (by Category)	Page 7
Measure CC Bond Fund Expenditures Year 2004-2017	Pages 8 - 11
Measure G Bond Fund Expenditures as of June 30, 2017 (by Category)	Page 12
Measure G Bond Fund Expenditures Year 2012-2017	Pages 13 - 14
Continuing Disclosure Certificate	Page 15

Appendix

Independent Auditor's Financial Audit	Page 16
Independent Auditor's Performance Audit	Page 16
Citizens' Bond Oversight Committee Agendas and Minutes	Page 16
Citizens' Bond Oversight Committee Bylaws	Page 16
Original Resolution 03-18 and Exhibit A & B	Page 16
Resolution Authorizing 2004 General Obligation Bonds, Series 2006B	Page 16
Resolution Authorizing 2004 General Obligation Bonds, Series 2009C	Page 16
Resolution Authorizing 2004 General Obligation Bonds, Series 2012D	Page 16
Resolution Authorizing 2004 General Obligation Bonds 2014 Refunding, Series A & B	Page 16
Resolution Authorizing 2012 General Obligation Bonds, Series 2014A	Page 16
Resolution Authorizing 2012 General Obligation Bonds, Series 2018B	Page 16

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.

During the 2016-17 annual report period, the CCCD requested the submission of applications from community members interested in serving on its Citizen Bond Oversight Committee. The Citizen's Bond Oversight Committee met two times.

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

Pat Patnik, (Chair) Community Member
Richard Fisler, Business Organization Member
Alan Gafford, Bona-Fide Taxpayers Association Member
Phil Herrera, Student Member
Paul Martinez, Support Organization
Carmen Amarillas-Rivera, Community Member
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, 2017, performed by the firm of CliftonLarsonAllen LLP. The committee examined and reviewed the audits on January 22, 2018, the results of which are contained herein.

A summary of Measure CC Bond Expenditures for the Fiscal Year ending June 30, 2017:

Building and Site Improvements	\$ 1,381,891
Energy and Water Efficiency Improvements	\$ 52,435
Health & Safety Improvements	\$ 20,097
Information Technology & Equipment	\$ 369,458
Instructional Facilities Improvements	\$ 6,918,100
Physical Education Facilities Improvements	\$ 801,031
Total Expenditures	\$ 9,543,012

Executive Summary

A summary of Measure G Bond Expenditures for the Fiscal Year ending June 30, 2017:

Campus Site Improvements	\$ 2,923,941
Energy Efficiency Improvements	\$ 5,239,339
Health & Safety Improvements	\$ 1,328,438
Instructional Facilities Improvements	\$ 20,880,109
Physical Education Facilities Improvements	\$ 659,747
Total Expenditures	\$ 32,004,100

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 Patnik, Chair
Citizens' Bond Oversight Committee
Date: May 7, 2018

Citizens' Bond Oversight Committee Roster 2016-2017

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
John Moore	Senior Citizens' Organization	June 2009 – June 2011	June 2011 – June 2013	June 2013 – June 2015
Paul Martinez	Support Organization	August 2013 – August 2015	January 2018- January 2020	January 2020- January 2021
Lisa Ann Rapp	Community Member	August 2011 – August 2013	August 2013 – August 2015	August 2015 – August 2017
Lola Rizkallah	Community Member	December 2011 – December 2013	December 2013 – December 2015	December 2015 – December 2017
Parimal Shah	Business Organization	March 2017 – March 2019	March 2019 – March 2021	March 2021 – March 2023
Phillip Herrera	Student	January 2017- January 2019		

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

Expired terms: Members whose term have expired may continue to serve on the Committee until a successor has been appointed.

Year Fourteen Commentary

July 1, 2016 through June 30, 2017

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.

Several construction projects have successfully completed during the current fiscal year. The most noteworthy of these completed projects is the new Fine Arts Complex and Math/Computer Information Sciences building. These two new instructional facilities were built concurrently with occupancy in January 2017. A grand opening dedication of both buildings occurred on February 15, 2017 with a double ribbon cutting and tours of the buildings.

Numerous infrastructure projects have progressed during the fiscal year, including the Energy Management System upgrade, Chilled Water Loop expansion, Campus Fiber, and the Blue Light Emergency Phones project. As of June 30, 2017, ten Blue Light Emergency Phones have been installed.

The Health and Wellness Complex officially began construction. A groundbreaking ceremony was held on April 5, 2017. This project has an estimated project budget of \$68 million with an estimated completion date of August 2020.

Site improvements projects, including the Shade Structure project, will provide for student and instructional gathering spaces on campus. This project will provide four areas for students to

Year Fourteen Commentary

gather which include the Aquatics Center, Alondra Drop Off, North Walk, and South Garden. The Stadium Turf replacement project commenced in June 2017, with an estimated completion date by Fall 2017 semester.

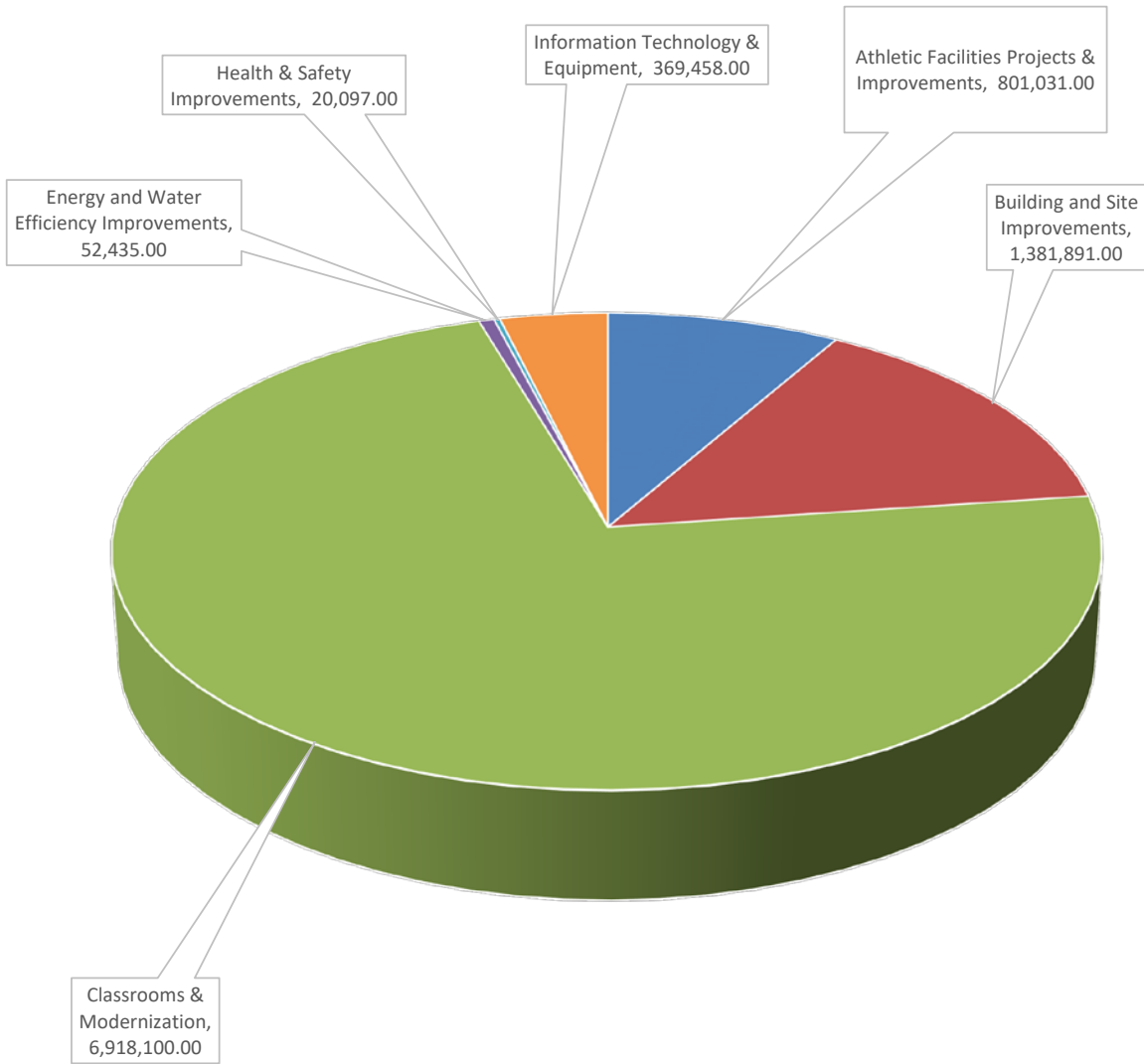
Planning for future construction, the new Field House design continues and the design for the new Performing Arts Center has been submitted to the Division of State Architects for approval. The Social Science Building elevator is awaiting Division of State Architects approval, with construction scheduled to start after conclusion of the Fall 2017 semester. Additional programming and planning for bond construction continues on an ongoing basis.

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, 2017



Cerritos Community College District
Measure CC Bond Fund
Year 2004 - 2017

	<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 - 2017

	<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>

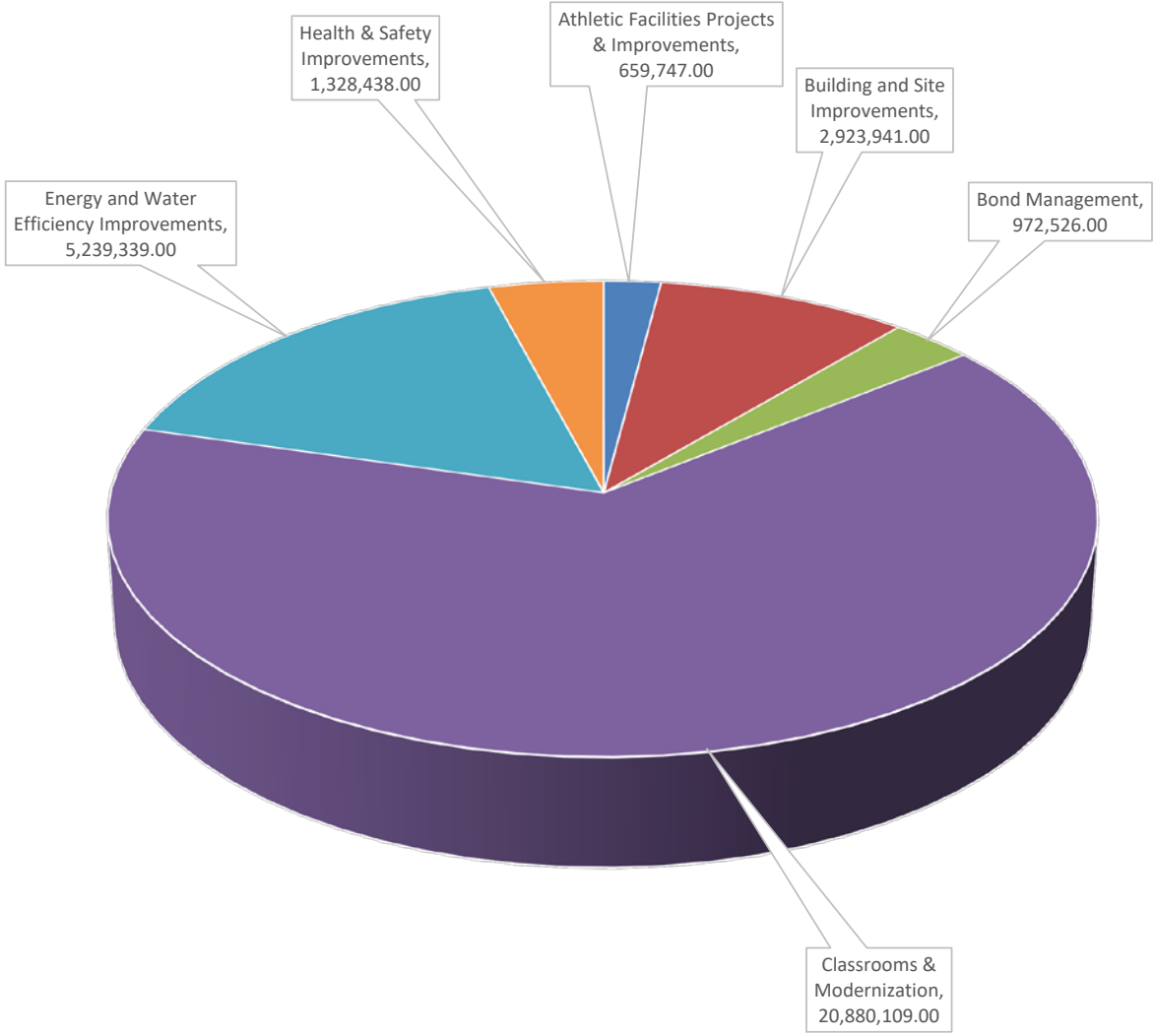
Cerritos Community College District
Measure CC Bond Fund
Year 2004 - 2017

	<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 - 2017

	<u>2016</u>	<u>2017</u>	<u>Total</u>
Beginning Balance	29,921,416	15,123,992	
Restatement	-	-	(3,678,654)
Adjusted Beginning Balance	<u>29,921,416</u>	<u>15,123,992</u>	<u>(3,678,654)</u>
Revenues			
8860 Interest	193,635	105,852	8,122,524
8900 Other	-	-	5,110,844
8940 Proceeds	-	-	229,995,515
	<u>193,635</u>	<u>105,852</u>	<u>243,228,883</u>
Expenditures			
1000 Certificated	-	-	-
2000 Classified	-	-	-
3000 Benefits	-	-	-
4000 Supplies/Materials	-	-	2,623,920
5000 Other Operating	38,714	(29,350)	55,341,012
6000 Capital Outlay	14,952,345	9,572,362	139,098,047
7000 Debt Service Principal	-	-	35,910,000
7000 Debt Service Interest	-	-	665,418
	<u>14,991,059</u>	<u>9,543,012</u>	<u>233,638,397</u>
7000 Other uses	-	-	225,000
Unadjusted Ending Fund Balance	<u>15,123,992</u>	<u>5,686,832</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>5,686,832</u></u>

Measure G Bond Fund Expenditures
As of June 30, 2017



Cerritos Community College District
Measure G Bond Fund
Year 2012 - 2017

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Beginning Balance	-	-	(1,908,964)
Restatement	-		
Adjusted Beginning Balance	-	-	(1,908,964)
Revenues			
8860 Interest	-	-	-
8940 Proceeds	-	-	-
8980 Transfers In	-	-	-
	-	-	-
Expenditures			
1000 Certificated	-	-	-
2000 Classified	-	-	-
3000 Benefits	-	-	-
4000 Supplies/Materials	-	-	1,663
5000 Other Operating	-	-	-
6000 Capital Outlay	-	1,908,964	4,942,994
7000 Debt Service Principal	-	-	-
7000 Debt Service Interest	-	-	-
	-	1,908,964	4,944,657
7000 Other uses	-	-	-
Unadjusted Ending Fund Balance	-	(1,908,964)	(6,853,621)
Ending Fund Balance (Audited)	-	(1,908,964)	(6,853,621)

Cerritos Community College District
Measure G Bond Fund
Year 2012 - 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Beginning Balance	(6,853,621)	74,375,150	43,896,392	
Restatement				-
Adjusted Beginning Balance	<u>(6,853,621)</u>	<u>74,375,150</u>	<u>43,896,392</u>	<u>-</u>
Revenues				
8860 Interest	340,149	497,586	360,366	1,198,101
8940 Proceeds	100,000,000	-	-	100,000,000
8980 Transfers In	-	-	-	-
	<u>100,340,149</u>	<u>497,586</u>	<u>360,366</u>	<u>101,198,101</u>
Expenditures				
1000 Certificated	-	-	-	-
2000 Classified	-	-	-	-
3000 Benefits	-	-	-	-
4000 Supplies/Materials	2,822	1,757	2,819	9,061
5000 Other Operating	478,189	26,613	31,135	535,937
6000 Capital Outlay	18,630,367	30,947,974	31,970,146	88,400,445
7000 Debt Service Principal	-	-	-	-
7000 Debt Service Interest	-	-	-	-
	<u>19,111,378</u>	<u>30,976,344</u>	<u>32,004,100</u>	<u>88,945,443</u>
7000 Other uses	-	-	-	-
Unadjusted Ending Fund Balance	<u>74,375,150</u>	<u>43,896,392</u>	<u>12,252,658</u>	<u>12,252,658</u>
Ending Fund Balance (Audited)	<u><u>74,375,150</u></u>	<u><u>43,896,392</u></u>	<u><u>12,252,658</u></u>	<u><u>12,252,658</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, 2016 through June 30, 2017.

- (A) *State funding received by the District for the last completed fiscal year (2016-2017)*
Combined General Fund unrestricted and restricted - \$92,786,406.
- (B) *Enrollment for the District for the last completed fiscal year (2016-2017)*
Full Time Equivalent Students – 16,723
- (C) *Outstanding District indebtedness*
The District had \$260,737,021 in general obligation bonds outstanding as of June 30, 2017.
- (D) *Assessed valuation for real property in the District for the last completed fiscal year (2016-2017)*
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://cms.cerritos.edu/uploads/Bond/GO_Bond_Resolution_No._03-18_\(Approved_11-19-03\).pdf](http://cms.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/Board%20Backup/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

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



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