
AUXILIARY PROGRAMS CORPORATION



BOARD OF DIRECTORS

Kevin G. Walthers, Ph.D., President
Dennis Curran, Treasurer
Robert Curry, Ph.D., Secretary
Suzanne Levy, Ed.D.
Fred Patrick
Ora Shrecengost, Student

Agenda

Annual Meeting and Quarterly Regular Meeting
February 21, 2025
Captain's Room, B-102
Allan Hancock College
800 South College Drive, Santa Maria, CA 93454

	<u>Page</u>	<u>Est. Time</u>
<u>Annual Meeting</u>		
1. Call to Order		3:00 PM
2. Information Items		
2.a. Appointment of Directors	3	
3. Action Items		
3.a. Election of Officers	4	
3.b. 2025 Meeting Dates	5	
<u>Regular Meeting</u>		
4. Public Comment		
<p>Public comments on an agenda item or another topic within the jurisdiction of the Board of Directors will be given in person during the meeting or submitted in writing at least 24 hours before the meeting via email to: melinda.martinez1@hancockcollege.edu. The leading speaker from the audience side on each side of the issue will be limited to five minutes. Additional speakers are limited to two minutes. Please submit an individual comment card for each item. Testimony on specific agenda items will be welcome during consideration of the item by the Board of Directors. When public testimony is completed regarding a specific agenda item, discussion is then confined to directors only. This practice is in accordance with laws governing Board of Directors public meetings.</p>		
5. Action Items		
5.a. Approval of Minutes from the December 5, 2024 Meeting	6	

	<u>Page</u>	<u>Est. Time</u>
5.b. Acceptance of Cash Donations of \$500 or Greater to PCPA for the period of November 1, 2024 through January 31, 2025	8	
5.c. Acceptance of PCPA Public Relations/Advertising Report of Promotions, Sponsorships, and In-kind Donations of \$500 or Greater for the period of November 1, 2024 through January 31, 2025	10	
6. Information Items		
6.a. Financial Report for Auxiliary Programs	11	
6.b. Audit Report for the PCPA, FY 2024	14	
6.c. Auxiliary Programs Corporation Meeting Prep	35	
7. Oral Reports for Auxiliary Programs		
8. Adjournment		4:00 PM

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the President's Office at 805-922-6966 ext. 3454 or email Melinda Martinez at melinda.martinez1@hancockcollege.edu. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.



To: Board of Directors		Date: February 21, 2025
From: Kevin G. Walthers		
Subject: Appointment of Directors		
Reason for Board Consideration: INFORMATION	Item Number: 2.a.	Enclosures: Page 1 of 1

Background

Article V, Section 4, "Selection and Tenure," of the Auxiliary Programs Corporation Bylaws designates the college superintendent/president and chief financial officer as ex-officio voting directors of the corporation. The other three directors shall be selected as follows: one (1) academic administrator appointed by the superintendent/president; one (1) regular faculty member nominated by the Academic Senate and appointed by the superintendent/president; and one (1) student member nominated by the Associated Student Body Government and appointed by the superintendent/ president. In addition, one (1) college trustee serves as a non-voting director.

- Per the bylaws, the superintendent/president will serve as an ex-officio voting director of the corporation.
- Per the bylaws, the chief financial officer will serve as an ex-officio voting director of the corporation.
- The superintendent/president reappoints Dr. Robert Curry, associate superintendent/vice president, Academic Affairs, to serve as the academic administrator for 2025.
- On a nomination from the Academic Senate, the superintendent/president reappoints Fred Patrick to serve as the faculty member for 2025.
- On a nomination from the Associated Student Body Government, the superintendent/president reappoints Ora Shrecengost to serve as the student member for the remainder of the academic year 2024-25.
- At its December 17, 2024 meeting, the Allan Hancock College Board of Trustees appointed Suzanne Levy to serve as the non-voting trustee director for 2025.

The current composition of the Auxiliary Programs Corporation Board of Directors is:

Kevin G. Walthers, Ph.D., superintendent/president

Dennis Curran, associate superintendent/vice president, Finance and Administration

Robert Curry, Ph.D., associate superintendent/vice president, Academic Affairs

Suzanne Levy, Ed.D., trustee representative (non-voting)

Fred Patrick, faculty representative

Ora Shrecengost, student representative

Administrator Initiating Item: Kevin G. Walthers	Final Disposition:
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To: Board of Directors		Date: February 21, 2025
From: Kevin G. Walthers		
Subject: Election of Officers		
Reason for Board Consideration: ACTION	Item Number: 3.a.	Enclosures: Page 1 of 1

Background

Officers of the Auxiliary Programs Corporation are elected each spring at the annual meeting of the board of directors. Article VII, Section 4, of the Auxiliary Programs Corporation Bylaws states: "The officers of the corporation shall be a President, a Treasurer, and a Secretary."

Fiscal Impact

None

Recommendation

Staff recommends that the board of directors elect from among its members a president, treasurer, and secretary to serve a one-year term.

Administrator Initiating Item: Kevin G. Walthers	Final Disposition:
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To: Board of Directors		Date: February 21, 2025
From: Kevin G. Walthers		
Subject: 2025 Meeting Dates		
Reason for Board Consideration: ACTION	Item Number: 3.b.	Enclosures: Page 1 of 1

Background

Section 3 of the Auxiliary Programs Corporation bylaws specify that “regular meetings of the board of directors shall be held at least quarterly.”

It is recommended that the board of directors meet at 3:00 p.m. on the following dates:

- May 13, 2025
- August 28, 2025
- November 13, 2025

Fiscal Impact

None

Recommendation

Staff recommends that the board of directors hold its quarterly meetings at 3:00 p.m. on May 13, August 28, and November 13, 2025.

Administrator Initiating Item: Kevin G. Walthers	Final Disposition:
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AUXILIARY PROGRAMS CORPORATION BOARD OF DIRECTORS

MINUTES

Quarterly Regular Meeting
Thursday, December 5, 2024
Captain's Room, B-102

1. Call to Order

Dr. Walthers called the meeting to order at 3:30 p.m. with the following directors present: Curran, Curry, Shrecengost, Walthers

Directors absent: Enciso, Patrick

Staff Members Present: Mark Booher, Keli Seyfert, Jennifer Schwartz

2. Public Comment

No public comment was made.

3. Action Items

3.a. Approval of Minutes from the August 29, 2024 Meeting

On a motion by Ora Shrecengost, seconded by Dennis Curran, the board voted to approve the minutes from the August 29, 2024 meeting. (Ayes: Curran, Curry, Shrecengost, Walthers; Noes: None; Concur: None; Absent: Enciso, Patrick)

3.b. Acceptance of Cash Donations of \$500 or Greater to PCPA for the period of August 1, 2024 through October 31, 2024

On a motion by Dr. Curry, seconded by Dennis Curran, the board voted to accept PCPA's donations of \$500 or greater for the period of August 1, 2024 through October 31, 2024. (Ayes: Curran, Curry, Shrecengost, Walthers; Noes: None; Concur: None; Absent: Enciso, Patrick)

3.c. Acceptance of PCPA Public Relations/Advertising Report of Promotions and Sponsorships of \$500 or Greater for the period of August 1, 2024 through October 31, 2024

On a motion by Ora Shrecengost, seconded by Dr. Curry, the board voted to accept PCPA's promotions and sponsorships of \$500 or greater for the period of August 1, 2024 through October 31, 2024. (Ayes: Curran, Curry, Shrecengost, Walthers; Noes: None; Concur: None; Absent: Enciso, Patrick)

3.d. Acceptance of Non-Cash Donations of \$500 or Greater to Associated Student Trust

On a motion by Ora Shrecengost, seconded by Dr. Curry, the board voted to accept Associated Student Trust's non-cash donation of \$500 or greater for the period of August 1, 2024 through October 31, 2024. (Ayes: Curran, Curry, Shrecengost, Walthers; Noes: None; Concur: None; Absent: Enciso, Patrick)

3.e. Approval to use Bookstore Commissions for Student Support

On a motion by Dr. Curry, seconded by Ora Shrecengost, the board voted to approve transferring up to \$70,000 in commissions annually (July 1-June 30 of each year) to the ASB Program Board within the Associated Students Trust Fund. (Ayes: Curran, Curry, Shrecengost, Walthers; Noes: None; Concur: None; Absent: Enciso, Patrick)

4. Information Items

4.a. Financial Report for Auxiliary Programs

Keli Seyfert reviewed the income statement through September 30, 2024.

Jennifer Schwartz reported *Beauty and the Beast* met their sales goal and PCPA sent their year-end appeal for Giving Tuesday. She noted the annual audit reported no findings. Ms. Schwartz shared PCPA is working with the PCPA Foundation on various projects including google advertising.

4.b. Revised PCPA Employee Handbook

Jennifer Schwartz reported PCPA worked with a legal firm to revise the PCPA Employee Handbook and noted additional changes will be forthcoming in January due to expected changes in employment law.

5. Oral Reports for Auxiliary Programs

PCPA

Mark Booher highlighted year-end student activity and staff changes and described the impact staff shortages had on production and overtime budgets. He shared new staff hire updates and the process of hiring guest designers as needed. Mr. Booher concluded by sharing the timeline of summer casting and obtaining licensing requests for Season 62.

Athletics

No report

ASBG

No report

6. Adjournment

Dr. Walthers adjourned the meeting at 3:49 p.m.



To: Board of Directors	Date:	
From: Jennifer Schwartz	February 21, 2025	
Subject: Acceptance of Cash Donations of \$500 or Greater to PCPA for the period of November 1, 2024 through January 31, 2025		
Reason for Board Consideration: ACTION	Item Number: 5.b.	Enclosures: Page 1 of 2

Background

Following is a list of donations of \$500 or greater contributed to PCPA for the period of November 1, 2024 through January 31, 2025.

Date	Donations \$500 or Greater	Amount
11/15/2024	Mr. and Mrs. Jim Alquist	\$500
11/15/2024	Craig Darnell	\$2,500
11/15/2024	Ms. Janet Ford	\$520
11/15/2024	Administrator Esther Jacobsen Bates	\$5,000
11/22/2024	Russell and Denise Surber	\$1,500
11/25/2024	Presqu'ile Winery	\$522
12/02/2024	Mrs. Shawnah Van Gronigen	\$500
12/02/2024	Ms. Stephanie Fugate	\$1,000
12/02/2024	Ms. Diane Grey	\$520
12/04/2024	Michael Bunyak	\$500
12/04/2024	Nick Zigler	\$1,000
12/04/2024	Dr. Scott Robertson	\$1,000
12/05/2024	Dr. and Mrs. Robert Hammond	\$1,000
12/05/2024	Edwin and Caroline Woods	\$1,000
12/05/2024	Ms. Joan Oswood	\$500
12/05/2024	Jack Sammons	\$500
12/05/2024	Ms. Maureen Tolson	\$2,000
12/05/2024	Bob and Patti Anderson	\$500

(continued)

Fiscal Impact

None

Recommendation

Staff recommends that the Auxiliary Programs Corporation Board of Directors accept PCPA's donations of \$500 or greater for the period of November 1, 2024, through January 31, 2025.

Administrator Initiating Item: Jennifer Schwartz	Final Disposition:
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Date	Donations \$500 or Greater	Amount
12/05/2024	Ms. Cynthia Lara	\$2,500
12/05/2024	Hans and Wendy Gregersen	\$500
12/05/2024	Mr. and Mrs. Timothy Davis	\$1,000
12/06/2024	Mark Booher	\$500
12/06/2024	Dennis Curran	\$750
12/10/2024	Dr. Ann Foxworthy Lewellen	\$1,000
12/10/2024	Jean Jacoby	\$5,000
12/10/2024	Mrs. Wanda Mills	\$10,000
12/10/2024	Diane Borad-Mirken	\$1,000
12/10/2024	Dick & Patti Melsheimer	\$6,000
12/10/2024	Mrs. Betty Ziegler	\$500
12/11/2024	Ms. Robin Palmerston	\$1,000
12/13/2024	Ken Brown Wines	\$885
12/13/2024	Judge Jed Q. & Diane Beebe	\$920
12/16/2024	Dr. Amerian Sones	\$500
12/16/2024	PCPA Foundation	\$16,000
12/18/2024	Sweetzer Cellars	\$860
12/18/2024	Judy Haugh	\$520
12/18/2024	Keith and Sharon Kuhlenschmidt	\$500
12/18/2024	Edwin and Caroline Woods	\$1,040
12/20/2024	Amy Siroky and Wayne Ginter	\$1,000
01/07/2025	John and Elise Gerich	\$500
01/07/2025	Madeleine Shaw	\$800
01/07/2025	Robert Ogden	\$500
01/09/2025	Michael Burke	\$1,040
01/09/2025	Susan & Mark Frink	\$500
01/09/2025	Judy Frost	\$1,500
01/09/2025	Mr. Nelson Yamagata	\$500
01/09/2025	Beverly Tracy	\$25,000
01/10/2025	Wood-Claeyssens Foundation	\$30,000
01/14/2025	Ms. Sarah Barthel	\$1,040
01/31/2025	Dianne Raynor	\$3,000
GRAND TOTAL		\$137,917



To: Board of Directors		Date: February 21, 2025
From: Jennifer Schwartz		
Subject: Acceptance of PCPA Public Relations/Advertising Report of Promotions, Sponsorships, and In-kind Donations of \$500 or Greater for the period of November 1, 2024 through January 31, 2025		
Reason for Board Consideration: ACTION	Item Number: 5.c.	Enclosures: Page 1 of 1

Background

Following is an update of promotions, sponsorships, and in-kind donations of \$500 or greater for the period of November 1, 2024 through January 31, 2025.

Promotions, Sponsorships, and In-kind Donations of \$500 or Greater	Vendor Trade/ In-Kind Services	Cash Sponsor	PCPA Trade
KCBX Radio	\$1,140		
KCOY	\$3,000		
Noozhawk	\$500		
Sun/New Times	\$2,187		
Presqu'ile Winery	\$522		
Ken Brown Wines LLC	\$885		
TOTAL	\$8,234		

Fiscal Impact

None

Recommendation

Staff recommends that the Auxiliary Programs Corporation Board of Directors accept PCPA’s public relations/ advertising report of promotions, sponsorships, and in-kind donations of \$500 or greater for the period of November 1, 2024 through January 31, 2025.

Administrator Initiating Item: Jennifer Schwartz	Final Disposition:
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To: Board of Directors		Date: February 21, 2025
From: Dennis Curran		
Subject: Financial Report for Auxiliary Programs		
Reason for Board Consideration: INFORMATION	Item Number: 6.a.	Enclosures: Page 1 of 3

Background

Attached are copies of financial statements for the following funds:

- Associated Student Body Trust Fund
- PCPA Special Revenue Fund

The statements reflect financial data as of December 31, 2024.

Administrator Initiating Item: Dennis Curran	Final Disposition:
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**Associated Students Trust Fund
Income Statement by Fund Type
For Period Ending 12/31/2024**

REVENUES

Athletic Entry Fees	4,200
Interest and Investment Income	8,738
Non Cash Contribution	5,000
Other Local Revenues	205
Sales and Commission	48,791
Single Tickets	16,777
Total REVENUES	83,710

EXPENDITURES

Bank Service Charges	12
District/College Support	4,194
Dues & Memberships	3,350
Field Trips	140,632
Food - Business Meetings/Events	10,529
Game Personnel (Athletic Events)	58,465
Merchant Fees	1
Non Instr Printing	499
Office/Operational Supplies	8,875
Service Contracts (Businesses)	3,865
Travel - All Travel Costs	1,650
Total EXPENDITURES	232,071

**Excess of Revenues Over
(Under) Expenditures** (148,361)

OTHER FINANCING SOURCES(USES)

Interfund Transfer-In District	360,136
Total OTHER FINANCING	360,136

OPERATING TRANSFERS OUT

In-Kind Student Assistance	5,000
Scholarships	1,000
Trsf-Out Co-Curricular/ASB	50,000
Trsf-Out Co-Curricular/Athletic	64,860
Total OPERATING TRANSFERS OUT	120,860

Excess of Revenues and Other

Financing Sources Over/(Under) 90,915

FUND BALANCE:

Fund Balance, July 1	303,998
Current Balance	394,913

Allan Hancock College
PCPA Fund
Income Statement by Fund
For Period Ending
12/31/2024

Actual

REVENUES

Local Revenues	\$ 2,220,534
Total REVENUES	2,220,534

EXPENDITURES

Classified Salaries	1,634,101
Employee Benefits	383,743
Supplies and Materials	203,396
Other Operating Exp. and Services	516,778
Capital Outlay	9,686
Total EXPENDITURES	2,747,703
Excess of Revenues Over/ (Under) Expenditures	(527,168)

OTHER FINANCING SOURCES (USES)

Other Financing Sources	270,000
Total OTHER FINANCING SOURCES (USES)	270,000

OPERATING TRANSFERS OUT

Other Outgo	690,904
Total OPERATING TRANSFERS OUT	690,904
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses	(948,072)

FUND BALANCE

Fund balance, July 1	4,029,232
Current Balance	\$ 3,081,160



To: Board of Directors		Date: February 21, 2025
From: Dennis Curran		
Subject: Audit Report for the PCPA, FY 2024		
Reason for Board Consideration: INFORMATION	Item Number: 6.b.	Enclosures: Page 1 of 21

Background

Attached is the final audit report for the PCPA, FY 2024.

Administrator Initiating Item: Dennis Curran	Final Disposition:
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PACIFIC CONSERVATORY OF THE PERFORMING ARTS
A FUND OF ALLAN HANCOCK
JOINT COMMUNITY COLLEGE DISTRICT

AUDIT REPORT

Fiscal Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pacific Conservatory of the Performing Arts
Santa Maria, California

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Pacific Conservatory of the Performing Arts (PCPA), a fund of Allan Hancock Joint Community College District (the "District"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Conservatory of the Performing Arts (PCPA), as of June 30, 2024 and 2023, and the changes to its fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent Auditors' of Pacific Conservatory of the Performing Arts (PCPA), and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PCPA's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute Auditors' assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PCPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PCPAs ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 2, the financial statements of PCPA are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2024 and 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of PCPA'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 PCPA'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 PCPA's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
November 21, 2024

FINANCIAL STATEMENTS

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 4,543,210	\$ 4,069,476
Accounts receivable	49,429	29,213
Prepaid expenses	229,797	256,838
Total Assets	\$ 4,822,436	\$ 4,355,527
LIABILITIES		
Accounts payable	\$ 151,758	\$ 99,630
Accrued payroll and benefits	37,681	12,356
Unearned revenue	603,766	463,265
Total Liabilities	793,205	575,251
FUND BALANCE		
Nonspendable for prepaid expenditure	229,797	256,838
Unassigned	3,799,434	3,523,438
Total Fund Balance	4,029,231	3,780,276
Total Liabilities and Fund Balance	\$ 4,822,436	\$ 4,355,527

REVENUES

Ticket sales	\$ 1,689,764
Donations	913,041
Other local revenues	264,935
Total Revenues	<u>2,867,740</u>

EXPENDITURES

Classified salaries	2,898,819
Employee benefits	703,483
Scholarships	971,075
Supplies and materials	286,892
Other operating expenditures and services	793,234
Capital outlay	62,651
Total Expenditures	<u>5,716,154</u>
EXCESS/(DEFICIENCY) OF EXPENDITURES OVER REVENUES	<u>(2,848,414)</u>

OTHER FINANCING SOURCES

Contributions received through Allan Hancock College Foundation	87,685
Support from Allan Hancock Joint Community College District	3,009,684
Total Other Financing Sources	<u>3,097,369</u>

Changes in Fund Balance	248,955
Fund Balance - Beginning of Year	<u>3,780,276</u>
Fund Balance - End of Year	<u>\$ 4,029,231</u>

REVENUES

Ticket Sales	\$ 1,273,644
Donations	1,096,407
Other local revenues	<u>129,358</u>
Total Revenues	<u>2,499,409</u>

EXPENDITURES

Classified salaries	2,663,756
Employee benefits	643,539
Scholarships	766,422
Supplies and materials	167,001
Other operating expenditures and services	656,780
Capital outlay	<u>24,675</u>
Total Expenditures	<u>4,922,173</u>
EXCESS/(DEFICIENCY) OF EXPENDITURES OVER REVENUES	(2,422,764)

OTHER FINANCING SOURCES

Contributions received through Allan Hancock College Foundation	86,924
Support from Allan Hancock Joint Community College District	<u>2,783,056</u>
Total Other Financing Sources	<u>2,869,980</u>

Changes in Fund Balance	447,216
Fund Balance - Beginning of Year	<u>3,333,060</u>
Fund Balance - End of Year	<u>\$ 3,780,276</u>

NOTE 1 – NATURE OF BUSINESS

Pacific Conservatory of the Performing Arts (PCPA) is part of Allan Hancock College Auxiliary Programs Corporation (the Corporation), which is an auxiliary operation of the Allan Hancock Joint Community College District (the District). PCPA was organized with the purpose of providing benefits to the educational programs and services for the District through professional theatre productions and training students in acting and technical careers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

In evaluating how to define PCPA for financial reporting purposes, the management of Allan Hancock Joint Community College District considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and Governmental Accounting Standards Board (GASB) Statement No. 14, amended by GASB Statements No. 39 and No. 61. One of the basic criteria for including a potential component unit is whether the nature and significance of the relationship between the reporting entity and the component unit are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. PCPA is a fund within the Corporation, which is a component unit of the District. Therefore, PCPA is accounted for as a fund of the District. These financial statements present only PCPA and are not intended to present fairly the financial position and changes in financial position of the District in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Under this basis, revenues are recognized in the accounting period in which they become measurable and available. "Available" means 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. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Accounts Receivable**

Accounts receivable at June 30, 2024 and 2023, were \$49,429 and \$29,213 respectively, consist of amounts due from box office sales and miscellaneous receivables. PCPA does not record an allowance for uncollectible accounts because management believes any amounts would be immaterial. When receivables are determined to be uncollectible, a direct write off is recorded.

Prepaid Expenditures

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in the financial statements. Prepaid expenditures at June 30, 2024 and 2023, were \$229,797 and \$256,838, respectively, consist of expenses incurred for productions scheduled subsequent to year-end.

Accounts Payable

Accounts payable at June 30, 2024 and 2023, were \$150,729 and \$99,630, respectively, represents amounts owed to vendors.

Unearned Revenue

Unearned revenue at June 30, 2024 and 2023, were \$603,766 and \$463,265, respectively, includes revenues that were collected by PCPA as of June 30, 2024 but have not yet been earned including prepaid theater tickets and contract sales.

Fund Balance

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based on the extent to which PCPA and the District are bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components in accordance with GASB Statement No. 54 – nonspendable, restricted, committed, assigned, and unassigned. The District has not formally adopted a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for a specific purpose. The components applicable to PCPA as of June 30, 2024 and 2023, are as follows:

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to a specific purpose.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Allocation of Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs and occupancy expenses are allocated based on time and effort. The financial statements also report categories of expenses that are attributed to program service activities or supporting services activities. These expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Concentrations*Credit Risk:*

Cash accounts of PCPA consist of cash on hand and demand deposits with financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000. These balances are collateralized with securities held by the pledging financial institution in the District's name.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Allan Hancock Joint Community College District provided a total of \$3,009,319 and \$2,783,056 in support to the PCPA for the years ending June 30, 2024 and 2023, respectively. The Allan Hancock College Foundation provided a total of \$87,685 and \$86,924 in support to the PCPA for the years ended June 30, 2024 and 2023, respectively. These amounts are reflected as interfund transfers within the District's financials.

NOTE 4 – SUBSEQUENT EVENTS

The Pacific Conservatory of the Performing Arts evaluated all events or transactions that occurred from June 30, 2024 to October 19, 2023, the date the financial statements were available to be issued. No subsequent events occurred requiring accrual or disclosure.

UNAUDITED SUPPLEMENTARY INFORMATION

	2024	2023
Production	\$ 3,207,855	\$ 2,802,949
Conservatory	23,638	50,475
Scholarships	971,074	766,422
Administration	451,726	421,526
Development	122,190	121,531
Marketing	540,945	451,014
Box Office	297,195	268,005
Concessions	16,189	7,779
Outreach	85,342	32,472
Total	\$ 5,716,154	\$ 4,922,173

OTHER INDEPENDENT AUDITORS' REPORT



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

Board of Directors
Pacific Conservatory of the Performing Arts
Santa Maria, California

We have audited, 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 the financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of Pacific Conservatory of the Performing Arts (PCPA), a fund of Allan Hancock Joint Community College District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PCPA'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 PCPA's internal control. Accordingly, we do not express an opinion on the effectiveness of PCPA'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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PCPA'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 PCPA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PCPA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California

November 21, 2024

SECTION I -SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Noted</u>
Non-compliance material to financial statements noted?	<u>No</u>

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

This section identifies the audit findings and questioned costs related to financial statements for prior year.

There were no findings and questioned costs during fiscal year 2022-23.



To: Board of Directors		Date: February 21, 2025
From: Kevin G. Walthers		
Subject: Auxiliary Programs Corporation Meeting Prep		
Reason for Board Consideration: INFORMATION	Item Number: 6.c.	Enclosures: Page 1 of 1

Background

The meeting materials for the Auxiliary Programs Corporation Board of Directors meeting have previously been prepared by staff in the Office of the Superintendent/President. Effective, February 22, 2025, the meeting materials will be prepared by staff in the Administrative Services department under the supervision of the Associate Superintendent/Vice President, Finance and Administration.

Administrator Initiating Item: Kevin G. Walthers	Final Disposition:
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