

AGENDA  
Regular Meeting  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon Avenue  
Fresno, CA 93704  
4:30 p.m., January 10, 2006

- I. Call to Order
- II. Pledge of Allegiance
- III. Introduction of Guests
- IV. Approval of Minutes, Meeting of December 6, 2005
- V. Delegations, Petitions, and Communications [see footnote, Page 2]
- VI. Reports of Chancellor and Staff

A. PRESENTATIONS

- 1. Chancellor's Report Tom Crow
- 2. Campus Reports Ned Doffoney, FCC  
Barbara Hioco, RC  
Terry Kershaw, NC
- 3. Academic Senate Report Paula Demanett, FCC
- 4. Classified Senate Report Linda Nies, RC
- 5. Commission on Athletics Championship Festival Ned Doffoney  
Susan Yates

B. CONSIDERATION OF CONSENT AGENDA [06-01HR through 06-14G]

C. HUMAN RESOURCES

D. GENERAL

- |   |         |                                |
|---|---------|--------------------------------|
| 1. Consideration to Accept 2004-05 Audit Report   | [06-01] | Doug Brinkley<br>Bill Williams |
| 2. Consideration to Adopt Resolution Providing Workers' Compensation Coverage for District Volunteers | [06-02] | Doug Brinkley                  |

VII. Reports of Board Members

VIII. Old Business

IX. Future Agenda Items

X. Delegations, Petitions, and Communications [see footnote, Page 2]

XI. Closed Session

A. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Pursuant to Government Code Section 54957

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION, Pursuant to Government Code Section 54957; Title: Chancellor

XII. Open Session (if any)

XIII. Adjournment

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The Board chairperson, under Board Policy 2350, has set a limit of three minutes each for those who wish to address the Board. General comments will be heard under Agenda Section Delegations, Petitions and Communications at the beginning of the meeting. Those who wish to speak to items to be considered in Closed Session will be given the opportunity to do so following the completion of the open agenda and just prior to the Board's going into Closed Session. Individuals wishing to address the Board should fill out a Request Form and file it with the Associate Vice Chancellor-Human Resources Randy Rowe, at the beginning of the meeting.

Any person with a disability may request this agenda be made available in an appropriate alternative format. A request for a disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to Jan Krueger, Executive Secretary to the Chancellor, 1525 E. Weldon Avenue, Fresno, CA 93704, (559) 244-5901, 8:00 a.m. to 5:00 p.m., Monday – Friday, at least 48 hours before the meeting.

CONSENT AGENDA  
BOARD OF TRUSTEES MEETING  
January 10, 2006

HUMAN RESOURCES

1. Employment, Resignation, and Personal and Parental Leave, Academic Personnel [06-01HR]
2. Employment, Promotion, Change of Status, and Resignation, Classified Personnel [06-02HR]
3. Consideration of Applications for 2006-2007 Sabbatical Leaves, Reedley College and Fresno City College [06-03HR]

GENERAL

4. Consideration to Approve Out-of-State Travel, Theatre Arts Students, Fresno City College [06-01G]
5. Review of District Warrants and Checks [06-02G]
6. Consideration to Accept Construction Project, Railroad Underpass/Grade Separation, Fresno City College [06-03G]
7. Consideration to Accept Construction Project, Softball Field Drainage Improvements Fresno City College [06-04G]
8. Consideration to Accept Construction Project, LED Message Boards, Fresno City College. [06-05G]
9. Consideration to Accept Construction Project, Learning Resources Center Addition, Reedley College [06-06G]
10. Consideration to Accept Maintenance Project, Door and Hardware Replacement, Various Building, Reedley College [06-07G]
11. Consideration to Approve 2006-07 Tuition Rate, Out-of-State and Nonresident Students [06-08G]
12. Consideration to Authorize Agreement with California State University, Fresno Foundation for Hispanic Serving Institutions Education Grants [06-09G]

13. Consideration to Authorize AmeriCorps Agreement with Foundation for California Community Colleges for Foster Youth Mentoring Project, Fresno City College [06-10G]
14. Consideration to Authorize Agreement with Center for Advanced Research and Technology (CART) for Lease of Property, Fresno City College Training Institute [06-11G]
15. Consideration to Extend Agreement with University of California for Lease of Property, Center for International Trade Development [06-12G]
16. Consideration to Adopt a Resolution Approving the Filing of a California Cultural and Historical Endowment (CCHE) Grant Application for the Old Administration Building, Fresno City College [06-13G]
17. Consideration of Claim Against State Center Community College District, CG Construction [06-14G]

MINUTES OF MEETING OF  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
December 6, 2005

Call to Order           A regular meeting of the Board of Trustees of the State Center Community College District was called to order by President Patrick Patterson at 4:31 p.m., December 6, 2005, at the District Office Boardroom, 1525 E. Weldon Avenue, Fresno, California.

Trustees Present       Patrick E. Patterson, President  
Isabel Barreras, Vice President  
Dorothy Smith, Secretary  
H. Ronald Feaver  
Phillip J. Forhan  
William J. Smith  
Leslie W. Thonesen  
Zyanya Bejarano, Student Trustee, FCC  
LaShanda Mack, Student Trustee, RC

Also present were:

Tom Crow, Chancellor, SCCCCD  
Ned Doffoney, President, Fresno City College  
Barbara Hioco, President, Reedley College  
Terry Kershaw, Vice Chancellor-North Centers  
Doug Brinkley, Vice Chancellor-Finance and Administration,  
SCCCD  
Felix Aquino, Vice Chancellor-Educational Services & Planning,  
SCCCD  
Randy Rowe, Associate Vice Chancellor-Human Resources,  
SCCCD

Introduction of       Mr. Randy Rowe introduced Ms. Josephine Mancillas-Llanos,  
Guests               Chair of the FCC Classified Staff Development Committee.

Among the others present, the following signed the guest list:

Jan Krueger, Executive Secretary to the Chancellor, SCCCCD  
Cindy Spring, Executive Secretary to the Chancellor, SCCCCD  
Eileen O'Hare, General Counsel, SCCCCD  
Brian Speece, Associate Vice Chancellor-Business and  
Operations, SCCCCD  
Joan Edwards, Executive Director-Foundation, SCCCCD  
Ron Nishinaka, Academic Senate President and Staff, RC  
Michael Guerra, College Business Manager, FCC  
Gene Blackwelder, College Business Manager, RC

Introduction of  
Guests (continued)

Cris M. Bremer, Director of Marketing and Communications,  
FCC  
John Cummings, District Dean-Admissions & Records, SCCC  
Robert Fox, Dean of Student Services, FCC  
Deborah Ikeda, Dean of Instruction and Student Services, NC  
Lee Farley, Associate Dean of Students, EOP&S, FCC  
Linda Nies, Classified Senate President and Staff, RC  
Denny Boyles, *The Fresno Bee*  
Sarah Cordero, Associated Student Body, RC  
Gabriel Corona, Associated Student Body, RC  
Frank Mascola, Residence Hall Supervisor, RC  
Royce Dunn, Job Developer, RC  
Linda Albright, Coordinator of Health Services, FCC  
Brian Olowude, Psychological Services Center Coordinator, FCC  
Charles Francis, Director of Training Institute, FCC  
Ernie Smith, Associate Dean of Students, EOPS, FCC  
Berry Bennett, Attorney  
Ashley Bass, Associated Student Body, RC  
Alexandria Garrett, Associated Student Body, RC  
Eddie Rea, Associated Student Body, RC  
Natasha Hagopian, Associated Student Body President, RC  
Adelfa Lorenzano, College Center Assistant, RC  
Elizabeth Gamboa, Student, RC  
Victoria Mendoza, Student, RC  
Luisa Cortez, Student, RC  
Richard Santos, Instructor, FCC  
Juan Perez, Intern, CSU, Fresno  
Sylvia Sanchez, Office Assistant III, FCC

Approval of Minutes

The minutes of the Board meeting of November 1, 2005, were presented for approval.

A motion was made by Mr. Feaver and seconded by Mr. Smith to approve the minutes of the November 1, 2005, meeting as presented. The motion carried by the following vote:

Ayes	-	7
Noes	-	0
Absent	-	0

Delegations,  
Petitions, and  
Communications

Dr. Crow introduced Reedley College student Ms. Andrea Parsneau and Ms. Janice Ledgerwood, art instructor at Reedley College. Dr. Crow explained that each year the District asks one of the colleges or centers to design the District's holiday card. Ms. Parsneau's design was chosen from the entries submitted by the college. Dr. Crow noted that a sample of the card was at each Board member's place. He congratulated both the student and instructor and presented Ms. Parsneau with a packet of the holiday cards printed from her design.

Special Presentation

Election of Officers  
and Adoption of  
Board Calendar  
[05-252]

Mr. Patterson called for the nomination of officers. Mr. Smith nominated Mr. Les Thonesen for the office of President. The nomination was seconded by Mr. Feaver. Mr. Forhan nominated Ms. Isabel Barreras for the office of President. The nomination was seconded by Ms. Smith. Mr. Smith moved that the nomination be closed and Mr. Forhan seconded the motion. A roll call vote was taken as follows:

President

Ms. Barreras voted for Ms. Barreras  
Mr. Feaver voted for Mr. Thonesen  
Mr. Forhan voted for Ms. Barreras  
Ms. Smith voted for Ms. Barreras  
Mr. Smith voted for Mr. Thonesen  
Mr. Thonesen voted for Mr. Thonesen  
Mr. Patterson voted for Mr. Thonesen

The final count was as follows:

Ms. Barreras - 3 votes  
Mr. Thonesen - 4 votes

Mr. Patterson declared Mr. Thonesen had been elected President.

Special Presentation

Mr. Thonesen presented a plaque to Mr. Patterson in appreciation of his distinguished and outstanding service as Board President for 2004-05.

Election of Officers  
and Adoption of  
Board Calendar  
[05-252]  
(continued)

Mr. Forhan nominated Ms. Isabel Barreras for the office of Vice President. The nomination was seconded by Mr. Smith.

Vice President

Mr. Smith moved that the nominations be closed. The motion was seconded by Mr. Forhan. The nomination carried unanimously.

Secretary

Ms. Barreras nominated Ms. Dorothy Smith for the office of Secretary. The nomination was seconded by Mr. Forhan. Mr. Smith moved that the nominations be closed. The motion was seconded by Mr. Forhan. The nomination carried unanimously.

Board  
Representative,  
County Committee  
on School District  
Organization

Mr. Thonesen asked for nominations for the Board Representative, County Committee on School District Organization. It was agreed that Ms. Barreras would continue as the representative for this organization.

Alternate Board  
Representative,  
County Committee  
on School District  
Organization

It was also agreed that Ms. Smith serve as the Alternate Board Representative, County Committee on School District Organization.

Legislative  
Representative

Mr. Thonesen asked for nominations for Legislative Representative. It was agreed that Mr. Thonesen would remain as the Legislative Representative.

Fresno Area Self-  
Insured Benefits  
Organization  
(FASBO)

Mr. Thonesen asked for nominations for a representative on the Fresno Area Self-Insured Benefits Organization (FASBO). It was agreed that Mr. Forhan continue as the representative for this organization.

SCCC Foundation  
Board

Mr. Patterson and Ms. Smith agreed to serve as the Board's representatives on the State Center Community College Foundation Board.

Director, Valley  
Insurance Program  
JPA

It was agreed that Mr. Forhan serve as the Board's representative on the Valley Insurance Program JPA Board.

Board Calendar

Action

A motion was made by Mr. Smith and seconded by Mr. Feaver to accept the calendar as presented. The motion carried unanimously.

Chancellor's Report

Dr. Crow reported that the fall semester has been a busy and productive one marked by the tremendous amount of energy and effort towards the accreditation process. But it has also been a time of recognition and reward for the District, as well.

During the Community College League's annual convention, State Center's presence included a workshop on partnerships between community college and K-12 counselors led by North Centers counselor Phil Gonzalez. The session was moderated by Trustee Isabel Barreras. The workshop provided information on how to replicate the highly successful Madera Center College Advantage program. Feedback on the workshop was very



Chancellor's Report  
(continued)

positive and will no doubt contribute to the growing body of knowledge on successful community college and K-12 partnerships.

In addition, Julie Whiting from the North Centers served as emcee for the well-attended general session on Friday morning, "Conflict Between Word and Image," presented by Dr. Leonard Shlain. Julie did a wonderful job of representing the District during her introduction of Dr. Shlain.

Dr. Crow extended an invitation to recognize the Classified Professionals Leadership State Center Class V by attending their graduation on Friday, December 8, at Fresno City Hall. This highly successful program, under the direction of Janice Emerzian, has contributed significantly to the professional development of our classified employees, and on December 9, Class V will receive recognition for their hard work during the past semester.

Dr. Crow took a moment to remember Roy Spomer who passed away on December 1. Mr. Spomer was one of the property owners who donated land to the new Madera campus. He was recognized as a community leader as well as a supporter of Madera High School wrestling.

On behalf of the State Center Community College District, Dr. Crow wished everyone a wonderful holiday season and a happy new year.

Ms. Smith asked how many of the classified professionals who have completed the five Leadership State Center Classes have been promoted to higher level positions in the District.

Campus Reports

Dr. Ned Doffoney reported the following events from Fresno City College:

- The Commission on Athletics Championship Festival is being held at Fresno City College from November 2005 through March 2006. Included in the twelve COA championships are women's golf, men's and women's water polo, men's and women's cross country, wrestling, volleyball, men's and women's soccer, and football. Men's and women's basketball will be played in Selland arena.
- The FCC President's Holiday Reception will be December 14 at the Banker's Ballroom at the Security Pacific Bank Building.

Campus Reports  
(continued)

- The EMS Paramedic Program has been awarded initial accreditation by the Commission on Accreditation of Allied Health Education. The initial accreditation expires in 2008.
- The FCC debate team won the first place Sweepstakes Award at the National Speech and Debate Invitational at California State University, Northridge.

Dr. Barbara Hioco reported the following from Reedley College:

- Students from the RC Leadership Class were present to observe the Board of Trustees meeting.
- RC English instructor Ryan LaSalle's screenplay *The Fall of Dreams* was first runner-up in the *Expo 4 Creative Screenwriting Magazine's* annual Competition in Los Angeles in November. He was awarded \$16,000.
- The first-ever Reedley College Faculty Articulation and Curriculum Dinner was held on November 28. RC faculty and area high school faculty exchanged articulation and curriculum ideas. Representatives from the Fresno County Office of Education gave updates on "No Child Left Behind" and the California High School Exit Exam.
- The 11<sup>th</sup> Negotiations Speech Tournament took place on November 18. Forty-five students took part in the battle to determine the best negotiator on campus.
- The annual Holiday Luncheon is December 16.
- The RC Tiger Central Valley Conference Championship Football Team competed against the City College of San Francisco Rams in the San Francisco Hawaiian Punch Community College Bowl on December 3.

From the North Centers, Terry Kershaw reported the following:

- On November 8, thirty-nine Madera Center students toured the Museum of Tolerance in Los Angeles. They had opportunities to interact during multimedia presentations, and also toured the Holocaust exhibit.
- Dr. Amy Bronswick will lecture on domestic violence awareness on December 6 at the Madera Center.
- Posada Estudiantil Universitaria 2005 will be held December 7 at the Madera Center from 6:30-8:30 p.m.
- The Madera Center will host an art show and open house from 5:00-8:00 p.m. on December 8.
- Three North Centers classified professionals will be participating in the Leadership State Center Award ceremony on December 9.

Campus Reports  
(continued).

- The LVN Pinning Ceremony is December 16 at the Madera Center. Twenty-nine students have completed the 18-month Licensed Vocational Nursing Program. The third class will start in January.

Academic Senate  
Report

Mr. Ron Nishinaka, Reedley College Academic Senate President, reported that in Fall 2005, RC Academic Senate worked collegially across the District on committee appointments, policy review and development, and accreditation. Since the August report the Senate has been involved with the following key items:

- Approximately 90 faculty participated in the accreditation self study and site visitation.
- Bill Turini, Ron Nishinaka, Paula Demanett, Maggie Taylor and Rick Santos attended the State Academic Senate Plenary Session in Pasadena in November.
- The Madera Center College Advantage Program (MCCAP) was selected as the recipient of an honorable mention plaque for the Academic Senate Exemplary Program Award. The award will be presented at the January 17 Board of Governors' meeting in Sacramento.
- The 2006 RC Academic Senate Officers are Ron Nishinaka as President, Tony Abbott as Immediate Past President, Rich Garrigus as Vice President for Senate Business, Sheryl Young-Manning as Vice President for Curriculum, Bill Turini as Secretary, and Cynthia Elliott as State Representative. Tom Mester continues as North Centers Faculty Council President. Out-going Vice President for Curriculum, Shana Bartram, was thanked for her service.
- Upcoming events at the North Centers are the Madera Center Art Department open house on December 8 and the LVN Pinning Ceremony for 29 graduates on December 16.

Classified Senate  
Report

Ms. Josephine Mancillas-Llanos, Fresno City College Classified Staff Development Chair, reported on the following:

- The Classified Senate Staff Development Committee members are Josephine Llanos, Chair; Josie Huckeba, Co-chair. The committee members are Carrie Baize, Shirley Battcher, Jesus Llanos.
- The FCC Annual Staff Development Day theme was "Under Construction, Building a Legacy. The idea for the theme was chosen from 18 entries. There were five sessions and 18 workshops, four of which addressed the Illness and Injury Prevention Program (IIPP).

Classified Senate  
Report (continued)

- FCC student Rick Jacobo created a video using pictures from the past two years of Staff Development Day Activities. The Classified Senate is developing a survey to identify training needs.

Consent Agenda  
Action

It was moved by Mr. Feaver and seconded by Mr. Patterson that the Board of Trustees approve the consent agenda as presented. The motion carried unanimously.

Employment,  
Retirement, and  
Extension of  
Personal and  
Parental Leave,  
Certificated  
Personnel  
[05-253]  
Action

approve the certificated personnel recommendation, Items A and C, as amended. (Lists A through C are herewith made a part of these minutes as Appendix I, 05-253).

Employment,  
Promotion, Change  
of Status, Leave of  
Absence,  
Resignation, and  
Retirement  
Classified Personnel  
[05-254]  
Action

approve classified personnel recommendations, Items A through J, as presented. (Lists A through J are herewith made a part of these minutes as Appendix II, 05-254).

Consideration to  
Approve  
Occupational Health  
and Safety Officer  
Example of Duties  
and Position, Fresno  
City College  
[05-255]  
Action

approve the Occupational Health and Safety Officer duties and position, Fresno City College, as presented.

Consideration to  
Approve Revised  
Duties, Director of  
Classified Personnel  
[05-256]  
Action

approve the revised duties for the Director of Classified Personnel, as presented.

Consideration to  
Approve Curriculum  
Proposals, Spring  
2005 through Fall  
2006, Fresno City  
College and Reedley  
College  
[05-257]  
Action

approve the Fresno City College and Reedley College curriculum proposals, as presented.

Review of District  
Warrants and  
Checks  
[05-258]  
Action

review and sign the warrants register for the period October 25, 2005, to November 30, 2005, in the amount of \$17,319,539.91; and review and sign the check registers for the Fresno City College and Reedley College Co-Curricular Accounts and the Fresno City College and Reedley College Bookstore Accounts for the period October 21, 2005, to November 22, 2005, in the amount of \$319,725.03.

Consideration of  
Report of  
Investments  
[05-259]  
Action

accept the Quarterly Performance Review, as provided by the County of Fresno, for the quarter ending September 30, 2005.

Consideration to  
Approve 2006-07  
Residence Hall Rate,  
Reedley College  
[05-260]  
Action

establish the residence hall annual rate for 2006-07 at \$2,342.00, plus a nonrefundable contract fee of \$130.00.

Consideration to  
Appoint Alternate  
Director, Valley  
Insurance Program  
JPA  
[05-261]  
Action

appoint Ed Eng as Alternate Director to the Valley Insurance Program JPA Board of Directors for a two-year term commencing January 1, 2006.

Consideration to  
Adopt Resolution  
Authorizing  
Agreement with the  
California  
Department of  
Education for Child  
and Adult Care Food  
Program Training  
Programs, Fresno  
City College  
[05-262]  
Action

- a) adopt a Resolution authorizing the District, on behalf of the Fresno City College Cal-Pro-NET Center, to enter into an agreement with the California Department of Education, Nutrition Services Division, to develop and implement training programs for Child and Adult Care Food Program sponsors in California for the period December 1, 2005, through June 30, 2006, with funding in the amount of \$240,500.00; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Consideration to  
Accept Grants from  
Valley CAN (Clean  
Air Now) for a  
Hydrogen Education  
Outreach Program  
and a Biodiesel  
Production System,  
Fresno City College  
[05-263]  
Action

- a) authorize acceptance of two grants from Valley CAN (Clean Air Now) – one in the amount of \$9,500.00 to establish a Hydrogen Education Outreach Program, and another in the amount of \$5,200.00 to establish a Biodiesel Production System; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign all grant-related documents on behalf of the District.

Consideration to  
Authorize  
Agreement with the  
Madera County  
Community Action  
Agency to Provide  
Student Education  
Plans, Madera  
Center  
[05-264]  
Action

- a) authorize the District, on behalf of the Madera Center, to enter into an agreement with the Madera County Community Action Agency to provide student education plans for 20 of the Agency's employees;
- b) authorize renewal of the agreement with similar terms and conditions; and
- c) authorize the Chancellor or Vice Chancellor-Finance and Administration to sign the agreement on behalf of the District.

Consideration of  
Bids, Science  
Department Work  
Room Fan Coil  
Replacement,  
Reedley College  
[05-265]  
Action

award Bid #0506-13 in the amount of \$123,450.00 to Patton Air Conditioning, the lowest responsible bidder for the Science Department Work Room Fan Coil Replacement at Reedley College, and authorize the Chancellor or Vice Chancellor-Finance and Administration to sign an agreement on behalf of the District.

Consideration of  
Bids, Remove and  
Replace Cafeteria  
Switchgear, Reedley  
College  
[05-266]  
Action

award Bid #0506-10 in the amount of \$50,000.00 to Tim R. Trull Electric, Inc., the lowest responsible bidder to Remove and Replace Cafeteria Switchgear at Reedley College, and authorize the Chancellor or Vice Chancellor-Finance and Administration to sign an agreement on behalf of the District.

Consideration of  
Bids, Remove and  
Replace Motor  
Control Center at  
Utility Building,  
Reedley College  
[05-267]  
Action

award Bid #0506-11 in the amount of \$35,600.00 to Pacific Control Company, the lowest responsible bidder for Remove and Replace Motor Control Center at Utility Building, Reedley College, and authorize the Chancellor or Vice Chancellor-Finance and Administration to sign an agreement on behalf of the District.

\*\*\*\*\*End of Consent Agenda\*\*\*\*\*

Public Hearing and  
Consideration to  
Adopt Resolution  
Approving  
Dedication of  
Property Easement  
to the City of Fresno  
for Willow/  
International Center  
[05-268]

Public Hearing

Mr. Thonesen opened the Public Hearing at 5:09 p.m. There being no comment from the public, the hearing was closed at 5:10 p.m.

Action

A motion was made by Ms. Barreras and seconded by Mr. Forhan that the Board of Trustees:

- a) adopt Resolution No. 05-268 Approving Dedication of Property Easement to the City of Fresno for the Willow/ International Center; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration to execute the necessary documents on behalf of the District.

Public Hearing and  
Consideration to  
Adopt Resolution  
Approving  
Dedication of  
Property Easement  
to the City of Fresno  
for Willow/  
International Center  
[05-268]  
Action (continued)

The motion carried by the following roll call vote:

Ms. Barreras	Aye
Mr. Feaver	Aye
Mr. Forhan	Aye
Mr. Patterson	Aye
Ms. Smith	Aye
Mr. Smith	Aye
Mr. Thonesen	Aye

Consideration to  
Approve Health Fee  
[05-269]  
Action

A motion was made by Mr. Patterson and seconded by Mr. Smith that the Board of Trustees authorize the District, in accordance with AB 982, which removes the health fee waiver for low-income students effective January 1, 2006, to begin collecting health fees as of that date from low-income students who are enrolled in classes for spring semester 2006: \$14.00 per semester for District colleges; \$11.00 for summer sessions; and \$6.00 for all sessions at District centers.

The Trustees asked how the removal of the waiver would affect students' abilities to pay the health fee, the percentage of students that would be affected, and what consideration is given to students who have not qualified for a waiver.

The Trustees asked about the effect on the District if the Board rejected mandating the collection of the health fee. How much reimbursement would the District lose from the state? There was also discussion about subsidizing and receiving FTE versus losing students because of the removal of the health fee waiver. What effect would eliminating the health fee for all students have on the ability to provide health services to the student population?

Action

Mr. Smith moved to table the motion until February. Ms. Smith seconded the motion. The motion carried unanimously.

Based on the discussion and the request from the Board for guidelines and information concerning the issue and subsequent motion to table the motion, Dr. Crow said that the item, Consideration to Approve Health Fee, would be brought back to the Board in February. The Board will receive a report on the cost of eliminating the health fee for BOGG students, cost for eliminating the health fee for all students, criteria for the BOGG waiver, and the number of students receiving a BOGG waiver. Students and constituencies would be consulted.



Consideration to  
Accept Foundation  
Feasibility Study  
[05-270]

Dr. Doffoney and Dr. Edwards presented the findings of the feasibility study conducted by Dr. William Craft and Dr. Kathleen Guy of the Eaton Cummings Group. The study was conducted to determine the feasibility of a successful public capital campaign for the Fresno City College Historic Old Administration Building (OAB).

In discussion, the Trustees asked how the survey participants were identified, and expressed that the public campaign must proceed very cautiously and carefully, being certain that what is proposed can be delivered and that the public be kept informed at all times.

Dr. Crow said that the District is committed to the OAB and to the voters. He added that the public campaign is months away and that the Board will continue to receive updates. The first phase will be to develop an organizational structure and timeline.

Action

A motion was made by Mr. Patterson and seconded by Mr. Forhan that the Board of Trustees accept the Feasibility Study and Naming Opportunities List and authorize the administration to develop a campaign organizational structure and timeline. The motion carried unanimously.

Board Reports

Ms. LaShanda Mack, Reedley College Student Trustee, reported:

- ASB served at the Poverello House on November 30.
- December 2 was the first ever Celebration of Culture Day. The day included information booths, food sampling and various entertainment.
- Holiday Food Drive will deliver 75 food baskets on December 7 – 9.
- The RC Club Christmas tree event includes participation from 12 clubs and organizations that will decorate the trees and distribute to families in the community. The event is coordinated with Jefferson Elementary School in Reedley.
- Santa will be visiting the RC lab school children on December 8, at noon.
- During spring semester welcome week, ASB will be treating students to hot chocolate, hot chili and various activities.

Board Reports  
(continued)

Ms. Zyanya Bajarano, Fresno City College Student Trustee, reported:

- Fundraising campaign for poverty and promoting AIDS awareness.
- FCC hosted Producers Dairy Bowl on December 3.
- Held annual donation of gift baskets for needy students program. Three hundred and fifty FCC students are targeted to receive baskets made possible by donations from FCC faculty and staff, and local businesses.

Mr. Smith and Mr. Forhan extended invitations for students and constituency groups to be a part of the discussion with the Board regarding the student health fee issue.

Ms. Smith wished everyone a Merry Christmas and Happy New Year.

Ms. Barreras, who had been the moderator at the MCCAP (Madera Center College Advantage Program) workshop at the CCLC annual convention, stated that the workshop attendees were very impressed with the program. She stated that Julie Whiting from the North Centers did an excellent job in representing the District. Ms. Barreras appreciated having the staff be able to participate at the convention.

Mr. Thonesen said he participated in the Tiger Business Connections Business Etiquette Workshop and Dinner on November 17. The event was sponsored by the RC Business Department. It was an interesting evening of interactive learning activities from laying out place settings and selecting business attire, to participating in table conversations and panel discussions. Ninety people attended. There was a good representation of business people, students, and staff at each table.

Old Business

Mr. Forhan referenced a student transfer study regarding student transfers to UC Merced, funded by a grant from the Ford Foundation. Staff was asked to get the specifics on the grant and the findings.

Ms. Barreras reminded staff about the EOPS program information she requested.

Future Board Items

Ms. Smith suggested focusing on diversity since the State Chancellor has talked about making community colleges more diverse across the board.

Future Board Items  
(continued)

Ms. Smith said that students from UC Davis are coming to Fresno to study our air quality and asked if this is something our students could do.

Ms. Smith asked what educational services could be provided for senior citizens.

Mr. Patterson asked for discussion regarding the accreditation reports.

Mr. Forhan asked for the specifics on the Ford Foundation Grant.

Delegations,  
Petitions, and  
Communications

There were no delegations, petitions, and communications.

Closed Session

Mr. Thonesen stated that the Board, in closed session, will be discussing:

- A. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/  
RELEASE, Pursuant to Government Code Section 54957
- B. PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT,  
Pursuant to Government Code Section 54957; Title: Interim  
Associate Dean of Student Services, Counseling, Career and  
Special Programs, Fresno City College,
- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING  
LITIGATION, Pursuant to Government Code Section  
54956.9(a)  
Name of Case: Teresa Patterson v. State Center Community  
College District, et al., Fresno County Superior Court Case  
Number 05 CECG 03170 DSB

Mr. Thonesen declared a recess at 6:35 p.m.

Open Session

The Board moved into open session at 7:20 p.m.

Report of Closed  
Session

Mr. Thonesen reported that the Board, in closed session, discussed the appointment of the Interim Associate Dean of Student Services, Counseling, Career and Special Programs at Fresno City College. No action was taken.

Consideration to  
Appoint Interim  
Associate Dean of  
Student Services,  
Counseling, Career  
and Special  
Programs, Fresno  
City College  
[05-271]  
Action

A motion was made by Ms. Barreras and seconded by Mr. Smith that the Board of Trustees appoint Monica Cuevas as Interim Associate Dean of Student Services, Counseling, Career and Special Programs, Fresno City College, effective January 7, 2006. The motion carried by the following roll call vote:

Ms. Barreras	Aye
Mr. Feaver	Aye
Mr. Forhan	Aye
Mr. Patterson	Aye
Ms. Smith	Nay
Mr. Smith	Aye
Mr. Thonesen	Aye

Adjournment

The meeting was adjourned at 7:27 p.m. by the unanimous consent of the Board.

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Dorothy Smith, Secretary, Board of Trustees  
State Center Community College District

jk

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Employment, Resignation, and Personal and  
Parental Leave, Academic Personnel

ITEM NO. 06-01HR

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EXHIBIT: Academic Personnel Recommendations

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Recommendation:

It is recommended that the Board of Trustees approve the academic personnel recommendations, Items A through C, as presented.

ACADEMIC PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons:

Name	Campus	Range & Step	Salary	Position
Henderson, Sean E.	FCC	59, 1	\$44,837	Interim Director of Manchester Educational Resource Center and Workforce Readiness/ CalWORKs
(Current classified employee) (Temporary management contract, January 11, 2006 – June 30, 2006)				
Hood, Brett A.	FCC	II, 2	\$26,020	Nursing Instructor
(Current adjunct faculty) (Temporary sabbatical leave replacement, January 5, 2006 – May 19, 2006)				

B. Recommendation to accept resignation from the following persons:

Name	Campus	Effective Date	Position
Vargas, Jenny M.	FCC	December 16, 2005	Librarian
Welk, David A.	NC	December 16, 2005	Geography Instructor

C. Recommendation to approve Personal and Parental Leave (Article XIV-B, Section 5) for the following person:

Name	Campus	From	To	Position
Wen-Howe, Julie C.	FCC	August 10, 2006	December 15, 2006	Mathematics Instructor

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Employment, Promotion, Change of Status,  
Resignation, Classified Personnel

ITEM NO. 06-02HR

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EXHIBIT: Classified Personnel Recommendations

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Recommendation:

It is recommended that the Board of Trustees approve classified personnel recommendations, Items A through G, as presented.

CLASSIFIED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons as probationary:

Name	Location	Classification	Range/Step/Salary	Date
Roberts, Emilie	FCC	Department Secretary Position No. 2143	44-A \$2553.25	11/16/05
Hardamon, Signe (permanent part-time position)	CC	Instructional Aide Position No. 5010	32-A \$10.98 / hr.	12/5/05
Johnson, William (permanent part-time position)	RC	Instr. Tech/Machine Shop Position No. 3094	50-A \$17.08 / hr.	12/12/05
Padilla, Ana	RC	Accounting Clerk III Position No. 3040	48-A \$2820.75	12/12/05
Rodrigues, Reynani	FCC	Office Assistant I Position No. 2426	38-C \$2432.16	12/12/05
Boswell, Marc	DO	Dir. of Envr. Hlth/Safety Position No. 1096	M44-4 \$6173.00	1/23/06

B. Recommendation to employ the following persons as provisional – filling vacant position of: permanent full-time or permanent part-time pending recruitment/selection; or replacing regular employee on leave:

Name	Location	Classification	Hourly Rate	Date
Bennett, Nicole	RC	Instr. Tech - CDL	\$17.08 / hr.	12/5/05 thru 12/9/05
Pedroza, Imelda	RC	Bookstore Sales Clk. I	\$12.42 / hr.	1/4/06

C. Recommendation to employ the following persons as limited term (Ed Code 88105):

Name	Location	Classification	Hourly Rate	Date
Dawson, Teresa	FCC	Instructional Aide	\$10.98 / hr.	12/5/05



C. Recommendation to employ the following persons as limited term (Ed Code 88105)  
(continued):

Wiget, Maria	FCC	Office Assistant II	\$13.67 / hr.	12/12/05
Patrick, Jeffrey	FCC	Department Secretary	\$14.73 / hr.	12/19/05
Plasencia, Angela	CC	Office Assistant III	\$16.27 / hr.	1/23/06

D. Recommendation to employ the following persons as exempt (Ed Code 88076):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Hourly Rate</u>	<u>Date</u>
Acevedo, Eduardo	FCC	Trainer Assistant I	\$15.68 / hr.	12/8/05 thru 6/30/06
Estrada Castillo, Emerson	FCC	Trainer Assistant I	\$15.68 / hr.	12/13/05

E. Recommendation to approve the promotion of the following regular employees:

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Range/Step</u>	<u>Date</u>
Custodio, Naomi	FCC	Office Assistant II Position No. 2024 to	41-E \$2885.75 to	12/1/05
	RC	Office Assistant III Position No. 3006	48-C \$3106.17	
Minnite, Vista	FCC	Office Assistant I	38-A	12/1/05
		Office Assistant II	41-B	
		Office Assistant II Position No. 2022	\$2204.33 to \$2492.00	
(Alternate Series Promotion per Board Policy 4214)				
Rice, Mary	FCC	Student Services Spec. Position No. 2129 to Administrative Aide Position No. 2452	52-E \$3851.50 to 53-E \$3942.66	12/5/05

F. Recommendation to approve the change of status of the following regular employees:

Name	Location	Classification	Range/Step	Date
O'Neil, Peggy	FCC	Accounting Tech II	61-E	10/31/05
		Position No. 2070 to	\$4933.66 to	thru
		Accounting Tech II	61-E + 15%	11/15/05
		Position No. 2070	\$5673.71	

(Compensation for working out of class per CSEA Contract Article 34, Section 8 while manager is out of the office)

Kelly, Diane	RC	Bookstore Sales Clerk II	40-E	11/2/05
		Position No. 3081 to	\$2820.75 to	
		Bookstore Sales Clerk III	43-E	
		Position No. 3080	\$3031.75	

(Regular employee accepted Limited Term Assignment pending recruitment/selection)

Romero, William	RC	Bookstore Sales Clerk III	43-E	11/2/05
		Position No. 3080 to	\$3183.33 to	
		Warehouse Worker	46-E	
		Position No. 3150	\$3426.32	

(Regular employee accepted Limited Term Assignment pending recruitment/selection)

Ramos, Connie	FCC	Department Secretary	44-E	11/10/05
		Position No. 2219 to	\$3106.17 to	thru
		Secretary to President	58-A	11/29/05
		Position No. 2211	\$3861.67	

(Compensation for working out of class per CSEA Contract Article 34, Section 8)

Arana, Ivy	FCC	Bookstore Sales Clk III	43-E	11/14/05
		Position No. 2055 to	\$2492.08 to	
		Warehouse Worker	46-A	
		Position No. 2162	\$2685.17	

(Regular employee accepted Limited Term Assignment pending recruitment/selection)

Fischer, Judi	FCC	Bookstore Sales Clk II	40-E	11/14/05
		Position No. 2083 to	\$2891.25 to	
		Bookstore Sales Clk III	43-E	
		Position No. 2055	\$3107.54	

(Regular employee accepted Limited Term Assignment)

Haynes, Barbara	FCC	Bookstore Sales Clk I	37-A	11/14/05
		Position No. 8003 to	\$12.42 / hr. to	
		Bookstore Sales Clk II	40-A	
		Position No. 2083	\$13.37 / hr	

(Seasonal employee accepted Limited Term Assignment)

F. Recommendation to approve the change of status of the following regular employees  
(continued):

Fox, Robin	FCC	Office Assistant II Position No. 2018 to Personnel Technician Position No. 2018	41-C \$2617.92 to X51-A \$3242.83	11/23/05
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(Regular employee accepted Limited Term Assignment)

Rodriguez, Elizabeth	RC	Upward Bound Assistant Position No. 3134 to	52-E \$3776.50 to	12/1/05
	MC	Student Services Specialist Position No. 4028	52-E \$3776.50	

(Employee reassigned in lieu of layoff per MOU between CSEA and the District)

Spina, Jeannette	FCC	Department Secretary Position No. 2008	44-E \$18.49 / hr.	12/8/05
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(Permanent part-time employee returned from unpaid leave of absence)

DeAlba, Jennifer	CC	Office Assistant III Position No. 5005 to	48-E \$3451.25 to	1/23/06
	FCC	Student Services Spec. Position No. 2129	52-D \$3626.42	

(Regular employee accepted Limited Term Assignment pending recruitment/selection)

G. Recommendation to accept the resignation of the following regular employees:

Name	Location	Classification	Date
Yang, Mai (Seasonal Assignment)	FCC	Bookstore Sales Clk I Position No. 8011	11/15/05

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration of Applications for 2006-07  
Sabbatical Leaves, Fresno City College and  
Reedley College/North Centers

ITEM NO. 06-03HR

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EXHIBIT: None

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Background:

Provision is made in Article XIV-A, Section 7, Paragraph B(2), of the current District/Federation Agreement for the granting of a maximum of 12 sabbatical leaves to eligible unit members in 2006-2007. The apportionment of these leaves provides that nine are available to Fresno City College and three to Reedley College/North Centers applicants during the 2006-2007 academic year. The Fall 2004 and Spring 2005 Sabbatical Leave Reports will be mailed to the Board of Trustees in February.

The Sabbatical Leave Committees for Fresno City College and Reedley College/North Centers have processed applications for sabbatical leaves and have forwarded the committees' recommendations, which have been approved by the college presidents for Board consideration.

Recommendation:

It is recommended that the Board of Trustees, pursuant to Article XIV-A, Section 7, of the current agreement between the District and the State Center Federation of Teachers, grant the following sabbatical leaves to Fresno City College and Reedley College/North Centers staff members during the 2006-2007 academic year, subject to receipt by the District of a written statement from each leave recipient of their agreement to serve the District for at least two years following completion of the leave (as required by Education Code Section 87770):

**FRESNO CITY COLLEGE  
SABBATICAL LEAVE RECOMMENDATIONS  
2006-07**

**Tiffany Andrade—Math                      Organized Study and Research                      Fall 2006**

Tiffany proposes to create application problems that will enhance student learning of mathematics by creating visual, real-life scenarios that students encounter outside of the classroom by using digital media (digital photographs and websites). These problems will require the students to place themselves in the situation as they see the environment and information versus just being told the information in print. Objectives of the proposal include outlining details of each application scenario, identifying necessary information and type of digital media and website information necessary for each application problem, and developing the necessary digital images necessary for integration into the outlined lessons and classroom topics.

**Nereyda Garza-Lozano—Spanish                      Research and Travel                      Fall 2006**

Nereyda will research Mexican culture and literature, participate in a CSU, Fresno Spanish teaching methodology class, and explore newer methods of creating intense interactive learning experiences using technology. Her proposal includes researching Mexican cultural trends and linguistic and geographical diversity. She plans to share what she learns with colleagues and the community. The new information will be used to create authentic, contemporary, and personal material to use in Spanish classes.

**Layne Hayden—Automotive Technology                      Organized Study and Research                      Fall 2006**

Layne proposes to use his sabbatical to enrich the Automotive Collision Repair Technology (ACRT) program. This will be accomplished by research in the development of plastic and composite repair technology. The end result of this sabbatical leave will be the creation of a plastic and composite repair manual for use in the ACRT program. He also intends to explore the possibility of developing a partnership with one or more of the plastic repair manufactures to grant certificates in plastic repair for the students in the ACRT program, which will greatly enhance employability of graduates of the program.

**Carl Johansson—Biology                      Research and Travel                      Fall 2006**

Carl proposes to do research on tardigrades (often called "Water Bears") and develop new labs for major courses. Tardigrades are tiny animals that live in and on mosses and lichens. They are very poorly known scientifically. The project will involve collecting specimens from widely differing habitats and locations. Those collections will be visually classified to genus and species using morphological characteristics. Once they have been identified, two different DNA methodologies will be used to examine whether DNA evidence supports the commonly held idea of worldwide distribution of various tardigrade species. Results of this research will be submitted for publication in appropriate peer reviewed journals.

**Kristin Lewis—English**

**Research and Travel**

**Fall 2006**

Kristin proposes to investigate the system of course offerings in English at different community colleges. She will start by using databases and compilations of research in print available through the International Reading Association. The research will focus on adult literacy program practices and assessment. Further research will be done by looking at the web sites and publications of universities throughout the United States that have focused programs in adult literacy. She will compile a best practices list from this research. She will also visit several community colleges that are similar in size and student demographics to that of Fresno City College to observe programs and talk with faculty and administrators in order to review course offerings and sequencing.

**Jill Minar—Anthropology**

**Research and Travel**

**Spring 2007**

Jill proposes to specifically address the needs for research and writing necessary to improve the functioning of the Anthropology Museum at Fresno City College as suggested by the National Institute of Conservation. Work to be done includes research in curation practice and completion of an online course in museum curation provided by the National Park Service. Three museums will be visited. In addition, Jill will research potential grant opportunities to support the museum. As a result of this sabbatical leave, a mission statement, a collections management policy, a procedures manual, and a plan of work as recommended by the CAP evaluation will be developed.

**Marilyn Moore—Child Development**

**Research**

**Spring 2007**

Marilyn proposes to research best practices for children who are dual language learners and for training early care and education staff who are culturally competent. Seventy percent of the children and families that Fresno County serves speak Spanish as their first language. Teachers need to know how to modify curriculum and instructional approaches to support dual language learners. As a result of this sabbatical leave, Marilyn will develop a series of instructional modules on best practices for dual language learners in the preschool years for core Child Development courses, present in-service training programs in best practices for students and those currently employed early childhood staff, develop an implementation plan of strategies and practices for supporting second language learners in the Fresno City College Child Development Center, and develop a compendium of curriculum resources in Spanish.

**Loretta Ramos—Speech**

**Organized Study, Travel, and Research**

**Spring 2007**

Loretta will research current Storytelling Festivals throughout California and develop a proposal to implement a multicultural, multilingual curriculum and storytelling festival at Fresno City College. This project will examine the academic benefits of bringing diverse disciplines and groups together in one of the most ancient forms of communication—the sharing of stories. A multicultural and multilingual festival would bring together and spotlight the cultural and academic diversity of this valley in a most contributory manner.

**Wendell Stephenson—Philosophy**

**Research**

**Fall 2006**

Wendell proposes an intensive study of the work of philosopher Bernard Gert, one of the most important and influential American moral philosophers of the past 30 years. The focus of the study will be Gert's work in ethics and political and social philosophy. In addition to Gert's work, Wendell will study the work of his critics. Gert is a student of Hobbes, who continues to be influential and widely studied. Wendell proposes to study the main works of Hobbes in political and social philosophy and to study some of his famous critics and commentators. He also proposes to study the writings of Richard Rorty on social and political philosophy. As a result of his sabbatical leave, Wendell will write two professional papers—one on Hobbes and the other on Rorty, submit the paper on Hobbes for presentation at the Spring 2007 International Society for the Study of Hobbes Conference, submit the paper on Rorty for presentation at the American Philosophical Association's Spring 2007 Pacific Division Conference, and read the paper on Rorty at the Fall 2007 meeting of the Central Valley Philosophical Association.

**REEDLEY COLLEGE/NORTH CENTERS  
SABBATICAL LEAVE RECOMMENDATIONS  
2006-07**

**Nancy Frampton—ESL**

**Research & Travel**

**Spring 2007**

In-depth study of the Mexican educational system in an area of Mexico where many Reedley College students originate, affiliation with the Universidad Latina de America, visitations to area secondary and public technical colleges, and residing with local family.

**Erica Johnson—Counseling**

**Research**

**Fall 2006**

Support of district Title V Cooperative grant (Activity 2 – online student services), develop Frequently Asked Questions database in support of online counseling, develop online orientation program, continue to work on other aspects of the grant.

**Sharon Wu—Math**

**Research**

**Fall 2006**

Assess computer science and computer technology curricula in 10-15 community colleges as well as CSUs and UCs, research employment opportunities, interview employers as to employment opportunities and education and skills required, recommend new courses.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Approve Out-of-State  
Travel, Theatre Arts Students, Fresno City  
College

ITEM NO. 06-01G

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EXHIBIT: None

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Background:

Fresno City College is requesting Board approval for out-of-state travel for approximately 25 students to attend the Kennedy Center American College Theatre Festival at Southern Utah University in Cedar City, Utah, from February 13-20, 2006. The Fresno City College Theatre Department has been asked to perform *Canyon Suite* at the Festival. The advisors accompanying the students will be Debbi Shapazian and Chuck Erven. The students will be traveling at no cost to the District.

Recommendation:

It is recommended that the Board of Trustees approve out-of-state travel for approximately 25 Fresno City College students to attend the Kennedy Center American College Theatre Festival at Southern Utah University in Cedar City, Utah, from February 13-20, 2006, with the understanding that the trip will be financed without requiring expenditures of District funds.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Review of District Warrants and Checks

ITEM NO. 06-02G

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EXHIBIT: None

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Recommendation:

It is recommended that the Board of Trustees review and sign the warrants register for the period November 29, 2005, to December 23, 2005, in the amount of \$11,329,098.78.

It is also recommended that the Board of Trustees review and sign the check registers for the Fresno City College and Reedley College Co-Curricular Accounts and the Fresno City College and Reedley College Bookstore Accounts for the period November 17, 2005, to December 15, 2005, in the amount of \$722,022.98.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Accept Construction Project,  
Railroad Underpass/Grade Separation,  
Fresno City College

ITEM NO. 06-03G

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EXHIBIT: None

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Background:

The project for Railroad Underpass/Grade Separation, Fresno City College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Railroad Underpass/Grade Separation, Fresno City College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Accept Construction Project,  
Softball Field Drainage Improvements,  
Fresno City College

ITEM NO. 06-04G

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EXHIBIT: None

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Background:

The project for Softball Field Drainage Improvements, Fresno City College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Softball Field Drainage Improvements, Fresno City College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Accept Construction Project,  
LED Message Boards, Fresno City College

ITEM NO. 06-05G

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EXHIBIT: None

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Background:

The project for LED Message Boards, Fresno City College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for LED Message Boards, Fresno City College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Accept Construction Project,  
Learning Resources Center Addition,  
Reedley College

ITEM NO. 06-06G

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EXHIBIT: None

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Background:

The project for Learning Resources Center Addition, Reedley College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Learning Resources Center Addition, Reedley College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Accept Maintenance Project,  
Door and Hardware Replacement,  
Various Buildings, Reedley College

ITEM NO. 06-07G

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EXHIBIT: None

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Background:

The project for Door and Hardware Replacement, Various Buildings, Reedley College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the project for Door and Hardware Replacement, Various Buildings, Reedley College; and
- b) authorize the Chancellor or his designee to file a Notice of Completion with the County Recorder.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

SUBJECT: Consideration to Approve 2006-07 Tuition Rate, ITEM NO. 06-08G  
Out-of-State and Nonresident Students

EXHIBIT: None

Background:

Community college districts must annually establish the nonresident tuition rate for the ensuing year not later than February 1 of each fiscal year. Nonresident refers to students who are both citizens and residents of a foreign country, whereas out-of-state residents are students who are citizens of this country but who have not established residency in California.

The out-of-state resident tuition fee has been established in the past years based on the statewide average per semester unit, which is usually greater than the District computation. The 2004-05 statewide average is \$4,809 per FTES, or \$160 per semester unit, based on 30 units for a full-time student.

In addition, State law permits community college districts to charge nonresident students an additional fee for capital outlay purposes. This fee is based on a district's capital outlay expenditures for the last fiscal year. The fee schedules for the fiscal years 1994-95 to present are listed below.

FISCAL YEAR	OUT OF STATE TUITION	CAPITAL OUTLAY FEE	TOTAL FEES
94-95	\$107	\$10	\$117
95-96	\$114	\$ 6	\$120
96-97	\$114	\$ 8	\$122
97-98	\$118	\$12	\$130
98-99	\$121	\$17	\$138
99-00	\$125	\$14	\$139
00-01	\$130	\$16	\$146
01-02	\$134	\$34	\$168
02-03	\$141	\$16	\$157
03-04	\$149	\$16	\$165
04-05	\$149	\$19	\$168
05-06	\$151	\$21	\$172
06-07 Proposed	\$160	\$20	\$180

Fiscal Impact:

The fees for out-of-state and nonresident tuition are estimated to generate approximately \$1,300,000.

Recommendation:

It is recommended that the Board of Trustees:

- a) establish the 2006-07 out-of-state tuition rate at \$160 for each unit enrolled;
- b) establish the 2006-07 nonresident tuition rate at \$180 (including \$20 for capital outlay) for each unit enrolled; and
- c) continue Board policy which provides that total nonresident and out-of-state tuition be paid at the time of registration.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Authorize Agreement with  
California State University, Fresno Foundation  
for Bridging the GAP (Gateway to Agriculture  
Professions), Fresno City College

ITEM NO. 06-09G

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EXHIBIT: None

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Background:

The California State University, Fresno Foundation received a three-year grant from the United States Department of Agriculture for Bridging the GAP (Gateway to Agriculture Professions). The California State University, Fresno Foundation will subcontract with State Center Community College District to educate students in all majors at Fresno City College (FCC) and its feeder high schools as to the importance of agriculture to our society and economy. Fresno City College staff will train at least 20 FCC faculty and ten FCC/high school counselors per year in agriculture literacy concepts, make five classroom Agriculture Literacy presentations in FCC Math/Science/Engineering classrooms per semester and create an Interdisciplinary Agriculture Club on the Fresno City College Campus. The Agreement, which includes funding in the amount of \$135,314, is for the period August 15, 2005, through August 14, 2008.

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize the District, on behalf of Fresno City College, to enter into an Agreement with the California State University, Fresno Foundation to educate students in the area of agriculture with funding in the amount of \$135,314 for the period August 15, 2005, through August 14, 2008;
- b) authorize renewal of the Agreement with similar terms and conditions; and
- c) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

---

SUBJECT: Consideration to Authorize AmeriCorps  
Agreement with Foundation for California  
Community Colleges for Foster Youth  
Mentoring Project, Fresno City College

ITEM NO. 06-10G

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EXHIBIT: None

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Background:

The State Center Community College District will enter into an Agreement with the Foundation for California Community Colleges to fund the 2005-06 AmeriCorps Foster Youth Mentoring Project at Fresno City College. Project staff will select 30 Fresno City College students to serve as AmeriCorps members. The AmeriCorps members will act as mentors to foster youth ages 14-21. One-on-one and group mentoring will result in increasing foster youth's life skills and independent living skills. Mentors and foster youth will participate in at least one community service project together to enhance the youths' civic participation/education and to develop their leadership skills. The Agreement, which includes funding in the amount of \$68,362, is for the period August 1, 2005, through December 31, 2008.

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize the District, on behalf of Fresno City College, to enter into an Agreement with the Foundation for California Community Colleges to provide mentoring services to foster youth with funding in the amount of \$68,362 for the period August 1, 2005, through December 31, 2008;
- b) authorize renewal of the Agreement with similar terms and conditions; and
- c) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

---

SUBJECT: Consideration to Authorize Agreement with                    ITEM NO. 06-11G  
Center for Advanced Research and Technology  
(CART) for Lease of Property, Fresno City College

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EXHIBIT:     None

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Background:

For the last eighteen months the Fresno City College Training Institute has been offering Emergency Medical Services Program classes at the Center for Advanced Research and Technology (CART) facility located at 2555 Clovis Avenue. These offerings include EMT Basic and Paramedic Program classes, as well as various workshops, such as Paramedic Refresher, First Responder, and EMT courses. The Training Institute has recently received national accreditation for this Program through the Commission on Accreditation of Allied Health Education Programs (CAAHEP), making it one of 33 accredited programs in the State of California. Lease of these facilities at CART allows the Training Institute to offer these classes in a convenient location and also allows CART students access to Training Institute classes.

The Lease Agreement is for a term through May 31, 2006, and contains a month-to-month provision that can be terminated upon 30 days' advance written notice. The Lease includes all utility services and common-area maintenance. The Training Institute will be responsible for any necessary janitorial services. The monthly cost is \$2,000.00 for 5,104 square feet of instructional space. The Lease cost will be paid by current and future revenues generated from class offerings at CART.

Fiscal Impact:

\$2,000.00 – Monthly cost funded through Training Institute program revenues

Recommendation:

It is recommended that the Board of Trustees authorize a Lease Agreement with the Center for Advanced Research and Technology (CART) for 5,104 square feet of dedicated space for instructional use at 2555 Clovis Avenue, at a cost of \$2,000.00 per month and authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Lease Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Extend Agreement with  
University of California for Lease of Property,  
Center for International Trade Development

ITEM NO. 06-12G

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EXHIBIT: None

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Background:

For the last three years the Center for International Trade Development, formerly known as the Export Center, has been leasing office space at the UC Center, located at 550 East Shaw Avenue. This has proven to be a positive location for the program, offering enhanced visibility, on-site accessibility of meeting rooms, computer training labs, availability of national and international satellite conferencing, and ample parking for customers and staff.

Because of a decline in available grant funding for the Center for International Trade Development, the Administration is evaluating the current program location. In this interim period it is desirable for the program to remain in its current location. Until such a time as a long-term determination can be completed, the Administration is recommending that this Lease be extended through June 30, 2006, under the Lease terms currently in effect.

The current Lease Agreement cost includes all utilities, security officer, alarm system, janitorial services and common-area maintenance. The monthly cost is \$1,677.00 based on \$1.50 per rentable square foot plus \$20.00 per month for a required Internet Protocol Address. The Lease cost will be paid by current and future grants that support all costs of the Center for International Trade Development.

Fiscal Impact:

\$10,182.00 – Grant funding through the Center for International Trade Development

Recommendation:

It is recommended that the Board of Trustees authorize extending the Lease Agreement with the Regents of the University of California for 1,118 square feet of space to house the Center for International Trade Development, located at 550 East Shaw, at a cost of \$1,677.00 per month, and authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Lease Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Adopt a Resolution Approving the Filing of a California Cultural and Historical Endowment (CCHE) Grant Application for the Old Administration Building, Fresno City College

ITEM NO. 06-13G

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EXHIBIT: Resolution

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Background:

The California Cultural and Historical Endowment was created to administer funds made available by Proposition 40. These funds are earmarked to preserve historical and cultural resources. Approximately \$122,000,000 will be available to governmental entities and non-profit organizations over three years (2005-2008) through a competitive Grant Application process. The maximum grant for any project is \$3,000,000.

The District proposes to submit a Grant Application for \$3,000,000, which, if awarded, will be applied toward the total cost of the restoration of the Old Administration Building.

Recommendation:

It is recommended that the Board of Trustees adopt Resolution No. 06-13G approving the District's filing of a \$3,000,000 Grant Application for California Cultural and Historical Endowment funds for restoration of the Old Administration Building at Fresno City College.

RESOLUTION NO. 06-13G

RESOLUTION OF THE STATE CENTER COMMUNITY COLLEGE DISTRICT  
APPROVING THE APPLICATION FOR CALIFORNIA CULTURAL AND  
HISTORICAL ENDOWMENT (CCHE) GRANT FUNDS  
UNDER THE CALIFORNIA CLEAN WATER, CLEAR AIR, SAFE NIGHBORHOOD PARKS,  
AND COASTAL PROTECTION ACT OF 2002

Name of Applicant: State Center Community College District

Title of Project: Preserving California's Collegiate Heritage:  
Restoring the Academic Jewel of the Valley

WHEREAS, people of the State of California have enacted the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002, which provides funds to the State of California for the California Cultural and Historical Endowment (CCHE) Grant Program; and

WHEREAS, the California Cultural and Historical Endowment (CCHE) has been delegated the responsibility for the administration of the Grant Program, setting up the necessary procedures; and

WHEREAS, these procedures require the Grant Applicant to certify by Resolution the approval of an Application before submission of the Application to the California Cultural and Historical Endowment (CCHE); and

WHEREAS, if the Grant Applicant is awarded a grant, the Grant Applicant will enter into a Grant Agreement with the California Cultural and Historical Endowment (CCHE) for the Project;

NOW, THEREFORE BE IT RESOLVED that the State Center Community College District:

1. Approves the filing of a CCHE Grant Application for the above Project to be funded from the California Clean Water, Clear Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002; and
2. Certifies that the Grant Applicant has or will have sufficient funds to operate and maintain the Project and, where applicable, to complete the Project; and
3. Certifies that the Grant Applicant has reviewed, understands and agrees to the General Provisions of the Grant Agreement; and

4. Appoints the Vice Chancellor, Finance and Administration, as the agent to conduct all negotiations, execute and submit all documents, including, but not limited to, Applications, Agreements, payment requests and so on, which may be necessary for the completion of the Project.

\* \* \* \* \*

The foregoing Resolution was duly adopted upon motion of Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_, at a regular meeting of the Board of Trustees of State Center Community College District on January 10, 2006, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Leslie W. Thonesen, President

\_\_\_\_\_  
Dorothy Smith, Secretary

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

---

SUBJECT: Consideration of Claim Against State Center  
Community College District, CG Construction

ITEM NO. 06-14G

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EXHIBIT: Claim

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Background:

The District is in receipt of a claim submitted by attorney Scott M. Harkless on behalf of CG Construction, and the Board is asked to take action in accordance with the Government Code. The Board must reject the claim where there is a question of District liability and the amount of the claim is disputed. The amended claim has been submitted to the JPA and its Claims Administrator for defense coverage.

Estimated Fiscal Impact:

Unknown

Recommendation:

It is recommended that, in accordance with established procedures, the Board of Trustees reject the claim submitted by attorney Scott M. Harkless on behalf of CG Construction and direct the Chancellor or Vice Chancellor, Finance and Administration, to give written notice of said action to the claimant.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Accept 2004-05 Audit Report

ITEM NO. 06-01

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EXHIBIT: Audit Report

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Background:

Title V requires that community college districts conduct an annual independent audit of the District's financial records and compliance issues. The 2004-05 District audit has recently been completed by the audit firm of Vavrinek, Trine, Day & Co., LLP. A representative of the audit firm will be present at the Board meeting to review the report and to respond to questions from Board members.

Recommendation:

It is recommended that the Board of Trustees accept the 2004-05 audit report as submitted by the firm of Vavrinek, Trine, Day & Co., LLP.

**STATE CENTER COMMUNITY  
COLLEGE DISTRICT**

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**ANNUAL FINANCIAL REPORT**

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**JUNE 30, 2005**

# STATE CENTER COMMUNITY COLLEGE DISTRICT

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JUNE 30, 2005

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited the accompanying financial statements of the State Center Community College District (the District) as of and for the years ended June 30, 2005 and 2004, and its discretely presented component unit State Center Community College Foundation as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Foundation as of June 30, 2005 and 2004, which represents 100 percent of the assets, net assets, and revenue of the District's aggregate discretely presented component unit. Those statements were audited by other auditors whose report dated August 26, 2005, as unqualified, and our opinion, insofar as it relates to the amount included for the Foundation, is based solely on the report of the other auditors.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Center Community College District and its discretely presented component unit State Center Community College Foundation as of June 30, 2005 and 2004, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 4 through 12 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2005, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of or testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Vavrunek, Trine, Day & Co., LLP

Fresno, California  
September 23, 2005



# State Center Community College District

1525 East Weldon Avenue • Fresno, California 93704-6398

Telephone (559) 226-0720

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2005**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*," which established a new reporting format for annual financial statements for governmental entities. In November 1999, GASB issued Statement No. 35, "*Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*," which applies these new reporting standards to public colleges and universities such as the State Center Community College District (District). The following discussion and analysis provides an overview of the District's financial activities. Information presented in this report will be in a two year comparative format. Responsibility for the completeness and fairness of this information rests with the District.

### ***USING THIS ANNUAL REPORT***

As required by the recently adopted accounting principles, the annual report consists of three basic financial statements that provide information on the District's activities as a whole: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The focus of the Statement of Net Assets is designed to be similar to bottom line results for the District. This statement combines and consolidates current financial resources (net short-term spendable resources) with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Assets focuses on the costs of the District's operational activities, which are supported mainly by property taxes, state funds, and other local revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various District services to students and the public. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

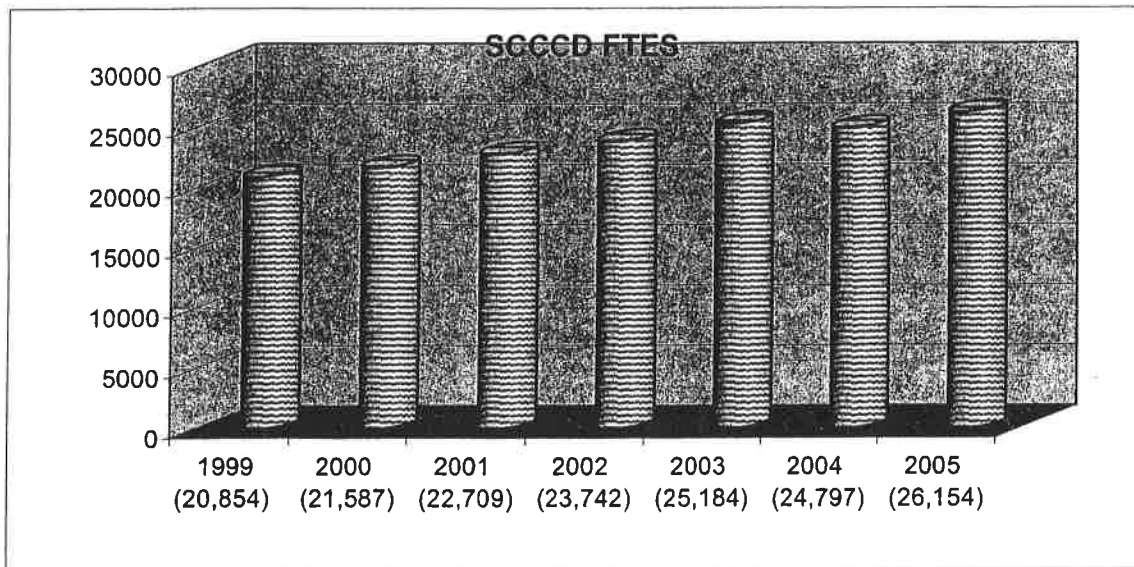
# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005

### FINANCIAL HIGHLIGHTS

The District's primary funding source is based upon apportionment received from the State of California. The primary basis of the apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2004-05 fiscal year, FTES was 26,154. As you can see from the chart below, the District has done quite well in attracting students to our District. Attracting and keeping students enrolled in our District is the life-blood of our organization and has been a high priority. Our ability to continue this high growth rate will in part depend on the State's ability and priority to fund student growth.



Annually, the State Chancellor's Office provides the statewide enrollment growth funding rate and each districts' individual enrollment growth rate. The District's enrollment growth rate determines the potential funding for each District and is based on four factors: (1) the rate of change in the adult population of the local district; (2) the change in the high school graduation rates occurring in the district's boundaries; (3) adjustments for underserved areas; and (4) a blended rate. Because the Central San Joaquin Valley and communities served by the District are growing at a more rapid rate than the statewide average, the District's growth rate is higher than the statewide growth rate however, the District is not getting funded for all the students we serve.

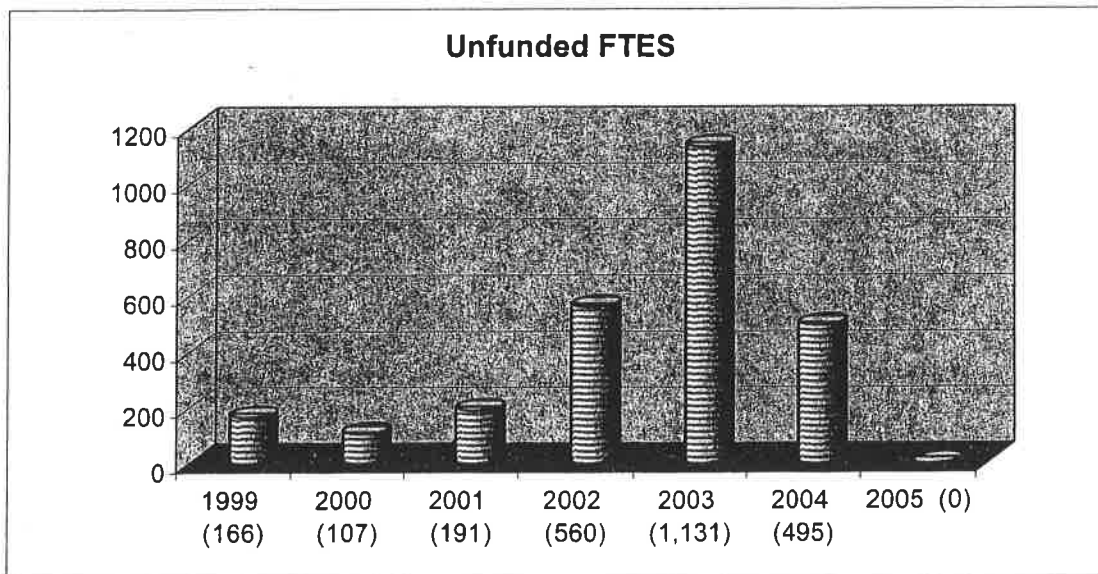
Enrollment growth funding has not always been a priority to the California Community College System. Prior to the 1996-97 fiscal year, little money and incentives were provided to the community college districts for student growth. As you can see from the chart above, the District has made enrollment growth a priority of the District and has been so successful that since the fiscal year ended 1999 (see Unfunded FTES graph), we have exceeded our allocation for enrollment growth. This year is an exception, as many Districts throughout the State had trouble maintaining their base enrollment which left their share of enrollment growth available for growing Districts. Overall, the State had more money available than Districts could generate in growth.



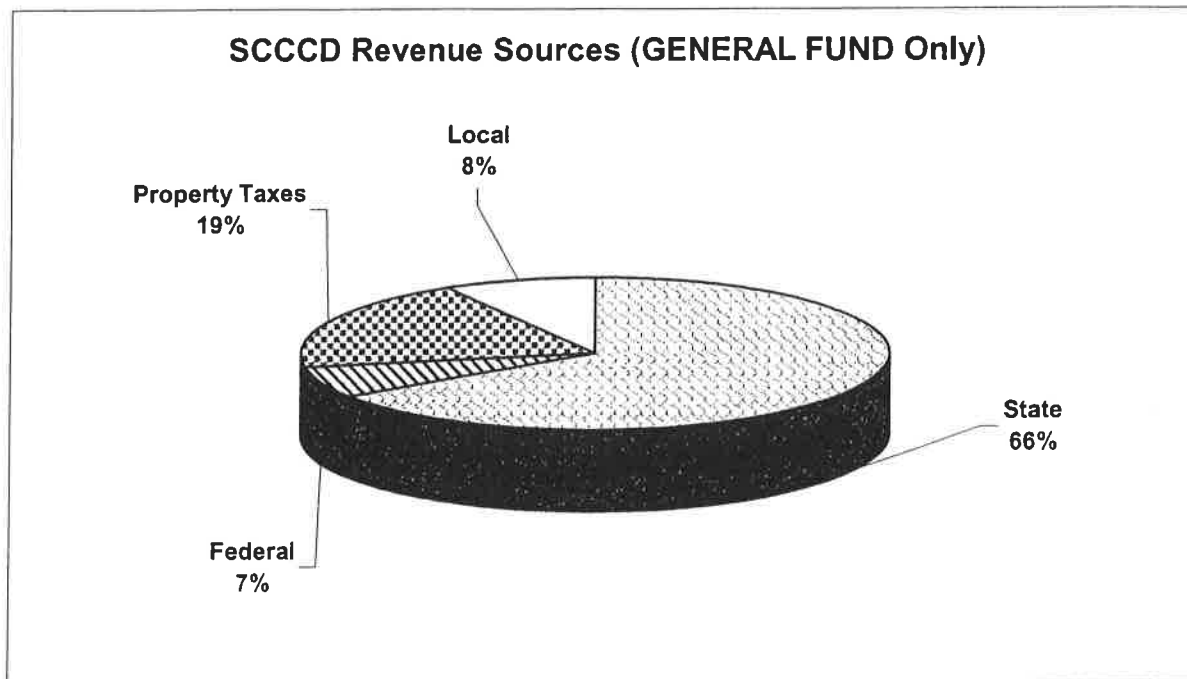
# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005



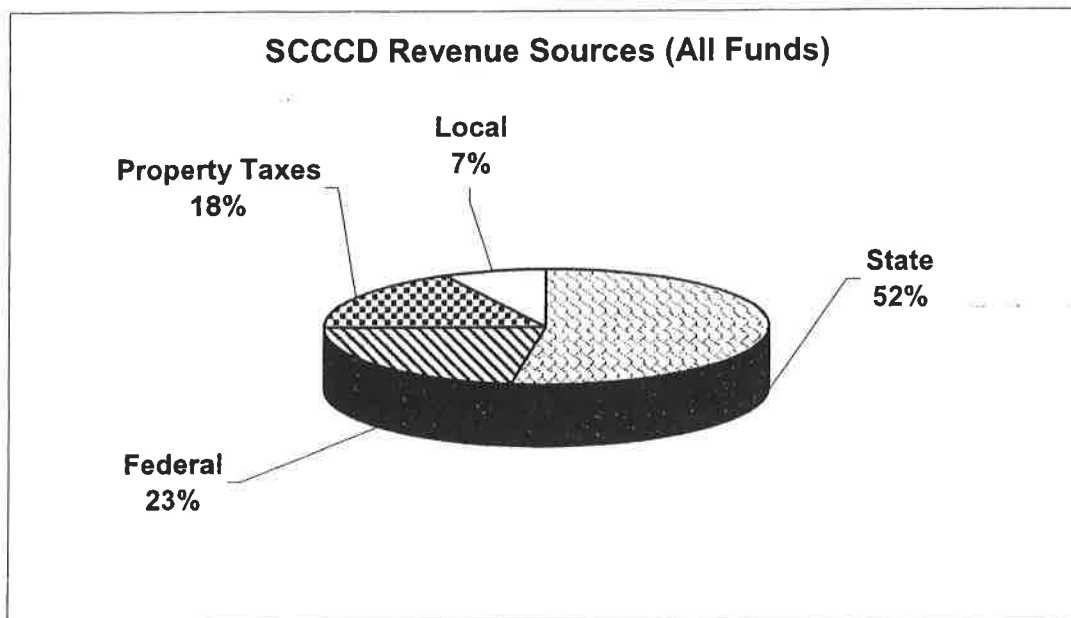
It is important to note that the District relies heavily on Federal Grants, State apportionment, categorical programs, and property taxes. Therefore, as stewards of these funds, we need to understand the sources and uses of these funds. The next four graphs depict the District's major revenue sources and expenditure uses categories. Please note we have provided both General Fund only and all funds format for these graphs.



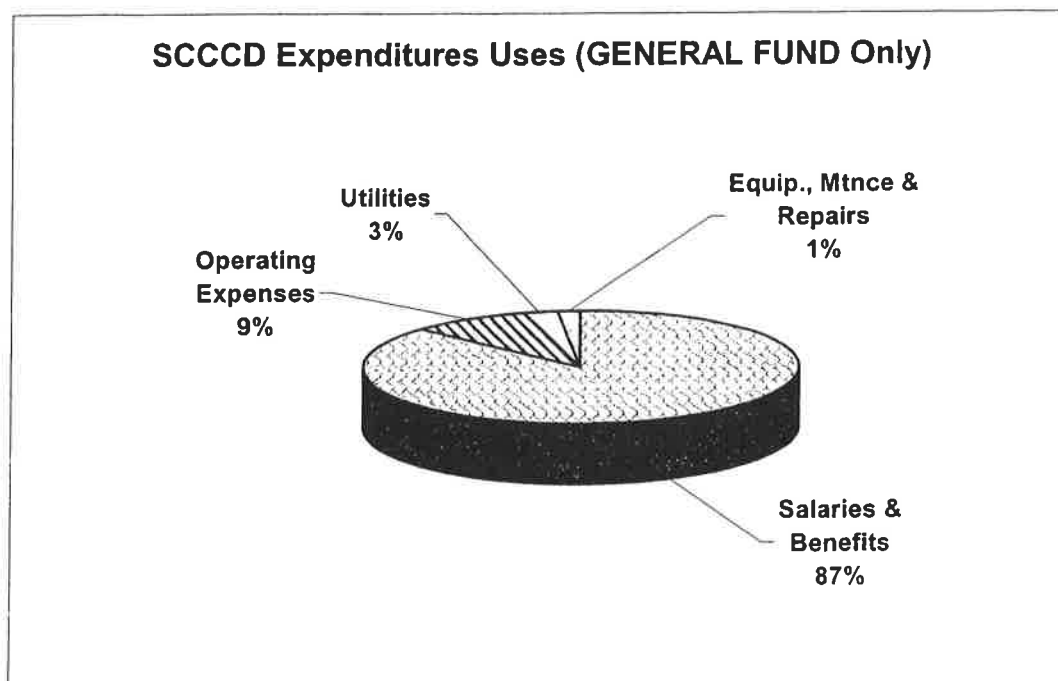
# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2005

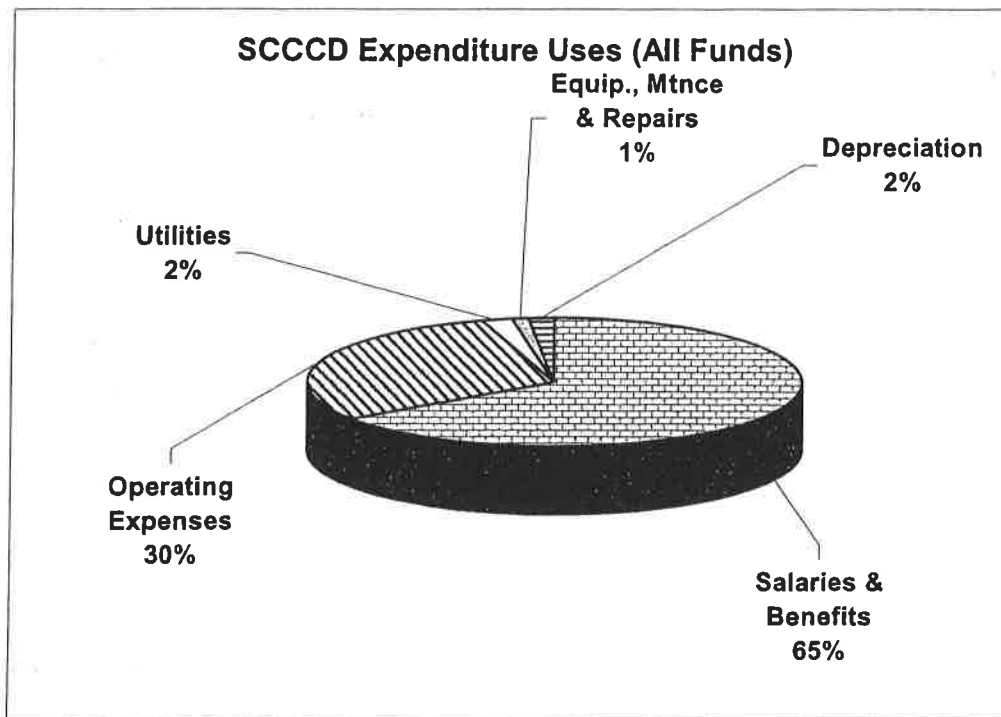


All funds includes the General Fund, Capital Projects, Financial Aid, Cafeteria, Bookstore and Self Insurance Funds.



# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005



All Funds includes the General Fund, Capital Projects, Financial Aid, Cafeteria, Bookstore and Self Insurance Funds.

### Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the district as of the end of the fiscal year using the accrual basis of accounting, which is comparable to the basis of accounting used by most private-sector institutions. Net assets-the difference between assets and liabilities-are one way to measure the financial health of the district. This data allows readers to determine the assets available to continue the operations of the district. The net assets of the district consist of three major categories.

- Invested in capital assets-The district's equity in property, plant, and equipment.
- Restricted net assets (divided into either expendable or nonexpendable.) - Restricted net assets are restricted by use constraints placed on them by outside parties such as through agreements, laws, regulations of creditors or other governments or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets - The district can use them for any lawful purpose. Although unrestricted, the district's governing board may place internal restrictions on these net assets, but it retains the power to change, remove, or modify those restrictions.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Condensed financial information is as follows: *(in thousands)*

As of June 30,

	2005	2004	Year to Year Change
<b>Current Assets</b>			
Cash, investments, and short-term receivables	\$ 103,075	\$ 66,915	54.0%
Inventory and pre-paid expenditures	2,385	2,253	5.9%
<b>Total Current Assets</b>	<b>105,460</b>	<b>69,168</b>	<b>52.5%</b>
<b>Non-Current Assets</b>			
Capital assets, net of depreciation	104,587	89,069	17.4%
<b>Total Assets</b>	<b>210,047</b>	<b>158,237</b>	<b>32.7%</b>
<b>Current Liabilities</b>			
Account payable and accrued liabilities	11,552	8,668	33.3%
Deferred revenue	5,559	4,892	13.6%
Amounts held on behalf of others	606	484	25.2%
Long-term Liabilities-current portion	5,859	6,165	-5.0%
<b>Total Current Liabilities</b>	<b>23,576</b>	<b>20,209</b>	<b>16.7%</b>
<b>Non-Current Liabilities</b>			
Long-term liabilities-non-current portion	38,455	16,618	131.4%
<b>Total Liabilities</b>	<b>62,031</b>	<b>36,827</b>	<b>68.4%</b>
<b>Net Assets</b>			
Invested in capital assets	62,191	88,964	-30.1%
Restricted for expendable purposes	50,866	24,268	109.6%
Unrestricted	34,959	8,178	327.5%
<b>Total Net Assets</b>	<b>148,016</b>	<b>121,410</b>	<b>21.9%</b>
<b>Total Liabilities and Net Assets</b>	<b>210,047</b>	<b>158,237</b>	<b>32.7%</b>

This schedule has been prepared from the District's Statement of Net Assets (page 13).

Cash and short-term investments consist primarily of funds held in the Fresno County Treasury. The changes in the cash position are explained in the Statement of Cash Flows (pages 15 and 16).

Many of the unrestricted net assets have been designated by the Board or by contracts for such purposes as federal and state grants, outstanding commitments on contracts, college and center planning stability reserves, bookstore and cafeteria reserves, and general economic uncertainty reserves for the ongoing financial health of the District.

### Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the district. The purpose of the statement is to present the revenues received by the district, both operating and non-operating, and the expenses paid by the district, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the district. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Changes in total net assets on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the district. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the district.

### Operating Results

For the Year ended June 30,

	2005	2004	Year to Year Change
<b>Operating Revenues</b>			
Tuition and fees	\$ 9,259	\$ 6,791	36.3%
Grants and contracts	59,934	55,921	7.2%
Auxiliary sales and charges	3,101	3,170	-2.2%
Total Operating Revenues	<u>72,294</u>	<u>65,882</u>	9.7%
<b>Operating Expenses</b>			
Salaries and benefits	108,731	99,264	9.5%
Supplies, maintenance and other operating expenses	55,302	58,594	-5.6%
Depreciation	2,773	2,732	1.5%
Total Operating Expenses	<u>166,806</u>	<u>160,590</u>	3.9%
Income (Loss) on Operations	(94,512)	(94,708)	-0.2%
<b>Nonoperating Revenue and (Expenses)</b>			
State apportionment	74,906	54,698	36.9%
Property taxes	34,167	41,169	-17.0%
State revenues	5,314	4,004	32.7%
Net interest income	(1,467)	793	-285.0%
Other non-operating revenue	1,205	1,114	8.2%
Total Non-Operating Revenue	<u>114,125</u>	<u>101,778</u>	12.1%
<b>Other Revenue</b>			
Federal, state, and local capital income	6,994	10,021	-30.2%
Net Increase in Net Assets	<u>\$ 26,607</u>	<u>\$ 17,091</u>	55.7%

This schedule has been prepared from the Statement of Revenues, Expenses and Changes in Net Assets presented on page 14.

Auxiliary revenue consists of bookstore and cafeteria net revenues. The college campuses each maintain a bookstore and a cafeteria to provide services to the students and faculty of the college.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Grant and contract revenues relate to student financial aid, as well as specific federal and state grants received for programs serving the students of the district. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Interest income of \$866,424 was offset by interest expense of \$1,837,475. The interest income is primarily the result of cash held at the Fresno County Treasurer. The interest expense relate to interest on short-term investments, notes payable, and general obligation bonds of the District.

Since the financial statements are on the full accrual basis, the District is recording depreciation expense related to capital assets. The detail of the changes in capital assets for the year is included in the notes to the financial statements as Note 4.

### Statement of Cash Flows

The statement of cash flows provides additional information about the district's financial results by reporting its major sources and uses of cash. This information assists readers in assessing the district's ability to generate revenue, meet its obligations as they come due, and evaluate its need for external financing. The statement is divided into several parts. The first portion deals with operating cash flows and shows the sources and uses of the operating activities of the institution. The second section reflects cash flows from non-capital financing activities and shows the sources and uses of those funds. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section deals with cash flows from investing activities. This section reflects the cash received and spent for short-term investments and any interest paid or received on those investments.

### Statement of Cash Flows

for the Year ended June 30,

	2005	2004	Year to Year Changes
Cash provided by (used in)			
Operating activities	\$ (90,093)	\$ (91,015)	-1.0%
Non-capital financing activities	114,186	100,985	13.1%
Capital financing activities	(15,198)	(4,081)	272.4%
Investing activities	25,371	839	2924.0%
Net increase/(decrease) in cash	34,266	6,728	409.3%
Cash, Beginning of Year	50,056	43,328	15.5%
Cash, End of Year	\$ 84,322	\$ 50,056	68.5%

The primary operating receipts are student tuition and fees and federal, state, and local grants and contracts. The primary operating expenses of the District consist of the payment of salary and benefits to instructional and classified support staff.

While state apportionment and property taxes are the primary source of non-capital related revenue, the new GASB accounting standards require that these sources of revenues are shown as non-operating revenue as it comes from the general resources of the state and not the primary users of the colleges' programs and services (students). The District depends upon this funding as the primary source of funds to continue our current level of operations.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

### **Economic and Financial Factors Affecting the Future of State Center Community College District New Funding Model**

Since 1991, the Community College System has allocated funding under the Program Based Funding Model. Under the Program Based Funding Model, districts are paid based upon Categories of Operation (Instruction, Instructional Services, Student Services, Maintenance and Operations, and Institutional Support), Workload Measures (FTES, Headcount, and Square Footage), and Standards. Although this funding model addressed previous funding concerns, it still had some major drawbacks. Least of all, it is a very complex model to calculate let alone articulate to decisionmakers, Boards of Trustees, and shareholders of the district. Additionally, districts were being paid different amounts, in some cases significant differences, for the same workload measure which could amount in total to hundreds of thousands of dollars. Furthermore, districts were having a difficult time projecting funding levels which in turn affected strategic planning for the districts. And last but not least, districts were only being paid approximately 50% of their calculated funding thus making it difficult to meet the goals established under Program Based Funding.

Last summer, a group of respected College Business Officers which represented a cross section of all the districts, met to come up with a funding model that would address the funding needs of the system. From this group came a preliminary draft version of their recommendations. This initial document has been reviewed, refined, and modified by all constituency groups up to and including the Board of Governors of the Community College System. The governor and legislature of the State of California are now in the process of deciding whether the Community College System will now follow this new funding model. The key strengths of this new funding model is a simpler and more equitable method of distributing funds to the system. It is anticipated that this new funding model could take effect as soon as the 2006-07 fiscal year.

### **Other Post Employee Benefits (OPEB)**

Several years ago the accounting profession required all for profit organizations to recognize benefits paid to employees after they left service generally through retirement. Now the accounting profession that oversees the government sector, GASB, has now placed those standards on the education sector. Typically, the education sector has addressed the funding of post employment benefits on a pay as you go method. Under this methodology, school districts only pay out what is needed by the retirees for that year. The new methodology required by GASB which is effective for the 2007-08 fiscal year, is that the school district must determine how much the district owes to the employees on an accrual basis. Under this methodology, an actuary must make a determination based on the current and retired employees what benefits are owed to them for service they have provided to the district. Since this is a rather large amount, the accounting profession has allowed the districts to accrue the total liability on the Statement of Net Assets and expense an appropriate amount to cover the current year in the Statement of Revenues, Expenses, and Changes in Net Assets. SCCCDC has already obtained an actuarial analysis and will be working with the Board to come up with an appropriate plan to fund the cost of OPEB.

STATE CENTER COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET ASSETS  
JUNE 30, 2005 AND 2004

	2005	2004
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 6,676,610	\$ 5,245,896
Short-term investments	77,645,033	44,810,293
Accounts receivable, net	18,549,605	16,260,452
Student loans receivable, net	203,452	598,103
Stores inventory	1,978,321	1,941,071
Prepaid expenses	406,784	311,915
<b>Total Current Assets</b>	<u>105,459,805</u>	<u>69,167,730</u>
<b>Noncurrent Assets:</b>		
Nondepreciable capital assets	36,390,768	21,768,988
Depreciable capital assets, net of depreciation	68,196,785	67,299,681
<b>Total Noncurrent Assets</b>	<u>104,587,553</u>	<u>89,068,669</u>
<b>TOTAL ASSETS</b>	<u>210,047,358</u>	<u>158,236,399</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	11,551,879	8,667,918
Deferred revenue	5,558,915	4,891,599
Amounts held in trust on behalf of others	605,608	484,445
Compensated absences payable - current portion	1,917,777	1,744,893
Notes payable - current portion	3,787,424	4,200,000
Long-term liabilities - current portion	154,057	219,537
<b>Total Current Liabilities</b>	<u>23,575,660</u>	<u>20,208,392</u>
<b>Non-current Liabilities:</b>		
Long-term liabilities - noncurrent portion	38,454,935	16,618,240
<b>Total Non-current Liabilities</b>	<u>38,454,935</u>	<u>16,618,240</u>
<b>TOTAL LIABILITIES</b>	<u>62,030,595</u>	<u>36,826,632</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	62,191,137	88,963,669
Restricted for:		
Capital projects	42,695,518	18,363,713
Debt service	8,171,092	5,904,065
Unrestricted	34,959,016	8,178,320
<b>TOTAL NET ASSETS</b>	<u>148,016,763</u>	<u>121,409,767</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 210,047,358</u>	<u>\$ 158,236,399</u>

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



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004**

	2005	2004
<b>OPERATING REVENUES</b>		
Tuition and Fees	\$ 20,059,042	\$ 12,868,207
Less: Scholarship discount and allowance	(10,800,126)	(6,078,053)
Net tuition and fees	<u>9,258,916</u>	<u>6,790,154</u>
Grants and Contracts, noncapital:		
Federal	43,527,744	40,330,281
State	14,348,758	14,106,304
Local	2,057,749	1,484,887
Auxiliary Enterprise Sales and Charges:		
Bookstore, net of cost of goods sold	2,368,050	2,349,948
Food services	732,772	819,792
Interest on Student Loans	202	178
<b>TOTAL OPERATING REVENUES</b>	<u>72,294,191</u>	<u>65,881,544</u>
<b>OPERATING EXPENSES</b>		
Salaries	84,998,575	79,286,310
Employee benefits	23,732,298	19,977,797
Supplies, materials, and other operating expenses and services	50,022,849	52,512,690
Utilities	3,320,849	3,399,472
Equipment, maintenance, and repairs	1,958,716	2,681,221
Depreciation	2,773,189	2,731,793
<b>TOTAL OPERATING EXPENSES</b>	<u>166,806,476</u>	<u>160,589,283</u>
<b>OPERATING LOSS</b>	<u>(94,512,285)</u>	<u>(94,707,739)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State apportionments, noncapital	74,906,085	54,697,810
Local property taxes	34,167,391	41,169,156
State taxes and other revenues	5,313,521	4,003,656
Investment income/(loss)-Noncapital	(92,355)	427,625
Investment income-Capital	463,238	410,622
Interest expense on capital related debt	(1,837,475)	(45,575)
Other non-operating	1,204,680	1,114,473
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>114,125,085</u>	<u>101,777,767</u>
<b>LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	19,612,800	7,070,028
State revenues, capital	6,751,994	9,902,934
Local revenues, capital	242,202	118,249
<b>TOTAL OTHER REVENUES, EXPENSES, GAINS AND LOSSES</b>	<u>6,994,196</u>	<u>10,021,183</u>
<b>NET INCREASE IN NET ASSETS</b>	<u>26,606,996</u>	<u>17,091,211</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	121,409,767	92,287,437
<b>PRIOR PERIOD ADJUSTMENT</b>	-	12,031,119
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>121,409,767</u>	<u>104,318,556</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 148,016,763</u>	<u>\$ 121,409,767</u>

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

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF CASH FLOWS – DIRECT METHOD  
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004**

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 10,415,820	\$ 6,790,154
Federal grants and contracts	42,685,132	40,330,281
State grants and contracts	14,648,301	14,106,304
Local grants and contracts	1,118,904	1,484,887
Payments to suppliers	(12,707,488)	(19,577,792)
Payments to/(on behalf of) employees	(109,262,067)	(99,264,107)
Payments for scholarships and grants	(40,092,903)	(38,054,597)
Auxiliary enterprise sales and charges:		
Bookstore	2,368,050	2,349,948
Food services	732,772	819,792
Interest on Student Loans	202	178
<b>Net Cash Used by Operating Activities</b>	<u>(90,093,277)</u>	<u>(91,014,952)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State apportionments	80,849,127	54,697,810
Property taxes	33,331,831	41,169,156
State taxes and other apportionments	(1,360,251)	4,003,656
Other non-operating	1,364,988	1,114,473
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>114,185,695</u>	<u>100,985,095</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchases of capital assets	(15,862,749)	(13,698,481)
State revenue, capital projects	6,751,994	9,902,934
Local revenue, capital projects	169,363	118,249
Principal paid on capital debt	(4,419,536)	(357,877)
Interest paid on capital debt	(1,837,475)	(45,575)
<b>Net Cash Used by Capital Financing Activities</b>	<u>(15,198,403)</u>	<u>(4,080,750)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of Bonds	25,355,925	-
Interest received from investments	15,514	838,425
<b>Net Cash Provided by Investing Activities</b>	<u>25,371,439</u>	<u>838,425</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	34,265,454	6,727,818
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>50,056,189</u>	<u>43,328,371</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 84,321,643</u>	<u>\$ 50,056,189</u>

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

STATE CENTER COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS – DIRECT METHOD, Continued  
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004

	2005	2004
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (94,512,285)	\$ (94,707,739)
Adjustments to reconcile net operating loss to net cash used by operating activities		
Depreciation expense	2,773,189	2,731,793
Changes in assets and liabilities:		
Increase in accounts receivables	(1,894,502)	1,577,086
Increase in inventories	(37,250)	(44,717)
Increase in prepaid expense	(94,869)	(25,210)
Increase in accounts payable	2,883,961	(1,474,108)
Increase in deferred revenue	667,316	860,131
Increase in amounts held in trust on behalf of others	121,163	67,812
<b>Net Cash Used By Operating Activities</b>	<b>\$ (90,093,277)</b>	<b>\$ (91,014,952)</b>

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

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT - STATE CENTER  
COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 48,498	\$ 94,476
Short-term investments	959,433	1,773,591
Accounts receivable	6,713	9,660
Long-term investments	8,838,505	6,525,731
Equipment	16,362	21,815
<b>TOTAL ASSETS</b>	<u><u>\$ 9,869,511</u></u>	<u><u>\$ 8,425,273</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	208,514	2,932
Annuity obligations	61,853	65,869
<b>TOTAL LIABILITIES</b>	<u><u>270,367</u></u>	<u><u>68,801</u></u>
<b>NET ASSETS</b>		
Unrestricted	502,970	453,626
Temporarily restricted	1,896,139	1,563,703
Permanently restricted	7,200,035	6,339,143
<b>TOTAL NET ASSETS</b>	<u><u>9,599,144</u></u>	<u><u>8,356,472</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 9,869,511</u></u>	<u><u>\$ 8,425,273</u></u>

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

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT - STATE CENTER  
COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS:</b>		
Contributions	\$ 512,908	\$ 1,613,706
Special events	-	355,738
Investment income:		
Interest and dividends	10,999	65,285
Realized investment gains	(3,351)	978
Unrealized gains (losses)	7,776	100,420
<b>TOTAL REVENUES AND GAINS</b>	<u>528,332</u>	<u>2,136,127</u>
<b>EXPENSES:</b>		
Program Expenses:		
Educational activities	132,066	1,024,416
Scholarships and awards	11,520	253,312
General and administrative	333,141	5,633
Fund raising	2,263	44,894
<b>TOTAL EXPENSES</b>	<u>478,990</u>	<u>1,328,255</u>
<b>CHANGE IN NET ASSETS</b>	49,342	807,872
<b>INTERFUND TRANSFERS</b>	-	(475,436)
<b>NET ASSETS, BEGINNING OF YEAR</b>	453,626	1,563,703
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 502,968</u>	<u>\$ 1,896,139</u>

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

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Permanently Restricted	2005	2004
\$ -	\$ 2,126,614	\$ 2,213,340
-	355,738	350,767
73,477	149,761	154,009
24,842	22,469	72,777
336,297	444,493	553,402
<u>434,616</u>	<u>3,099,075</u>	<u>3,344,295</u>
-	1,156,482	994,417
-	264,832	178,226
49,160	387,934	364,710
-	47,157	61,631
<u>49,160</u>	<u>1,856,405</u>	<u>1,598,984</u>
385,456	1,242,670	1,745,311
475,436	-	-
6,339,143	8,356,472	6,611,161
<u>\$ 7,200,035</u>	<u>\$ 9,599,142</u>	<u>\$ 8,356,472</u>

STATE CENTER COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT - STATE CENTER  
 COMMUNITY COLLEGE FOUNDATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2005 AND 2004

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,242,673	\$ 1,745,311
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	5,453	39,370
Realized gain on sale of investments	(22,469)	(72,777)
Unrealized gain on sale of investments	(444,494)	(553,402)
(Increase)/ decrease in operating assets:		
Accounts receivable	2,947	5,254
Increase/(decrease) in operating liabilities:		
Accounts payable	205,581	(27,909)
Annuity obligations	(4,016)	(2,315)
<b>Net Cash Used by Operating Activities</b>	<u>985,675</u>	<u>1,133,532</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(2,500,155)	(4,433,247)
Proceeds from maturity or sale of investments	1,479,552	3,333,957
<b>Net Cash Provided by Investing Activities</b>	<u>(1,020,603)</u>	<u>(1,099,290)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on annuity obligations	(11,050)	(11,050)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(45,978)	23,192
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	94,476	71,284
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 48,498</u>	<u>\$ 94,476</u>

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

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The State Center Community College District was organized on July 1, 1964, under the laws of the State of California. The District operates under a locally elected seven-member Board of Trustees form of government and provides higher education in two community colleges - Fresno City College and Reedley College, as well as three community centers - Clovis Center, Madera Center, and Oakhurst Center. The District currently operates in approximately 5,580 square miles located in parts of Fresno, Madera, Tulare, and Kings Counties.

#### Financial Reporting Entity

During the year ended June 30, 2004, the District adopted Governmental Accounting Standard Board (GASB) Statement No. 39, *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.

#### State Center Community College Foundation

The State Center Community College Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The 27 member board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statements.

Financial statements for the Foundation can be obtained by calling the Foundation at (559) 226-0720.

#### Component Units

**Joint Powers Agencies and Public Entity Risk Pools** - The District is associated with two joint powers agencies (JPA). These organizations do not meet the criteria for inclusion as component units of the District. The JPAs are Valley Insurance Program and Fresno Area Self-Insured Benefits Organization.



# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2004

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### 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. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency and intra-fund transactions have been eliminated.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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, available means expected to be received within 90 days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain grants, entitlements, and donations. Revenue from State apportionments is generally recognized in the fiscal year in which it is apportioned from the State. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements.

The accounting policies of the District conform to accounting principles generally accepted in the United State of America as applicable to colleges and universities, as well as those prescribed by the California Community College's Chancellor's Office. The District reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussions and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37 and 38. 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:
  - Statement of Net Assets
  - Statement of Revenues, Expenses and Changes in Net Assets
  - Statement of Cash Flows
- Notes to the Financial Statements

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2004

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The following is a summary of the more significant policies:

### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

### **Investments**

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and for External Investment Pools*, investments are stated at fair value. Fair value is estimated based on published market prices at year-end. Investments for which there are no quoted market prices are not material.

### **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 provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. Management has analyzed these accounts and believes all amounts are fully collectable.

### **Inventory**

Inventory consists primarily of bookstore merchandise and cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed.

### **Prepaid Expenditures**

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

### **Capital Assets and Depreciation**

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$10,000 for equipment and \$49,000 for buildings and improvements. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 25 to 50 years; equipment, 5 to 10 years.

### **Accrued Liabilities and Long-Term Obligations**

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

### **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 entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. 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, 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.

### **Deferred Revenue**

Deferred 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 deferred revenue is removed from the combined balance sheet and revenue is recognized. Deferred revenues include (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 are recorded as deferred revenue.

### **Net Assets**

GASB Statements No. 34 and No. 35 report equity as "Net Assets." Net assets are classified according to external donor restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

- **Invested in Capital Assets, Net of Related Debt:** Capital Assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted – Expendable:** Net assets whose use by the District is subject to externally imposed constraints that can be fulfilled by actions of the District pursuant to those constraints or by the passage of time.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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- **Unrestricted:** Net assets that are not subject to externally imposed constraints. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for continuing operations.

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.

### **Operating Revenues and Expenses**

**Classification of Revenues** - The District has classified its revenues as either operating or nonoperating according to the following criteria:

*Operating revenues* - Operating revenues include activities that have the characteristics of exchange transactions, such as, (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most Federal, State and local grants and contracts, and Federal appropriations, and (4) interest on institutional student loans.

*Nonoperating revenues* - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as State appropriations, property taxes, investment income, gifts and contributions, and other revenue sources described in GASB Statement No. 34.

**Classification of Expenses** - Nearly all 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.

### **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.

### **Property Tax**

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 Fresno bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2004

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### Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Stafford Loan 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 the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the related *Compliance Supplement*. During the year ended June 30, 2005 and 2004, the District distributed \$291,800 and \$238,875 in direct lending through the U.S. Department of Education. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students however the amounts are included on the Schedule of Federal Financial Assistance.

### Component Unit

The State Center Community College Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and the changes in net assets are classified as follows:

- **Permanently Restricted Net Asserts** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.
- **Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time.
- **Unrestricted Net Assets** - Net assets not subject to donor-imposed restrictions.

Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are recorded at their fair market value on the date of the donation.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value based upon quoted market prices.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### Newly Issued Accounting Pronouncements

- **GASB Statement No. 40:** In March 2003, GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures*, which amends Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and addresses additional risks to which governments are exposed. Under Statement No. 40, State and local governments are required to disclose information covering four principal areas:
  - Investment credit risk disclosures, including credit quality information issued by rating agencies;
  - Interest rate disclosures that include investment maturity information, such as weighted average maturities or specification identification of securities;
  - Interest rate sensitivity for investments that are highly sensitive to changes in interest rates (ex: inverse floaters, enhanced variable-rate investments, and certain asset-backed securities; and
  - Foreign exchange exposures that would indicate the foreign investment's denomination.The GASB Statement No. 40 provisions are effective for financial statements for periods beginning after June 30, 2004, and are included in *NOTE 2 - DEPOSITS AND INVESTMENTS*.
- **GASB Statement No 42:** In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement establishes accounting and financial reporting standards for impairment of capital assets. The provisions of this statement are effective for periods beginning after December 2004 and will be implemented by the District in fiscal year 2005-2006.
- **GASB Statement No. 43:** In April 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefits Other than Pension Plans*. The standards in this statement apply for trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirements systems, or other third parties that administer them. The provisions of this statement are effective for periods beginning after December 15, 2005. The State Center Community College District is not a plan sponsor of an OPEB Plan.
- **GASB Statement No. 45:** In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This statement establishes standards for the measurement, recognition and display of OPEB expense, expenditures and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports of State and local governmental employers. This statement generally provides for prospective implementation - that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. The District is in the process of determining the impact the implementation of this statement will have on the government-wide statements of net assets and activities. This statement is effective for periods beginning after December 15, 2006, depending upon the size of the governmental entities' financial activity. The State Center Community College District will be implementing the requirements of this standard in the 2007-2008 fiscal year.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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- **GASB Statement No. 46:** In December 2004, GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB No. 34. This statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government can compel a government to honor. Accordingly, it clarifies the determination of restricted net assets within the statement of net assets. This statement is not effective until June 30, 2006. The District has not determined its effect on the financial statements.
- **GASB Statement No. 47:** In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. This statement is not effective until June 30, 2006. The District has not determined its effect on the financial statements.

### **Comparative Financial Information**

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### **NOTE 2 - 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** - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting 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.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

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**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 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

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2005 and 2004, are classified in the accompanying financial statements as follows:

**2005**

Business-type activities	\$ 84,321,643
Total Deposits and Investments	<u>\$ 84,321,643</u>

**2004**

Business-type activities	\$ 50,056,189
Total Deposits and Investments	<u>\$ 50,056,189</u>



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

Deposits and investments as of June 30, 2005 and 2004, consist of the following:

**2005**

Cash on hand and in banks	\$ 6,626,589
Cash in revolving	50,021
Investments	77,645,033
Total Deposits and Investments	<u>\$ 84,321,643</u>

**2004**

Cash on hand and in banks	\$ 5,195,875
Cash in revolving	50,021
Investments	44,810,293
Total Deposits and Investments	<u>\$ 50,056,189</u>

**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 manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Segmented Time Distribution**

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

**2005**

Investment Type	Fair Value	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
Mutual Funds	\$ 35,610	\$ 35,610	\$ -	\$ -	\$ -
Money Market Mutual Funds	38,226	38,226	-	-	-
County Pool	77,571,197	77,571,197	-	-	-
Total	<u>\$77,645,033</u>	<u>\$77,645,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**2004**

Investment Type	Fair Value	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
Mutual Funds	\$ 37,779	\$ 37,779	\$ -	\$ -	\$ -
Money Market Mutual Funds	40,430	40,430	-	-	-
County Pool	44,732,084	44,732,084	-	-	-
Total	<u>\$44,810,293</u>	<u>\$44,810,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

**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 measure by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

**2005**

Investment Type	Fair Value	Minimum Legal Rating	Not Required to be Rated	Rating as of Year End		
				AAA	Aa	Unrated
Mutual Funds	\$ 35,610	NA	\$ 35,610	\$ -	\$ -	\$ -
Money Market Mutual Funds	38,226	NA	38,226	-	-	-
County Pool	77,571,197	NA	-	-	-	77,571,197
Total	<u>\$77,645,033</u>		<u>\$ 73,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$77,571,197</u>

**2004**

Investment Type	Fair Value	Minimum Legal Rating	Not Required to be Rated	Rating as of Year End		
				AAA	Aa	Unrated
Mutual Funds	\$ 40,430	NA	\$ 40,430	\$ -	\$ -	\$ -
Money Market Mutual Funds	37,779	NA	37,779	-	-	-
County Pool	44,732,084	NA	-	-	-	44,732,084
Total	<u>\$44,810,293</u>		<u>\$ 78,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$44,732,084</u>

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the stipulated by the California Government code. There were no investments in any one issuer that represented five percent or more of the total investments.

**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. As of June 30, 2005 and 2004, the District's bank balance of \$8,431,838 and \$6,241,213, respectively, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. For June 30, 2005, of the investment in Mutual Funds of \$73,836, the District has a custodial credit risk exposure of \$57,260 because the related securities are uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities. For June 30, 2004, of the investment in Mutual Funds of \$37,779, the District has a custodial credit risk exposure of \$37,779 because the related securities are uninsured, unregistered, and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

### NOTE 3 - ACCOUNTS RECEIVABLES

Receivables for the District consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

The accounts receivable are as follows:

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Federal Government		
Categorical aid	\$ 2,286,756	\$ 1,450,189
State Government		
Apportionment	1,566,903	7,509,945
Categorical aid	682,569	887,677
Categorical prior year	-	102,859
Other state sources	9,928,165	3,255,393
Local Government		
Interest	572,194	216,623
Property taxes	2,391,684	1,556,124
Other local sources	1,121,334	1,281,642
Total	<u>\$ 18,549,605</u>	<u>\$ 16,260,452</u>
Student receivables, net	<u>\$ 203,452</u>	<u>\$ 598,103</u>

### Discretely Presented Component Unit

The State Center Community College Foundation's accounts receivable consist primarily of short-term donations. In the opinion of management, all amounts have been deemed to be fully collectable.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Capital Assets not being Depreciated</b>				
Land	\$ 21,768,988	\$ 5,624	\$ -	\$ 21,774,612
Construction in progress	-	16,684,684	2,068,528	14,616,156
Total Capital Assets Not Being Depreciated	<u>21,768,988</u>	<u>16,690,308</u>	<u>2,068,528</u>	<u>36,390,768</u>
<b>Capital Assets being Depreciated</b>				
Land improvements	3,175,911	328,748	7,546	3,497,113
Buildings and improvements	91,718,519	2,652,784	25,598	94,345,705
Furniture and equipment	6,608,960	791,626	179,165	7,221,421
Vehicles	2,634,604	-	-	2,634,604
Total Capital Assets Being Depreciated	<u>104,137,994</u>	<u>3,773,158</u>	<u>212,309</u>	<u>107,698,843</u>
Total Capital Assets	<u>125,906,982</u>	<u>20,463,466</u>	<u>2,280,837</u>	<u>144,089,611</u>
<b>Less Accumulated Depreciation</b>				
Buildings and improvements	31,117,525	2,013,384	-	33,130,909
Furniture and equipment	4,535,535	508,543	109,444	4,934,634
Vehicles	1,185,253	251,262	-	1,436,515
Total Accumulated Depreciation	<u>36,838,313</u>	<u>2,773,189</u>	<u>109,444</u>	<u>39,502,058</u>
Net Capital Assests	<u>\$ 89,068,669</u>	<u>\$ 17,690,277</u>	<u>\$ 2,171,393</u>	<u>\$ 104,587,553</u>

Depreciation expense for the year was \$2,773,189.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Capital Assets not being Depreciated</b>				
Land	\$ 20,785,423	\$ 988,565	\$ 5,000	\$ 21,768,988
Total Capital Assets Not Being Depreciated	<u>20,785,423</u>	<u>988,565</u>	<u>5,000</u>	<u>21,768,988</u>
<b>Capital Assets being Depreciated</b>				
Land improvements	784,976	2,390,935	-	3,175,911
Buildings and improvements	70,622,648	22,376,176	1,280,305	91,718,519
Furniture and equipment	10,701,844	759,822	4,852,706	6,608,960
Vehicles	1,061,951	1,722,656	150,003	2,634,604
Total Capital Assets Being Depreciated	<u>83,171,419</u>	<u>27,249,589</u>	<u>6,283,014</u>	<u>104,137,994</u>
Total Capital Assets	<u>103,956,842</u>	<u>28,238,154</u>	<u>6,288,014</u>	<u>125,906,982</u>
<b>Less Accumulated Depreciation</b>				
Buildings and improvements	29,939,112	1,839,410	660,997	31,117,525
Furniture and equipment	7,189,667	827,893	3,482,025	4,535,535
Vehicles	990,221	232,332	37,300	1,185,253
Total Accumulated Depreciation	<u>38,119,000</u>	<u>2,899,635</u>	<u>4,180,322</u>	<u>36,838,313</u>
<b>Net Capital Assests</b>	<u>\$ 65,837,842</u>	<u>\$ 25,338,519</u>	<u>\$ 2,107,692</u>	<u>\$ 89,068,669</u>

**Discretely Presented Component Unit**

Capital asset activity for the State Center Community College Foundation for the year ended June 30, 2005, is as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Equipment	\$ 299,533	\$ -	\$ -	\$ 299,533
Total Assets Being Depreciated	<u>299,533</u>	<u>-</u>	<u>-</u>	<u>299,533</u>
Accumulated depreciation	<u>277,718</u>	<u>5,453</u>	<u>-</u>	<u>283,171</u>
<b>Net Capital Assests</b>	<u>\$ 21,815</u>	<u>\$ (5,453)</u>	<u>\$ -</u>	<u>\$ 16,362</u>

Depreciation expense for the year was \$5,453.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

**NOTE 5 - PREPAID EXPENDITURES**

Prepaid expenditures at June 30, 2005 and 2004, consisted of the following:

	<u>2005</u>	<u>2004</u>
Insurance and other prepaid items	\$ 406,784	\$ 311,915
Total	<u>\$ 406,784</u>	<u>\$ 311,915</u>

**NOTE 6 - INTERFUND TRANSACTIONS**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances consist of amounts owed between funds as a result of the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions recorded in the accounting system and (3) payments between funds occur. These interfund transactions have been eliminated through consolidation within the entity-wide financial statements.

**Operating Transfers**

Operating transfers between District governmental funds 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 unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. These operating transfers have been eliminated through consolidation within the entity-wide financial statements.

**NOTE 7 - ACCOUNTS PAYABLE**

Accounts payable for the District consisted of the following:

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Vendor invoices	\$ 7,447,923	\$ 4,934,944
Accrued payroll	1,391,092	1,223,240
Deferred payroll	2,280,518	2,176,243
Federal payables	3,389	9,434
State payables	428,957	324,057
Total	<u>\$ 11,551,879</u>	<u>\$ 8,667,918</u>

**Discretely Presented Component Unit**

The accounts payable of State Center Community College Foundation consist primarily of amounts owed to vendors for supplies and services.

STATE CENTER COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004

**NOTE 8 - DEFERRED REVENUE**

Deferred revenue for the District consisted of the following:

	June 30, 2005	June 30, 2004
Federal categorical aid	\$ 374,597	\$ 279,489
State categorical aid	859,445	972,769
Enrollment fees	4,324,873	3,562,620
Other local	-	76,721
Total	<u>\$ 5,558,915</u>	<u>\$ 4,891,599</u>

**NOTE 9 - LONG-TERM DEBT**

**Long-Term Debt Summary**

The changes in the District's long-term obligations during the 2005 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
General obligation bonds:					
2003-A	\$ 20,000,000	\$ -	\$ 4,200,000	\$ 15,800,000	\$ 405,000
2004-A	-	25,000,000	-	25,000,000	3,350,000
2004-A Premium <sup>1</sup>	-	778,175	-	778,175	32,424
Lease purchase option	70,000	-	70,000	-	-
Energy loan	967,777	-	149,536	818,241	154,057
Total Long-Term Debt	<u>\$ 21,037,777</u>	<u>\$ 25,778,175</u>	<u>\$ 4,419,536</u>	<u>\$ 42,396,416</u>	<u>\$ 3,941,481</u>
Accumulated vacation - net	<u>\$ 1,744,893</u>	<u>\$ 172,884</u>	<u>\$ -</u>	<u>\$ 1,917,777</u>	<u>\$ 1,917,777</u>

<sup>1</sup> Bond premium will be amortized over 24 years beginning during the 2005-06 fiscal year at \$32,424 per year.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

The changes in the District's long-term obligations during the 2004 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
General obligation bonds	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000	\$ 4,200,000
Revenue bonds	65,000	-	65,000	-	-
Lease purchase option	217,810	-	147,810	70,000	70,000
Energy loan	1,112,844	-	145,067	967,777	149,537
<b>Total Long-Term Debt</b>	<b>\$ 21,395,654</b>	<b>\$ -</b>	<b>\$ 357,877</b>	<b>\$ 21,037,777</b>	<b>\$ 4,419,537</b>
Accumulated vacation - net	\$ 1,602,290	\$ 142,603	\$ -	\$ 1,744,893	\$ 1,744,893

**General Obligation Bonds**

**Description of Debt**

General obligation bonds were approved by a local election in November 2002. The total amount approved by the voters was \$161,000,000. At June 30, 2005, \$45,000,000 had been issued and \$41,578,175 was outstanding including the premium on the 2004, Series A issuance with interest rates on the bonds ranging from 3.0 to 5.0 percent.

Issue Date	Maturity Date	Interest Rate(s)	Original Issue	Bonds Outstanding July 1, 2004	Issued	Redeemed	Bonds Outstanding June 30, 2005
2003	2028	3%-5%	\$ 20,000,000	\$ 20,000,000	\$ -	\$ 4,200,000	\$ 15,800,000
2004	2029	3%-5.25%	25,000,000	-	25,000,000	-	25,000,000
2004 Issue Premium			778,175	-	778,175	-	778,175
<b>Total</b>				<b>\$ 20,000,000</b>	<b>\$ 25,778,175</b>	<b>\$ 4,200,000</b>	<b>\$ 41,578,175</b>



**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

**Debt Maturity**

**Debt Service Requirements to Maturity**

**2003-A Issuance**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 405,000	\$ 714,262	\$ 1,119,262
2007	420,000	698,738	1,118,738
2008	435,000	679,500	1,114,500
2009	455,000	660,612	1,115,612
2010	475,000	639,638	1,114,638
2011-2015	2,755,000	2,807,437	5,562,437
2016-2020	3,495,000	2,060,938	5,555,938
2021-2025	4,290,000	1,248,368	5,538,368
2026-2028	3,070,000	235,250	3,305,250
Total	<u>\$ 15,800,000</u>	<u>\$ 9,744,743</u>	<u>\$ 25,544,743</u>

**2004-A Issuance**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 3,350,000	\$ 1,154,372	\$ 4,504,372
2007	3,650,000	1,004,750	4,654,750
2008	495,000	895,250	1,390,250
2009	510,000	877,925	1,387,925
2010	530,000	857,525	1,387,525
2011-2015	3,005,000	3,937,575	6,942,575
2016-2020	3,750,000	3,193,838	6,943,838
2021-2025	4,840,000	2,103,326	6,943,326
2026-2029	4,870,000	684,138	5,554,138
Total	<u>\$ 25,000,000</u>	<u>\$ 14,708,699</u>	<u>\$ 39,708,699</u>

**Capital Leases**

The following is a summary of the capital lease activity for the year:

	<u>Fir Avenue</u>
Balance, July 1, 2004	\$ 70,000
Payments	70,000
Balance, June 30, 2005	<u>\$ -</u>

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### Energy Loans

On December 28, 2001, the District completed an energy conservation project utilizing a low-interest loan through the California Energy Commission. The loan interest rate is 3.0 percent and semi-annual payments are due in June and December through the fiscal year 2010.

Year Ending June 30,	Loan Payment
2006	\$ 177,461
2007	177,461
2008	177,461
2009	177,461
2010	177,461
Subtotal	887,305
Less: Amount Representing Interest	(69,064)
Present Value of Minimum Lease Payments	<u>\$ 818,241</u>

### Accumulated Unpaid Employee Compensation

The long-term portion of accumulated unpaid employee compensation for the District at June 30, 2005, amounted to \$1,917,777.

### NOTE 10 - POSTEMPLOYMENT BENEFITS

The District provides medical, dental, and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting plan eligibility requirements. Eligible employees retiring from the District may become eligible for these benefits when the requirements are met. The eligibility requirement for employees participating in CalPERS is a minimum age of 50 and a minimum ten years of continuous service with the District. Additional age and service criteria may be required. The eligibility requirement for employees participating in STRS is a minimum age of 55 with ten years of service with the District. Additional age and service criteria may be required. The District recognizes expenditures for these post employment health benefits on a pay-as-you-go-basis. During the 2005 fiscal year, the District provided insurance premium benefits to 315 retired employees with total expenditures of \$501,363.

### NOTE 11 - RISK MANAGEMENT

#### Property and Liability

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, 2005, the District contracted with the Valley Insurance Program for property and liability insurance coverage. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### **Workers' Compensation**

For fiscal year 2005, the District participated in the Valley Insurance Program (VIP), an insurance purchasing pool. The intent of VIP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in VIP. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in VIP. 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 insures that each participant shares equally in the overall performance of VIP. Participation in VIP is limited to community college districts that can meet VIP's selection criteria.

### **Employee Medical Benefits**

The District is a member of the Fresno Area Self-Insured Benefits Organization (FASBO), which provides employee medical, dental, and vision benefits. FASBO is a shared risk pool comprised of local education agencies. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

### ***NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS***

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

### **STRS**

#### **Plan Description**

All certificated employees and those employees meeting minimum standards adopted by the Board of Governors of the California Community Colleges and employed 50 percent or more of a full-time equivalent position participate in the Defined Benefit Plan (DB Plan). Part-time educators hired under a contract of less than 50 percent or on an hourly or daily basis without contract may elect membership in the Cash Balance Benefit Program (CB Benefit Program). Since January 1, 1999, both of these plans have been part of the State Teachers' Retirement Plan (STRS), a cost-sharing, multiple-employer contributory public employee retirement system. The State Teachers' Retirement Law (Part 13 of the *California Education Code*, Section 22000 et seq.) established benefit provisions for STRS. Copies of the STRS annual financial report may be obtained from the STRS Executive Office, 7667 Folsom Boulevard, Sacramento, California 95826.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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The STRS, a defined benefit pension plan, provides retirement, disability, and death benefits, and depending on which component of the STRS the employee is in, post-retirement cost-of-living adjustments may also be offered. Employees in the DB Plan attaining the age of 60 with five years of credited California service (service) are eligible for "normal" retirement and are entitled to a monthly benefit of two percent of their final compensation for each year of service. Final compensation is generally defined as the average salary earnable for the highest three consecutive years of service. The plan permits early retirement options at age 55 or as early as age 50 with at least 30 years of service. While early retirement can reduce the two percent age factor used at age 60, service of 30 or more years will increase the percentage age factor to be applied. Disability benefits are generally the maximum of 50 percent of final compensation for most applicants. Eligible dependent children can increase this benefit up to a maximum of 90 percent of final compensation. After five years of credited service, members become 100 percent vested in retirement benefits earned to date. If a member's employment is terminated, the accumulated member contributions are refundable. The features of the CB Benefit Program include immediate vesting, variable contribution rates that can be bargained, guaranteed interest rates, and flexible retirement options. Participation in the CB Benefit Program is optional; however, if the employee selects the CB Benefit Program and their basis of employment changes to half time or more, the member will automatically become a member of the DB Plan.

### **Funding Policy**

Active members of the DB Plan are required to contribute eight percent of their salary while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2004-2005 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The CB Benefit Program is an alternative STRS contribution plan for instructors. Instructors who choose not to sign up for the DB Plan or FICA may participate in the CB Benefit Program. The District contribution rate for the CB Benefit Program is always a minimum of four percent with the sum of the District and employee contribution always being equal or greater than eight percent.

### **Annual Pension Cost**

The District's total contributions to STRS for the fiscal years ended June 30, 2005, 2004, and 2003, were \$4,238,110, \$3,934,597, and \$4,082,503, respectively and equal 100 percent of the required contributions for each year. The State of California may make additional direct payments for retirement benefits to STRS on behalf of all community colleges in the State. The revenue and expenditures associated with these payments, if any, have not been included in these financial statements.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### CalPERS

#### Plan Description

All full-time classified employees participate in the CalPERS, an agent multiple-employer contributory public employee retirement system that act as a common investment and administrative agent for participating public entities within the State of California. The State Center Community College District is part of a "cost-sharing" pool with CalPERS. Employees are eligible for retirement as early as age 50 with five years of service. At age 55, the employee is entitled to a monthly benefit of 2.0 percent of final compensation for each year of service credit. Retirement compensation is reduced if the plan is coordinated with Social Security. Retirement after age 55 will increase the percentage rate to a maximum of 2.5 percent at age 63 with an increased rate. The plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from the Fund, members' accumulated contributions are refundable with interest credited through the date of separation.

The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

#### Funding Policy

Active plan members are required to contribute seven percent of their salary (seven percent of monthly salary over \$133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2004-2005 was 9.952 percent of annual payroll.

#### Annual Pension Cost

The District's contributions to CalPERS for fiscal years ending June 30, 2005, 2004, and 2003, were \$2,443,600, \$2,442,439, and \$651,146, respectively, and equaled 100 percent of the required contributions for each year. The actuarial assumptions used as part of the June 30, 2001, actuarial valuation (the most recent actuarial information available) included (a) an 8.25 percent investment rate of return (net of administrative expense); (b) an overall growth in payroll of 3.75 percent annually; and (c) an inflation component of 3.5 percent compounded annually that is a component of assumed wage growth, and assumed future post-retirement cost of living increases. The actuarial value of pension fund assets was determined by using a technique to smooth the effect of short-term volatility in the market value of investments.

#### On Behalf Payments

The State of California makes contributions to STRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to STRS which amounted to \$1,109,098 (4.517 percent) of salaries subject to STRS. A contribution to CalPERS was not required for the year ended June 30, 2005. These amounts have been reflected in the financial statements as a component of nonoperating revenue and employee benefit expense.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### **PARS**

Active plan members are required to contribute 4.3 percent of their salary and the State Center Community College District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the PARS Board of Administration. The required employer contribution rate for fiscal year 2004-2005 was 3.2 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The State Center Community College District's contributions to PARS for the fiscal years ending June 30, 2005, 2004, and 2003, were \$134,052, \$115,296, and \$144,552, respectively, and equal 100 percent of the required contributions for each year.

### **Social Security**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Public Agency Retirement Services (PARS). Contributions made by the District and an employee vest immediately.

### ***NOTE 13 - 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. 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, 2005.

#### **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, 2005.

#### **Operating Leases**

The District has entered into various operating leases for equipment with no lease terms in excess of one year. None of these agreements contain purchase options. 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.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

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### Construction Commitments

As of June 30, 2005, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Reedley College-LRC Reconstruction	\$ 306,371	December 1, 2005
Weldon Underpass	942,500	December 1, 2005
Reedley College-New Classrooms	2,622,162	June 30, 2006
Other	733,231	June 30, 2006
Totals	<u>\$ 4,604,264</u>	

### ***NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES***

The District is a member of the Valley Insurance Program and Fresno Area Self-Insured Benefit Organization public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they 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's share of year-end assets, liabilities, or fund equity has not been calculated.

During the year ended June 30, 2005, the District made payments of \$2,103,452 and \$6,293,822 to Valley Insurance Program and Fresno Area Self-Insured Benefit, respectively.

# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

### NOTE 15 - FUNCTIONAL EXPENSES

In accordance with requirements set forth by the California State Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Year ended June 30, 2005:

	Salaries	Employee Benefits <sup>1</sup>	Supplies Material and Other Expenses and Services	Equipment Maintenance and Repairs	Depreciation	Total
Instructional activities	\$43,667,624	\$ 9,841,833	\$ 1,403,023	\$ 36,776	\$ -	\$ 54,949,256
Academic support	8,109,078	2,300,809	540,613	16,135	-	10,966,635
Student services	15,258,461	3,991,699	888,903	10,108	-	20,149,171
Plant operations and maintenance	3,731,543	1,551,438	1,392,068	7,103	-	6,682,152
Instructional support services	9,399,512	3,423,179	4,188,766	29,533	-	17,040,990
Community services and economic development	582,908	152,918	156,394	792	-	893,012
Ancillary services and auxiliary operations	4,248,908	1,361,269	4,040,697	29,487	-	9,680,361
Student aid	-	-	40,495,981	-	-	40,495,981
Physical property and related acquisitions	541	55	237,254	1,828,781	-	2,066,631
Depreciation expense	-	-	-	-	2,773,189	2,773,189
<b>Total</b>	<b>\$84,998,575</b>	<b>\$22,623,200</b>	<b>\$ 53,343,699</b>	<b>\$ 1,958,715</b>	<b>\$ 2,773,189</b>	<b>\$ 165,697,378</b>

<sup>1</sup> Excludes on behalf payments made by the State of California to STRS totaling \$1,109,098.

Year ended June 30, 2004:

	Salaries	Employee Benefits	Supplies Material and Other Expenses and Services	Equipment Maintenance and Repairs	Depreciation	Total
Instructional activities	\$40,631,652	\$ 8,622,464	\$ 4,381,463	\$ 198,365	\$ -	\$ 53,833,944
Academic support	7,592,221	2,094,617	1,522,901	49,775	-	11,259,514
Student services	13,892,565	3,506,935	2,593,153	64,904	-	20,057,557
Plant operations and maintenance	3,458,571	1,400,571	5,988,233	17,934	-	10,865,309
Instructional support services	9,104,680	2,987,827	10,968,086	76,583	-	23,137,176
Community services and economic development	562,882	145,464	797,957	10,073	-	1,516,376
Ancillary services and auxiliary operations	4,043,739	1,219,919	5,840,250	51,054	-	11,154,962
Student aid	-	-	23,495,051	-	-	23,495,051
Physical property and related acquisitions	-	-	325,068	2,212,533	-	2,537,601
Depreciation expense	-	-	-	-	2,731,793	2,731,793
<b>Total</b>	<b>\$79,286,310</b>	<b>\$19,977,797</b>	<b>\$ 55,912,162</b>	<b>\$ 2,681,221</b>	<b>\$ 2,731,793</b>	<b>\$ 160,589,283</b>



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***SUPPLEMENTARY INFORMATION***

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# STATE CENTER COMMUNITY COLLEGE DISTRICT

## DISTRICT ORGANIZATION JUNE 30, 2005

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### GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Patrick E. Patterson	President	2008
Isabel Barreras	Vice President	2006
Dorothy Smith	Secretary	2006
H. Ronald Feaver	Member	2008
Phillip J. Forhan	Member	2008
William J. Smith	Member	2008
Leslie W. Thonesen	Member	2006

### ADMINISTRATION

Dr. Thomas A. Crow	Chancellor
Dr. Ned Doffoney	President – Fresno City College
Dr. Barbara Hioco	President – Reedley College
Dr. Terral Kershaw	Vice Chancellor – North Centers
Mr. Douglas R. Brinkley	Vice Chancellor – Finance and Administration
Dr. Felix J. Acquino	Vice Chancellor – Educational Services and Planning
Mr. Randy Rowe	Associate Vice Chancellor – Human Resources

### DESCRIPTION

State Center Community College District was established on July 1, 1964, and is comprised of approximately 5,580 square miles located in parts of Fresno, Madera, Tulare, and Kings Counties. There were no changes in the boundaries of the District during the current year.

STATE CENTER COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Passed through CCCCCO:		
VTEA - Title IB	84.048	\$ 311,769
VTEA - Title IC	84.048	1,374,235
VTEA - Mini Grant	84.048	1,000
VTEA - Title II Local Tech Prep	84.243	133,239
Passed through California Department of Education (CDE):		
Distribution Points	84.243	197,803
SERVE Library	84.048	16,726
Industry Sector Projects	84.243	113,852
STC Resource Clearing House	84.278	120,058
Direct Programs:		
SEOG	84.007	1,121,479
Title V	84.031	850,018
Title V-Co-op	84.031	406,707
FFELP	84.032	108,744
Federal Work Study	84.033	1,239,818
Student Support Services	84.042	496,388
Talent Search	84.044	212,198
Upward Bound	84.047	783,858
Pell Grants [1]	84.063	30,493,024
Financial Aid Admin Allowance [1]	84.063	195,836
Business and International Education	84.153	45,601
Direct Loans	84.268	2,310,557
Gear Up	84.334	336,181
Total U.S. Department of Education		<u>40,869,091</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed through CDE:		
Child Care Food Services	10.558	33,489
CACFP Promoting Integrity Now	10.558	96,978
CACFP Interim Rule Trainings	10.558	67,078
USDA Summer Meals	10.559	9,497
California Nutritional Personnel	10.56	105,005
Nutrition Thumbprints	10.574	13,978
Food Safety Instruction	10.574	19,358
WUSATA Export Readiness Training Program	10.603	5,978
Passed through CDFA:		
Buy California Speciality Initiative	N/A	16,937
Total U.S. Department of Agriculture		<u>368,298</u>

[1] Tested as a major program.

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF COMMERCE</b>		
Direct Program:		
University Center Export Program	11.303	\$ 109,983
Curriculum Management Services	11.307	62,908
Total U.S. Department of Commerce		<u>172,891</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed through Fresno County Health and Human Resources		
Domestic Preparedness & Homeland Security	97.007	<u>2,672</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>		
Passed through CCCC:		
TANF (50% Fed)	93.558	271,854
TANF-Child Development Careers Program	93.596	14,322
Passed through CDE:		
Child Care & Development Fund	93.596	147,357
TANF - Child Dev Training Prog	93.575	328,263
Passed through Fresno County Health and Human Services:		
HHS Calworks (formerly Gain)	93.558	367,629
Calworks Employment & Temporary Assist.	93.558	110,291
Calworks Money Matters	93.558	4,418
Independent Living Training/Education	93.674	78,750
Direct Program:		
Head Start Teacher Assts	93.600	42,227
Total U.S. Department of Health and Human Services		<u>1,365,111</u>
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:</b>		
Passed through Georgetown University:		
CASS	13.876	<u>291,800</u>
<b>U.S. DEPARTMENT OF LABOR</b>		
Passed through Madera Workforce Development Board:		
Madera WIB Paradigm II	17.258	210,291
Passed through EDD:		
Regional Collaborative Nursing Workforce Unit	17.258	96,175
Total U.S. Department of Labor		<u>306,466</u>
<b>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>		
Passed through CCCC:		
Americorp TRDP Supplement	94.006	<u>69,883</u>
<b>U.S. DEPARTMENT OF VETERAN AFFAIRS</b>		
Direct Program:		
Reporting Fees	64.115	<u>1,001</u>

[1] Tested as a major program.

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF REHABILITATION</b>		
Direct Program:		
WAVE Training & Employment Services	N/A	\$ 210,074
Workability III	N/A	<u>162,256</u>
Total U.S. Department of Labor		<u>372,330</u>
Total Federal Programs		<u><u>\$ 43,819,543</u></u>

[1] Tested as a major program.

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

Program	Total Program Expenditures
<b>State Projects:</b>	
Alternative Transportation Technology Initiative	\$ 360,553
Associate Degree Nursing Program C/O	4,648
BFAP	3,112,103
C.A.R.E.	344,868
C.A.R.E.S.	156,319
CACFP - Promoting Integrity Now (PIN)	51,700
Cal Grant	4,592,032
CalWorks	1,360,940
CAN	9,988
Center for Applied Competitive Technologies	172,103
Child Development--Instructional Material	554
Disabled Students Services	2,750,737
Economic Opportunity Programs & Services	2,818,534
Enrollment Growth-Associate Degree Nursing Program	71,562
Equal Employment Opportunity Fund	24,814
Foster Care Education	133,884
IDRC-CACT	111,214
IDRC-Mechanized Ag Tech	295,742
IDRC-University Center Export Program	394,687
Independent Living Skills	22,863
Instructional Equipment	1,086,443
Lottery - Proposition 20	578,769
Matriculation	7,573,794
Noncredit Matriculation	54,129
Peace Officer Standards and Training (POST)	55,857
Prekindergarten Child Care Resource Program	1,435
Telecom Tech (TTIP)	200,628
University Center Export Program	225,410
Total State Programs	<u>\$ 26,566,310</u>

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF WORKLOAD MEASURES FOR STATE APPORTIONMENT  
ANNUALIZED ATTENDANCE AND ANNUAL APPRENTICESHIP HOURS  
OF INSTRUCTION  
FOR THE YEAR ENDED JUNE 30, 2005**

CATEGORIES	Reported Data	Audit Adjustments	Audited Data
<b>A. <u>Credit Full-Time Equivalent Student (FTES)</u></b>			
1. Summer	2,788	-	2,788
2. Weekly census	19,640	-	19,640
3. Daily census	1,991	-	1,991
4. Actual hours of attendance	979	-	979
Subtotal	25,398	-	25,398
<b>B. <u>Noncredit FTES</u></b>			
1. Summer	90	-	90
2. Actual hours of attendance	602	-	602
3. Independent study/work experience	496	-	496
Subtotal	1,188	-	1,188
Total FTES	26,586	-	26,586
<b>C. <u>Basic Skills Courses</u></b>			
1. Credit			1,546
<b>D. <u>FTES Generated in Leased Space</u></b>			
			622
<b>E. <u>Gross Square Footage</u></b>			
1. Existing facilities			1,383,086

**Schedule of Annual Apprenticeship Hours of Instruction**

	Reported Data	Audit Adjustments	Audited Data
July 1 - December 31, 2004	3,904	-	3,904
January 1 - April 15, 2005	3,904	-	3,904
April 16 - June 30, 2005	726	-	726
Total	8,534	-	8,534

See accompanying note to supplementary information.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET  
REPORT WITH AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005**

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Summarized below are the fund balance reconciliations between the Community College Financial Statement Form 311 and the audited fund financials used as a basis for the entity-wide financial statements presented within this report.

	General	Debt Service	Capital Projects	Bookstore	Self Insurance
<b>FUND BALANCE</b>					
Balance, June 30, 2005, (CCFS-311)	\$26,274,741	\$8,171,092	\$42,695,518	\$6,416,560	\$4,507,883
Increase/(decrease) in:					
Cash in county treasury	(265,302)	(95,192)	(513,536)		(52,568)
Accounts receivable	614,130	530,949	-	-	-
Fixed assets, net	-	-	-	(56,298)	-
Fund balance, June 30, 2005, Audited	<u>\$26,623,569</u>	<u>\$8,606,849</u>	<u>\$42,181,982</u>	<u>\$6,360,262</u>	<u>\$4,455,315</u>

See accompanying note to supplementary information.



# STATE CENTER COMMUNITY COLLEGE DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2005

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### *NOTE 1 - PURPOSE OF SCHEDULES*

#### **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 the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### **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.

#### **Schedule of Workload Measures for State Apportionment Annualized Attendance and Annual Apprenticeship Hours of Instruction**

Full-Time Equivalent Students (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 are made to community college districts. This schedule provides information regarding the attendance of students throughout the District.

#### **Reconciliation of Annual Financial and Budget Report with Fund Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the fund financial statements.

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***INDEPENDENT AUDITORS' REPORTS***

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

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited the financial statements of State Center Community College District (the District) as of and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated September 23, 2005. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered State Center Community College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of State Center Community College District in a separate letter dated September 23, 2005.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether State Center Community College District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Board of Trustees, District Management, the California State Chancellor's Office, and the District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrinek, Time Day Co., LLP*

Fresno, California  
September 23, 2005



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees  
State Center Community College District  
Fresno, California

**Compliance**

We have audited the compliance of State Center Community College District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2005. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 of America, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, State Center Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2005.

**Internal Control Over Compliance**

The management of State Center Community College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered State Center Community College District's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Trustees, District Management, the California State Chancellor's Office, and the District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrunik, Trine, Day & Co., LLP*

Fresno, California  
September 23, 2005



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited the financial statements of the State Center Community College District (the District) for the years ended June 30, 2005 and 2004, and have issued our report thereon dated September 23, 2005.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following State laws and regulations in accordance with Section 400 of the Chancellor's Office's *California Community Colleges Contracted Audit Manual (CDAM)*.

### General Directives

- MIS Implementation - Required Data Elements

### Administrative

- Fiscal Operations - Salaries of Classroom Instructors (50 Percent Law)
- Fiscal Operation - Gann Limit Calculation
- Apportionments - Apportionment for Instructional Service Agreements/Contracts
- Apportionments - Residency Determination for Credit Courses
- Apportionment - Concurrent Enrolment of K-12 Students in Community College Credit Courses
- Apportionment - Enrollment Fee
- Open Enrollment
- Minimum Conditions - "Standard of Scholarship"
- Student Fees - Instructional Materials and Health Fees

## **Student Services**

- Matriculation - Uses of Matriculation Funds

## **Special Programs**

- Extended Opportunity Programs and Services (EOP&S) - Allocation of Costs
- Extended Opportunity Programs and Services (EOP&S) - Administrator/Director Requirements

## **Facilities Program**

- Scheduled Maintenance Program

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the State Center Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2005.

This report is intended solely for the information of the Board of Trustees, District Management, and the California State Chancellor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrinek, Trine, Day & Co., LLP*

Fresno, California  
September 23, 2005



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*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

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**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2005**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>No</u>
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.063</u>	<u>Pell</u>

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Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,314,586</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unqualified</u>

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2005**

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There were no findings representing reportable conditions, material weaknesses, nor instances of noncompliance related to the financial statements that were required to be reported in accordance with *Government Auditing Standards*.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

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There were no findings representing reportable conditions, material weaknesses, nor instances of noncompliance including questioned costs that were required to be reported by OMB Circular A-133.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005**

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There were no findings representing instances of noncompliance and questioned costs relating to State program laws and regulations.

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005**

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There were no prior year findings representing reportable conditions, material weaknesses, nor instances of noncompliance related to the financial statements that were required to be reported in accordance with generally accepted government audit standards.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: January 10, 2006

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SUBJECT: Consideration to Adopt Resolution Providing  
Workers' Compensation Coverage for  
District Volunteers

ITEM NO. 06-02

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EXHIBIT: Resolution

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Background:

It has been the practice of the Valley Insurance Program Joint Powers Agency (VIP JPA) to consider as employees persons performing volunteer services for the District; thus, these volunteers are entitled to workers' compensation benefits, as provided by the California Labor Code, for any injury sustained by him or her while engaged in the performance of any services under the direction and control of the District. It was recently discussed at a VIP JPA Governing Board meeting that, for the purposes of the California Labor Code, including, but not limited to, Labor Code 3364.5, 3363.5 and notwithstanding Labor Code sections 3351, 3352, and 3357, each volunteer for the State Center Community College District is, upon Resolution of the Governing Board of the District, deemed an employee of the District and is entitled to workers' compensation benefits provided by the California Labor Code. It is, therefore, recommended that the Board of Trustees adopt a Resolution providing workers' compensation coverage for the District's volunteers to ensure proper coverage for these volunteers. Presented for the Board's adoption is Resolution No. 06-02 providing such coverage as discussed.

Recommendation:

It is recommended that the Board of Trustees adopt Resolution No. 06-02 providing workers' compensation coverage for District volunteers.

RESOLUTION NO. 06-02

A RESOLUTION OF THE GOVERNING BOARD  
OF THE STATE CENTER COMMUNITY COLLEGE DISTRICT  
PROVIDING WORKERS' COMPENSATION COVERAGE  
FOR DISTRICT VOLUNTEERS

For the purposes of the California Labor Code, including, but not limited to, Labor Code 3364.5, 3363.5, and notwithstanding Labor Code sections 3351, 3352, and 3357, each volunteer of the State Center Community College District, performing volunteer services for the District, is, upon Resolution of the Governing Board of the State Center Community College District, deemed an employee of the District for the purposes of the California Labor Code and is entitled to the workers' compensation benefits provided by the California Labor Code for any injury sustained by him or her while engaged in the performance of any services under the direction and control of the Governing Board of the State Center Community College District. Members of the District's Board of Trustees are defined as employees and are covered by this Resolution.

For the purposes of this Resolution, volunteer services shall include services performed by any person who receives no remuneration other than meals, transportation, lodging, or reimbursement for incidental expenses.

\* \* \* \* \*

The foregoing Resolution was duly adopted upon motion of Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_, at a regular meeting of the Board of Trustees of the State Center Community College District on January 10, 2006, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Leslie W. Thonesen, President

ATTEST:

\_\_\_\_\_  
Dorothy Smith, Secretary