

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT BOARD AGENDA
REGULAR MEETING
January 26, 2005
District Board Room
3401 CSM Drive, San Mateo

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

*The public's comments on agenda items will be taken at the time the item is discussed by the Board.
The Board welcomes public discussion.*

To comment on items not on the agenda, a member of the public may address the Board under "Statements from the Public on Non-Agenda Items"; at this time, there can be discussion on any matter related to the Colleges or the District, except for personnel items. No more than 20 minutes will be allocated for this section of the agenda. No Board response will be made nor is Board action permitted on matters presented under this agenda topic.

If a member of the public wishes to present a proposal to be included on a future Board agenda, arrangements need to be made through the Chancellor's Office at least seven days in advance of the meeting. These matters will be heard under the agenda item "Presentations to the Board by Persons or Delegations". A member of the public may also write to the Board regarding District business; letters can be addressed to 3401 CSM Drive, San Mateo CA 94402.

6:00 P.M. PUBLIC SESSION

ROLL CALL

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

MINUTES

- 05-1-1 Minutes of Regular Meeting of Board of Trustees of December 15, 2004
- 05-1-2 Minutes of Study Session of Board of Trustees of January 12, 2005

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

STATEMENTS FROM EXECUTIVES

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

NEW BUSINESS

- 05-1-2A Approval of personnel actions: changes in assignment, compensation, placement, leaves, staff allocations and classification of academic and classified personnel

Approval of Consent Agenda

All items on the consent agenda may, by unanimous vote of the Board members present, be approved by one motion after allowing for Board member questions about a particular item. Prior to a motion for approval of the consent agenda, any Board member, interested student or citizen or member of the staff may request that an item be removed to be discussed in the order listed, after approval of remaining items on the consent agenda.

- 05-1-1CA Approval of nonresident tuition fees, 2005-06
- 05-1-2CA Approval of budget and planning calendar for 2005-06
- 05-1-3CA Ratification of second quarter District warrants, 2004-05
- 05-1-4CA Approval of bylaws of the San Mateo County Colleges Educational Housing Corporation

05-1-5CA Appointment of Bond Oversight Committee member

Other recommendations

05-1-100B Receipt and acceptance of the 2003-04 District and KCSM audit reports

05-1-101B Receipt and acceptance of 2003-04 bond audit report

05-1-102B Contract award for seismic upgrade and modernization of Building 3, Skyline College

05-1-103B Contract award for KCSM media storage

05-1-104B Adoption of Resolution No. 05-1 authorizing the issuance and sale of General Obligation Refunding Bonds and not to exceed \$75,000,000 aggregate principal amount of Series B General Obligation Bonds of the San Mateo County Community College District by negotiated sale pursuant to a bond purchase contract, prescribing the terms of sale of said bonds, approving the form of and authorizing the execution and delivery of said bond purchase contract, approving forms of and distribution of an official statement, and authorizing the execution of necessary documents, agreements and certificates relating to said bonds

05-1-105B Augmentation of contract with Gage Babcock and Associates for fire alarm design services

INFORMATION REPORTS

05-1-2C Report on scheduled maintenance

STATEMENTS FROM BOARD MEMBERS

COMMUNICATIONS

RECESS TO CLOSED SESSION

1. Closed Session Personnel Items
 - A. Public Employment
Employment: **District Office** – Director of Bookstore Operations, Office of the Chancellor;
College of San Mateo – Instructional Aide I – Office of the Vice President, Student Services
 - B. Public Employee Discipline, Dismissal, Release
2. Conference with labor negotiator
Agency negotiator: Harry Joel
Employee organizations: AFSCME, AFT, CSEA

CLOSED SESSION ACTIONS TAKEN

ADJOURNMENT

Board Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting; or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact DeAnne Wilkes-O'Rourke, Executive Assistant to the Board, at least seven (7) working days before the meeting at (650) 574-6550. Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

December 15, 2004
San Mateo, California

The meeting was called to order at 6: 05 p.m.

Board members present: President Schwarz; Vice President-Clerk Miljanich, Trustees Hausman, Holober (arrived at 6:15) and Mandelkern; Student Trustee Burns

Others present: Chancellor Galatolo, Executive Vice Chancellor Keller; Vice Chancellor Joel; College Presidents Kelly, Morrow and Perez; District Academic Senate President Beringer

Pledge of Allegiance

NEW BUSINESS

DISCUSSION OF THE ORDER OF THE AGENDA

President Schwarz asked that the Organization of the Board of Trustees item be deferred until Trustee Holober arrived and that other business be conducted.

MINUTES

It was moved by Trustee Hausman and seconded by Trustee Miljanich to approve the minutes of the Regular Meeting of November 17, 2004. The motion carried by a vote of 4-0, all members present voting "Aye."

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

None

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Executive Statements/Reports covering recent activities, events, and staff honors at the Colleges and Chancellor's Office were presented by Chancellor Galatolo, Executive Vice Chancellor Keller, Cañada President Perez, CSM President Kelly, Skyline President Morrow, and District Academic Senate President Beringer

The Chancellor and Board welcomed newly-appointed Skyline President Dr. Victoria Morrow to the District. President Morrow expressed her appreciation for the welcome by the Board and District Administration and stated that she has been especially impressed by the Skyline faculty and staff interaction with students she has witnessed and the work of the student services staff.

The Board and Administrators also extended their best wishes and appreciation to CSM's outgoing Vice President of Instruction Grace Sonner, who is retiring after 34 years of District service. Vice President Sonner expressed her appreciation to the District community for the opportunities that her tenure has provided in terms of growth and improvement of curricular matters.

Cañada President Perez commented that Cañada's year has been very successful and that she appreciates Chancellor Galatolo's successful teambuilding efforts.

Executive Vice Chancellor Keller reported that he and Chief Financial Officer Blackwood expect to spend time in the Spring in Sacramento dealing with State Budget matters. The Governor's Budget proposal will be reviewed by the Board next month.

Alberto Sandoval, President of the Associated Students at Cañada, reported on activities of the Associated Students, including the successful SamTrans Initiative (now in its third year), which provides discounted bus passes for Cañada

Students; growth of club organizations at the College; financial support for the Arts and Olive Festival; helping to organize the Second Harvest Drive; the annual Holiday Posada party; and various other activities helping to support events and organizations at the College. Among the goals for 2005 that he described will be continued support and funding for cultural celebrations; providing additional leadership and advocacy for evening students; working with the College Safety Committee to increase safety and security; working with College Administration to identify club space in the Facilities Master Planning document; and establishing a book fund for low income students not eligible for financial aid or EOPS. The Board and others expressed their appreciation to Mr. Sandoval for his work and that of the Associated Students organization.

Copies of the Executive Statements/Reports were available for distribution at the meeting and are attached to the official minutes of record.

ORGANIZATION OF THE BOARD OF TRUSTEES

President Schwarz announced that tonight is the annual organizational meeting of the Board to elect officers for the coming year, as required by the Education Code. She then called for nominations for the office of Board President for the coming year.

Patricia Miljanich was nominated by Trustee Hausman for the office of President. It was moved by Trustee Hausman and seconded by Trustee Holober to elect Trustee Miljanich to serve as President. The motion carried by a vote of 4-0, with Trustee Miljanich abstaining.

President Miljanich called for nominations for Vice President-Clerk; Trustee Holober nominated Trustee Mandelkern for the position. It was moved by Trustee Holober and seconded by Trustee Schwarz to elect Trustee Mandelkern to serve as Vice President-Clerk for the year. The motion carried by a vote of 4-0, with Trustee Mandelkern abstaining.

President Miljanich called for nominations for the position of Representative of the Board to elect members to the County Committee on School District Organization; Trustee; Trustee Schwarz nominated Trustee Holober. It was moved by Trustee Schwarz and seconded by Trustee Mandelkern to select Trustee Holober to serve as the Representative of the Board to elect members to the County Committee on School District Organization. The motion carried by a vote of 4-0, with Trustee Holober abstaining.

Finally, regarding the position of Secretary for the Board, it was moved by Trustee Hausman and seconded by Trustee Holober to continue the appointment of Chancellor Galatolo as Secretary for the Board. The motion carried, all members voting "Aye."

President Miljanich presented outgoing President Schwarz with a plaque expressing the appreciation of the Board for her work during the past year. She added that she admires Trustee Schwarz's dedication, kindness and leadership. Trustee Hausman added her thanks to Trustee Schwarz and her congratulations to the other new Board officers.

Trustee Schwarz stated that she enjoys serving the District and is proud to be associated with the Colleges and Chancellor's Office. She believes that this past year has been an especially good one exemplifying excellent teamwork under the leadership of Chancellor Galatolo.

The meeting briefly recessed to enjoy coffee and conversation.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (04-12-1A)

It was moved by Trustee Hausman and seconded by Trustee Holober to approve the actions in Board Report No. 04-12-1A. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA (04-12-1CA – 04-12-6CA)

The Consent Agenda consists of the following board reports:

- 04-12-1CA Contract extension for multi-year asbestos abatement projects - Districtwide
- 04-12-2CA Approval to renew electricity agreement with Constellation NewEnergy, Inc.
- 04-12-3CA Acceptance of external grant funds at Skyline College for the enhancement of Bay Area bio-manufacturing education
- 04-12-4CA Ratification of contract with San Mateo County and approval of amendment to accept additional funding providing an additional cohort of bio-manufacturing training for Spring 2005
- 04-12-5CA Approval of Trustees' Fund for Program Improvement projects – Skyline College and College of San Mateo
- 04-12-6CA Approval of agreement with MANEX to provide training in Lean Operating Principles at United Services, a division of United Airlines

Trustee Holober asked that Board Report No. 04-12-6CA be set aside for separate discussion.

It was then moved by Trustee Hausman and seconded by Trustee Mandelkern to approve the Consent Agenda as amended. The motion carried, all members voting "Aye."

APPROVAL OF AGREEMENT WITH MANEX TO PROVIDE TRAINING IN LEAN OPERATING PRINCIPLES AT UNITED SERVICES, A DIVISION OF UNITED AIRLINES (04-12-6CA)

Trustee Holober asked for clarification of the term "lean" as it applies to operating principles. Chief Financial Officer Blackwood explained that the term does not mean downsizing or reducing staff but rather applies to improving efficiency and communication and streamlining operations. Student Trustee Burns asked what would happen to the program if United Airlines ceases operations. Chancellor Galatolo responded that, if there was no further need, the program would be discontinued.

Following discussion, it was moved by Trustee Schwarz and seconded by Trustee Mandelkern to approve the contract with MANEX in an amount not to exceed \$67,124 to provide training in Lean Operating Principles for the period November 8, 2004 through June 30, 2005, as detailed in the report. The motion carried, all members voting "Aye."

APPROVAL OF COMMUNITY SERVICES CLASSES, SPRING 2005 – CAÑADA COLLEGE, COLLEGE OF SAN MATEO AND SKYLINE COLLEGE (04-12-1B)

It was moved by Trustee Hausman and seconded by Trustee Holober to approve the list of Community Services classes to be offered for Spring, 2005 at Cañada College, College of San Mateo and Skyline College, as detailed in the report.

Trustee Schwarz commented that Conversational Italian, which had been an academic course offering, is now a fee-based course. Cañada President Perez stated that this was a very popular credit course at Cañada but that difficulties arose when students attempted to repeat the course more than the permitted number of times. These repeats compromise the quality of the course and of the FTES count. She added that the course remains popular, even though fees (which are more than tuition) are charged.

Following discussion, the motion carried, all members voting "Aye."

ADOPTION OF DISTRICT ACADEMIC CALENDAR FOR 2005-06 (04-12-2B)

It was moved by Trustee Hausman and seconded by Trustee Schwarz to adopt the 2005-06 District Academic Calendar as detailed in the report. The motion carried, all members voting "Aye."

ADOPTION OF RESOLUTION NO. 04-24 REGARDING THE PROPOSED CONSOLIDATION OF THE COMMUNITY COLLEGE CHANCELLOR'S OFFICE INTO A DIVISION OF HIGHER EDUCATION REPORTING TO THE SECRETARY OF EDUCATION (04-12-3B)

It was moved by Trustee Hausman and seconded by Trustee Mandelkern to adopt Resolution No. 04-24 opposing consolidation of the CCC State Chancellor's Office and the elimination of the CCC Board of Governors, and send the Resolution to Governor Arnold Schwarzenegger.

Trustee Holober recommended a minor wording change in the resolution so that the authority remains the same. The Board agreed and the Resolution will be reworded and resubmitted for Board signatures before submission to the Governor.

Following discussion, the motion to adopt Resolution No. 04-24, as amended, carried, all members voting "Aye."

APPOINTMENT OF OFFICERS AND DIRECTORS AND APPROVAL OF BY-LAWS FOR THE SAN MATEO COUNTY COLLEGES EDUCATIONAL HOUSING CORPORATION (04-12-100B)

The Board report requested the following actions from the Board: to appoint two Board members to serve as President and Vice President/Secretary of the San Mateo County Colleges Educational Housing Corporation; to appoint the persons listed in the report as directors of the corporation; to appoint Jim Keller to be the Corporation's Treasurer; and to approve the By-Laws for the Corporation.

It was moved by Trustee Hausman and seconded by Trustee Holober to nominate Trustee Schwarz as President; the motion carried, all members voting "Aye." It was also moved by Trustee Mandelkern and seconded by Trustee Holober to nominate Trustee Hausman as Vice President/Secretary; the motion carried, all members voting "Aye."

It was moved by Trustee Holober and seconded by Trustee Schwarz to appoint Jim Keller to be the Corporation's Treasurer. The motion carried, all members voting "Aye."

It was moved by Trustee Holober and seconded by Trustee Hausman to appoint the persons listed in the report as directors of the corporation. The motion carried, all members voting "Aye."

It was moved by Trustee Schwarz and seconded by Trustee Hausman to approve the By-Laws for the Corporation, as detailed in the report. The motion carried, all members voting "Aye."

APPROVAL OF IMPLEMENTATION PLAN TO OBTAIN "FISCALLY ACCOUNTABLE STATUS" FROM THE COUNTY OFFICE OF EDUCATION (04-12-101B)

It was moved by Trustee Mandelkern and seconded by Trustee Holober to approve the Implementation Plan regarding the District's achieving "Fiscally Accountable Status." The motion carried, all members voting "Aye."

ADOPTION OF RESOLUTION NO. 04-25 DECLARING THE DISTRICT'S CHIEF FINANCIAL OFFICER THE DISBURSING OFFICER FOR THE DISTRICT IN ORDER TO FULFILL A REQUIREMENT FOR ACHIEVING "FISCALLY ACCOUNTABLE STATUS" (04-12-102B)

It was moved by Trustee Hausman and seconded by Trustee Holober to adopt Resolution No. 04-25 declaring the District's Chief Financial Officer the Disbursing Officer for the District in order to fulfill a requirement for achieving "Fiscally Accountable Status." The motion carried, all members voting "Aye."

ACCEPTANCE OF GIFTS BY THE DISTRICT (04-12-1C)

The Board received the report, which covered the period from late June 2004 to mid-December 2004.

STATEMENTS FROM BOARD MEMBERS

All members of the Board reiterated their welcome to President Morrow and their appreciation and good wishes to retiring CSM Vice President Sonner.

Trustee Mandelkern reported that he attended and very much enjoyed Skyline's Automotive Department holiday event, Cañada's fiesta and the CSEA luncheon. He also stated that he is very pleased with the number of District partnerships that have been developed during the past year.

Trustee Hausman reported that she attended the very upbeat nursing program ribbon cutting event at Cañada College.

COMMUNICATIONS

None

The Board of Trustees recessed to a meeting of the Financing Corporation Board.

MEETING OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING CORPORATION

CALL TO ORDER

Executive Vice Chancellor Keller called the meeting to order.

Members present: Chancellor Galatolo; Executive Vice Chancellor Keller; Board of Trustees President Miljanich;
Board of Trustees Vice President-Clerk Mandelkern

APPROVAL OF MINUTES OF APRIL 21, 2004 MEETING

Executive Vice Chancellor Keller stated that these minutes had been approved by the Board of Trustees in May 2004. The minutes now need to be approved by the Board of the Financing Corporation. By consensus, the Financing Corporation Board approved the minutes of the April 21, 2004 Financing Corporation meeting.

ELECTION OF NEW OFFICERS

Per Article 3, Section 1 of the Financing Corporation By-Laws, the Officers of the corporation are proscribed to be a President, a Vice President, a Secretary and a Treasurer. Accordingly, the officers of the Corporation are Board of Trustees President Patricia Miljanich (Corporation Board President); Secretary for the Board of Trustees Ron Galatolo (Corporation Board Vice President); Board of Trustees Vice President-Clerk Dave Mandelkern (Corporation Board Secretary); and Executive Vice Chancellor Keller (Corporation Board Treasurer).

PUBLIC COMMENTS

None

REPORT ON STATUS OF PROJECTS

Executive Vice Chancellor Keller presented a brief report on the status of the three projects that will be funded by the COP: bookstore improvements; faculty/staff housing; and athletic improvements Districtwide. There were no comments.

OTHER BUSINESS

The next meeting of the San Mateo County Community College District Financing Corporation will be held December 14, 2005.

ADJOURNMENT

The Housing Corporation Board adjourned its meeting by consensus at 8:00 p.m.

The Board of Trustees reconvened to Open Session and then recessed to Closed Session at 8:05 p.m.

CLOSED SESSION ACTIONS TAKEN

President Miljanich reported that, at the Closed Session conducted this evening, the Board conferred with legal counsel regarding anticipated litigation; no action was taken. The Board also considered the personnel items listed on the printed

agenda and voted 5-0 to approve the actions in Board Report No. 1-A and 1-B. The Board also discussed collective bargaining matters with Negotiators Anderson and Joel; no action was taken.

ADJOURNMENT

The meeting adjourned by consensus at 10:45 p.m.

The next meeting of the Board will be a Study Session on January 12, 2005 beginning at 6:00 p.m. in the District Board Room.

The next Regular Meeting of the Board will be January 26, 2005, beginning at 6:00 p.m. in the District Board Room.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the January 26, 2005 meeting.

Dave Mandelkern
Vice President-Clerk

January 12, 2005
San Mateo, California

The meeting was called to order at 6:05 p.m.

Board members present: President Miljanich; Vice President-Clerk Mandelkern; and Trustees Hausman, Holober and Schwarz

Board members absent: Student Trustee Burns

Others present: Chancellor Galatolo, Executive Vice Chancellor Keller and Vice Chancellor Joel

And others: Cañada College President Perez; CSM President Kelly; Skyline College President Morrow; and District Senate President Beringer

Pledge of Allegiance

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (05-1-1A)

It was moved by Trustee Schwarz and seconded by Trustee Hausman to approve the actions in Board Report No. 05-1-1A. The motion carried, all members voting "Aye."

INFORMATION REPORTS

REVIEW OF GOVERNOR'S BUDGET FOR 2005-06 (05-1-1C)

Executive Vice Chancellor Keller and Chief Financial Officer Blackwood presented the report. County Counsel Tom Casey also presented information regarding legal issues surrounding various budget matters.

CFO Blackwood opened the discussion by reporting that, in a recently reached agreement with the State Chancellor's Office, as long as the District was self-funded (including ERAF), it was not subject to deficit factors for growth or base revenue. However, because FTES was capped, the District was unable to collect nearly \$3 million in additional revenue.

There was extensive discussion regarding the impact of the "triple flip" legislation on school funding. Schools and colleges which are basic aid or which do not receive any State apportionment revenue were to be held harmless from property tax revenue losses as a result of the triple flip. However, a recent, initial interpretation by County Controller Tom Huening that the District is not eligible to receive ERAF funds may result in a serious budget problem for the District. County Counsel Casey stated that discussions with Tom Huening are continuing in an effort to come to an agreement on the District's budget status.

The Board extensively discussed these matters and expressed their hopes for a speedy resolution of the issues with the County Controller's office.

Executive Vice Chancellor Keller and Chief Financial Officer Blackwood expect to attend upcoming budget workshops and will report back to the Board as necessary.

A copy of CFO Blackwood's presentation is attached to these minutes.

The Board recessed to Closed Session at 7:30 p.m.

The Board reconvened to Public Session at 9:10 p.m.

CLOSED SESSION ACTIONS TAKEN

President Miljanich stated that, during the Closed Session just concluded, the Board considered the personnel items listed on the printed agenda and voted 5-0 to approve the actions in Board Report No. 1-A and 1-B.

ADJOURNMENT

The Board adjourned by consensus at 9:10 p.m.

The next Regular Meeting of the Board will be January 26, 2005, beginning at 6:00 p.m. in the District Board Room.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the January 26, 2005 meeting.

Dave Mandelkern
Vice President-Clerk

BOARD REPORT NO. 05-01-2A

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: Harry W. Joel, Vice-Chancellor,
Human Resources and Employee Relations, (650) 358-6767

APPROVAL OF PERSONNEL ACTIONS

Changes in assignment, compensation, placement, leaves, staff allocations and classification of academic and classified personnel

A. REASSIGNMENT

Cañada College

1. Jeanne Gross	Dean, University Center	University Center and Academic Support Services Division
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Temporary reassignment from Director of Learning Center, effective January 7, 2005. Temporarily replacing Phyllis Lucas-Woods, who is interim Vice President.

B. CHANGES IN STAFF ALLOCATION

College of San Mateo

1. Recommend reclassification of the "Operations Assistant I" position (4C0118) in the Payroll Business Services Division, to Senior Accounting Technician at Grade 28 of Salary Schedule 60.

In reviewing the scope of the work performed and additional responsibilities that have been added to the position, it has been determined that the duties of the position are at the Senior Accounting Technician level. It is also recommended that the incumbent, Katherine Chaika, be placed in the new position, effective July 1, 2004.

2. Recommend reclassification of the "Operations Assistant II" position (4C0121) in the Cashier's Office in the Business Services Division, to Senior Accounting Coordinator at Grade 31 of Salary Schedule 60.

In reviewing the scope of the work performed and additional responsibilities that have been added to the position, it has been determined that the duties of the position are at the Senior Accounting Coordinator level. It is also recommended that the incumbent, Jane Wong, be placed in the new position, effective July 1, 2004.

BOARD REPORT NO. 05-1-CA

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor- Superintendent

PREPARED BY: James W. Keller, Executive Vice Chancellor, 358-6790

APPROVAL OF NONRESIDENT TUITION FEE, 2005-06

Education Code Section 76140 requires community college districts to establish the nonresident tuition fee for the forthcoming fiscal year no later than February 1st and also prescribes the basis for determining the fee. San Mateo County Community College District's fee for the 2004-05 fiscal year was \$168 per semester unit (Board Report No. 04-1-9CA). For 2005-06, the Administration recommends a fee of \$169 per semester unit, based on the "contiguous district" method prescribed by the Education Code.

Additionally, Education Code Section 76141(a) allows a district to levy a capital outlay recovery fee on students who are residents as well as citizens of a foreign country. The maximum fee is determined by dividing the amount actually expended for capital outlay in the prior year by the total FTES (full-time equivalent students). The maximum 2005-06 District capital outlay fee is calculated at \$51 per semester unit. District Administration recommends that a \$6.00 fee be imposed for 2005-06.

For comparison purposes, the tentative 2005-06 rates for other local community college districts are shown below:

<u>District</u>	Tentative Non-Resident Tuition Fee Per Unit	Additional <u>Capital Outlay Charge</u>
Cabrillo CCD	164	2
Foothill-DeAnza CCD	151	11
Ohlone	151	18
Peralta	164	7
San Jose / Evergreen CCD	169	0
West Valley-Mission CCD	169	5

RECOMMENDATION

It is recommended that the Board set the 2005-06 nonresident student tuition fee at \$169 per semester unit. It is recommended further that the Board levy a capital outlay recovery fee of \$6 per semester unit and that no exemptions be made for foreign students or for students enrolled in six units or less, bringing the total nonresident fee to \$175 per semester unit for 2005-06.

STATE OF CALIFORNIA

CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

1102 Q STREET

SACRAMENTO, CA 95814-6511

(916) 445-8752

HTTP://WWW.CCCCO.EDU



Memorandum

December 21, 2004

FS 04-09
Via Email Only

TO: District Chief Business Officers

FROM: Frederick E. Harris, Assistant Vice Chancellor
College Finance & Facilities Planning

SUBJECT: Nonresident Tuition Fee for 2005-06

SYNOPSIS: Education Code Section 76140 (ECS) requires each district governing board to establish the nonresident tuition fee not later than February 1 for the succeeding fiscal year. For determining your district's 2005-06 nonresident tuition rate, the 2003-04 statewide average Expense of Education was \$4,368 per full-time equivalent student (FTES). The projected increase in the U.S. Consumer Price Index (USCPI) as determined by the Department of Finance is 2.2% for the 2004-05 fiscal year, and 1.6% for 2005-06, for a compounded factor of 1.038. That factor times the 2003-04 statewide average Expense of Education of \$4,368 per FTES equals \$151 per student enrolled in 30 semester units or 45 quarter units for 2004-05. For your convenience, a worksheet for computing the nonresident tuition fee is enclosed. The comparable information for all districts used to derive the statewide average Expense of Education per FTES for 2003-04 is also enclosed for your reference.

In addition to the nonresident tuition fee computed as specified above, ECS 76141 authorizes community college districts to charge nonresident students who are both citizens and residents of a foreign country an amount not to exceed the amount that was expended by the district for capital outlay in the preceding year divided by the total full-time equivalent students. Pursuant to ECS 76142, districts are also authorized to charge nonresident applicants who are both citizens and residents of a foreign country a processing fee not to exceed the lesser of (1) the actual cost of processing an application and other documentation required by the federal government, or (2) \$100, which may be deducted from the tuition fee at the time of enrollment.

ACTION/DATE REQUESTED: Please return an information copy of the worksheet by February 1, 2005 upon adoption of the 2005-06 nonresident tuition fee by your district governing board.

CONTACT: If you have any questions regarding this memorandum, please contact Patricia Laurent at (916) 327-6225/e-mail plaurant@cccco.edu

FEH:PL

Enclosures

Nonresident Tuition

California Community Colleges
NONRESIDENT TUITION FEE WORKSHEET (ECS 76140)

2005-06

	Statewide (Col. 1)		District (Col. 2)		For Districts with 10% or More Noncredit FTES (Col. 3)
A. Expense of Education for Base Year (2002-03 CCFS-311, Expenditures by Activity Report, AC 0100-6700, Cols: 1-3)	\$ 5,027,727,629	\$	90,283,965	\$	
B. Annual Attendance FTES	1,151,159		20,478	\$	
C. Expense of Education per FTES (A ÷ B)	\$ 4.368	\$	4.409	\$	
D. USCPI Factor (2 years)	x 1.038	x	1.038	x	1.038
E. Cost per FTES for Tuition Year (C x D)	\$ 4.534	\$	4.577	\$	
F. Per Unit Nonresident Tuition Fee:					
Semester-System Colleges (E ÷ 30) and/or	\$ 151	\$	153	\$	
Quarter-System Colleges (E ÷ 45)	\$ 101	\$		\$	

NOTE:

For purposes of computing nonresident tuition only, all student contact hours of attendance in credit and noncredit courses, including all those generated by nonresident students and apprentices, are to be included in determining the "FTES" used in computing Expense of Education figure per FTES. Round tuition fee to the nearest dollar.

A district may use columns 1 or 2 to determine nonresident tuition. Column 3 is an option only for use by a district with ten percent (10%) or more noncredit FTES (see ECS 76140(e)).

The district governing board at its _____ 1/26, 2004 meeting, adopted a nonresident tuition fee of \$ _____ 169 per semester unit and/or \$ _____ per quarter unit. Basis for adoption is:

- (Circle One)
1. Statewide basis, per column 1;
 2. District basis, per column 2;
 3. District basis with 10% or more noncredit FTES, per column 3;
 4. No more than contiguous district _____ West Valley-Mission CCD (identify district)
 5. No more than district basis (Col. 2 or 3); no less than statewide basis (Col. 1).

For districts exercising option of ECS 76141(a), compute additional charge for capital outlay for foreign students as follows:

a. Capital Outlay for 2003-04	\$	31,558,828
b. FTES for 2003-04		20,478
c. Foreign Student Charge (line a ÷ line b)	\$	1,541
d. Amount per Semester Unit (line c ÷ 30) and/or	\$	51.37
e. Amount per Quarter Unit (line c ÷ 45)	\$	

f. **ACTUAL AMOUNT APPROVED BY DISTRICT:** \$ _____ 6.00

Upon adoption of fee, please submit a copy of this report to:

California Community Colleges
 Fiscal Services Unit, Attn. Patricia Laurent
 1102 Q Street, Suite 400
 Sacramento, CA 95814-6511

Contact Person
 James Keller, Executive Vice Chancellor

Community College District
 San Mateo County Community College District

Telephone 650-574-6500

District Code Number 69054

BOARD REPORT NO. 05-1-2CA

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: Kathy Blackwood, Chief Financial Officer, 358-6869

APPROVAL OF 2005-06 BUDGET AND PLANNING CALENDAR

The budget development process for 2005-06 requires formulation of a budget calendar. The 2005-06 calendar, which was developed in consultation with the Committee for Budget and Finance (a subcommittee of the District Shared Governance Council in matters relating to finance), is attached.

The calendar provides timelines for planning, discussions and decisions by the Board, and concludes with adoption of the Final Budget for 2005-06 on September 14, 2005.

RECOMMENDATION

It is recommended that the Board of Trustees approve the attached 2005-06 Budget and Planning Calendar.

BUDGET AND PLANNING CALENDAR, 2005-06

<u>Date</u>	<u>Campus & District Review/Action</u>	<u>Committee for Budget and Finance Consultation</u>	<u>Board Review/Action</u>
September	Campuses Finalize Spring 2005 Schedule of Classes		
November - December		Review of Budget and Planning Calendar, discussion of budget strategies and resource allocation, and budget development process	
January 10	Chancellor's Council review/revise draft of Budget and Planning Calendar and budget development process; discussion of Governor's Budget; District revenue/expenditure implications.	Governor's Budget Proposal	
January	Chancellor's Council discussions of budget strategies and allocations. Approve resource allocation recommendation.	Review of Governor's Budget and discussion of District revenue and expenditure implications (inform DSGC at its next meeting). Finalize resource allocation recommendation.	Approval of 2005-06 Budget and Planning Calendar, review of Governor's Budget, review of State and District revenue and expenditure implications, and discussion of program and operational priorities.
January/February		Continuing discussion of State budget and District revenue/expenditure options.	Board policy discussions/decision regarding budget adjustments which impact existing positions.
February		Legislative Analyst's Office Review of Governor's Proposed Budget	
February	Campuses Finalize Summer Session 2005 Schedule of Classes	Review of 2004-05 Mid-Year Budget Report and preliminary District revenue assumptions and expenditure plans.	Review of 2004-05 Mid-Year Budget Report and preliminary District revenue assumptions and expenditure plans.
February/March	Discussion of budget priorities at Colleges and with Chancellor's Cabinet.		
March	Campuses Finalize Fall 2005 Schedule of Classes	Review of Board budget priorities and Districtwide allocations (inform DSGC at its next meeting).	Review/approval of 2005-06 budget priorities and Districtwide allocations.
April			Budget workshop with Board; review budget assumptions for Tentative budget.
May 13	Site Tentative Budgets completed. Work resumes to develop final budget after tentative budget is loaded.		
Mid-May		Governor's May Revise	

<u>Date</u>	Campus & District Review/Action	Committee for Budget and Finance Consultation	Board Review/Action
May	Review of Governor's May Revise	Review of Governor's May Revise (inform DSGC at its next meeting).	Governor's May Revise; budget priorities, goals and objectives.
June	District Office completes budget input and prepares Tentative Budget document	Review of 2005-06 Tentative Budget	Adoption of 2005-06 Tentative Budget and 2005-06 Gann Limit.
June 22			
June-August	Final adjustments to budget are made.	Enactment of 2005-06 State Budget Legislative Trailer Bills	
July			
August	2004-05 books are closed. District Office completes budget input and prepares Final Budget document.		Public Hearing/Adoption of 2005-06 Final Budget.
Sept. 14			

San Mateo County Community College District

January 26, 2005

BOARD REPORT NO. 05-1-3CA

TO: Member of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Kathryn Blackwood, Chief Financial Officer, 358-6869

RATIFICATION OF SECOND QUARTER DISTRICT WARRANTS, 2004-2005

Attached as Exhibits A, B and C are the warrants in excess of \$10,000 that were issued in the months of October, November and December 2004 respectively. The schedules include total warrants issued for the subject period in addition to the warrant sequences. Education Code Section 85266 requires that the Board of Trustees approve warrants issued by the District. Accordingly, the District now seeks Board approval of the warrants listed in the attached Exhibits.

RECOMMENDATION

It is recommended that the Board of Trustees approve the warrants issued during the period October 1, 2004 through December 31, 2004 and ratify the contracts entered into leading to such payments.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
OCTOBER 1-31, 2004
WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amt	Description
326882	10/04/04	District Accounts Payable	33,403.62	Builder's Risk Insurance For Faculty Housing
326900	10/04/04	Andreini and Company	28,476.93	CSM Water Main Meter Upgrade
326911	10/04/04	Calif Water Service Co	10,720.00	Inspection Svcs For CSM Summer 2004 Infrastructure Proj.
326913	10/04/04	CIS, Inc	20,000.00	Career Development Project
326921	10/04/04	Coast Community College District	17,177.51	Utilities
326937	10/04/04	Constellation NewEnergy Inc.	79,369.85	Computers For Facilities
326938	10/04/04	Dell Computers	83,557.85	Architectural Services For Regional Public Safety At CSM
326940	10/04/04	DES Architects	10,628.16	Architectural Services For Cañada
326955	10/04/04	DES Architects	10,500.00	Audio Internet Broadcasting & World Wide Web Svcs.
326959	10/04/04	Ituner Corporation	10,785.75	Schematic Design For CSM Football Field
326966	10/04/04	Jones & Stokes Associates	70,642.69	CSM Classroom Furniture
326981	10/04/04	Krueger International	10,755.82	Architectural Services For Cañada
326986	10/04/04	Noll & Tam	215,204.06	Swing Space Project At Skyline
326991	10/04/04	P.L. Annuzzi, Inc.	15,484.56	Utilities
326992	10/04/04	Pac Gas & Elec Co	45,466.78	Utilities
327017	10/04/04	Pac Gas & Elec Co	15,000.00	Flat Fee For Museum Of Tolerance Program
327035	10/04/04	Simon Wiesenthal Museum of Tolerance	22,732.50	Ethospace Cubicles At Cañada
327238	10/06/04	WestEd	51,240.99	CSM EOPS Student Books & Supplies
327242	10/06/04	CSM Bookstore	32,465.15	Computers For Skyline
327261	10/06/04	Dell Computers	676,091.45	Health Insurance Premium October 2004
327291	10/08/04	Public Empl Ret Sys	17,402.80	Utilities
327331	10/08/04	Pac Gas & Elec Co	91,540.19	Construction Project At Cañada
327352	10/08/04	G. Swanson Construction, Inc.	25,338.61	San Mateo County Basic Police Academy Fees
327381	10/11/04	S.B.R.P.S.T.C.	13,295.00	Management & Consulting Services
327392	10/11/04	Swinerton Management & Consulting	206,048.00	Cañada Theater Modernization Project
327397	10/11/04	Marchetti Construction Inc.	252,593.00	Management & Consulting Services
327534	10/13/04	Swinerton Management & Consulting	12,304.78	Skyline Spring 2005 Schedule Printing Fees
327551	10/13/04	Casey Printing ,Inc.	97,095.00	State Unemployment Tax September 2004
327559	10/13/04	Employment Development Dept.	28,626.65	Life Insurance Premium October 2004
327588	10/13/04	Hartford Life & Accident Insurance	236,256.83	KCSM Annual Member Service Assessment
		Public Broadcasting Service		

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
OCTOBER 1-31, 2004
WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amt	Description
327596	10/13/04	S.M.C.S.I.G.	19,065.09	VSP Premium October 2004
327597	10/13/04	S.M.C.S.I.G.	123,242.07	Dental Premium October 2004
327606	10/13/04	Sch Proj/Util Rate Reduc.	21,329.90	Utilities
327611	10/13/04	SMCCCD Revolving Account	229,173.66	Replenish Procurement Card Clearing Account
327619	10/13/04	Trust Administrators, Inc.	14,786.43	IRC Plan 125 Premium September 2004
327637	10/14/04	County of San Mateo	31,476.90	CSM Sewer Tax Bill
327639	10/14/04	Great Chefs Television	10,000.00	KCSM Television Program License Fee
327643	10/14/04	Janson Media	27,000.00	KCSM Television Program Agreement
327677	10/18/04	Carl Bloom Associates, Inc.	16,434.34	KCSM Marketing & Management Fees
327704	10/18/04	Sandis Humber Jones, Civil Engineer:	16,609.75	Engineering Services For CSM
327865	10/20/04	AppWorx Corporation	15,200.00	Software Licenses
327890	10/20/04	McCarthy Building Companies	262,742.00	Design & Construction Of New Science Bldg. At CSM
327900	10/20/04	Pac Gas & Elec Co	14,068.10	Utilities
327908	10/20/04	Rudolph and Sletten Inc.	195,689.00	CSM Seismic/Modernization Project
327909	10/20/04	Sandis Humber Jones, Civil Engineer:	41,911.50	Engineering Services At CSM
327920	10/20/04	tBP Architecture	113,972.91	Architectural Services At CSM
327924	10/20/04	Rudolph and Sletten Inc.	21,743.00	Seismic/Modernization Project At CSM
327926	10/20/04	McCarthy Building Companies	29,193.00	Design & Construction Of New Science Bldg. At CSM
327946	10/22/04	Bay View Painting Company	48,623.25	Exterior Painting At Skyline
327950	10/22/04	Carl Bloom Associates, Inc.	24,456.48	KCSM Marketing & Management Fees
327952	10/22/04	Casey Printing ,Inc.	28,329.30	Cañada Spring 2005 Class Schedule Printing Fees
327957	10/22/04	Consortium for Open Learning	24,708.50	Summer 2004 Telecourse License & Student Fees
327960	10/22/04	Constellation NewEnergy Inc.	31,584.38	Utilities
327961	10/22/04	Constellation NewEnergy Inc.	22,374.00	Utilities
327967	10/22/04	Dovetail Decision Consultants, Inc.	15,178.02	Consulting Services At Skyline
327968	10/22/04	DST/Digital System Technology, Inc.	10,758.65	KCSM Digital Converter
327983	10/22/04	McGuire and Hester, Inc.	259,291.20	Skyline Summer 2004 Infrastructure Project
327984	10/22/04	Mobile Modular Mgmt. Corp	10,410.00	Mobile Modular Lease At Skyline
327986	10/22/04	Noll & Tam	14,031.14	Architectural Services At Cañada
327990	10/22/04	Pac Gas & Elec Co	25,027.32	Utilities
327991	10/22/04	Pac Gas & Elec Co	14,281.05	Utilities
327992	10/22/04	Robert A. Bothman	463,429.61	Athletic Facilities Construction Project

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

OCTOBER 1-31, 2004

WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amt	Description
328007	10/22/04	Sugimura & Associates Architects	66,696.61	Architectural Service to Renovate Pacific Heights
328008	10/22/04	Sutro Tower Inc.	16,101.00	KCSM Transmitter Lease
328010	10/22/04	McGuire and Hester, Inc.	28,810.00	Skyline Summer 2004 Infrastructure Project
District Payroll Disbursement (excluding Salary Warrants)				
410163	10/29/04	Calif. School Empl. Assoc. Ch 33	12,148.51	Union Dues
410164	10/29/04	American Federation of Teachers	19,320.25	Union Dues
410176	10/29/04	American Federation of Teachers	13,569.05	Union Dues
410171	10/29/04	Provident Central Credit Union Cert.	22,809.47	Credit Union Deduction Register
410202	10/29/04	Capital Guardian Trust Co.(Amer. Fd)	17,674.00	Tax Annuity
410211	10/29/04	Fidelity Service Company	18,578.00	Tax Annuity
410235	10/29/04	Oppenheimer Investor Services Inc.	12,296.00	Tax Annuity
410247	10/29/04	Variable Annuity Life Cert. AIG	21,110.47	Tax Annuity
410248	10/29/04	Variable Annuity Life Class. AIG	18,501.66	Tax Annuity
410267	10/29/04	Vanguard Fiduciary Trust Co.	19,606.30	Tax Annuity
410277	10/29/04	Hartford Certificated EE	23,383.00	Tax Annuity
410278	10/29/04	Hartford Classified EE	14,786.00	Tax Annuity
410313	10/29/04	SMCCCD Due From Cert. EE	34,895.46	Over Cap/Payroll Reimbursement
410314	10/29/04	SMCCCD Due From Class. EE	34,244.24	Over Cap/Payroll Reimbursement
Cañada College Bookstore				
34474	10/28/04	Apple Computer Inc.	23,350.70	Purchase Of Inventory
34479	10/28/04	SMCCCD	53,323.00	Salaries & Benefits For September 2004
College Of San Mateo Bookstore				
47707	10/04/04	Pearson Education	137,257.07	Purchase Of Inventory
47727	10/05/04	John Wiley & Sons	15,659.91	Purchase Of Inventory
47731	10/05/04	Nebraska Book Company Inc.	65,691.59	Purchase Of Inventory
47732	10/05/04	Pearson Education	14,382.16	Purchase Of Inventory

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
 OCTOBER 1-31, 2004
 WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amt	Description
47788	10/28/04	SMCCCD	69,234.12	Salaries & Benefits For September 2004
EFT#90774	10/30/04	Board Of Equalization	48,732.00	Sales Tax For Quarterly Ended September 2004
Skyline College Bookstore				
25254	10/11/04	MBS Textbook Exchange	22,826.78	Purchase Of Inventory
25261	10/11/04	Nebraska Book Company Inc.	43,659.91	Purchase Of Inventory
25276	10/11/04	SMCCCD	15,340.01	Purchase Of Inventory
25282	10/11/04	Thomson Learning	78,304.75	Purchase Of Inventory
25295	10/25/04	Pearson Education	25,475.49	Purchase Of Inventory
25297	10/28/04	SMCCCD	59,732.76	Salaries & Benefits For September 2004
			5,703,825.35	79%
			1,561,700.76	21%
			7,265,526.11	100%
			Subtotal	
			Warrants Issued ≤ \$10,000	
			Total Non-Salary Warrants Issued	
District Accounts Payable				
			5,860,911.28	
			6,807,309.21	
			97,567.94	
			437,477.19	
			334,635.36	
			6,442.41	
			13,544,343.39	

Total Warrants Including Salaries - October 2004

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOVEMBER 1-30, 2004

WARRANT SCHEDULE GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amt	Description
328041	11/01/04	District Accounts Payable	32,214.00	Districtwide Asbestos Project
328042	11/01/04	Bayview Environmental Services	409,203.00	Waterproofing Ramps At Cañada
328050	11/01/04	Big D Pacific Builders	41,634.15	CSM Spring 2005 Class Schedule
328051	11/01/04	Casey Printing ,inc.	2,298,809.64	Districtwide Energy Conservation Project
328054	11/01/04	Chevron	49,251.80	Microsoft Agreement
328054	11/01/04	Computerland	16,264.15	Utilities
328055	11/01/04	Constellation NewEnergy Inc.	13,578.00	Construction Project At Skyline
328068	11/01/04	G. Swanson Construction, Inc.	982,358.00	Skyline Design-Build Project
328072	11/01/04	Hensel Phelps Construction Co.	23,027.65	Geotechnical Services For CSM Summer 2004
328085	11/01/04	Lowney Associates	429,642.00	CSM Summer 2004 Infrastructure Project
328091	11/01/04	McGuire and Hester, Inc.	17,730.00	Schematic Design services for the Bookstores at
328094	11/01/04	Michael Lopez Design, Inc.	41,804.96	Design Service For Cañada Library & Learning Center
328099	11/01/04	Noll & Tam	47,034.00	Skyline Swing Space Project
328108	11/01/04	P.L. Annuzzi, Inc.	83,869.70	Skyline Swing Space Project
328109	11/01/04	P.L. Annuzzi, Inc.	14,535.80	Utilities
328112	11/01/04	Pac Gas & Elec Co	16,852.06	Furniture For CSM
328115	11/01/04	Pivot Interiors	675,982.68	Health Insurance Premium November 2004
328119	11/01/04	Public Empl Ret Sys	13,400.00	Skyline Athletic Internship
328130	11/01/04	San Jose State University Foundation	42,529.00	ITS Consulting Service September 2004
328142	11/01/04	Sirata Information Group	47,738.00	CSM Summer 2004 Infrastructure Project
328151	11/01/04	McGuire and Hester, Inc.	12,000.00	CSM Student Abroad Program
328376	11/03/04	Amer.Inst./Foreign Study	14,223.18	CSM Annual Subscription Renewal For Periodicals
328388	11/03/04	EBSCO	97,652.53	Faculty & Staff Housing Project
328442	11/04/04	Education Housing Partners, LLC.	12,500.00	Faculty & Staff Housing Project
328443	11/04/04	Education Housing Partners, LLC.	14,987.88	Skyline Apprenticeship Program
328456	11/04/04	Jefferson Union High School Dist.	14,056.22	Furniture For Cañada
328462	11/04/04	Krueger International	168,386.75	Furniture For Cañada
328463	11/04/04	Krueger International	23,725.58	Design Service For Cañada Library & Learning Center
328481	11/04/04	Noll & Tam	14,160.71	Skyline Engineering Services
328489	11/04/04	Sandis Humber Jones, Civil Engineers	12,992.59	Architectural Services For Skyline
328497	11/04/04	Sugimura & Associates Architects	200,805.32	Replenish Procurement Card Clearing Account
328568	11/08/04	SMCCCD Revolving Account	671,937.55	Districtwide Energy Conservation Project
328622	11/10/04	Chevron		

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOVEMBER 1-30, 2004

WARRANT SCHEDULE GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amt	Description
328633	11/10/04	Hartford Life & Accident Insurance Co.	27,878.51	Life Insurance Premium October 2004
328639	11/10/04	Pac Gas & Elec Co	20,505.76	Relocation Of Gas Main At Skyline
328641	11/10/04	S.M.C.S.I.G.	123,523.26	Health Insurance November 2004 Premium
328642	11/10/04	S.M.C.S.I.G.	18,857.00	Vision Plan Premium November 2004
328646	11/10/04	Trust Administrators, Inc.	14,151.66	IRC Plan 125 October 2004
328663	11/15/04	Bay Area Comm Col JPA	12,982.76	Claims Payment To BA CCD JPA
328665	11/15/04	Big D Pacific Builders	326,303.00	Waterproofing Ramps At Cañada
328677	11/15/04	Carl Bloom Associates, Inc.	43,840.66	KCSM Marketing & Management Fees
328697	11/15/04	David R. Callahan Inspections	10,500.00	Inspection Services For CSM
328703	11/15/04	Ebsco Subscription	24,306.28	Skyline Annual Subscription Renewal For Periodicals
328739	11/15/04	Pac Gas & Elec Co	13,284.86	Utilities
328762	11/15/04	Sandis Humber Jones, Civil Engineers	16,941.04	CSM Engineering Services
328775	11/15/04	Skyline Bookstore	13,769.18	Laptop Computers For Skyline
328776	11/15/04	Skyline Bookstore	10,953.58	Skyline EOPS Student Books & Supplies
328783	11/15/04	Swinerton Management & Consulting	189,405.00	Management & Consulting Services
328787	11/15/04	tBP Architecture	43,365.00	Architectural Services For CSM
328788	11/15/04	Teecom Design Group	25,550.00	Districtwide Access Controls Feasibility Study
328789	11/15/04	Teecom Design Group	12,713.89	Districtwide Access Controls Feasibility Study
328909	11/17/04	S.B.R.P.S.T.C.	25,338.61	San Mateo County Basic Police Academy Fee
328921	11/18/04	Bay Area Comm Col JPA	42,811.97	Claims Payment To BACCD JPA
328930	11/18/04	Cenveo Commercial, Inc.	11,006.86	Printing of 2004-05 Student Handbooks
328931	11/18/04	CIS, Inc	14,738.00	CSM Seismic Project
328933	11/18/04	Constellation NewEnergy Inc.	28,882.96	Utilities
328957	11/18/04	Krueger International	36,357.76	Furniture For Cañada
328964	11/18/04	McCarthy Building Companies	221,274.00	CSM Design-Build Project
328965	11/18/04	McGuire and Hester, Inc.	36,846.00	CSM Summer 2004 Infrastructure Project
328972	11/18/04	Norpak Corp.	23,923.50	KCSM Audio & Video Encoder
328974	11/18/04	P.L. Annuzzi, Inc.	219,898.80	Skyline Swing Space Project
328987	11/18/04	Robert A. Bothman	1,034,455.60	Construction of Athletic Facilities At The Colleges
328988	11/18/04	Rudolph and Sletten Inc.	614,317.00	CSM Seismic/Modernization Project
329011	11/18/04	Sch Proj/Util Rate Reduc.	17,684.01	Utilities
329018	11/18/04	Strata Information Group	42,529.00	ITS Consulting Service October 2004
329020	11/18/04	Sugimura & Associates Architects	35,486.85	Architectural Services For New Facilities
329021	11/18/04	Sutro Tower Inc.	16,101.00	KCSM Transmitter Lease

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
NOVEMBER 1-30, 2004
WARRANT SCHEDULE GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amt	Description
329022	11/18/04	Teecom Design Group	35,161.00	Telecommunication Consulting Services
329026	11/18/04	Rudolph and Sletten Inc.	68,258.00	CSM Seismic/Modernization Project
329029	11/18/04	McCarthy Building Companies	24,586.00	CSM Design-Build Project
329076	11/19/04	U.S. Post Office	50,000.00	CSM Postal Services
329077	11/19/04	U.S. Post Office	23,547.57	CSM Postal Services
District Payroll Disbursement (excluding Salary Warrants)				
419064	11/30/04	California School Empl. Assoc. Ch 33	12,297.82	Union Dues
419065	11/30/04	American Federation of Teachers	19,320.25	Union Dues
419072	11/30/04	Provident Central Credit Union Cert.	22,809.47	Credit Union Deduction Register
419077	11/30/04	American Federation of Teachers	13,192.90	Union Dues
419103	11/30/04	Capital Guardian Trust Co.	19,274.00	Tax Annuity
419112	11/30/04	Fidelity Service Company	18,578.00	Tax Annuity
419137	11/30/04	Oppenheimer Investor Services Inc.	12,296.00	Tax Annuity
419149	11/30/04	Variable Annuity Life Cert. AIG	21,110.47	Tax Annuity
419150	11/30/04	Variable Annuity Life Class. AIG	18,501.66	Tax Annuity
419169	11/30/04	Vanguard Fiduciary Trust Co. Cert.	25,606.30	Tax Annuity
419170	11/30/04	Vanguard Fiduciary Trust Co. Class.	10,794.00	Tax Annuity
419179	11/30/04	Hartford Certificated EE	23,383.00	Tax Annuity
419180	11/30/04	Hartford Classified EE	15,486.00	Tax Annuity
419215	11/30/04	SMCCCD Due From Cert. EE	34,395.28	Over Cap/Payroll Reimbursement
419216	11/30/04	SMCCCD Due From Class. EE	34,241.48	Over Cap/Payroll Reimbursement
34530	11/09/04	Carriada College Bookstore	10,062.34	Purchase Of Inventory
34568	11/11/04	Thomson Learning	28,839.61	Purchase Of Inventory
34577	11/11/04	MBS Textbook Exchange	11,631.42	Purchase Of Inventory
		Pearson Education Inc.		
47862	11/19/04	College Of San Mateo Bookstore	47,679.86	Salaries & Benefits For October 2004
47869	11/23/04	SMCCCD	10,090.24	Purchase Of Inventory
		CPO Ltd.		

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
 NOVEMBER 1-30, 2004
 WARRANT SCHEDULE GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amt	Description
25305	11/05/04	Skyline College Bookstore	15,085.82	Purchase Of Inventory
25334	11/16/04	Pearson Education	21,929.04	Purchase Of Inventory
25347	11/16/04	Nebraska Book Company Inc.	44,048.30	Salaries & Benefit For October 2004
25355	11/19/04	SMCCCD	10,090.24	Purchase Of Inventory
		CPO Ltd.	10,627,666.33	87%
		Subtotal	1,526,735.11	13%
		Warrants Issued ≤ \$10,000	12,154,401.44	100%
		Total Non-Salary Warrants Issued		
District Accounts Payable		328015-329079	11,078,581.85	
District Payroll		417955-419216, D32186-D33053	6,818,979.30	
Cañada College Bookstore		34481-34630	190,732.70	
College of San Mateo Bookstore		47790-47882, EFT#70984	125,314.36	
Skyline College Bookstore		25299-25384	209,746.23	
District Cafeteria		60768-60783	10,132.06	
		Total Warrants Including Salaries - November 2004	18,433,486.50	

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

DECEMBER 1-31, 2004

WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amount	Description
329123	12/01/04	District Accounts Payable	14,995.00	Door Replacement At CSM
329134	12/01/04	Automatic Door Systems, Inc.	29,723.72	Utilities
329146	12/01/04	Calif Water Service Co	16,416.87	Utilities
329153	12/01/04	Constellation NewEnergy Inc.	176,445.36	Fire Alarm Upgrade Project At CSM
329154	12/01/04	Del Monte Electric Co., Inc.	267,514.38	Fire Alarm Upgrade Project At CSM
329165	12/01/04	Del Monte Electric Co., Inc.	150,000.00	Design/Development Services For Staff/Faculty Project
329179	12/01/04	Education Housing Partners, LLC.	11,484.00	Furniture & Accessories For District
329180	12/01/04	Inside Source	21,353.78	Architectural Svcs For Seismic Upgrade Project At CSM
329204	12/01/04	Interactive Resources	17,067.54	Utilities
329207	12/01/04	Pac Gas & Elec Co	14,986.72	Utilities
329208	12/01/04	Pac Gas & Elec Co	12,611.06	Utilities
329209	12/01/04	Pac Gas & Elec Co	22,455.02	Utilities
329214	12/01/04	Pac Gas & Elec Co	671,514.64	Health Insurance Premium December 2004
329226	12/01/04	Public Empl Ret Sys	27,538.05	Civil Engineering Services At CSM
329236	12/01/04	Sandis Humber Jones, Civil Engineer	28,000.00	Annual Articulation Fees For Cañada
329237	12/01/04	Sequoia Union High School District	22,140.09	Telephone System Maintenance Services
329244	12/01/04	Siemens Rolm Communications Inc.	10,505.00	Skyline Library/Learning Center Project
329248	12/01/04	Southland Industries	13,800.93	Payroll Implementation Services
329249	12/01/04	Strata Information Group	17,050.00	Telecommunication Consulting Services
329257	12/01/04	Teecom Design Group	10,000.00	Postal Services For Skyline
329258	12/01/04	U.S. Post Office	10,000.00	Postal Services For Skyline
329333	12/03/04	U.S. Post Office	31,318.81	Cañada EOPS Students Books & Supplies
329352	12/03/04	Canada Bookstore	14,186.25	Schematic Design Services For The Bookstores
329357	12/03/04	Michael Lopez Design, Inc.	1,378,590.81	Athletic Facilities Construction Project
329383	12/06/04	Robert A. Bothman	13,000.00	KCSM Program Agreement
329467	12/08/04	Digital Education Productions	81,139.34	Textbook For Skyline/Canada Students
329486	12/08/04	Canada Bookstore	74,701.37	Personal Computers For Skyline
329488	12/08/04	Dell Computers	12,450.91	KCSM Printing Services
329491	12/08/04	Descalso Lithograph	12,500.00	Design/Development Services For Staff/Faculty Project
329504	12/08/04	Education Housing Partners, LLC.	28,003.32	Life Insurance Premium December 2004
		Hartford Life & Accident Insurance Co		

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
DECEMBER 1-31, 2004
WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amount	Description
329559	12/08/04	S.B.R.P.S.T.C.	25,338.61	San Mateo County Basic Police Academy Fees
329577	12/08/04	Sch Proj/Utili Rate Reduc.	27,224.73	Utilities
329581	12/08/04	SMCCCD Revolving Account	251,342.64	Replenish Procurement Card Clearing Account
329584	12/08/04	SunGard SCT, Inc.	256,168.48	ITS Program Maintenance
329605	12/09/04	Bay Area Comm Col JPA	32,737.09	JPA Claims/Legal Expenses
329617	12/09/04	S.M.C.S.I.G.	123,713.23	Health Insurance Premium December 2004
329618	12/09/04	S.M.C.S.I.G.	19,010.74	Vision Plan Premium December 2004
330497	12/13/04	Trust Administrators, Inc.	22,869.76	IRC Plan 125 Premium November 2004
330555	12/15/04	Big D Pacific Builders	283,866.00	Cañada ADA Ramps & Landscape Project
330562	12/15/04	Swinerton Management & Consulting	18,455.00	Management & Consulting Services
330563	12/15/04	Coast Side Associates	10,745.10	Renovation Of Classrooms At CSM
330564	12/15/04	Consortium For Open Learning	20,677.00	Fall 2004 Telecourse License Fees
330566	12/15/04	County Of San Mateo	49,225.00	Legal Services
330569	12/15/04	David R. Callahan Inspections	10,500.00	Inspection Services For CSM
330570	12/15/04	Del Monte Electric Co., Inc.	235,152.72	Phase II Fire Alarm Upgrade At CSM & Cañada
330572	12/15/04	Education Housing Partners, LLC.	13,096.69	Design/Development Services For Staff/Faculty Project
330582	12/15/04	Hensel Phelps Construction Co.	164,065.00	Skyline Design-Build Project
330588	12/15/04	Keenan & Associates	369,720.00	Quarterly Workers' Compensation Premium
330593	12/15/04	Lowney Associates	10,689.31	Geotechnical Services At CSM
330613	12/15/04	Preston Pipelines	163,334.70	Infrastructure Project At CSM
330634	12/15/04	Swinerton Management & Consulting	350,663.00	Management & Consulting Services
330635	12/15/04	tBP Architecture	133,723.93	Architectural Services At CSM
330689	12/17/04	Apple Computer, Inc.	18,358.20	Personal Computers For Cañada
330690	12/17/04	Apple Computer, Inc.	12,238.80	Personal Computers For Cañada
330695	12/17/04	Automatic Door Systems, Inc.	10,245.00	ADA Compliance At Skyline
330706	12/17/04	Chouinard & Myhre, Inc.	11,515.16	Computer Equipment
330714	12/17/04	Constellation NewEnergy Inc.	30,449.87	Utilities
330716	12/17/04	Dell Computers	23,440.18	Personal Computers For Cañada
330717	12/17/04	Dell Computers	65,008.34	Personal Computers For Cañada
330727	12/17/04	Hensel Phelps Construction Co.	89,699.50	Plan Check Fee For Skyline Project
330730	12/17/04	Interactive Resources	26,842.72	Architectural Services At CSM
330740	12/17/04	Marchetti Construction Inc.	10,000.00	Cañada Theater Modernization Project

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
DECEMBER 1-31, 2004
WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amount	Description
330741	12/17/04	McCarthy Building Companies	618,290.00	CSM Science Building Design-Build Project
330742	12/17/04	McGuire and Hester, Inc.	25,351.42	Skyline Summer 2004 Infrastructure Project
330743	12/17/04	McGuire and Hester, Inc.	70,320.00	CSM Summer 2004 Infrastructure Project
330752	12/17/04	P.L. Annuzzi, Inc.	350,958.60	Skyline Swing Space Project
330764	12/17/04	Rudolph and Sletten Inc.	606,251.00	CSM Seismic/Modernization Project
330779	12/17/04	Strata Information Group	42,529.00	ITS Consulting Services November 2004
330782	12/17/04	Sugimura & Associates Architects	67,829.30	Architectural Services For Skyline
330783	12/17/04	Rudolph and Sletten Inc.	67,362.00	CSM Seismic/Modernization Project
330789	12/17/04	McCarthy Building Companies	68,699.00	CSM Science Building Design-Build Project
District Payroll Disbursement (excluding Salary Warrants)				
428253	12/17/04	Calif. School Empl. Assoc. Ch 33	12,350.63	Union Dues
428254	12/17/04	American Federation of Teachers	19,383.18	Union Dues
428261	12/17/04	Provident Central Credit Union Cert.	22,809.47	Credit Union Deduction Register
428291	12/17/04	Capital Guardian Trust Co.	25,274.00	Tax Annuity
428300	12/17/04	Fidelity Service Co.	18,578.00	Tax Annuity
428324	12/17/04	Oppenheimer Investor Services Inc.	12,296.00	Tax Annuity
428336	12/17/04	Variable Annuity Life Cert. AIG	21,110.47	Tax Annuity
428337	12/17/04	Variable Annuity Life Class. AIG	24,501.66	Tax Annuity
428356	12/17/04	Vanguard Fiduciary Trust Co. Cert.	23,856.30	Tax Annuity
428366	12/17/04	Hartford Certificated EE	22,933.00	Tax Annuity
428367	12/17/04	Hartford Classified EE	14,486.00	Tax Annuity
428401	12/17/04	SMCCCD Due From Cert. EE	34,348.19	Over Cap/Payroll Reimbursement
428402	12/17/04	SMCCCD Due From Class. EE	34,371.85	Over Cap/Payroll Reimbursement
Cajada College Bookstore				
34663	12/09/04	SMCCCD	28,439.09	Salary & Benefits October 2004
34673	12/17/04	Pearson Education Inc.	11,134.54	Purchase Of Inventory
34675	12/17/04	Skyline Bookstore	31,249.53	Purchase Of Inventory
34676	12/17/04	SMCCCD	30,417.87	Salary & Benefits November 2004

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
 DECEMBER 1-31, 2004
 WARRANT SCHEDULE EQUAL TO OR GREATER THAN \$10,000

Check No.	Check Date	Vendor Name	Check Amount	Description
25386	12/07/04	Skyline College Bookstore	13,768.34	Purchase Of Inventory
25387	12/09/04	John Wiley & Sons Inc.	22,628.12	Purchase Of Inventory
		Cañada College Bookstore	8,443,136.03	83%
		Subtotal	1,732,520.35	17%
		Warrants Issued ≤ \$10,000	10,175,656.38	100%
		Total Non-Salary Warrants Issued		
District Accounts Payable		329080-330794	9,395,103.46	
District Payroll		427161-428402, D40012-D40876	6,332,608.85	
Cañada College Bookstore		34631-34679	147,071.82	
College of San Mateo Bookstore		47883-47940, EFT#47666	53,729.59	
Skyline College Bookstore		25385-25410	50,420.60	
		Total Warrants Including Salaries - December 2004	15,978,934.32	

BOARD REPORT NO. 05-1-4CA

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: Barbara Christensen, Director of Community/Government Relations
574-6560

**APPROVAL OF BYLAWS OF THE SAN MATEO COUNTY COLLEGES
EDUCATIONAL HOUSING CORPORATION**

At the Board meeting of December 15, 2000, the Board approved the appointment of Officers and Directors and the By-Laws for the San Mateo County Colleges Educational Housing Corporation (Board Report No. 04-12-100B). The version of the By-Laws that the Board reviewed on that date was not yet final. Some technical changes have been made to the By-Laws and the Board is now asked to approve the By-Laws as presented in this report.

RECOMMENDATION

It is recommended that the Board of Trustees approve the By-Laws of the San Mateo County Colleges Educational Housing Corporation as presented in this report.

BYLAWS

OF

**SAN MATEO COUNTY COLLEGES
EDUCATIONAL HOUSING CORPORATION,**

**A CALIFORNIA NONPROFIT
PUBLIC BENEFIT CORPORATION**

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**BYLAWS
OF
SAN MATEO COUNTY COLLEGES EDUCATIONAL HOUSING
CORPORATION,
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

ARTICLE I

NAME

The name of this corporation is **SAN MATEO COUNTY COLLEGES EDUCATIONAL HOUSING CORPORATION** (the "Corporation").

ARTICLE II

OFFICES OF THE CORPORATION

Section 1. Principal Office

The principal office for the transaction of the activities and affairs of the Corporation ("Principal Office") shall be located in San Mateo County, California.

Section 2. Other Offices

The Board may at any time establish branch or subordinate offices at any place where the Corporation is qualified to conduct its activities.

ARTICLE III

PURPOSES

Section 1. Purposes

The purposes of this Corporation are (1) to advance education by supporting the San Mateo County Community College District in its efforts to attract and retain qualified educational employees through the management and operation of affordable housing for such employees; (2) to solicit gifts of money, real property, or personal property, to manage all such assets received by the Corporation, and to use and apply the whole or any part of the income and/or principal of such assets exclusively in the management and operation of affordable housing for educational faculty and staff; and (3) to engage in any other activities reasonably related to such purposes.

Section 2. Limitations

The purposes for which the Corporation is organized are exclusively charitable within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and Sections 214 and 23701d of the California Revenue and Taxation Code, as amended. Notwithstanding

any other provision of the Corporation's Articles of Incorporation or these Bylaws, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law), or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law).

Section 3. Dedication of Assets

The Corporation's assets are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or Officer of the Corporation.

ARTICLE IV

MEMBERSHIP

The Corporation shall have no members within the meaning of the California Nonprofit Public Benefit Corporation Law. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Corporation's Board of Directors (the "Board"), subject to Article V, Section 2. All rights which would otherwise vest in the members shall vest in the Directors.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Corporate Powers

Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws regarding actions that require the approval of the San Mateo County Community College District Board of Trustees, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

Section 2. Specific Powers

Without prejudice to the general powers set forth in Section 1 of this Article, but subject to the same limitations, the Directors shall have the power to:

- (a) Appoint and remove all the Corporation's Officers, agents, and employees; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.
- (b) Supervise the Corporation's Officers, agents, and employees to ensure that they perform their duties properly

- (c) Meet at such time and place as required by these Bylaws.
- (d) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- (e) Adopt or amend the Articles of Incorporation or Bylaws of the Corporation, subject to the approval of the San Mateo County Community College District Board of Trustees.
- (f) Adopt or revise the Corporation's annual budget or long-range plan, subject to the approval of the San Mateo County Community College District Board of Trustees.
- (g) Appoint outside auditors.
- (h) Create a taxable or tax-exempt subsidiary, subject to the approval of the San Mateo County Community College District Board of Trustees.
- (i) Acquire a controlling interest in another entity, subject to the approval of the San Mateo County Community College District Board of Trustees.
- (j) Merge, dissolve, or transfer all or substantially all of the Corporation's assets, subject to the approval of the San Mateo County Community College District Board of Trustees.

Section 3. Authorized Number and Qualifications

The Board shall consist of at least five (5) but no more than seven (7) Directors, with the precise number of Directors within this range to be determined by the San Mateo County Community College District Board of Trustees. The qualifications for Directors shall be as established as needed by the San Mateo County Community College District Board of Trustees from time to time.

Section 4. Restriction on Interested Persons as Directors

No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is:

- (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise; and
- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person.

However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 5. Appointment and Term of Office

The Directors shall be appointed by the San Mateo County Community College District Board of Trustees. Directors shall serve for staggered four (4)-year terms, with approximately one-third of the Directors being appointed each year. A Director may serve a maximum of two consecutive four (4)-year terms, but may serve again after taking a one(1)-year hiatus. Each Director, including a Director appointed to fill a vacancy, shall hold office until expiration of the term for which appointed and until a successor has been appointed and qualified.

Section 6. Events Causing Vacancy

A vacancy or vacancies on the Board shall exist on the occurrence of the following:

- (a) the death or resignation of any Director;
- (b) the declaration by action of the Board or the San Mateo County Community College District Board of Trustees of a vacancy in the office of a Director who has been declared of unsound mind by an order of any court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law;
- (c) the removal of a Director in accordance with Article V, Section 8, below; or
- (d) an increase in the authorized number of Directors.

Section 7. Resignations

Except as provided below, any Director may resign by giving written notice to the President or the Vice President/Secretary of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the San Mateo County Community College District Board of Trustees may elect a successor to take office as of the date that the resignation becomes effective. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly appointed Director or Directors.

Section 8. Removal

The San Mateo County Community College District Board of Trustees may remove a Director from office if:

- (a) The Director fails to attend three (3) consecutive regular meetings of the Board without a leave of absence approved by the President; or
- (b) The Director otherwise fails to meet any qualification criteria in effect when the Director began his or her current term of office; or
- (c) The Director is removed for good cause in accordance with Corporations Code Section 5221.

Section 9. Filling Vacancies

A vacancy on the Board shall be filled by a person appointed by San Mateo County Community College District Board of Trustees, to serve the remaining term of the Director whose position became vacant.

Section 10. No Vacancy on Reduction in Number of Directors

No reduction in the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 11. Compensation and Reimbursement

Directors and Officers shall not receive compensation for their services as Directors and Officers. They may receive reimbursement of expenses, as approved by the President and Treasurer.

ARTICLE VI

DIRECTORS' MEETINGS

Section 1. Place of Meetings

Meetings of the Board shall be held at any place within California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the Principal Office of the Corporation.

Section 2. Method of Meetings

All meetings of the Board are subject to and will comply with the requirements of the California open meetings act titled the Ralph M. Brown Act set forth in Cal. Govt. Code Section 54950 *et seq.*

Section 3. Annual Meeting

The Board shall hold a regular annual meeting for purposes of organization, election of Officers, and transaction of other business.

Section 4. Other Regular Meetings

Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time.

Section 5. Authority to Call Special Meetings

Special meetings of the Board for any purpose may be called at any time by the President, the Vice President/Secretary, or any two (2) Directors.

Section 6. Quorum

A majority of the Directors then in office plus one Director shall constitute a quorum for the transaction of business, except to adjourn.

Section 7. Voting

Each Director shall be entitled to one (1) vote on each matter before the Board. Directors shall not be permitted to vote by proxy. The affirmative vote of a majority of the Directors then in office shall be the act of the Directors, except as otherwise provided in these Bylaws and subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to:

- (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest;
- (b) approval of certain transactions between corporations having common directorships;
- (c) creation of and appointments to committees of the Board; and
- (d) indemnification of Directors.

Section 8. Adjournment

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 9. Conflicts of Interest

(a) Duty to disclose material financial interest or common directorship. Any Director who has a material financial interest in a transaction to which the Corporation is a party or who is a director of another corporation or association with which the Corporation proposes to enter into a contract or transaction shall promptly disclose such material financial interest or common directorship to the Board. Such disclosure shall be made a part of the record of the Board's meetings.

(b) Procedure for considering transaction involving an interested Director. The Board shall not approve a transaction in which a Director has disclosed a material financial interest unless the Board takes all of the following actions and records in the written meeting minutes that such actions were taken. The Board shall:

- i) Make a finding that the Corporation is entering into the transaction for its own benefit.
- ii) Make a finding that the transaction is fair and reasonable to the Corporation at the time the Corporation enters into the transaction.

- iii) Before consummating the transaction or any part of it, authorize or approve the transaction in good faith by a vote of a majority of the Directors then in office without counting the vote of the interested Director(s), and with knowledge of the material facts of the transaction and the Director's interest in the transaction. No action by a Board committee shall satisfy this requirement.
- iv) Before authorizing or approving the transaction, consider and in good faith determine after reasonable investigation under the circumstances that the Corporation cannot obtain a more advantageous arrangement with reasonable effort under the circumstances.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes or approves a contract or transaction.

(c) Procedure for considering transaction involving a common Director. The Board shall not approve a transaction involving a common Director unless the Board takes all of the following actions and records in the written meeting minutes that such actions were taken. The Board shall, after full disclosure of all the material facts of the transaction and the common directorship, authorize or approve the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s).

(d) Because the knowledge of the interested or common Director may assist the Board in reaching an informed and reasonable decision, the foregoing requirements shall not prevent any interested or common Director from briefly stating his position on the transaction or from answering questions of other Directors.

(e) Each new Director shall be advised of the requirements contained in this Article VI, Section 9 upon becoming a Director.

ARTICLE VII

COMMITTEES

Section 1. Committees of the Board

The Board may create one or more committees, each consisting of not more than three Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have such authority of the Board, except that no committee, regardless of Board action, may:

- (a) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (b) Amend or repeal these Bylaws or adopt new Bylaws;

- (c) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (d) Create any other committees of the Board or appoint the members of committees of the Board;
- (e) Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code; or
- (f) Approve any action which the San Mateo County Community College District Board of Trustees is required to approve.

Section 2. Meetings and Action of Committees of the Board

Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board action or, if there is none, by action of the committee of the Board. The Board may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

ARTICLE VIII

OFFICERS

Section 1. Officers of the Corporation

The Officers of the Corporation shall be a President, a Vice President/Secretary, and a Treasurer. The Corporation may also have, in the Board's discretion such other Officers as may be appointed in accordance with Section 3 of this Article. Any number of offices may be held by the same person, except that neither the Vice President/Secretary nor the Treasurer may serve concurrently as the President.

Section 2. Election of Officers

The Officers of the Corporation, except those appointed by the President under Section 3 of this Article, shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any Officer under any contract of employment.

Section 3. Other Officers

The Board may appoint and may authorize the President to appoint any other Officers the Corporation may require. Each Officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

Section 4. Removal of Officers

Without prejudice to any rights of an Officer under any contract of employment, any Officer may be removed with or without cause by the Board.

Section 5. Resignation of Officers

Any Officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.

Section 6. Vacancies in Office

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that vacancies need not be filled on an annual basis.

ARTICLE IX

RESPONSIBILITIES OF OFFICERS

Section 1. President

The President shall preside at meetings of the Board, shall be the Chief Executive Officer of the Corporation, and shall supervise, direct, and control the Corporation's activities, affairs, and Officers. The President shall have such other powers and duties as the Board or the Bylaws may prescribe.

Section 2. Vice President/Secretary

If the President is absent or disabled, the Vice President/Secretary shall perform all duties of the President. When so acting, the Vice President/Secretary shall have all powers of and be subject to all restrictions on the President. The Vice President/Secretary shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

The Vice President/Secretary shall keep or cause to be kept, at the Corporation's Principal Office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, and the names of those present at Board and committee meetings. The Vice President/Secretary shall keep or cause to be kept, at the Principal Office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Vice President/Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Vice

President/Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 3. Treasurer

The Treasurer shall serve as the Chief Financial Officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the President and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement, or removal from office.

ARTICLE X

INDEMNIFICATION

Section 1. Right of Indemnity

To the fullest extent permitted by law, the Corporation or the San Mateo County Community College District shall indemnify the Corporation's Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 3. Insurance

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's employee's, or agent's status as such.

ARTICLE XI

RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Corporate Records

The Corporation shall keep:

- (a) Adequate and correct books and records of account; and
- (b) Written minutes of the proceedings of its Board.

The Board, without submitting a written request for inspection, shall have the right at all reasonable times to inspect such books and records. Inspection may be made in person or by authorized agent and includes the right to make photocopies and extracts.

Section 2. Maintenance and Inspection of Articles and Bylaws

The Corporation shall keep at its Principal Office the original or a copy of the Articles of Incorporation and the Bylaws, as amended to date, which shall be open to inspection by the Directors at all reasonable times during office hours.

Section 3. Annual Report

The Board shall cause an annual report to be sent to San Mateo County Community College District Board of Trustees and the Directors within one hundred twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities of the Corporation, including trust funds;
- (c) The revenues or receipts of the Corporation, both unrestricted and restricted to particular purposes;
- (d) The expenses or disbursements of the Corporation for both general and restricted purposes;
- (e) Any information required by Section 4 of this Article; and

- (f) The annual audit performed by independent auditors.

The annual report shall be accompanied by any report thereon of independent accountants or, if there is no such report, by the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year; provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all Directors and San Mateo County Community College District Board of Trustees.

Section 4. Annual Statement of Certain Transactions and Indemnifications

The Corporation shall annually prepare and furnish to San Mateo County Community College District Board of Trustees and each Director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the Corporation's fiscal year:

- (a) Any transaction:
- in which the Corporation, its parent, or its subsidiary was a party;
 - in which an "interested person" had a direct or indirect material financial interest; and
 - which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000.

For purposes of this subparagraph (a), an "interested person" is either of the following:

- i) Any Director or Officer of the Corporation, or its parent or subsidiary (a person holding a mere common directorship shall not be deemed an "interested person" for purposes of this subparagraph); or
- ii) Any holder of more than 10 percent of the voting power of the Corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of the interested persons involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest; provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

- (b) Any indemnifications aggregating more than \$10,000 paid during the fiscal year to any Officer or Director of the Corporation under Article X, Sections 1 and 2 of these Bylaws.

Section 5. Corporate Loans and Guaranties

The Corporation shall not make any loan of money or property to or guaranty the obligation of any Director or Officer, except as expressly allowed under California Corporations Code Section 5236.

ARTICLE XII

CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

ARTICLE XIII

AMENDMENTS

Section 1. Right to Amend Articles and Bylaws

The Corporation's Articles of Incorporation and these Bylaws may be adopted, amended, or repealed only upon the approval of San Mateo County Community College District Board of Trustees and a majority of Directors present at a duly held Board meeting.

ARTICLE XIV

DISSOLUTION

Section 1. Election to Dissolve

This Corporation may elect to wind up and dissolve in any manner permitted by Section 6610 of the California Corporations Code or its successor statute.

Section 2. Distribution Upon Dissolution

On dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to the San Mateo County Community College District, or its successor, or, with the approval of the San Mateo County Community College District Board of Trustees, to a nonprofit fund, foundation or corporation which is established and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

CERTIFICATE OF VICE PRESIDENT/SECRETARY

I, the undersigned, do hereby certify:

That I am the duly elected and acting Vice President/Secretary of **SAN MATEO COUNTY COLLEGES EDUCATIONAL HOUSING CORPORATION**, a California nonprofit public benefit corporation; and

That the foregoing Bylaws, comprising fourteen (14) pages, including this page, constitute the Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors held on _____, 2005 and that they have not been amended or modified since that date.

Executed on _____, 2005, at _____

_____, Vice President/Secretary

BOARD REPORT NO. 05-1-5CA

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Barbara Christensen, Director of Community/Government Relations
574-6560

APPOINTMENT OF BOND OVERSIGHT COMMITTEE MEMBER

One of the original members of the Board Oversight Committee members, Ron Fick, has recently retired and moved out of state. To fill the vacancy left by Mr. Fick's departure, it is recommended that the Board approve the appointment of Patrick Cheng. Dr. Cheng is a chiropractor with a local practice in South San Francisco and is a member of the Asian Business Association. He is also the former President of Kiwanis in South San Francisco. His other ties to the District include his former membership on the Skyline President's Council. He has expressed his interest in the work of the Bond Oversight Committee and would add to the value of the membership.

RECOMMENDATION

It is recommended that the Board approve the appointment of Dr. Patrick Cheng to the Bond Oversight Committee, effective immediately.

BOARD REPORT NO. 05-1-100B

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: James W. Keller, Executive Vice Chancellor, 358-6790

**RECEIPT AND ACCEPTANCE OF THE 2003-04
DISTRICT AND KCSM AUDIT REPORTS**

Attached are copies of the audit of the San Mateo County Community College District funds and the audit of KCSM-TV and KCSM-FM financial records, prepared by the Board-approved firm of Vavrinek, Trine, Day & Company. The audits were based upon the fiscal year ending June 30, 2004. A representative of the auditing firm will be present at this meeting to respond to questions about the audits in general and about the firm's findings and recommendations for the District.

RECOMMENDATION

It is recommended that the Board of Trustees receive and accept the 2003-04 audit report for the District, which was filed by Vavrinek, Trine, Day & Company with the State Department of Education, the State Controller, and the State Chancellor's Office prior to the December 31, 2004 due date. It is recommended further that the Board of Trustees receive and accept the 2003-04 audit reports for KCSM-TV and KCSM-FM, which were filed with the Corporation for Public Broadcasting prior to the January 31, 2004 due date.

*SAN MATEO COUNTY
COMMUNITY COLLEGE
DISTRICT*

ANNUAL FINANCIAL REPORT

JUNE 30, 2004 and JUNE 30, 2003

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
San Mateo County Community College District
San Mateo, California

We have audited the accompanying basic financial statements of the San Mateo County Community College District, as of and for the years ended June 30, 2004 and 2003. 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 conducted our audits 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. 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 audit provides 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 San Mateo County Community College District as of June 30, 2004 and 2003, 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 13 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). 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 October 1, 2004, 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 the 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 read in considered in assessing the results of our audit.

As discussed in Note # 1 to the financial statements, the District has adopted the provisions of the Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, during the year ended June 30, 2004.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavinek, Trine, Day & Co LLP

Pleasanton, California

October 1, 2004

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2004 AND 2003

Introduction

The San Mateo County Community College District's (the District) Annual Financial Report presents management's discussion and analysis of the District's financial activities during the fiscal years ended June 30, 2004 and June 30, 2003. The discussion has been prepared by management and is best read in conjunction with the financial statements and the notes following this section.

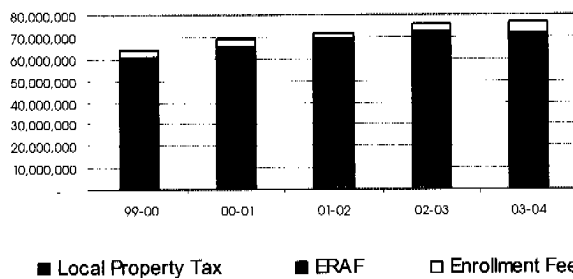
The fiscal year ended June 30, 2003 was the first year that the District presented financial statements in accordance with the Governmental Accounting Standards Board (GASB) No. 35. Therefore, certain data is not available for fiscal year ended June 30, 2002 for comparative analysis.

There are three basic financial statements that provide information on the District's financial activities as a whole. These statements are:

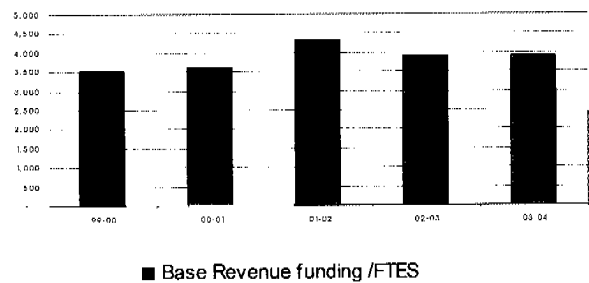
- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

Financial Highlights of 2003-04

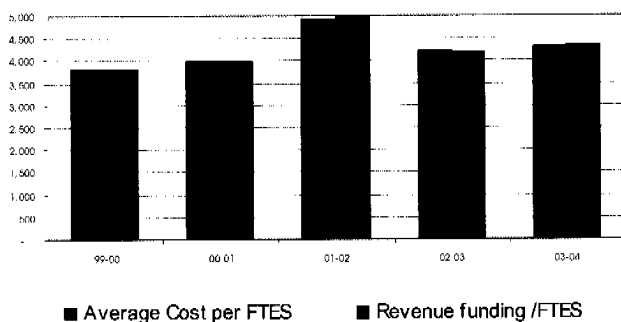
Components of Base Revenue



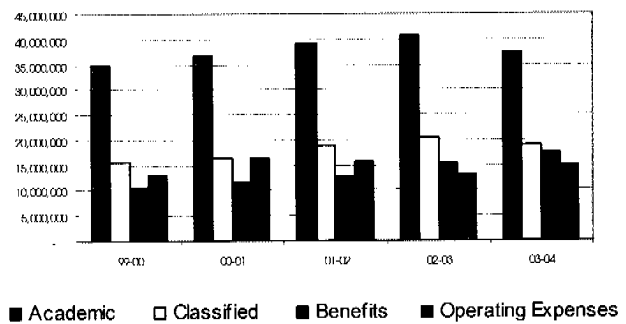
Base Revenue Funding Per FTES



Cost Vs Revenue per FTES



Expenditures by Types



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004 AND 2003

Financial Overview

- Assets exceeded liabilities for the fiscal year ended June 30, 2004 by \$150.3 million, and net assets increased \$44.5 million over last year.
- Net capital assets increased \$58.5 million.
- Operating revenues increased by \$1.8 million over June 30, 2003.
- Operating expenses decreased by \$15.0 million over the same period in fiscal year 2003.

Reporting for the District as a Whole

- *Economic position of the District with the State*

Fiscal year 2003-04 reflected the reality of significant state funding adjustments to accommodate a large state budget deficit. State financial constraints along with price increases compelled the District to make \$10 million in budget reductions. The total District budget reductions were related to State funding reductions such as Partnership for Excellence and Mandated Costs allowances, state categorical programs, scheduled maintenance and instructional equipment. To assist in achieving the budget reduction, retirement and voluntary separation incentives were offered to staff. Also, the District instituted a managed hiring program, which resulted in elimination of some positions and a matching of employee experience, talents, and skills to other available positions within the District. Several employees received promotions through the process, and none experienced a pay reduction.

- *Salaries and Benefits*

In 2001-02, the San Mateo County Community College District approved three-year collective bargaining agreements for employees. The contracts expired in June, 2004. Health care premiums increased by an average of 22% in January, 2003, and 18% in January, 2004, and will again increase by an average of 15% in January, 2005. These increases have substantially increased District expenditures, as well as employee out-of-pocket expenses above the District's medical cap. The employer contribution rate for STRS has not changed in several years. The PERS employer contribution rate declined from 10.42% in 2003-04 to 9.952% in 2004-05. Dental insurance premiums increased by 13% in October, 2004. In addition, unemployment insurance doubled from 0.30% in 2003-04 to 0.65% in 2004-05, and Workers' Compensation increased by 15%.

- *Bond construction*

As of fiscal year-end 2003-04 a total of \$56 million of the authorized \$207 million was spent. As of that date, another \$22.7 million was committed via contracts and/or materials purchase orders. The majority of project programming and schematic design work is now complete, and several major projects are underway. Three Design Build (DB) contracts were awarded—the first ever in the California Community College system. Work is well underway on these projects: a new synthetic turf football field was installed at CSM in time for the Fall 2004 season, synthetic turf installation is underway for CSM Baseball, Skyline Baseball & Soccer, as are new tracks at Skyline and CSM. Cañada athletic fields and facilities are in design and work will commence there during Winter, 2004. DB contracts were awarded for the new CSM Building 36 Science Building and Skyline's Student Support & Community Center/Science Annex Buildings 6/7A. Work has commenced on CSM Building 36. Skyline Buildings 6/7A design documents have been submitted to the Division of State Architect for approval. Cañada's new Building 9 Library & Learning Resources Center design documents as well as Skyline Building 8 Seismic & Modernization projects were also submitted to DSA for approval. CSM's Building 18 Seismic & Modernization project is under construction and CSM's new Building 35 Regional Public Safety Center (RPSC) is pending DSA approval. The program is on track for scheduled completion in December 2007.

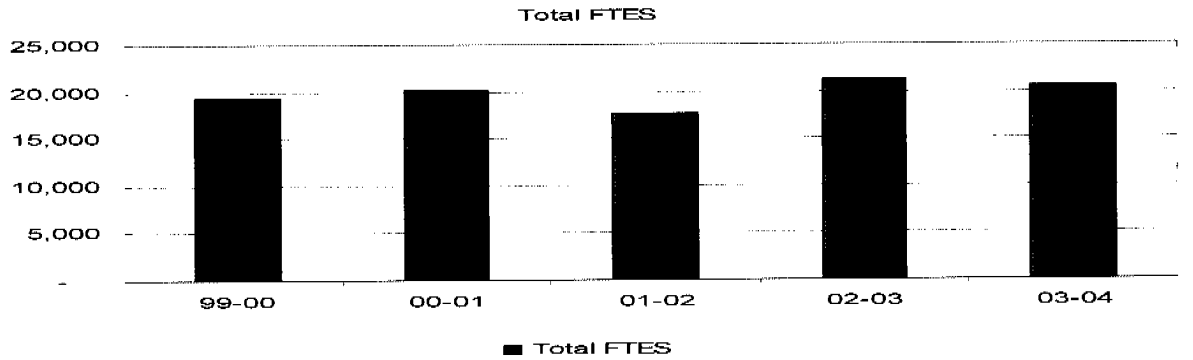
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004 AND 2003

- *Enrollments*

In 2003-04, the District's enrollment declined slightly, but is still up at a historically high level. The following chart shows comparative FTES data for the past five fiscal years.



Net Assets

The Statement of Net Assets below includes all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting basis used by private companies. Net Assets, the difference between total assets and total liabilities, is one way to measure the financial condition of the District. Following are explanatory remarks for the statement:

- *Cash and cash equivalents* consist of cash in the Treasury, Local Agency Investment Fund (LAIF) of the State Treasurer's Office, San Mateo County Pool Investment, a Special Deposit Bond with Wells Fargo Bank, proceeds from the District's general obligation construction bond and certificates of deposit with various banks.
- *Accounts receivable* primarily consists of revenues from local, state, and federal sources from which the District had earnings but which were not received as of the fiscal year's closing date.
- *Inventories and other assets* include prepaid expenses and bookstore inventories.
- *Capital assets, net of depreciation*, are the net historical value of land, buildings, construction in progress and equipment less accumulated depreciation.
- *Accounts payable and accrued liabilities* consist of payables to the state, federal grants, benefits, salaries and local vendors which the District incurred but for which payments were not issued as of the end of the fiscal year.
- *Deferred revenues* represent cash received during the fiscal year from state, federal grants, general tax apportionment and student fees; however, the funds were not earned as the end of the fiscal year.
- Long-term liabilities (current and non-current portion) include obligations that should have been paid in the current year or are to be paid in more than one year. The District has compensated absences payable, a construction bond, and Certificate of Participation (C.O.P.).
- According to GASB Statements, equity is reported as "Net Assets" rather than "Fund Balance." The District's net assets are classified as follows:
 - Invested in capital assets, net of related debt, represents the District's total investment in capital assets and net of outstanding debt obligations related to those capital assets.
 - Restricted net assets consist of expendable and nonexpendable portions. Restricted expendable net assets include resources which the District is contractually obligated to expend in accordance with restrictions imposed by external third parties. Restricted net assets nonexpendable represent

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004 AND 2003

endowment and similar funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal be maintained and invested for the purpose of producing present and future income.

- o Unrestricted net assets represent resources used for transactions relating to the educational and general operations of the District.

STATEMENTS OF NET ASSETS

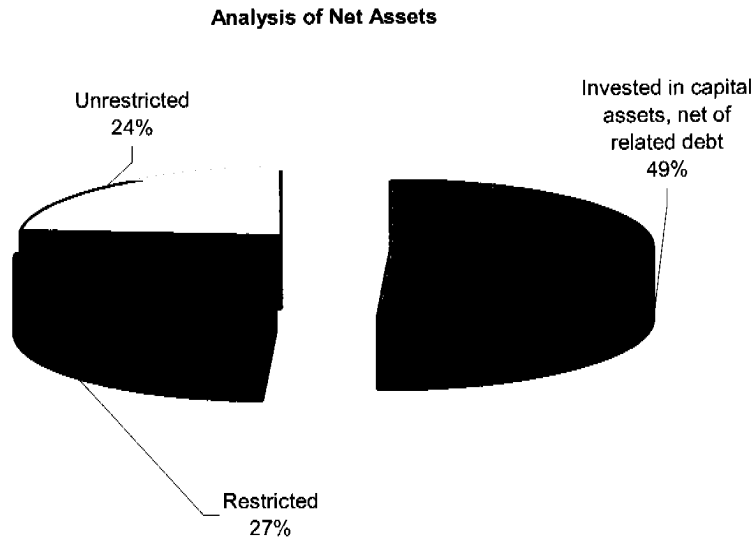
JUNE 30, 2004 and 2003

	2004	2003	Increase/(Decrease)	
	in thousands	in thousands	in thousands	%
ASSETS				
Current Assets:				
Cash and cash equivalents	\$194,199	\$152,503	41,696	
Accounts receivable	12,498	10,352	2,146	
Inventories and other assets	4,214	3,596	618	
	210,912	166,451	44,461	26.71
Noncurrent Assets:				
Capital assets, net of depreciation	130,349	71,888	58,461	
	130,349	71,888	58,461	
	341,261	238,338	102,923	43.18
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	50,771	22,814	27,957	
Deferred revenue	8,788	7,440	1,348	
Amount held in trust on behalf of others	1,079	935	144	
Current portion of long-term liabilities	5,279	4,334	945	
	65,916	35,522	30,394	85.56
Noncurrent Liabilities				
Long-term liabilities - noncurrent portion	125,070	97,045	28,025	
	125,070	97,045	28,025	
	190,986	132,567	58,419	44.07
NET ASSETS				
Invested in capital assets, net of related debt	73,308	58,508	14,800	
Restricted	40,418	16,900	23,518	
Unrestricted	36,549	30,363	6,186	
	\$150,275	\$105,771	44,504	42.08

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2004 AND 2003

Analysis of Net Assets – June 30, 2004



Total net assets at June 30, 2004, increased \$44.5 million over the prior fiscal year. The increase was primarily due to the following:

- Cash and cash equivalents, investment increased due to proceeds from Construction bonds and C.O.P.
- The increase of net capital assets from Bond and C.O.P. construction in the District.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets shown below consists of operating and non-operating results of the District. Operating revenues represent all revenues from programmatic sources. Non-operating revenues include State apportionments, Local property tax revenues, investment earnings and gifts.

Operating revenues include activities characterized by exchange transactions, such as student fees, sales and services of Bookstore and Cafeteria operations, services provided and contracted to grants agencies, and interest from institutional student loans. Non-operating revenue, on the other hand, is characterized by non-exchange transactions, such as donations, gifts, State appropriations and regular investment income.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2004 AND 2003

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2004 and 2003

	2004 in thousands	2003 in thousands	Increase/Decrease in thousands		%
OPERATING REVENUES					
Tuition and Fees	\$9,165	\$7,749	\$1,416		
Grants and Contracts, noncapital	25,305	24,396	909		
Auxiliary Enterprise Sales and Charges	7,484	8,044	(560)		
TOTAL OPERATING REVENUES	41,954	40,189	1,765		4.39
OPERATING EXPENSES	107,931	122,945	(15,014)		(12.21)
OPERATING LOSS	(65,977)	(82,757)	16,780		20.28
NON-OPERATING REVENUES (EXPENSES)					
State apportionments, noncapital	5,111	5,402	(291)		
Local property taxes and other non-operating revenue	77,891	85,608	(7,717)		
Investment income/(expense), net	(2,944)	(1,671)	(1,273)		
TOTAL NON-OPERATING REVENUES (EXPENSES)	80,057	89,338	(9,281)		(10.39)
INCOME BEFORE OTHER REVENUES AND EXPENSES	14,080	6,582	7,498		113.92
OTHER REVENUES AND EXPENSES	30,424	9,393	21,031		223.91
NET INCREASE IN NET ASSETS	44,505	15,975	28,530		178.59
NET ASSETS, BEGINNING OF YEAR	105,771	89,796	15,975		17.79
NET ASSETS, END OF YEAR	\$150,275	\$105,771	\$44,504		42.08

Explanatory information for the statement is as follows:

- *Tuition and Fees* are net of enrollment, health, non-resident tuition, other student fees and less scholarship discount and allowance as defined by GASB statement No. 35.
- *Federal, and state grants and contract services* are "exchange" transactions for which the District files applications, complies with individual spending restrictions, files expenditure reports, and/or signs contracts.
- *Auxiliary Enterprise Sales and Charges* consist of bookstore and cafeteria sales less discount allowances.
- *State apportionments, non-capital* includes state apportionment, apprenticeship, Partnership for Excellence and child care development apportionment.
- *Local property taxes and other non-operating revenues* consist primarily of secured and unsecured taxes which are payable to the District in December and March of each year. The County of San Mateo collects the taxes on behalf of the District. Other non-operating revenues are State Lottery revenue and miscellaneous local income.
- *Net investment income* includes interest from the San Mateo County Investment Pool managed by the County Treasurer, certificates of deposit, bond proceeds, and Local Agency Investment Fund (LAIF), less interest expense on capital related debt.

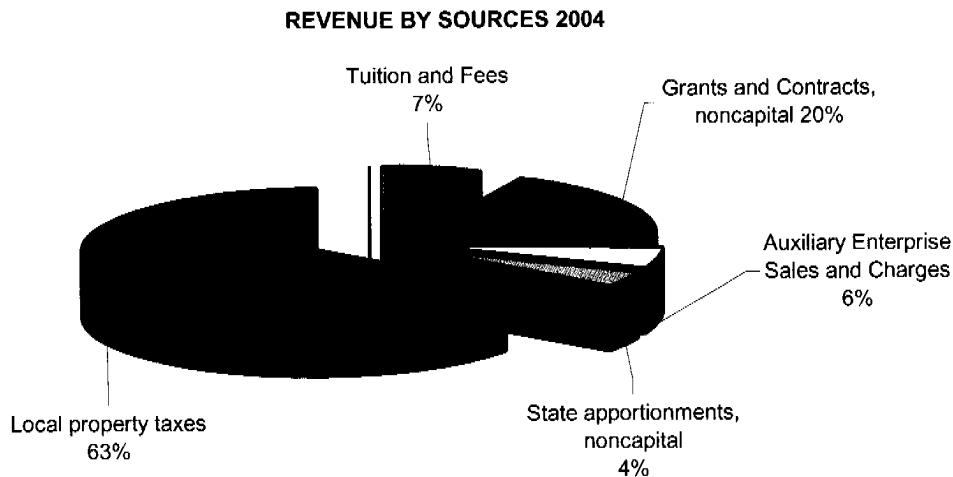
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004 AND 2003

- State and Local Revenues, capital includes State scheduled maintenances funding and issuance of the General Bond. These revenues relate mainly to construction activities.

Below is an illustration of District revenues by source:



Revenues and expenses changed mainly due to the following:

- Operating Revenues increased as a result of a tuition increased from \$11 to \$18 per unit.
- Non-Operating Revenues decreased mainly due to the State budget reduction in categorical programs, mandated costs allowances, scheduled maintenance and Partnership for Excellence.
- Operating Expenses increased primarily due to health care premiums, depreciation for capital assets and other operating expenses and services.

Operating Expenses

The District's operating expenses are shown below (with explanatory remarks) by account and by activity. Following are explanatory comments for the Statement of Operating Expenses by Account:

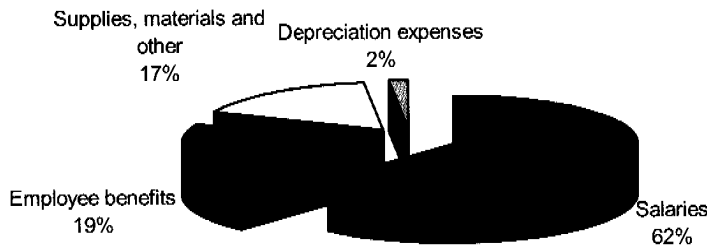
- Salaries and benefits expenses, which represent the largest percentage of the District's operating expense, increased due to salary and health care benefits improvement in addition to price increases.
- Supplies, materials, other operating expenses, services and utilities are the normal cost of operating expenses for "exchange" transactions.
- Depreciation of capital assets is computed and recorded by the straight-line method. The District maintains a capitalization threshold of \$5,000 for equipment and \$100,000 for building improvements. Useful lives of the assets are estimated as follows:
 - 5 to 10 years for equipment
 - 25 to 50 years for improvements
 - 25 to 50 years for buildings

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2004 AND 2003

	2004	2003	Increase/(Decrease)	
	in thousands	in thousands	in thousands	%
Statement of Operating Expenses by Account				
Salaries	\$66,742	\$71,906	\$(5,164)	
Employee benefits	20,980	19,779	1,201	
Supplies, materials, and other operating expenses and supplies	18,307	29,108	(10,801)	
Depreciation	1,901	2,151	(250)	
TOTAL OPERATING EXPENSES	\$107,930	\$122,945	\$(15,015)	12.21

Expenses By Activities 2004



Cash Flows

The Statement of Cash Flows shown below provides information about cash receipts and cash payments during the fiscal year. The statement also assists readers in understanding the District's ability to generate net cash flows, and its ability to meet obligations as they come due, or the District's need for assistance via external financing. The District has adopted the direct method, and under this method, data for cash flow present operating activities by major categories of gross receipts and gross payments as well as the resulting net amount. Additional explanatory information for the statement is as follows:

- Main cash receipts from operating activities consist of tuition, student fees, auxiliary enterprise sales, Federal, State grants and contracts. Cash outlays include payment of salaries, benefits, supplies and operating expenses.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004 AND 2003

- State apportionments and property taxes are the primary source of non-capital financing.
- For capital financing activities, the main sources are from special State Apportionments and General Obligation Bond proceeds.
- Cash from investing activities consists of Interest from County Investment Pool, Certifications of Deposits, Bond and Local Agency Investment Fund (LAIF). For 2002-03, the County Pool Investment performance has been considerably better than that of LAIF. Average yields for the County Pool and LAIF were 3.4% and 1.45%, respectively.

STATEMENTS OF CASH FLOWS - DIRECT METHOD FOR THE YEAR ENDED JUNE 30, 2004 and 2003

	2004 in thousands	2003 in thousands	Increase/(Decrease) in thousands		%
CASH FLOWS PROVIDED BY (USED IN):					
Operating Activities	\$(54,828)	\$(74,534)	\$19,706		
Noncapital financing activities	98,271	90,562	(7,709)		
Capital financing activities	(3,416)	(10,886)	(1,707)		
Investing activities	1,669	2,157	3,181		
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,696	7,299	34,397		471.23
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	152,503	145,203	7,299		5.03
CASH AND CASH EQUIVALENTS, END OF YEAR	\$194,199	\$152,503	\$41,696		27.34

Economic Factors and the 2004-05 Budget

The 2004-05 State budget is an improvement over the 2003-04 budget. The State budget provides the District included a 2.41% COLA, modest funded Enrollment growth (3.65% statewide) and equalization funds for the District. The State budget also includes \$31.4 million in cuts to Partnership for Excellence funds, resulting in a \$576,000 drop in funding for the District. The State budget includes capital outlay projects funded through Proposition 55, of which approximately \$40 million is for District projects. Student enrollment fees for 2004-05 are increased 44% (from \$18 to \$26 per unit). This is on top of a 64% increase in 2003-04 (from \$11 to \$18 per unit). However, this fee increase does not bring in additional funds to the District. Instead, the revenue from the increase in fees offset revenue from property taxes that would have received.

Because the District reduced its base budget in 2003-04, the 2004-05 budget is in balance. However, the 3-year compensation agreements ended on June 30, 2004, and compensation settlements have yet to be negotiated for 2004-05.

The economic outlook of the state as well as for the District is improving but remains tenuous. Statewide revenues are exceeding those anticipated. Nevertheless, the state expects that it will face a \$5 billion deficit for fiscal year 2005-06. This may have an effect on public education funding in general and upon community colleges specifically. Currently, the California Community College Board of Governors has submitted a budget change proposal amounting to \$500 million and representing a 10% increase in community college funding. The

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004 AND 2003

proposal as submitted is within the limits of Proposition 95 guaranteed funding, but does not represent accommodations for the state's budget deficit.

The biggest challenges facing the community colleges in California and for San Mateo County Community College District is the continued constraint on funding per student which falls short of the funding provided for all other sectors of public education in California.

Bond & C.O.P. Construction 2004-05 and Beyond

Staff and Faculty Housing available in 2005



In addition to Bond construction, the District is utilizing C.O.P. funds to implement a Staff & Faculty Housing Project, also delivered via the Design Build Delivery Method. The project will furnish below-market rate rental housing to District Faculty and Staff. The Design Build Contract has been awarded and construction is under way.

The District is planning several other important construction projects during the 2004-2005 fiscal year. The projects are to be funded by various income sources mentioned earlier in this analysis including Bond, and State and Local funding. At the CSM campus, the projects include construction of a Regional Public Safety Center and upgrades to the campus water supply. At the Skyline campus, plans call for seismic retrofit and modernization of buildings 3 and 8 and at the Canada campus a Library Learning Resources Center is scheduled. These projects are slated to be completed by December 2007.

Contacting the District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to show the District's accountability for funding received. Questions or concerns about this report or requests for additional financial information should be addressed to James W. Keller, Executive Vice Chancellor, by phone at 650-574-6500 or by e-mail at kellerj@smccd.net.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET ASSETS
JUNE 30, 2004 AND 2003**

	June 30, 2004	June 30, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,154,051	\$ 2,116,336
Investments	192,045,062	150,386,420
Accounts receivable	12,119,799	10,314,459
Student loans receivable	378,896	37,187
Prepaid expenses	2,502,684	1,814,930
Stores inventories	1,697,771	1,331,558
Other current assets	13,842	449,812
Total Current Assets	210,912,105	166,450,702
Noncurrent Assets:		
Capital assets, net of depreciation	130,349,119	71,887,545
TOTAL ASSETS	341,261,224	238,338,247
LIABILITIES		
Current Liabilities:		
Accounts payable	47,629,558	21,616,392
Accrued interest payable	3,141,005	1,197,226
Deferred revenue	8,787,895	7,440,129
Amounts held in trust on behalf of others	1,078,645	934,704
Compensated absences payable - current portion	1,785,426	1,689,153
Notes payable - current portion	-	261,517
Current portion of general obligation bonds	3,455,000	2,335,000
Current portion of other long-term liabilities	38,588	47,984
Total Current Liabilities	65,916,117	35,522,105
Noncurrent Liabilities:		
Compensated absences payable - noncurrent portion	595,430	697,183
Noncurrent portion of general obligation bonds	123,728,613	95,244,417
Noncurrent portion of other long-term liabilities	745,575	1,103,638
Total Noncurrent Liabilities	125,069,618	97,045,238
TOTAL LIABILITIES	190,985,735	132,567,343
NET ASSETS		
Invested in capital assets, net of related debt	73,308,502	58,508,335
Restricted for:		
Debt service	8,895,200	4,497,007
Capital projects	30,829,306	11,488,184
Educational programs	599,467	758,914
Other activities	93,854	155,849
Unrestricted	36,549,160	30,362,615
Total Net Assets	\$ 150,275,489	\$ 105,770,904

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	June 30, 2004	June 30, 2003
OPERATING REVENUES		
Tuition and Fees	\$ 11,482,853	\$ 8,954,303
Less: Scholarship discount and allowance	(2,317,539)	(1,204,845)
Net tuition and fees	9,165,314	7,749,458
Grants and Contracts, noncapital:		
Federal	8,807,264	8,202,874
State	14,261,574	16,192,773
Local	2,235,845	-
Auxiliary Enterprise Sales and Charges		
Bookstore	7,314,666	7,864,528
Cafeteria	169,108	179,168
TOTAL OPERATING REVENUES	41,953,771	40,188,801
OPERATING EXPENSES		
Salaries	66,742,488	71,906,374
Employee benefits	20,980,061	19,779,130
Supplies, materials, and other operating expenses and services	18,306,920	29,108,341
Depreciation	1,901,321	2,151,480
TOTAL OPERATING EXPENSES	107,930,790	122,945,325
OPERATING LOSS	(65,977,019)	(82,756,524)
NON-OPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	5,110,499	5,401,692
Local property taxes	76,962,511	78,356,639
State taxes and other revenues	1,308	-
Investment income, net	2,605,483	2,157,386
Interest expense on capital related debt	(5,852,431)	(3,866,352)
Interest income on capital asset-related debt, net	301,494	37,785
Other non-operating revenue	928,342	7,251,120
TOTAL NON-OPERATING REVENUES (EXPENSES)	80,057,206	89,338,270
INCOME BEFORE OTHER REVENUES AND EXPENSES	14,080,187	6,581,746
OTHER REVENUES AND EXPENSES		
State revenues, capital	1,824,517	3,048,945
Local revenues, capital	28,599,881	6,343,930
TOTAL OTHER REVENUES AND EXPENSES	30,424,398	9,392,875
NET INCREASE IN NET ASSETS	44,504,585	15,974,621
NET ASSETS, BEGINNING OF YEAR	105,770,904	89,796,283
NET ASSETS, END OF YEAR	\$ 150,275,489	\$ 105,770,904

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	June 30, 2004	June 30, 2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 9,082,426	\$ 7,712,271
Federal grants and contracts	8,931,025	8,202,874
State grants and contracts	14,030,553	13,860,610
Local grants and contracts	2,235,845	-
Payments to suppliers	(7,341,622)	(20,850,961)
Payments to/(on behalf of) employees	(89,249,534)	(91,502,939)
Auxiliary enterprise sales and charges		
Bookstore	7,314,666	7,864,528
Cafeteria	169,108	179,168
Net Cash Used by Operating Activities	(54,827,533)	(74,534,449)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	3,554,642	5,401,692
Property taxes	76,962,511	78,356,639
State taxes and other apportionments	3,328,292	-
Other non-operating	(1,919,156)	6,863,120
Proceeds from TRANS	20,300,000	-
Student organization and other agency transactions	(3,955,672)	(59,104)
Net Cash Provided by Noncapital Financing Activities	98,270,617	90,562,347
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from deposit on sale of capital assets	-	388,000
Proceeds from sale of certificated participation	29,874,740	-
Purchase of capital assets	(64,789,978)	(22,047,375)
State revenue, capital projects	1,824,517	3,048,945
Local revenue, capital projects	28,599,881	10,470,068
Principal paid on capital debt	(2,596,517)	(249,825)
Interest paid on capital debt	3,370,196	(2,533,427)
Interest income on capital asset-related debt, net	301,494	37,785
Net Cash Used by Capital Financing Activities	(3,415,667)	(10,885,829)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	1,668,940	2,157,386
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,696,357	7,299,455
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	152,502,756	145,203,301
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 194,199,113	\$ 152,502,756

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

**RECONCILIATION OF NET OPERATING REVENUES TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (65,977,019)	\$ (82,756,524)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	1,901,321	2,260,195
Changes in assets and liabilities		
Increase in accounts receivable	(1,805,340)	(1,567,501)
Increase in student loans	(341,709)	(37,187)
Increase in stores inventory	(366,213)	(117,813)
Decrease in prepaid expenditures	(687,754)	(321,333)
Decrease in other current assets	435,970	(339,670)
Increase in accounts payable	9,677,897	8,927,381
Increase amount held in trust	143,941	-
Decrease in notes payable	(261,517)	-
Increase in current portion of compensated absences	96,273	222,138
Increase in current portion of other long term debt	1,110,604	-
Increase in deferred revenue	1,347,766	(764,562)
Decrease in long term portion of compensated absences	(101,753)	(39,573)
NET CASH USED BY OPERATING ACTIVITIES	\$ (54,827,533)	\$ (74,534,449)

CASH AND CASH EQUIVALENTS

Cash	\$ 2,154,051	\$ 2,116,336
Investments	192,045,062	150,386,420
Total cash and cash equivalents	\$ 194,199,113	\$ 152,502,756

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The San Mateo County Community College District (The District) is a political subdivision of the State of California and provides educational services to the local residents of San Mateo County. The District consists of three community colleges located in the County of San Mateo, California. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14. The District operates under a locally elected six-member Board of Trustees form of government and provides higher education in the County of San Mateo. The District currently operates three college campuses located in the cities of San Mateo, San Bruno, and Redwood City, California.

B. Financial Reporting Entity

During the year ended June 30, 2004, the District implemented 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 reported as component units based on the nature and significance of their relationship with the District. The adoption of this statement had no impact on the District.

As defined by generally accepted accounting principals established by the GASB, the financial reporting entity consist of the primary government (the District), as well as the following component units.

San Mateo County Community College District Financing Corporation

The San Mateo County Community College District Financing Corporation (the Corporation) is a legally separate organization component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. Within the supplementary information section of the report, the activity is included as the COP Payment Fund and COP Construction Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the governmental-wide financial statements. Individually-prepared financial statements are not prepared for the Corporation.

C. 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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

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.

Non-exchange 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. 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 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:
 1. Statements of Net Assets
 2. Statements of Revenues, Expenses and Changes in Net Assets
 3. Statements of Cash Flows
- Notes to the Financial Statements

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 quoted market prices at year-end. Investments for which there are no quoted market prices are not material.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

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. The allowance is based upon management's estimates and analysis. The allowance was estimated at \$605,068 and \$0 for the years ended June 30, 2004 and 2003, respectively.

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 lower of cost or market, utilizing the first in, first out method. The cost is recorded as an expense as the inventory is consumed.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, building, and equipment. The District maintains a capitalization threshold of \$5,000 for equipment and \$100,000 for land, buildings and improvements. The auxiliary funds (Cafeterias, Bookstores and Associated Student Body) maintain and capitalization threshold of \$500. 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. Interest incurred during the construction of capital assets is also capitalized. Major outlays for capital improvements are capitalized as Work in Process as the projects are constructed.

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 government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year end that have not yet been paid with expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. 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.

The District also participates in "load banking" with eligible academic employees whereby the employees may teach extra courses in one period in exchange for time off in another period. The full liability for this benefit is accrued in the appropriate fund.

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 reports equity as "Net Assets" rather than "Fund Balance." 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.
- **Unrestricted net assets:** Net assets that are not subject to externally imposed constraints. Unrestricted net assets may be designed 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 educational and general operations of the District.

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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

Operating Revenues and Expenses

Classification of Revenues – The District has classified its revenues as either operating or non-operating 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.

Non-operation revenues – Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources 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 non-operating 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.

Non-operating expenses - Non-operating expenses include interest expense and other expenses not directly related to the services of the District.

D. 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.

E. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. 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 San Mateo bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

F. 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 years ended June 30, 2004 and 2003, the District distributed \$267,246 and \$37,187 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.

G. Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Policies and Practices

The District is considered to be an involuntary participant in an external investment pool since the District is required to deposit all receipts and collections of monies with their county treasurer. In addition, the District is authorized to maintain deposits with certain financial institutions that are federally insured up to \$100,000. *California Government Code* Sections 16520-16522 require California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits.

Under provision of the District's investment policy, and in accordance with Sections 53601 and 53602 of the *California Government Code*, the District may also 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.

B. Deposits

At June 30, 2004 and 2003, the carrying amount of the District's deposits were \$2,154,051 and \$2,116,336, respectively. The bank balances totaled \$2,553,408 and \$2,268,719 respectively. Of this amount, \$100,000 and \$230,000 was federally insured by the Federal Deposit Insurance Corporation. The balances of \$2,453,408 and \$2,038,719 is collateralized with securities held by the individual financial institutions.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

C. Investments

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent but not in the District's name. Deposits with the County Treasury and investments in the State Treasurer's Investment Pool are not categorized because they do not represent securities, which exist in physical or book entry form. The Local Agency Investment Fund (LAIF) is an external investment pool sponsored by the State of California authorized under Section 16429.1, 2, and 3 of the California Government Code. The fund is a voluntary program created by statute as an investment alternative for California local governments and special districts and is administered by California State Treasurer. The deposits with county treasury and the State pool's investments are valued using the amortized cost method (which approximates fair value). The fair values were provided by the county and State treasurers for their respective pools.

The investments at June 30, 2004 and 2003, is as follows:

	2004		2003	
	Reported Amount	Fair Value	Reported Amount	Fair Value
Categorized				
Mortgage Backed Securities - Category 1	\$ 3,086,934	\$ 3,086,934	\$ -	\$ -
Uncategorized				
Certificate of deposit	5,000	5,000	5,000	5,000
Deposits with county treasurer	188,489,785	188,489,785	149,922,611	152,283,907
Investment in State treasurer's pool	463,343	462,594	458,809	458,809
Total	\$ 192,045,062	\$ 192,044,313	\$ 150,386,420	\$ 152,747,716

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

NOTE 3 – ACCOUNTS RECEIVABLES

Receivables at June 30, 2004 and 2003 consisted of intergovernmental grants, entitlements, interest, and other local sources. The District computes the allowance for doubtful accounts based on the age of the receivables.

	June 30, 2004	June 30, 2003
Federal Government		
Categorical aid	\$ 968,632	\$ 1,144,446
State Government		
Apportionment	-	11,136
Categorical aid	1,066,193	626,421
Lottery	1,306,862	538,716
Other state sources	914,334	4,823,052
Local Government		
Interest	1,110,508	173,965
Student receivables	4,675,888	3,033,910
Other local sources	3,061,346	-
Total	13,103,763	10,351,646
Less: Allowance for doubtful accounts	(605,068)	-
Total Accounts Receivable, net	\$ 12,498,695	\$ 10,351,646

Receivables at June 30, 2004 include \$350,000 for loans made to seven District employees to purchase houses. All full time employees who purchase a home and contribute at least 15% of the purchase price are eligible to receive loans of up to \$50,000 per employee. Repayment terms and interest rates are no payments due in years 1 through 5, payments of principal and interest in years 6-29, with final payment of any remaining balance in year 30. Selling the property, withdrawing cash from the equity, or leaving the District's employment accelerates the due date of the loan. Interest is charged at 4% per year.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

NOTE 4 - CAPITAL ASSETS

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

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 4,187,944	\$16,440,348	\$ -	\$ 20,628,292
Construction in progress	20,827,815	43,367,711	8,850,316	55,345,210
Total Capital Assets Not Being Depreciated	25,015,759	59,808,059	8,850,316	75,973,502
Capital Assets Being Depreciated				
Land improvements	8,256,136	1,578,110	-	9,834,246
Buildings and improvements	72,788,294	7,650,777	-	80,439,071
Furniture, equipment and vehicles	12,379,080	2,309,178	2,123,353	12,564,905
Total Capital Assets Being Depreciated	93,423,510	11,538,065	2,123,353	102,838,222
Total Capital Assets	118,439,269	71,346,124	10,973,669	178,811,724
Less Accumulated Depreciation				
Land improvements	7,094,110	73,235	-	7,167,345
Buildings and improvements	33,321,666	1,531,145	-	34,852,811
Furniture, equipment and vehicles	6,135,948	309,884	3,383	6,442,449
Total Accumulated Depreciation	46,551,724	1,914,264	3,383	48,462,605
Net Capital Assests	\$71,887,545	\$69,431,860	\$10,970,286	\$130,349,119

Depreciation expense for the year ended June 30, 2004 for governmental and enterprise funds was \$1,839,091 and \$75,173, respectively.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 4,187,944	\$ -	\$ -	\$ 4,187,944
Construction in progress	9,517,647	19,041,718	7,731,550	20,827,815
Total Capital Assets Not Being Depreciated	13,705,591	19,041,718	7,731,550	25,015,759
Capital Assets Being Depreciated				
Land improvements	8,149,126	107,010	-	8,256,136
Buildings and improvements	65,163,754	7,624,540	-	72,788,294
Furniture, equipment and vehicles	9,373,423	3,005,657	-	12,379,080
Total Capital Assets Being Depreciated	82,686,303	10,737,207	-	93,423,510
Total Capital Assets	96,391,894	29,778,925	7,731,550	118,439,269
Less Accumulated Depreciation				
Land improvements	7,037,525	56,585	-	7,094,110
Buildings and improvements	31,913,986	1,407,680	-	33,321,666
Furniture, equipment and vehicles	5,340,018	795,930	-	6,135,948
Total Accumulated Depreciation	44,291,529	2,260,195	-	46,551,724
Net Capital Assets	\$52,100,365	\$27,518,730	\$7,731,550	\$ 71,887,545

Depreciation expense for the year ended June 30, 2003 for governmental and enterprise funds was \$2,151,480 and \$108,715, respectively.

NOTE 5 - INTERFUND TRANSACTIONS

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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2004 and 2003, consisted of the following:

	June 30, 2004	June 30, 2003
Accrued payroll and benefits	\$ 3,422,238	\$ 4,949,223
Apportionment	7,196,359	8,763,352
Taxable Tax and Revenue Anticipation Notes	20,300,000	-
Construction	6,244,699	-
Other	10,466,262	7,903,817
Total	\$ 47,629,558	\$ 21,616,392

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2004 and 2003, consisted of the following:

	June 30, 2004	June 30, 2003
Federal financial assistance	\$ 53,254	\$ 1,201
State categorical aid	2,267,463	2,476,214
Enrollment fees - tuition, registration, materials	2,411,848	2,328,960
Other local	4,055,330	2,633,754
Total	\$ 8,787,895	\$ 7,440,129

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

NOTE 8 - LONG-TERM DEBT

A. Long-Term Debt Summary

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

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	\$97,579,417	\$ 1,054,196	\$ 2,335,000	\$ 96,298,613	\$ 3,455,000
Certificates of participation	-	30,885,000	-	30,885,000	-
Notes payable	261,517	-	261,517	-	-
Total Bonds and Notes Payable	97,840,934	31,939,196	2,596,517	127,183,613	3,455,000
Other Liabilities					
Compensated absences	697,183	-	101,753	595,430	-
Total Other Liabilities	697,183	-	101,753	595,430	-
Total Long-Term Debt	98,538,117	31,939,196	2,698,270	127,779,043	3,455,000
Premiums, net of amortization	1,151,622	(328,871)	38,588	784,163	38,588
Total	\$99,689,739	\$ 31,610,325	\$ 2,736,858	\$128,563,206	\$ 3,493,588

B. Description of Debt

General obligation bonds were approved by a local election in 2001. The total amount approved by the voters was \$207,000,000. At June 30, 2004, \$96,875,613 had been issued and \$96,298,613 was outstanding. Interest rates on the bonds are from 5.20% – 5.74%.

The certificates of participation were issued in 2004 in the amount of \$30,885,000 to finance and construct athletic facility improvements, faculty and staff housing units, college bookstores and other facilities for the District. The certificates mature through 2038 with interest rates not to exceed 5.25 percent.

The notes payable were issued in 2001 in the amount of \$750,000 for site preparation and the purchase of three modular buildings. The balance was paid off in May 2004.

C. Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2003	Interest Accretions	Bonds Redeemed	Bonds Outstanding June 30, 2004
6/4/2002	9/1/2026	5.2-5.74%	\$96,875,613	\$97,579,417	\$ 1,054,196	\$2,335,000	\$ 96,298,613

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

Debt Maturity

Fiscal Year	Principal	Interest to Maturity	Total
2005	\$ 3,455,000	\$ 3,556,653	\$ 7,011,653
2006	3,905,000	3,469,802	7,374,802
2007	1,395,000	3,359,402	4,754,402
2008	1,560,000	3,279,902	4,839,902
2009	1,855,000	3,235,577	5,090,577
2010-2014	14,795,000	14,387,242	29,182,242
2015-2019	22,980,810	17,575,748	40,556,558
2020-2024	25,655,674	15,565,825	41,221,499
2025-2027	19,642,933	4,702,987	24,345,920
Total	95,244,417	\$ 69,133,138	\$ 164,377,555
Accretions to date	1,054,196		
	\$ 96,298,613		

D. Certificates of Participation

Year Ending June 30,	Principal	Interest	Total
2005	\$ -	\$ 515,790	\$ 515,790
2006	-	1,497,456	1,497,456
2007	385,000	1,497,456	1,882,456
2008	465,000	1,485,906	1,950,906
2009	525,000	1,471,956	1,996,956
2010-2014	1,930,000	7,120,230	9,050,230
2015-2019	3,335,000	6,651,901	9,986,901
2020-2024	5,920,000	5,585,902	11,505,902
2025-2029	9,625,000	3,754,940	13,379,940
2030-2034	3,940,000	1,855,183	5,795,183
2035-2039	4,760,000	843,575	5,603,575
Total	\$ 30,885,000	\$ 32,280,295	\$ 63,165,295

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

NOTE 9 - 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 Public Employees' Retirement System (PERS) is a minimum age of 55 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 State Teachers' Retirement System (STRS) is a minimum age of 60 with five years of service, or age 50 with 30 years of service. In addition, the District also has minimum continuous service requirements for retirement that range from three years to ten years and varies by employee class. The District recognizes expenditures for these post employment health benefits on a pay-as-you-go-basis. During the 2003-2004 fiscal year, the District provided insurance premium benefits to 645 retired employees with total expenditures of \$4,492,910.

The District had an actuarial study of the postemployment health benefits completed in December 2001. The accumulated future liability as of July 2001 amounts to \$86,174,000 as determined by the actuarial study.

NOTE 10 - RISK MANAGEMENT

A. 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, 2004, the District contracted with the Bay Area Community Colleges Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. Workers' Compensation

For fiscal year 2004, the District participated in the Protected Insurance Program for Schools Joint Powers Authority (PIPS), an insurance purchasing pool. The intent of the PIPS is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the PIPS. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the PIPS. 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 savings percentage of 23% percent. 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 the PIPS. Participation in the PIPS is limited to districts that can meet the PIPS selection criteria. The firm of Keenan and Associates provides administrative, cost control, and actuarial services to the group.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

Coverage provided by BACCD JPA and PIPS for property and liability and workers' compensation is as follows:

Insurance Program / Company Name	Type of Coverage	Limits
Protected Insurance Program for Schools JPA (PIPS)	Workers' Compensation	\$ 1,000,000
Protected Insurance Program for Schools JPA (PIPS)	Excess Workers' Compensation	\$ 5,000,000
Bay Area CCD JPA	Property and Liability	\$ 4,000,000

Employee Medical Benefits

The District has contracted with the Cal PERS to provide employee medical and surgical benefits. Cal PERS is a shared risk pool comprised of nearly 2,500 employers and covers five regions (Bay Area, Other Northern California, Southern California, Other Southern California, and Out of State). 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 11 - 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 (STRP), 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 95851.

The STRP, a defined benefit pension plan, provides retirement, disability, and death benefits, and depending on which component of the STRP 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 (services) 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, services 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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

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 STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2003-2004 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 part-time instructors. Instructors who choose not to sign up for the DB Plan or social security may participate in the CB Benefit Program. The District's 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 contribution to STRP for the fiscal years ended June 30, 2004, 2003, and 2002, were \$3,189,148, \$3,019,236, and \$2,745,647, 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 the STRS on behalf of all community colleges on the State. The revenue and expenditures associated with these payments, if any, have not been included in these financial statements

B. 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 San Mateo County 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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary 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 required employer contribution rate for the fiscal year 2003-2004 was 10.42 percent of annual payroll. The contribution requirements of the plan members are established by State statute.

Annual Pension Cost

The District's contributions to CalPERS for the fiscal years ended June 30, 2004 and 2003 were \$2,489,436 and \$706,898 and equaled 100 percent of the required contributions for the year. The District was not required to make contributions during the fiscal year ended June 30, 2002. 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 \$1,082,378 (2.28 percent of salaries subject to STRS). A contribution to CalPERS was not required for the year ended June 30, 2004. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the California Community College's Annual Financial and Budget Report (CCFS-311). These amounts have been recorded in these financial statements.

Deferred Compensation

The District offers its employees a CalPERS administered 457 Deferred Compensation Program (the Program). The Program, available to all permanent employees, permits them to defer a portion of pre-tax salary into investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust. During fiscal year 2002-2003, Program membership grew to 31 from 30.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

The District also contributes to the San Mateo County Community College District 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

A. 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, 2004.

The California State Controller's Office is auditing the District's mandated costs claims. The District has recorded \$475,000 in accounts payable as an estimate of the amount that may be due upon completion of the audit. In addition, an Internal Revenue Service audit of the use of tax and revenue anticipate note proceeds completed subsequent to the year end resulted in no change.

College of San Mateo has withdrawn from the Perkins loan program and assigned all remaining accepted loans back to the federal agency. The final payment to close out the program was made during the year ended June 30, 2004.

B. 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, 2004.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003**

C. Construction Commitments

As of June 30, 2004, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
District Funded Facility Improvement Projects	\$ 349,263	within 5 years
State Funded Scheduled Maintenance Projects	20,000	within 3 years
Districtwide Fire Alarm Replacement	1,722,942	within 2 years
General Obligation Bond Construction Projects	22,721,292	within 5 years
	\$ 24,813,497	

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

The District is a member of the Bay Area Community College (BACC) Joint Powers Authority JPA. The District pays annual premiums for its property and liability insurance coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

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

Current year condensed audited financial information is as follows:

	June 30, 2003*
Assets	\$ 5,398,221
Liabilities	2,177,941
Fund Equity	\$ 3,220,280
Revenues	4,049,478
Expenses	3,012,722
Net Increase in Fund Equity	\$ 1,036,756
Payments for the Current Year	\$ 502,496

* Most current information available.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004 AND 2003

NOTE 14 - TAX AND REVENUE ANTICIPATION NOTES

On October 2, 2003, the District issued \$20,000,000 Taxable Tax and Revenue Anticipation Notes bearing interest at 2.00 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on October 02, 2004. By June 30, 2004, the District had placed 100 percent of principal and interest in county treasury for the sole purpose of satisfying the notes. The District was not required to make any additional payments on the notes. The District has recorded 100 percent principal and interest as a current liability in the financial statements.

On July 1, 2003, the District issued \$10,300,000 Tax and Revenue Anticipation Notes bearing interest at 2.00 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on January and April 2004. By May 1, 2004, the District had placed 100 percent of principal and interest in an irrevocable trust for the sole purpose of satisfying the notes. The District was not required to make any additional payments on the notes. As the District has in substance defeased the debt, the tax anticipation notes and related accrued interest and cash held in trust are not included in these financial statements.

NOTE 15 - SUBSEQUENT EVENTS

The District issued \$12,000,000 of Tax And Revenue Anticipation Notes dated July 6, 2004. The notes mature on July 6, 2005, and have a 3.0 percent interest rate. The notes were sold to supplement cash flow. Repayment requirements are that 40% of the principal and interest be deposited with the Fiscal Agent in February 2005, 10% in March, 10% in April and the remaining 40% to be deposited in May 2005.

Land Purchase and Sale

In February 2001, the District approved a sales agreement with SummerHill Homes to sell 22 acres of vacant land at Skyline College for \$28 million dollars. At the same time, the District entered into a purchase agreement with the Laguna Salada Union School District (now the Pacifica School District) to purchase the Pacific Heights Middle School, which is on an approximate 14.75 acre parcel adjacent to Skyline College. The purchase price was \$16,440,338.

Because of the need to seek entitlements for the housing development it was planning, SummerHill made down payments on the property throughout 2001 and 2002 totaling \$1.5 million, which were shared with the Pacifica School District. In addition, SummerHill paid the District a total of \$11,516,521 in July 2003 and \$9,106,086 in April 2004, which was proportionally split with the Pacifica School District. The remainder of the funds owed will be paid in September 2004.

Because of its need for cash for construction purposes, Laguna Salada asked the District to pay \$8 million of the funds owed to them in June 2002 (through an escrow closing in July 2002). Because the District had not yet received the sales proceeds from the 22 acres, the College District used bond funds to make this \$8 million payment.

SUPPLEMENTARY INFORMATION

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION

JUNE 30, 2004

The San Mateo County Community College District was established in 1922 and includes three college campuses located in San Mateo County. There were no changes in the boundaries of the District during the current year.

BOARD OF TRUSTEES

MEMBER	OFFICE	<u>TERM EXPIRES</u>
Karen Schwarz	President	2007
Patricia Miljanich	Vice President/Clerk	2007
Richard Holober	Member	2005
Helen Hausman	Member	2005
Dave Mandelkern	Member	2007
Patrick Burns	Student Trustee	2005

ADMINISTRATION

Ron Galatolo	Chancellor - Superintendent
James W. Keller	Executive Vice Chancellor
Patricia Griffin	Interim President – College of San Mateo
Rosa Perez	President – Canada College
Dr. Shirley Kelly	Interim President – Skyline College

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Student Financial Assistance			
Federal Work Study Program ^[1]	84.033	none	\$ 438,979
Pell Grant ^[1]	84.063	none	5,381,460
Supplemental Educational Opportunity Grant (SEOG) ^[1]	84.007	none	506,387
Postsecondary Education			
Business and International Education	84.153A	none	79,000
TRIO: Student Support Services ^[1]	84.042A	none	496,314
TRIO: Upward Bound	84.047A	none	60,797
Higher Education - Institutional Aid			
Title III - Strengthening Institutions	84.031A	none	48,708
Title V Hispanic Serving Institutions	84.031S	none	241,107
Passed through California Department of Education:			
Vocational Education			
VATEA I-B State Leadership - Bay Region Consortium	84.048A	02-0342	316,000
VATEA I-C Basic Grants to States	84.048A	02-C01	337,458
VATEA II - Tech Prep Education	84.243	02-0139	250,500
Special Education and Rehabilitation Services			
Passed through California Department of Rehabilitation:			
Vocational Rehabilitation -Workability III ^[1]	84.126A	23405	307,776
Passed through WETA Learning and Interactive Media:			
Special Education - Technology and Media Services	84.327Q	H327Q030001	7,500
Total U.S. Department of Education			8,471,986
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Education:			
Administration for Children and Families			
Temporary Assistance to Needy Families (TANF)	93.558	unknown	40,910
Child Care and Development Block Grant	93.575	5036	25,225
Foster Care Title IV-E - Training for Community Based Organization	93658	unknown	12,058
Total U.S. Department of Health and Human Services			78,193
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through City of Redwood City:			
Community Development Block Grant	14.218	unknown	112,979
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	5320	24,214
U.S. DEPARTMENT OF LABOR			
Passed through NOVA/California EDD:			
WIA Adult Program	17.258	0110-H-1B-04	57,305
Passed through County of San Mateo/California Employment Development Department:			
WIA Dislocated Workers	17.260	73200-03-D012	294,560
Total U.S. Department of Labor			351,865
Total Expenditures of Federal Awards			\$ 9,039,237

[1] Tested as a major program.

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

Program	Program Revenues			Total Revenue	Program Expenditures	
	Cash Received	Accounts Receivable	Deferred Revenue			
GENERAL FUND						
AB 77/DSPS/Handicap	\$ 1,432,926	\$ -	\$ -	\$1,432,926	\$ 1,432,926	
Extended Opportunity Programs	1,500,091	-	-	1,500,091	1,500,091	
Care/EOP	138,279	-	-	138,279	138,279	
Matriculation	965,980	-	77,430	888,550	888,550	
Foster Parent Training	32,358	28,723	-	61,081	61,081	
State Instructional Equipment Program	162,680	-	446	162,234	162,234	
AB 602 FA Administrative Allowance	697,294	-	152,033	545,261	545,260	
Block Grant	1,535,804	-	1,243,839	291,965	291,964	
T-Com and Technology	350,249	-	221,833	128,416	128,416	
Cal Works	181,758	(9,542)	-	172,216	172,216	
Middle College High School	83,398	176,570	-	259,968	259,968	
CITD Economic Development	169,930	25,714	-	195,644	195,644	
Applied Bio Technology	6,763	-	-	6,763	6,763	
California Articulation No System	22,800	-	-	22,800	22,800	
AB 1725 Staff Diversity	22,176	-	-	22,176	22,176	
Staff Development	31,078	-	26,782	4,296	4,295	
Statewide Leadership Multimedia	155,000	-	-	155,000	155,000	
MESA/CCCP FSS	142,517	21,310	-	163,827	163,826	
Economic Development Advanced		10,000	25	9,975	9,975	
Transfer and Articulation	7,360	-	-	7,360	7,360	
RCSD CBET Program	6,056	131,688	-	137,744	137,744	
RHORC - Santa Rosa JC	30,000	-	-	30,000	30,000	
Office of Emergency Services	2,430	-	-	2,430	2,430	
Lottery-Prop 20-Instructional Materials	339,896	357,876	396,580	301,192	301,192	
So Orange CCD	35,000	-	-	35,000	35,000	
SFSU Project	355,071	-	211,756	143,315	143,315	
San Bruno Elementary	9,350	35,781	-	45,131	45,131	
Emergency Services FM	21,006	-	-	21,006	21,006	
Nursing-Enrollment Growth	106,668	-	44,177	62,491	62,491	
TTIP Video Over IP Grant	100,000	-	18,083	81,917	81,917	
SUHSD CBET Program	-	32,658	-	32,658	32,658	
State Library	29,511	-	-	29,511	29,511	
Child Deveopment program	401,845	117,717	-	519,562	519,562	
Cal Grant	314,122	137,698	504	451,316	451,316	
Total State Programs	\$ 9,389,396	\$1,066,193	\$2,393,488	\$8,062,101	\$ 8,062,097	

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF WORKLOAD MEASURES FOR STATE APPORTIONMENT
ANNUALIZED ATTENDANCE AND ANNUAL APPRENTICESHIP HOURS
OF INSTRUCTION
FOR THE YEAR ENDED JUNE 30, 2004**

	Reported Data	Audit Adjustments	Audited Data
CATEGORIES			
A. Credit Full-Time Equivalent Student (FTES)			
1. Summer	2,049	-	2,049
2. Weekly census	14,994	-	14,994
3. Daily census	1,586	-	1,586
4. Actual hours of attendance	1,080	-	1,080
5. Independent study/work experience	557	-	557
Subtotal	20,266	-	20,266
B. Noncredit FTES			
1. Summer	-	-	-
2. Actual hours of attendance	47	-	47
Subtotal	47	-	47
Total FTES	20,313	-	20,313
C. In-Service Training Courses			
	122	-	122
D. Basic Skills Courses			
1. Credit	2,124	-	2,124
2. Non credit	-	-	-
Total Basic Skills FTES	2,124	-	2,124
E. FTES Generated in Leased Space			
	107	-	107
F. Gross Square Footage			
1. Existing facilities	1,239,163	-	1,239,163
2. New facilities	15,882	-	15,882
Total Gross Square Footage	1,255,045	-	1,255,045

Schedule of Annual Apprenticeship Hours of Instruction

	Reported Data	Audit Adjustments	Audited Data
July 1 - December 31, 2003	37,619	-	37,619
January 1 - April 15, 2004	648	-	648
April 16 - June 30, 2004	34,993	-	34,993
Total	73,260	-	73,260

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

	Associated Student Trust
FUND BALANCE/DUE TO STUDENT GROUPS	
Balance, June 30, 2004, (CCFS-311)	\$ 269,420
Increase/decrease in:	
Cash decrease	(32,289)
Investments decrease	(70,646)
Fixed assets decrease	(8,229)
Accounts payable (increase) decrease	(158,256)
Balance, June 30, 2004, Audited Financial Statement	\$ -

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION

JUNE 30, 2004

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 Program-Based Funding

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 Audited Financial Statements

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

INDEPENDENT AUDITORS' REPORTS



**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
San Mateo County Community College District
San Mateo, California

We have audited the basic financial statements of San Mateo County Community College District (the District) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 1, 2004. 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 San Mateo County 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Financial Statement Findings and Questioned Costs as Item 2004-1 through 2004-2.



Compliance and Other Matters

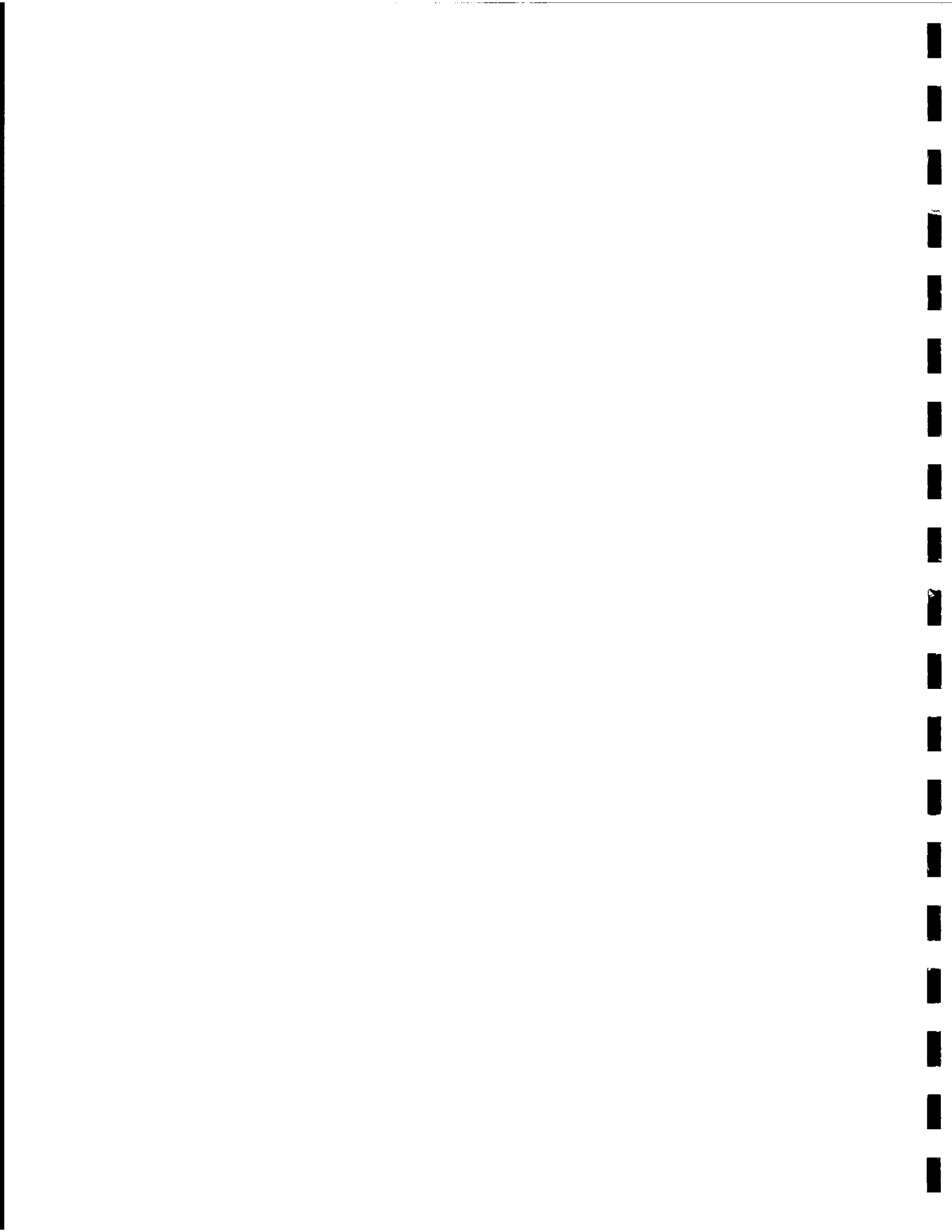
As part of obtaining reasonable assurance about whether San Mateo County Community College District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which 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 for the information of the Board of Trustees, District Management, the California State Chancellor's Office, and 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.

Vavinek, Tine, Day & Co LLP

Pleasanton, California

October 1, 2004





**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
San Mateo County Community College District
San Mateo, California

Compliance

We have audited the compliance of San Mateo County Community College 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, 2004. 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, San Mateo County 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, 2004.

Internal Control Over Compliance

The management of San Mateo County 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 San Mateo County 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, Management, the California State Chancellor's Office, and 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.

Yavinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
San Mateo County Community College District
San Mateo, California

We have audited the financial statements of the San Mateo County Community College District for the year ended June 30, 2004, and have issued our report thereon dated October 1, 2004.

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

Compliance Requirement

Each district shall have the ability to support timely, accurate, and complete information for the following workload measures used in the calculation of State General Apportionment:

- Credit Full-Time Equivalent Student (FTES) is weekly census, daily census, actual hour of attendance, and apprenticeship courses.
- Noncredit FTES in actual hours of attendance courses.
- Credit Student Headcount Data.
- Gross square footage and FTES growth in leased facilities.

Administrative

Fiscal Operations - Salaries of Classroom Instructors (50 Percent Law)

Compliance Requirement

Each district's salaries of classroom instructors shall equal or exceed 50 percent of the district's current expense of education in accordance with Section 84362 of the *California Education Code*.

Fiscal Operation - Gann Limit Calculation

Compliance Requirement

Each district shall calculate and adopt an appropriation limit annually in a public meeting. The calculation and adoption shall be verified by certified public accountants as part of the annual audit of financial statements.

Apportionments - Students Actively Enrolled

Compliance Requirement

Each district shall claim, for apportionment purposes only, the attendance of students actively enrolled in a course section as of the census date (if census procedures are used to record attendance in the course section).

Apportionments - Enrollment Fees

Compliance Requirement

Community colleges are required to report the total amount students should have paid for enrollment fees for the purpose of determining each district's share of apportionment revenue.

Apportionment - Instructional Service Agreements/Contracts

Compliance Requirement

Community colleges may claim FTES for classes given at a contractor's site and use the contractor's employees as instructors for the classes if the following requirements are met:

- Programs must be approved by the State Chancellor's Office and courses must be part of those approved programs, or the District must have received delegated authority to separately approve those courses.
- Courses must be open to the general public.
- Students must be under the immediate supervision of a District employee.
- The District employee must possess valid credentials or meet the minimum qualifications required for the assignment.

Apportionment - Residency Determination for Credit Classes

Compliance Requirement

District internal fiscal controls should ensure that State apportionment for credit course is only claimed for student attendance allowed by statute and regulation. Student residence at the time of registration is a major factor for allowing Districts to claim State apportionment for credit courses.

Apportionment - Concurrent Enrollment of K-12 Students in Community College Courses

Compliance Requirement

A community college district may claim FTES for the attendance of K-12 pupils who take courses offered by the district under this concurrent enrollment arrangement only if it complies with all related California Education Code sections.

Open Enrollment

Compliance Requirement

Community colleges shall comply with Title 5 provisions of the *California Code of Regulations* related to open enrollment by the general public for all courses being submitted for State apportionment funding.

Student Services

Uses of Matriculation Funds

Compliance Requirement

The District is required to use local funds to support at least 75 percent of the matriculation activities with the remaining expenditures claimable against the State matriculation allocation. All expenditures related to the allocation, both State and locally funded portions, must be consistent with the District's State-approved matriculation plan and identifiable as matriculation related activities as authorized by the Seymour-Campbell Matriculation Act of 1986.

Special Programs

Extended Opportunity Programs and Services - (EOP&S) - Allocation of Costs

Compliance Requirement

Salaries of instructors teaching FTES generating classes, school counselors providing academic advisement, Student Services at the Dean level or above, and financial aid officers conducting need analysis are not considered supportable charges against EOP&S accounts unless their activities require them to perform additional functions for the EOP&S program that are beyond the scope of services provided to all students in the normal performance of the regular duty assignments. These activities may be supported only to the extent of the supplementary services provided for EOP&S.

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

Compliance Requirement

District's accepting EOP&S funds are required to contribute from non-EOP&S sources the salary of the EOP&S administrator/director at the rate of 100 percent of salary and benefits for formal program activities associated with the implementation and operation of EOP&S specific activities over and above general supervision of EOP&S activities.

Facilities Program

Scheduled Maintenance Program

Compliance Requirement

Funds provided by the State must be to supplement, not supplant, District deferred maintenance funds. This is defined as the amount spent in fiscal year 1995-96 for Operation and Maintenance of Plant increased by an amount equal to the State's contribution and District's match for the Scheduled Maintenance Program for the year being audited.

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 San Mateo County Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2004.

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

Vavinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reporting conditions identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

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

CFDA Number(s)	Name of Federal Program or Cluster
84.033	Federal Work Study Program
84.063	Pell Grant
84.007	Supplemental Educational Opportunity Grant (SEOG)
84.042A	TRIO: Student Support Services
84.126A	Workability

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2004

FINANCIAL STATEMENT FINDINGS

The following findings represent reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2004-1 Finding

During our review of accounts receivable records, we noted that the subsidiary accounts receivable ledgers include balances for customers whose payments have already been received and excludes other customers who have not paid their balances. Based on the responses to our inquiries, we were informed that the Banner software has a setting that automatically applies amounts received to the oldest outstanding receivable regardless of whether or not it was that customer who was the one making the payment.

We also noted that the combined general ledger detail report, which includes both student and non-student receivables, did not match the amount reported on the balance sheet summary. Upon further investigation it was determined that the student receivables tracking system is unable to print an outstanding receivable cut off list as of June 30. The system is a dynamic system that provides detail of amounts owed on any particular day however it cannot look back to a date prior to the processing date and determine the amount that was owed on a date that is in the past. In addition to the student receivable report issue described above, we also noted discrepancies in the non-student receivables between the various levels of detail (report id #TYQFTYP did not match report id #TYQFABL).

Recommendation

In order to maintain a customer balance listing that is in a usable format for the District to be able to follow up on outstanding receivables, we recommend that the District perform a detailed review of the Banner accounts receivable subsidiary ledger and make any necessary corrections. We understand that the KCSM receivables were reviewed and corrected during the 2003-2004 fiscal year, however, it is apparent that significant work remains to be done in the federal and state grant receivable category. We also recommend that the District continue the process of monitoring and refining the District policies over establishment of appropriate allowances for uncollectible amounts.

In addition, we recommend that the District office consult with the technology department to determine if there is a solution to the problem of obtaining a listing of student receivables that supports the accounts receivable balance as of the end of the year. We also recommend that the District compare the various levels of reports and investigate any differences and document explanations for those differences by adding notes to the reports.

District Response

The District is continuing the effort of reviewing the questionable and aged federal and state grants accounts receivable. All known uncollectible accounts entries will be corrected and further

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2004

investigation will be made as errors are identified.

Information Technology Department and SCT consultant have been informed about the problem regarding with our home-grown reports. Investigating and rewriting the program have been started.

2004-2 **Finding**

During the review of the Apportionment Attendance Report, Form 320, of Skyline College, we noted a discrepancy between the hours reported under Actual Hour Attendance for Credit Courses in third session and the supporting attendance records.

Recommendation

The District should submit a revised Consolidated 320 report to the Chancellor's office to revise the FTES claimed for Skyline Actual Hours in Credit Courses claimed for the third period.

District Response

A manual report had to be secured for a large group of positive attendance provided by the Learning Center. The total had to be manually calculated and was entered incorrectly.

The following procedures have been taken to avoid occurrence again:

1. Learning Center responsible for reporting this positive attendance has been given access and instructions to report the hours using Banner system. The Admissions Office is monitoring the entry of this data on a periodic basis to ensure timely reporting. This methodology will capture the actual hours of positive attendance from the Banner system.
2. Procedure has been established that the final entries on the 320 report will be reviewed by the Registrar and the Vice-President of Instruction before submitting.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings represent reportable conditions, material weaknesses, and instances of noncompliance including questioned costs that are required to be reported by OMB Circular A-133.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no findings representing reportable conditions, material weaknesses, and instances of noncompliance related to state program laws and regulations that are required to be reported in accordance with *Government Auditing Standards*.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of audit findings and questioned costs.

Financial Statement Findings

2003-1 Finding

During our review of accounts receivable records, we noted that the subsidiary accounts receivable ledgers include balances for customers whose payments have already been received and excludes other customers who have not paid their balances. Based on the responses to our inquiries, we were informed that the Banner software has a setting that automatically applies amounts received to the oldest outstanding receivable regardless of whether or not it was that customer was the one making the payment.

Recommendation

In order to maintain a customer balance listing that is in a usable format for the District to be able to follow up on outstanding receivables, we recommend that the District perform a detailed review of the Banner accounts receivable subsidiary ledger and make any necessary corrections. The most significant problems in the subsidiary accounts receivable ledgers are the sections for the District federal and state grant receivables and KCSM receivables. We also recommend that the District develop and determine an amount of an allowance for uncollectible accounts and record that in its general ledger.

Current Status

See current year comment.

ADDITIONAL SUPPLEMENTARY INFORMATION

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**BALANCE SHEET
ALL GOVERNMENTAL FUNDS
JUNE 30, 2004**

	General Unrestricted	General Restricted	Child Development	Bond Interest and Redemption
ASSETS				
Cash and cash equivalents	\$ 947,194	\$ 341,538	\$ 5,243	\$ -
Investments	41,668,113	7,898,807	85,099	5,724,931
Accounts receivable, net of allowance	6,970,499	2,473,879	135,825	30,966
Due from other funds	6,981,213	2,826,407	20,392	-
Prepaid expenses	722,258	20,000	-	-
Other current assets	13,842	-	-	-
Total Assets	\$57,303,119	\$ 13,560,631	\$ 246,559	\$ 5,755,897
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	39,528,764	2,386,064	136,316	-
Due to other funds	4,469,379	5,526,479	10,959	-
Deferred revenue	3,357,282	5,048,621	5,430	-
Total Liabilities	47,355,425	12,961,164	152,705	-
FUND EQUITY				
Fund Balances				
Reserved	1,166,290	599,467	-	-
Unreserved				
Designated	8,466,180	-	2,682	4,497,007
Undesignated	315,224	-	91,172	1,258,890
Total Fund Equity	9,947,694	599,467	93,854	5,755,897
Total Liabilities and Fund Equity	\$57,303,119	\$ 13,560,631	\$ 246,559	\$ 5,755,897

COP Payment	Capital Outlay Projects	COP Construction	Bond Construction	Retiree Benefits	Governmental Funds
\$ -	\$ 1,321	\$ -	\$ -	\$ -	\$ 1,295,296
3,086,934	30,242,717	26,763,355	51,490,687	19,526,167	186,486,810
52,369	835,459	-	458,058	473,656	11,430,711
-	2,766,594	5,244,069	75	-	17,838,750
-	-	-	-	-	742,258
-	-	-	-	-	13,842
\$ 3,139,303	\$ 33,846,091	\$ 32,007,424	\$ 51,948,820	\$ 19,999,823	\$ 217,807,667
-	474,254	1,111,429	4,667,579	-	48,304,406
-	2,533,763	5,244,069	303	-	17,784,952
-	8,768	-	-	-	8,420,101
-	3,016,785	6,355,498	4,667,882	-	74,509,459
-	-	-	-	-	1,765,757
3,139,303	11,488,184	25,651,926	47,280,938	19,999,823	120,526,043
-	19,341,122	-	-	-	21,006,408
3,139,303	30,829,306	25,651,926	47,280,938	19,999,823	143,298,208
\$ 3,139,303	\$ 33,846,091	\$ 32,007,424	\$ 51,948,820	\$ 19,999,823	\$ 217,807,667

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

BALANCE SHEET RECONCILIATION JUNE 30, 2004

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Total Fund Balance - All Governmental Funds	\$ 143,298,208
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets in enterprise funds are financial resources and no adjustment is needed for those capital assets.</p>	
The cost of capital assets in governmental funds is	177,817,202
Accumulated depreciation in governmental funds is	47,648,157
Payments made for Enterprise fund expenditures	130,169,045
Expenditures relating to issuance costs of debt were recognized in modified accrual basis, but should not be recognized in accrual basis.	1,730,730
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.	(3,141,005)
<p>An internal service fund is used by the District's management to charge the costs of the property and liability insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.</p>	
	488,060
<p>Enterprise funds are used by the District's management to account for the activity of the bookstores and cafeterias. The assets and liabilities of the enterprise funds are included with governmental activities.</p>	
	6,293,657
<p>Long-term liabilities at year end consist of:</p>	
Bonds payable	96,298,613
Unamortized debt premium/discount	784,163
Certificates of participation	30,885,000
Compensated absences (vacations)	595,430
Total Net Assets	\$ 150,275,489

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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	General Unrestricted	General Restricted	Child Development	Bond Interest and Redemption
REVENUES				
Federal revenues	\$ -	\$2,917,827	\$ 45,881	\$ -
State revenues	11,304,675	6,976,876	499,303	65,807
Local revenues	78,372,924	7,002,595	135,273	7,084,736
Total Revenues	89,677,599	16,897,298	680,457	7,150,543
EXPENDITURES				
Current Expenditures				
Academic salaries	37,383,771	3,125,287	140,998	-
Classified salaries	18,855,139	5,695,098	399,195	-
Employee benefits	18,415,256	2,105,614	160,540	-
Books and supplies	1,082,808	1,202,795	64,714	-
Services and operating expenditures	8,303,099	3,941,095	120,118	-
Capital outlay	508,868	837,929	29,574	-
Debt service - principal	-	-	-	2,335,000
Debt service - interest and other	-	-	-	3,556,653
Total Expenditures	84,548,941	16,907,818	915,139	5,891,653
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	5,128,658	(10,520)	(234,682)	1,258,890
OTHER FINANCING SOURCES/(USES)				
Operating transfers in	-	1,233,730	325,854	-
Operating transfers out	(4,814,593)	(263,607)	-	-
Other sources	4,054	-	-	-
Other uses	(2,895)	(1,082,875)	-	-
Total Other Financing Sources/(Uses)	(4,813,434)	(112,752)	325,854	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	315,224	(123,272)	91,172	1,258,890
FUND BALANCE, BEGINNING OF YEAR	9,632,470	722,739	2,682	4,497,007
FUND BALANCE, END OF YEAR	\$ 9,947,694	\$ 599,467	\$ 93,854	\$ 5,755,897

COP Payment	Capital Outlay Projects	COP Construction	Bond Construction	Retiree Benefits	Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,963,708
-	1,824,517	-	-	-	20,671,178
52,369	2,187,575	4,108,189	2,167,621	57,860	101,169,142
52,369	4,012,092	4,108,189	2,167,621	57,860	124,804,028
-	-	-	-	-	40,650,056
-	24,946	-	-	-	24,974,378
-	3,533	-	-	-	20,684,943
-	15,708	-	36,624	-	2,402,649
681,389	1,400,100	908,924	3,800,808	-	19,155,533
-	6,566,135	4,335,145	31,689,520	-	43,967,171
-	-	-	-	-	2,335,000
-	-	-	-	-	3,556,653
681,389	8,010,422	5,244,069	35,526,952	-	157,726,383
(629,020)	(3,998,330)	(1,135,880)	(33,359,331)	57,860	(32,922,355)
-	1,812,075	26,787,806	-	1,500,000	31,659,465
(26,787,806)	-	-	(928,886)	-	(32,794,892)
30,556,129	21,527,377	-	-	-	52,087,560
-	-	-	-	-	(1,085,770)
3,768,323	23,339,452	26,787,806	(928,886)	1,500,000	49,866,363
3,139,303	19,341,122	25,651,926	(34,288,217)	1,557,860	16,944,008
-	11,488,184	-	81,569,155	18,441,963	126,354,200
\$ 3,139,303	\$ 30,829,306	\$ 25,651,926	\$ 47,280,938	\$ 19,999,823	\$ 143,298,208

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

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

Total Net Change in Fund Balances - Governmental Funds

Amounts Reported for Governmental Activities in the Statement of

Revenues, Expenses, and Changes in Net Assets are Difference Because:

\$ 16,944,008

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the district-wide statement of revenues, expenses, and net assets.

The amount by which the current period capital outlays exceed depreciation

The cost of capital assets in governmental funds is

60,134,924

Accumulated depreciation in governmental funds is

1,853,424

58,281,500

Fiduciary fund is used by the District's management to account for the student activities. The net assets of the fiduciary funds are recorded as in the statement of net assets as a liability to the student.

(1,078,645)

An internal service fund is used by District's management to charge the costs of property and liability insurance programs to the individual funds. The net revenue of the internal service fund is reported with the district wide statement of revenues, expenses, and changes in net assets.

104,908

Enterprise funds are used by the District's management to account for the activity of the bookstores and cafeterias. The revenues and expenses of the enterprise funds are included with district wide statement of revenues, expenses, and net assets.

3,296

A student financial aid fiduciary fund is used by the District's management to account for the activity of student financial aid services. The revenues and expenses of the student financial aid fund are included with district wide statement of revenues, expenses, and net assets.

10,633

In the district wide statement of revenues, expenses and net assets, certain operating expenses (compensated absences - vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amount paid). This year vacation paid was more than the amount earned.

101,753

Issuance of certificates of participation are a revenue in the governmental funds when debt is issued, however it is recorded as a long term liability on the district-wide statement of net assets.

(30,885,000)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

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

Accretion of loan principal on general obligation bonds is reported as debt proceeds in the governmental funds, but it increases long term liabilities in the statement of net assets and does not affect the district wide statement of revenues, expenses, and net assets.	(1,054,196)
Interest on long term debt in the district-wide statement of revenues, expenses, and net assets differs from the amount reported in governmental funds because interest is recorded as an expenditure in the governmental funds when it is due. However, interest expense is recognized as an expense in the district-wide statement of revenues, expenses, and net assets when it accrues, regardless of when it is due.	(1,503,099)
Bond issue costs are recognized in the governmental funds when debt is issued, however they are recorded as prepaid assets and amortized over the term of the debt on the district-wide statement of net assets and statement of revenues, expenses and changes in net assets.	615,451
Bond premiums and discounts are recognized in the governmental funds when debt is issued, however they are recorded as other liabilities and amortized over the term of the bond on the district-wide statement of net assets and statement of revenues, expenses and changes in net assets.	367,459
Total Net Assets	\$ 44,504,585

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**BALANCE SHEET
 PROPRIETARY FUNDS
 JUNE 30, 2004**

	Enterprise Funds			Internal Service Fund
	Bookstore	Cafeteria	Total	
ASSETS				
Cash and cash equivalents	\$ 334,077	\$ 58,784	\$ 392,861	\$ -
Investments	3,839,520	703,288	4,542,808	547,072
Accounts receivable, net	370,893	7,674	378,567	3,488
Due from other funds	75,000	-	75,000	-
Prepaid expenses	29,696	-	29,696	-
Stores inventories	1,697,771	-	1,697,771	-
Furniture and equipment (net)	65,107	93,149	158,256	-
Total Assets	\$ 6,412,064	\$ 862,895	\$ 7,274,959	\$ 550,560
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	712,293	116,479	828,772	62,500
Due to other funds	75,000	-	75,000	-
Other current liabilities	77,530	-	77,530	-
Total Liabilities	864,823	116,479	981,302	62,500
FUND EQUITY				
Retained earnings	5,547,241	746,416	6,293,657	488,060
Total Liabilities and Fund Equity	\$ 6,412,064	\$ 862,895	\$ 7,274,959	\$ 550,560

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004**

	Enterprise Funds			Internal Service Fund
	Bookstore	Cafeteria	Total	
OPERATING REVENUES				
Sales revenues	\$ 7,314,666	\$ 169,108	\$ 7,483,774	\$ -
OPERATING EXPENSES				
Classified salaries	1,219,807	-	1,219,807	-
Employee benefits	295,118	-	295,118	-
Books and supplies	5,424,175	-	5,424,175	-
Services and other operating expenditures	405,676	252,464	658,140	(43,284)
Total Operating Expenses	7,344,776	252,464	7,597,240	(43,284)
Operating Income (Loss)	(30,110)	(83,356)	(113,466)	43,284
NONOPERATING REVENUES (EXPENSES)				
Interest and investment income	98,557	18,205	116,762	1,624
Operating transfers in	-	-	-	60,000
Total Nonoperating Revenues (Expenses)	98,557	18,205	116,762	61,624
NET INCOME/(LOSS)	68,447	(65,151)	3,296	104,908
RETAINED EARNINGS, BEGINNING OF YEAR	5,478,794	811,567	6,290,361	383,152
RETAINED EARNINGS, END OF YEAR	\$ 5,547,241	\$ 746,416	\$ 6,293,657	\$ 488,060

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004**

	Enterprise Funds			Internal
	Bookstore	Cafeteria	Total	Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from user charges	\$ 7,410,427	\$ 175,978	\$ 7,586,405	\$ -
Cash payments to employees for services	(1,514,925)	-	(1,514,925)	-
Cash payments to suppliers for goods and services	(5,701,809)	(167,121)	(5,868,930)	(21,888)
Net Cash Provided (Used) for Operating Activities	193,693	8,857	202,550	(21,888)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	-	-	60,000
Acquisition of capital assets	(20,824)	(25,244)	(46,068)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(20,824)	(25,244)	(46,068)	60,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	98,557	18,205	-	1,624
Net Cash Provided from Investing Activities	98,557	18,205	-	1,624
Net increase in cash and cash equivalents	271,426	1,818	273,244	39,736
Cash and cash equivalents - Beginning	3,902,171	760,254	4,662,425	507,336
Cash and cash equivalents - Ending	\$ 4,173,597	\$ 762,072	\$ 4,935,669	\$ 547,072
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (30,110)	\$ (83,356)	\$ (113,466)	\$ 43,284
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	50,458	31,139	81,597	-
Changes in assets and liabilities:				
Receivables	95,761	6,870	102,631	558
Prepaid expenses	(7,207)	-	(7,207)	-
Inventories	(366,213)	-	(366,213)	-
Accrued liabilities	441,632	54,204	495,836	(65,730)
Other current liabilities	9,372	-	9,372	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 193,693	\$ 8,857	\$ 202,550	\$ (21,888)
CASH AND CASH EQUIVALENTS				
Cash	\$ 334,077	\$ 58,784	\$ 392,861	\$ -
Investments	3,839,520	703,288	4,542,808	547,072
Total cash and cash equivalents	\$ 4,173,597	\$ 762,072	\$ 4,935,669	\$ 547,072

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

BALANCE SHEET – FIDUCIARY FUNDS

JUNE 30, 2004

	Associated Students Trust	Student Representation Fee	Student Financial Aid	Total
ASSETS				
Cash and cash equivalents	\$ 422,088	\$ 32,289	\$ 11,517	\$ 465,894
Investments	264,558	70,646	133,168	468,372
Accounts receivable, net	298,679	-	-	298,679
Student loans receivable, net	-	-	378,896	378,896
Due from other funds	-	-	22,305	22,305
Fixed Assets	21,818	-	-	21,818
Total Assets	\$ 1,007,143	\$ 102,935	\$ 545,886	\$ 1,655,964
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	55,884	-	85,892	141,776
Due to other funds	-	-	67,749	67,749
Deferred revenue	-	102,935	264,859	367,794
Due to student groups	951,259	-	-	951,259
Total Liabilities	1,007,143	102,935	418,500	1,528,578
FUND EQUITY				
Fund Balances				
Reserved	-	-	127,386	127,386
Total Fund Equity	-	-	127,386	127,386
Total Liabilities and Fund Equity	\$ 1,007,143	\$ 102,935	\$ 545,886	\$ 1,655,964

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	Associated Students Trust	Student Financial Aid	Total
REVENUES			
Federal revenues	\$ -	\$ 5,843,556	\$ 5,843,556
State revenues	-	451,316	451,316
Local revenues	324,127	38,707	362,834
Total Revenues	324,127	6,333,579	6,657,706
EXPENDITURES			
Current Expenditures			
Classified salaries	75,499	-	75,499
Books and supplies	8,136	-	8,136
Services and operating expenditures	223,937	137	224,074
Total Expenditures	307,572	137	307,709
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	16,555	6,333,442	6,349,997
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	-	171,132	171,132
Operating transfers out	-	(17,007)	(17,007)
Other uses	-	(6,493,489)	(6,493,489)
Total Other Financing Sources/(Uses)	-	(6,339,364)	(6,339,364)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	16,555	(5,922)	10,633
FUND BALANCE/DUE TO STUDENT GROUPS, BEGINNING OF YEAR	934,704	133,308	1,068,012
FUND BALANCE/DUE TO STUDENT GROUPS, END OF YEAR	\$ 951,259	\$ 127,386	\$ 1,078,645



October 1, 2004

To the Board of Directors
KCSM-FM

We have audited the financial statements of KCSM-FM for the year ended June 30, 2004, and have issued our report thereon dated October 1, 2004. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of KCSM-FM. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by KCSM-FM are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2004. We noted no transactions entered into by the KCSM-FM during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was the allocation indirect costs.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the KCSM-FM's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the KCSM-FM, either individually or in the aggregate, indicate matters that could have a significant effect on the KCSM-FM's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the KCSM-FM's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

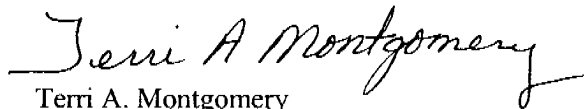
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the KCSM-FM's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Board, and management of KCSM-FM and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Terri A. Montgomery". The signature is written in black ink and is positioned above the printed name and title.

Terri A. Montgomery
Of VAVRINEK, TRINE, DAY & CO, LLP

KCSM-TV

**A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2004

KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

JUNE 30, 2004

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Statement of Revenues, Expenses and Changes in Net Assets.....	3
Statement of Cash Flows.....	4
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
KCSM-TV

We have audited the accompanying financial statements of KCSM-TV (a public telecommunications entity operated by the San Mateo County Community College District) as of June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the KCSM-TV resource of the general fund of the San Mateo County Community College District and do not purport to, and do not, present fairly the financial position of the San Mateo County Community College District as of June 30, 2004 and the changes in its financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KCSM-TV as of June 30, 2004, and the changes in financial position and cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004

KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET ASSETS
JUNE 30, 2004

ASSETS

Current Assets

Accounts receivable	\$ 171,515
---------------------	------------

Noncurrent assets

Capital assets	3,869,035
----------------	-----------

Accumulated depreciation	(751,605)
--------------------------	-----------

Total noncurrent assets	3,117,430
--------------------------------	------------------

TOTAL ASSETS	3,288,945
---------------------	------------------

LIABILITIES

Current Liabilities

Due to district	1,292,091
-----------------	-----------

Accounts payable	83,454
------------------	--------

Deferred income	8,000
-----------------	-------

Total liabilities	1,383,545
--------------------------	------------------

NET ASSETS

Investment in capital assets	3,117,430
------------------------------	-----------

Unrestricted	(1,212,030)
--------------	-------------

TOTAL NET ASSETS	\$ 1,905,400
-------------------------	---------------------

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

KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

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

OPERATING REVENUES

Direct Income	
CPB community service grants	\$ 619,699
CPB television interconnection grants	13,605
Other federal grants	7,500
Foundations and nonprofit associations	57,398
Business and industry	6,787
Subscription and membership	1,199,383
Local donation - digital conversion	104,622
Royalties	55,766
Other income	1,368
Facility use	175,418
San Mateo County Community College District	1,006,522
Indirect Income	
San Mateo County Community College District	1,509,557
Total Operating Revenues	4,757,625

OPERATING EXPENSES

Programming and production	1,561,446
Broadcasting	1,403,280
Program information and promotion	174,496
Management and general	2,276,422
Fundraising support	408,365
Underwriting and grant solicitation	233,273
Total Operating Expenses	6,057,282
Operating Loss	(1,299,657)

OTHER INCOME

Transfer from district	4,114,124
------------------------	-----------

CHANGE IN NET ASSETS

CHANGE IN NET ASSETS	2,814,467
NET ASSETS AT BEGINNING OF YEAR	(909,067)
NET ASSETS AT END OF YEAR	\$ 1,905,400

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

KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

CPB community service grants	\$ 619,699
CPB television interconnection grants	(66,395)
Other federal grants	7,500
Foundations and nonprofit associations	186,715
Business and industry	6,787
Subscription and membership	1,165,847
Local donation - digital conversion	104,622
Royalties	55,766
Other income	176,786
Payments to suppliers	(1,326,531)
Payment to /(on behalf of) employees	(2,365,187)
Net Cash Used By Operating Activities	(1,434,391)

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of equipment	(1,929,993)
Transfer from FM/District	6,524,235
Net Cash Provided By Capital Financing Activities	4,594,242

NET INCREASE IN CASH	3,159,851
CASH AND CASH EQUIVALENTS (DUE TO DISTRICT) AT BEGINNING OF YEAR	(4,451,942)
CASH AND CASH EQUIVALENTS (DUE TO DISTRICT) AT END OF YEAR	\$ (1,292,091)

**RECONCILIATION OF NET OPERATING REVENUES TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (1,299,657)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	274,504
Disposal of fixed assets	1,842,814
Changes in assets and liabilities	
Decrease in accounts receivable	49,317
Decrease in prepaid assets	7,446
Increase in due to district	(2,273,698)
Decrease in accounts payable	(1,581)
Decrease in deferred income	(33,536)
NET CASH USED BY OPERATING ACTIVITIES	\$ (1,434,391)

NONCASH TRANSACTIONS

Indirect income - San Mateo Community College District	\$ 1,509,557
--	--------------

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

**KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COMMUNITY COLLEGE DISTRICT**

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

NOTE #1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

KCSM-TV is a public telecommunications radio station operated by San Mateo County Community College District. KCSM-TV is a program of San Mateo County Community College District general fund, and all activities are also reported within the financial statements of the District.

These financial statements are not intended to, and do not purport to, present fairly the financial position and changes in the financial position of the San Mateo County Community College District in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The KCSM-TV financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). In addition, the District applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

KCSM-TV operates as a proprietary fund; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses, including depreciation, of providing goods or services to its customers be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. KCSM-TV is not an entity separate from the College District and therefore does not present a Management Discussion and Analysis section.

Enterprise funds are used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its statement of net assets, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

For internal operating purposes, the District's Board of Trustees has established separate sub-funds, each of which includes a separate self-balancing set of accounts and a separate Board approved budget for the activities of KCSM-TV. These sub-funds are combined into the single enterprise fund presented in the accompanying financial statements.

The District's Board of Trustees adopts annual budgets on a basis consistent with accounting principles generally accepted in the United States of America.

**KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COMMUNITY COLLEGE DISTRICT**

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

Land, Buildings and Improvements

KCSM-TV records assets purchased at cost. The value of donated goods is recorded when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. KCSM-TV depreciates all equipment using the straight-line method of depreciation over the estimated useful life of the related assets, ranging from 5 to 20 years.

Estimates

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

Income Taxes

KCSM-TV is a program of San Mateo County Community College District. San Mateo County Community College District is a public educational institution and is considered to be a political subdivision of the State of California and is therefore tax exempt and not subject to filing information returns.

NOTE #2 – DUE TO DISTRICT

Cash accounts maintained by KCSM-TV are held by San Mateo County Community College District in pooled amounts at the County Treasury. For cash flow purposes, San Mateo County Community College District allows KCSM-TV to have negative cash balances in anticipation of accounts receivable being collected and the District contributing funds necessary to operate KCSM-TV. At June 30, 2004, cash overdraft amounted to \$1,292,091 for this purpose.

For the purposes of the statement of cash flows, KCSM-TV considers all investments with a maturity of six months or less to be cash equivalents.

KCSM-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE #3 - EQUIPMENT

Changes in equipment are summarized as follows:

	Beginning of Year	Additions	Deletions	End of Year
Equipment	\$ 5,293,439	\$ 1,793,580	\$ 3,217,984	\$ 3,869,035
Less - Accumulated Depreciation				751,605
Net Equipment				\$ 3,117,430

Current year depreciation expense was \$274,504.

NOTE #4 - DONATED SERVICES AND MATERIALS

During the year, many KCSM-TV individuals donate significant amounts of time and services in an effort to advance the programs and objectives of the station. These services have not been recorded in the financial statements because no objective basis is available to measure the value of such services.

NOTE #5 - RELATED PARTY TRANSACTIONS

During the year, KCSM-TV received indirect administrative support from San Mateo County Community College District, the entity that operates the station, in the amount of \$1,509,557.

KCSM-TV also received the following contributions from San Mateo County Community College District:

Transfer for 2003/2004 payroll and benefits	\$ 1,006,522
Transfer to fund deficit cash	1,864,105
Transmitter purchase portion funded by District bond funds	897,940
Transfer to fund prior year operations	1,352,079
Total transfer from district	\$ 4,114,124

The San Mateo County Community College District has upgraded to a digital transmitter. The TV station paid for \$500,000 of the cost of the upgrade and the remaining \$897,940 was paid for by the District General Obligation bond funds.



INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Trustees
KCSM – TV

We have examined management's assertion included in the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support that KCSM – TV complied with CPB's Fiscal Year 2004 Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support (NFFS) during the fiscal year ended June 30, 2004. Management is responsible for KCSM – TV's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about KCSM – TV'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 KCSM – TV'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 KCSM – TV compliance with specified requirements.

In our opinion, management's assertion that KCSM – TV complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004 is fairly stated.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than this specified party.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004

**Financial
Activities
Help**

AFR Main Menu

Note: Click on the links on the left to access Schedules A - F.

- AFR
- Schedule A
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- AFR Menu
- Financial Activities Menu

Grantee ID	Grantee Name	City	State	Licensee Type	
1722	KCSM-TV	San Mateo	CA	University	
AFR Schedule Status: Not Submitted					
1) Additional AFR Forms					
Extension Request					
2) Grantee Functions					
<input type="button" value="OK"/> Click OK to proceed to the AFR Confirmation Screen					
(NOTE: The total NFFS value displays below and on the AFR Confirmation Screen. The AFR/FSR Signature Page link will display after the AFR/FSR schedules are submitted to CPB.)					
3) Form					
Upload Audited Financial Statement				Comments	Status
Accountant's Qualification Statement (if applicable)					Not Submitted
					Not Submitted
Summary of Non-federal Financial Support					
	2004	2003	\$ Change	% Change	
1. Schedule A	\$2,334,724	\$2,480,206	-\$145,482	-5.9	
2. Schedule B	\$1,509,557	\$1,069,744	\$439,813	41.1	
3. Schedule C	\$0	\$31,203	-\$31,203	-100.0	
4. Schedule D	\$0	\$0	\$0	N/A	
5. Total NFFS	\$3,844,281	\$3,581,153	\$263,128	7.3	

Financial Activities Help

- AFR
- Schedule A
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- AFR Menu
- Financial Activities Menu

AFR Schedule A

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

When entering data in this screen (and all other SGMS screens), DO NOT USE the ENTER key to the cursor from field to field. Use your mouse or the TAB key to do so.

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 - tabs at the top of the screen to move from one major section of SGMS to another,
 - navigational buttons in the left-hand margin of each screen, or
 - where appropriate, navigational buttons or hyperlinks that may appear either in the middle or bottom of a screen.

Enter negative values preceded by a minus sign (e.g. "-200547"), NOT in parentheses.

IMPORTANT! When entering values on Schedule A-1 you must return to Schedule A and select the SAVE DATA button again before moving to the next Schedule.

AFR SCHEDULE A - DIRECT REVENUE

Questions | FY 2003 | FY 2004

AFR SCHEDULE A - DIRECT REVENUE

1. Amounts provided directly by federal government agencies

A. PTFP (NTIA) Facilities Grants	\$0	\$ 0
B. Department of Education	\$0	\$ 0
C. Department of Health and Human Services	\$0	\$ 0
D. National Endowment for the Arts and Humanities	\$0	\$ 0
E. National Science Foundation	\$0	\$ 0
F. Other Federal Funds (specify)	\$0	\$ 0
Total federal government (forwards to line 22)	\$0	\$ 0

2. Amounts provided by Public Broadcasting Entities (e.g. CPB, PBS, NPR, etc., including other stations and regional networks. See Guidelines for complete list.)

A. CPB - Community Service Grants (Unrestricted)	\$505,179	\$ 619699
B. Annenberg/CPB Project Grants	\$0	\$ 0
C. CPB - Community Service Grant (Restricted-formerly NPPAG)	\$0	\$ 0
D. CPB - Interconnection grants	\$11,465	\$ 13605
E. CPB - all other funds	\$500,000	\$ 0
F. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines	\$1,602	\$ 0

Other

for details.

G. NPR - all payments except pass-through payments. See Guidelines for details.

\$0 \$ 0

H. Public broadcasting stations - all payments

\$0 \$ 0

I. Other PBE funds (specify)

\$0 \$ 0

Other

Total public broadcasting entities (forwards to line 23)

\$1,018,246 \$ 633304

3. Local boards and departments of education or other local government or agency sources

\$0 \$ 0

4. State boards and departments of education or other state government or agency sources

\$65,704 \$ 7500

5. State colleges and universities

\$0 \$ 0

6. Other state-supported colleges and universities

\$1,070,038 \$ 1006522

7. Private colleges and universities

\$0 \$ 0

8. Foundations and nonprofit associations

\$67,760 \$ 57398

9. Business and Industry

\$45,382 \$ 182205

10. Memberships and subscriptions (net of write-offs)

\$1,202,875 \$ 1199383

10a. Total number of contributors.

14,181 12630

11. Revenue from Friends groups less any revenue included on line 10

\$0 \$ 0

11a. Total number of Friends contributors.

0 0

12. Revenue from subsidiary enterprises and related organizations (See instructions)

\$0 \$ 0

13. Net auction revenue (net of direct expenses of)

\$0 0 \$ 0

0

14. Net revenue from special fund raising activities (net of direct expenses of)

\$0 0 \$ 0

0

15. Passive income

15a. Interest and dividends

\$0 \$ 0

15b. Royalties

\$10,226 \$ 13057

15c. PBS or NPR pass-through copyright royalties

\$2,529 \$ 42709

Subtotal - passive income

\$12,755 \$ 55766

16. Realized and unrealized gains or losses on investments and sale of other assets. (Must also be reported on Schedule A-1, line 9.)

16a. Property and Equipment - gains from sales only.

\$0 \$ 0

16b. Realized gains (losses) on investments.

\$0 \$ 0

16c. Unrealized gains (losses) on investments.

\$0 \$ 0

Subtotal - gains (losses)

\$0 \$ 0

17. Endowment revenue (contributions plus interest and dividends) Do not include realized or unrealized gains (losses) on investments - see line 16.

\$0 \$ 0

18. Capital fund contributions

18a. Facilities and Equipment

\$0 \$ 104622

18b. Other - See Guidelines for instructions and

\$0

specific examples. ☉	\$	0	Other
Subtotal - capital fund contributions	\$0	\$	104622
19. Gifts and bequests from major individual donors	\$0	\$	0
20. Other See Guidelines for instructions and specific examples. ☉	\$34,711	\$	1368
21. Total Revenue (Sum of lines 1 through 20).	\$3,517,471	\$	3248068

ADJUSTMENTS TO REVENUE

22. Federal revenue from line 1.	\$0	\$	0
23. Public broadcasting revenue from line 2.	\$1,018,246	\$	633304
24. Capital funds exclusion (from line 18a) - TV only	\$0	\$	104622
25. Other revenue on line 21 not meeting the source, form, purpose, or recipient criteria (Schedule A-1, line 19)	\$19,019	\$	175418
26. Revenue on line 21 that has been previously claimed as NFFS	\$0	\$	0
27. Total Direct Nonfederal Financial Support (Line 21 less Lines 22 through 26). (Forwards to line 1 of the Summary of Nonfederal Financial Report) ☉	\$2,480,206	\$	2334724

ADDITIONAL INFORMATION REQUIRED

1. How much of revenue reported on line 8 (from foundation and non-profits) was received as underwriting?	\$4,924	\$	0
2. How much of revenue reported on line 9 (from business and industry) was received as underwriting?	\$32,210	\$	6787

AFR SCHEDULE A-1 REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

Schedule A-1

Financial Activities

Save Data

Financial Activities Help

Annual Financial Report Schedule A-1

AFR

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

• Schedule A

Unless revenue meets the specific criteria defined in the Communications Act of 1934, as amended, it must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

• Schedule B

• Schedule C

Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary or any individual.

• Schedule D

Form: Payment in exchange for any service or material

• Schedule E

Purpose: Service or material for any related activity of the public broadcasting entity.

• Schedule F

Recipient: A public broadcasting entity

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

• AFR Menu

When entering data in this screen (and all other SGMS screens), DO NOT USE the ENTER key to the cursor from field to field. Use your mouse or the TAB key to do so.

• Financial Activities Menu

To move from one task to another within SGMS, NEVER USE THE BACK BUTTON ON YOUR BROWSER, use:

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Enter negative values preceded by a minus sign (e.g. "-200547"), NOT in parentheses.

AFR SCHEDULE A-1 REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

Questions

FY2004

AFR SCHEDULE A-1 REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

1. Production, taping, or other broadcast related activities	Line Reference	\$	0
2. Telecasting production/teleconferencing	Line Reference	\$	0
3. Foreign rights	Line Reference	\$	0
4. Rentals of membership lists	Line Reference	\$	0
5. Rentals of studio space, equipment, tower, parking space	Line Reference	\$	175418
6. Leasing of SCA, VBI, ITFS channels	Line Reference	\$	0
7. Sale of programs or program rights for public performance	Line Reference	\$	0

8. Sale or rental of program transcripts or recording for other than public performance including private use Line Reference \$ 0

9. Realized and unrealized gains or losses on investments and sale of other assets. Line Reference \$ 0

10. Sale of premiums Line Reference \$ 0

11. Royalty income from licensing fees Line Reference \$ 0

12. Other revenue not listed above and not includable by definition (e.g. PRMS, channel swaps, etc.) Line Reference \$ 0 Other

List below any revenue claimed on Schedule A regardless of source:

13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of the business Line Reference \$ 0

14. A wholly owned or partially owned nonprofit subsidiary Line Reference \$ 0

15. Sale of program guides Line Reference \$ 0

16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription Line Reference \$ 0

17. Refunds, rebates, reimbursements and insurance proceeds Line Reference \$ 0

18. Other (e.g. unrelated business income as reported on federal form 990T, revenue from non-broadcast activities that fail to meet exception criteria, etc.) See Guidelines for additional information. Line Reference \$ 0 Other

19. Total Revenue not meeting criteria for inclusion as NFFS. (sum of lines 1 through 18) (Forward to Schedule A, Line 25) \$ 175418

Annual Financial Report Schedule A

Schedule A

IMPORTANT!

After you select the "Save Data" button on this Schedule, return to Schedule A and select the "Save Data" button again before moving to the next Schedule.

Financial Activities

Save Data

Financial Activities

Help

AFR

- Sched. B Intro
- Sched. B Main
- Worksheet II
- Schedule E
- AFR Menu
- Financial Activities Menu

Schedule B - Introduction Screen
(Schedule B is for use only by grantees with institutional licensees)

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

INDIRECT ADMINISTRATIVE SUPPORT

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Check ONE box to indicate the indirect cost rate methodology to be used, click on the "Save" button, and proceed to the appropriate worksheet by clicking on the Worksheet button that appears at the left.

For Grantees claiming **Occupancy Value Only** - select the Grantee-Developed Method.

1. Basic Method --> Worksheet II
2. Grantee-Developed Method --> Worksheet III
3. Other Sponsored Activities - Modified Total Direct Cost Method --> Worksheet I
4. Other Sponsored Activities - Salaries and Wages Method --> Worksheet IA

Save

Financial Activities

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- AFR Menu
- Financial Activities Menu

AFR SCHEDULE B - Main Screen

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

Round all figures to the nearest dollar.

INDIRECT ADMINISTRATIVE SUPPORT

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AFR SCHEDULE B

Questions	FY 2003	FY 2004
Schedule B Main		
1. Total support activity benefiting station	\$1,055,589	\$ 1495402
2. Occupancy All grantees claiming occupancy value as indirect administrative support must complete the occupancy forms, which can be accessed by clicking the Occupancy button. NOTE: If the cost pools used in determining the licensee's OSA rate include a rate for building use, DO NOT ALSO claim a value for occupancy here in item 2 of the Schedule B Main Screen.	\$14,155	\$ 14155
Occupancy Value	\$0	\$ 0
3. Deductions: (a) fees paid to the licensee for overhead recovery, assessment, etc. and/or (b) support shown on lines (1) or (2) in excess of revenue reported in financial statements.	\$0	\$ 0
4. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$1,069,744	\$ 1509557
5. Please enter an institutional type code for your licensee.	OU	OU

Financial Activities

Save Data

Donor Codes - You Must Select One:

- SU - State University
- SG - State Government
- PU - Private University
- LG - Local Government
- OU - Other University

**Financial
Activities**

Help

AFR

- Sched. B Intro
- Sched. B Main
- Worksheet II
- Schedule E
- AFR Menu
- Financial Activities Menu

AFR OCCUPANCY FORMS MENU

Grantee Information	ID	Grantee	City	State	Licensee Type
	1722	KCSM-TV	San Mateo	CA	University

Round all figures to the nearest dollar.

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- navigational buttons in the left-hand margin of each screen, or
- where appropriate, navigational buttons or hyperlinks that may appear either in the middle or bottom of a screen.

When entering data in this screen (and all other SGMS screens), DO NOT USE the ENTER key to move the cursor from field to field. Use your mouse or the TAB key to do so.

AFR OCCUPANCY FORMS MENU

Form	Location	Value	View	Delete
Building	College of San Mateo	12488	View	Delete
Building	College of San Mateo	1667	View	Delete

Occupancy Functions

To continue, select Done then Sched. B Main.

Financial Activities Help

- AFR**
- Sched. B Intro
 - Sched. B Main
 - Worksheet II
 - Schedule E
 - AFR Menu
 - Financial Activities Menu

Annual Value Computation for Buildings and Tower Facilities

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

Round all figures to the nearest dollar.

To move from one task to another within SGMS, DO NOT USE THE BACK BUTTON ON YOUR BROWSER, use:

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IMPORTANT REMINDER: If Line 7, Column A or B, equals 0, DO NOT enter any data in that column.

Building Information

Name	Location
Library/Learning Resou	College of San Mateo

Annual Value Computations for Buildings and Tower Facilities

Questions	Column A use for original costs	Column B use for improvements
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)	4125978	
2. Total original cost of major improvements		2881901
3. Subtract federal and CPB funds used in construction or improvements	0	0
4. Total nonfederal value of building/improvements	4125978	2881901
5. Enter year constructed or acquired	1964	1996
6. Estimated useful life of building / improvements from date of acquisition or construction	30	30
7. Remaining useful life of building - if remaining useful life is zero, do not continue this computation	0	22
IMPORTANT REMINDER: If Line 7, Column A or B, equals 0, DO NOT enter any data in that column.		
8. Annual value (line 4 divided by line 6)	137533	96063

9. Station's prorata use of building	0	13
10. Product of lines 8 and 9	0	12488
11. Payments made by the station as part of lease or rental agreements	0	0
12. Payments received by the station for use by others of this space	0	0
13. Annual value for NFFS purposes (line 10 minus lines 11 and 12)	0	12488
Save Building Data		
Save Data		Back to Occupancy

Financial Activities

Help

- AFR
- Sched B Intro
- Sched B Main
- Worksheet II
- Schedule E
- AFR Menu
- Financial Activities Menu

Annual Value Computation for Buildings and Tower Facilities

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

Round all figures to the nearest dollar.

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IMPORTANT REMINDER: If Line 7, Column A or B, equals 0, DO NOT enter any data in that column.

Building Information

Name	Location
Library/Learning Resou	College of San Mateo

Annual Value Computations for Buildings and Tower Facilities

Questions	Column A use for original costs	Column B use for improvements
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)	4125978	
2. Total original cost of major improvements		50000
3. Subtract federal and CPB funds used in construction or improvements	0	0
4. Total nonfederal value of building/improvements	4125978	50000
5. Enter year constructed or acquired	1964	1984
6. Estimated useful life of building / improvements from date of acquisition or construction	30	30
7. Remaining useful life of building - if remaining useful life is zero, do not continue this computation	0	10
IMPORTANT REMINDER: If Line 7, Column A or B, equals 0, DO NOT enter any data in that column.		
8. Annual value (line 4 divided by line 6)	137533	1667

9. Station's prorata use of building	0	100
10. Product of lines 8 and 9	0	1667
11. Payments made by the station as part of lease or rental agreements	0	0
12. Payments received by the station for use by others of this space	0	0
13. Annual value for NFFS purposes (line 10 minus lines 11 and 12)	0	1667
Save Building Data		
Save Data		Back to Occupancy

Financial Activities

Help

- AFR
- Sched. B Intro
- Sched. B Main
- Worksheet II
- Schedule E
- AFR Menu
- Financial Activities Menu

AFR Schedule B - Worksheet II (Basic Allocation Method)

Grantee Information	ID	Grantee City	State	Licenses Type
	1722	KCSM-TV	San Mateo CA	University

INDIRECT ADMINISTRATIVE SUPPORT

When entering data in this screen (and all other SGMS screens), DO NOT USE the ENTER key to the cursor from field to field. Use your mouse or the TAB key to do so.

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Each line of this worksheet must be completed, except that ONLY ONE of EITHER item 2a OR 2b should be completed.

AFR SCHEDULE B - Worksheet II		FY 2003	FY 2004
Questions			
AFR Schedule B - Worksheet II			
1. Determine station net direct expenses			
1a. Total station operating expenses and capital outlays (forwards from line 10 of Schedule E)	\$5,831,568	\$	6144463
Deductions (lines 1b.1. through 1b.7.):	\$565,452	\$	87181
1b.1. Capital outlays (from Schedule E, line 9 total)			
1b.2. Depreciation	\$281,555	\$	274504
1b.3. Amortization	\$0	\$	0
1b.4. In-kind contributions (services and other assets)	\$31,203	\$	0
1b.5. Indirect Administrative Support (see Guidelines for instructions)	\$1,069,744	\$	1509557
1b.6. Donated property and equipment (if not included on line 1b.1)	\$0	\$	0
1b.7. Other	\$0	\$	0
1b.8. Total deductions	\$1,947,954	\$	1871242
1c. Station net direct expenses	\$3,883,614	\$	4273221
2a. Institutional support rate calculation (net direct expense method)			
2a.1. Station net direct expenses (forwards from line 1c.)	\$3,883,614	\$	4273221
2a.2. Licensee net direct activities	\$61,805,137	\$	58066563
2a.3. Percentage of allocation (2a.1.	6.283643		7.359177

Other

divided by 2a.2.) (forwards to line 7, below.)

2b. Institutional support rate calculation (salaries and wages method)

2b.1. Station salaries and wages

\$0 \$ 0

2b.2. Licensee salaries and wages for direct activities

\$0 \$ 0

2b.3. Percentage of allocation (2b.1. divided by 2b.2.) (forwards to line 7, below.)

0 0

3. Physical plant support rate calculation

3a. Net square footage occupied by station

0 0

3b. Licensee's net assignable square footage

0 0

3c. Percentage of allocation ((3a. divided by 3b) (forwards to line 7, below.)

0 0

Complete ONE Schedule B screen (identifying the benefiting cost groups included in the amounts on line 6, below) and return to this worksheet.

Institutional Support Cost Group	Physical Plant Operations Cost Group
----------------------------------	--------------------------------------

		Institutional Support	Physical Plant Operations
4. Costs per licensee financial statements	\$40,370,769	\$0 \$ 42376598	\$ 0
5. Less: Cost groups that do not benefit the operations of the public broadcast station	\$23,571,768	\$0 \$ 21865559	\$ 0
6. Total costs benefiting station operations (line 4 less line 5)	\$16,799,001	\$0 \$ 20511039	\$ 0
7. Percentage of allocation (from lines 2 and 3)	6.283643	0 7.359177	0
8. Portion of support activity benefiting the station (forwards to line 1 of Schedule B Main)	\$1,055,589	\$0 \$ 1509444	\$ 0

Financial Activities

Save Data

Financial Activities Help

AFR SCHEDULE C - IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

AFR

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

- Schedule A
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F

• AFR Menu

• Financial Activities Menu

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Supporting documentation for all claims must be maintained at the station and may be requested by CPB. This support must be recognized in the station's audited financial statements.

AFR SCHEDULE C - IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

Questions

AFR SCHEDULE C - IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

FY 2003

FY 2004

Donor Type Code (See below)

Donor Type Code (See below)

1. PROFESSIONAL SERVICES

(a) Legal	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
(b) Accounting and/or auditing	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
(c) Engineering	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
(d) Other professionals (see specific line item instructions in Guidelines before completing)	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
Total Professional Services	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>

2. GENERAL OPERATIONAL SERVICES

(a) Annual rental value of space (studios, offices, or tower facilities)	BS \$31,203	<input type="text" value="0"/>	<input type="text" value="0"/>
(b) Annual value of land used for locating a station-owned transmission tower	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
(c) Station Operating Expenses	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
(d) Other (see specific line item instructions in Guidelines before completing)	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
Total general operational services	\$31,203	<input type="text" value="0"/>	<input type="text" value="0"/>

3. OTHER SERVICES

(a) ITV or educational radio	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>
(b) State public broadcasting agencies	\$0	<input type="text" value="0"/>	<input type="text" value="0"/>

(APBC, FL DOE, NYN, OET, PPTN) Ⓢ		\$	0
(c) Local advertising Ⓢ	\$0	\$	0
(d) National advertising Ⓢ	\$0	\$	0
Total Other Services	\$0	\$	0
4. Total in-Kind Contributions - services and other assets (Sum of Lines 1 through 3)	\$31,203	\$	0
5. LESS: In-kind contributions from federal and public broadcasting entities included in Line 4	\$0	\$	0
6. Total nonfederal in-kind contributions - services and other assets (Line 4 less Line 5) forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$31,203	\$	0

Financial Activities

Save Data

Donor Type Codes

- BS - Business
- PU - Private University
- FD - Foundation
- SG - State Government
- FG - Federal Government
- SU - State University
- LG - Local Government
- PB - Public Broadcasting Entity
- OT - Other

Financial Activities Help

AFR

• Schedule A

• Schedule B

• Schedule C

• Schedule D

• Schedule E

• Schedule F

• AFR Menu

• Financial Activities Menu

AFR SCHEDULE D - IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

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 - where appropriate, navigational buttons or hyperlinks that may appear either in the middle or b of a screen.

Round all figures to the nearest dollar.

Supporting documentation for all claims must be maintained at the station and may be requested CPB. This support must be recognized in the station's audited financial statements.

AFR SCHEDULE D - IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

Questions

FY 2003 FY 2004

AFR SCHEDULE D - IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

Donor Type Code (See below)

1. Land	\$0		\$0
2. Building	\$0		\$0
3. Equipment	\$0		\$0
4. Vehicle(s)	\$0		\$0
5. Other (see specific line item instructions in Guidelines before completing)	\$0		\$0
6. Total in-kind contributions - property and equipment (sum of lines 1 through 5)	\$0		\$0
7. LESS: in-kind contributions from federal and public broadcasting entities included in line 6	\$0		\$0
8. Total non-federal in-kind contributions - property and equipment (line 6 less line 7) (Forwards to line 3b of the Summary of Nonfederal Financial Support)	\$0		\$0

Other

Financial Activities

Save Data

Donor Type Codes

BS - Business

PU - Private University

**Financial
Activities
Help**

- AFR
- Schedule A
- Schedule B
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- Schedule D
- Schedule E
- Schedule F
- AFR Menu
- Financial Activities Menu

AFR SCHEDULE E - EXPENDITURES

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

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Include both cash and non-cash expenses

AFR SCHEDULE E - EXPENSES & INVESTMENT IN CAPITAL

Questions	FY 2003	FY 2004
EXPENSES (Operating and non-operating) — Do not adjust for any reason. Total expenses must agree with financial statements.		
PROGRAM SERVICES		
1. Programming and production	\$1,357,096	\$ 1561446
2. Broadcasting and engineering	\$1,183,156	\$ 1403280
3. Program information and promotion	\$128,152	\$ 174496
SUPPORT SERVICES		
4. Management and general	\$1,602,148	\$ 2001918
5. Fund raising and membership development	\$432,780	\$ 408365
6. Underwriting and grant solicitation	\$281,229	\$ 233273
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$281,555	\$ 274504
8. Total expenses (sum of lines 1 to 7) — must agree with audited financial statements	\$5,266,116	\$ 6057282
INVESTMENT IN CAPITAL ASSETS		
Cost of capital assets purchased or donated		
9a. Land and buildings	\$0	\$ 0
9b. Equipment	\$669,648	\$ 87181
9c. All other	-\$104,196	\$ 0
9. Total capital assets purchased or donated (sum of lines 9a. to 9c.)	\$565,452	\$ 87181
10. TOTAL EXPENSES AND INVESTMENT IN CAPITAL ASSETS (sum of lines 8 and 9)	\$5,831,568	\$ 6144463
Additional Information (Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)		

11. Total expenses (direct cash only)	\$ 6057282
12. Total expenses (indirect and in-kind)	\$ 0
13. Investment in capital assets (direct cash only)	\$ 87181
14. Investment in capital assets (indirect and in-kind)	\$ 0

Financial Activities

Save Data

Financial Activities Help

- AFR
- Schedule A
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- AFR Menu
- Financial Activities Menu

AFR SCHEDULE F - RECONCILIATION FORM

Grantee Information	ID	Grantee City	State	Licensee Type
	1722	KCSM-TV	San Mateo CA	University

Round all figures to the nearest dollar.

As stated in the FY 2004 Financial Reporting Guidelines, a station's AFR must be reconciled with its audited financial statements. This form must be used in reconciling the two reports. Remember that all NFFS reported for any given year by a station must be recognized as support and revenue in the station's audited financial statements for the year.

SCHEDULE F - RECONCILIATION FORM

When more than one grantee is licensed to the same entity, they may jointly elect to reconcile their AFRs to a single combined set of financial statements. To reconcile this AFR with one or more separate AFRs for which the financial statements are consolidated, check the "check here" box below and select "Reconcile Grantee". For more information on this feature go to the SGMS Help files, Financial Reporting Guidelines, Chapter 5.9.

From CPB Annual Financial Report(s)	Fiscal Year 2004
1a. Schedule A, Line 21	\$ 3248068
1b. Schedule B, Line 4	\$ 1509557
1c. Schedule C, Line 4	\$ 0
1d. Schedule D, Line 6	\$ 0
1. Total per CPB Annual Financial Report(s) (Sum of lines 1a. to 1d.)	\$ 4757625

From Audited Financial Statements — Use only one of line items 2, 3 or 4 to enter values from the AFS	Fiscal Year 2004
FASB REPORTING MODEL	
2a. Total support and revenue - unrestricted	\$ 4116821
2b. Total support and revenue - temporarily restricted	\$ 0
2c. Total support and revenue - permanently restricted	\$ 640804
2. Total per Audited Financial Statements — FASB reporting model (Sum of lines 2a. to 2c.)	\$ 4757625

GASB REPORTING MODEL A (proprietary enterprise-fund financial statements with business-type activities only)	
3a. Operating revenues	\$ 0
3b. Non-operating revenues	\$ 0
3c. Other revenue	\$ 0
3d. Capital grants, gifts and appropriations (if not included above)	\$ 0
3. Total per Audited Financial Statements — GASB reporting model A (Sum of lines 3a. to 3d.)	\$ 0

GASB REPORTING MODEL B (public broadcasting entity-wide statements with mixed governmental and business-type activities)	
4a. Charges for services	\$ 0
4b. Operating grants and contributions	\$ 0

4c. Capital grants and contributions	\$	0
4d. Other revenues (if not included above)	\$	0
4. Total per Audited Financial Statements – GASB reporting model B (Sum of lines 4a. to 4d.)	\$	0
5. Total per Audited Financial Statements – Item 2 Total + Item 3 Total + Item 4 Total	\$	4757625

RECONCILIATION

6. Difference – Total per CPB AFR (Line 1 Total) less total per AFS (Line 5 Total) – explain in detail using Line 7 Other button	\$	0
7. Total of detailed reconciling items in Other button detail – must agree with difference shown on line 6	\$	0

Other

Financial Activities

To continue select Save Data button, and AFR Menu link.

KCSM-FM

**A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2004

**KCSM-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

JUNE 30, 2004

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INDEPENDENT AUDITORS' REPORT.....	1
Statement of Net Assets.....	2
Statement of Revenues, Expenses, and Changes in Net Assets.....	3
Statement of Cash Flows.....	4
NOTES TO FINANCIAL STATEMENTS.....	5



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
KCSM-FM

We have audited the accompanying financial statements of KCSM-FM (a public telecommunications entity operated by the San Mateo County Community College District) as of June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the KCSM-FM resource of the general fund of San Mateo County Community College District and do not purport to, and do not, present fairly the financial position of the San Mateo County Community College District as of June 30, 2004 and the changes in its financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KCSM-FM as of June 30, 2004, and the changes in financial position and cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004

**KCSM-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF NET ASSETS
JUNE 30, 2004**

ASSETS

Current assets

Cash	\$	182,886
Accounts receivable		19,683
Total current assets		202,569

Noncurrent assets

Capital assets		123,863
Accumulated depreciation		(87,472)
Total noncurrent assets		36,391

TOTAL ASSETS 238,960

LIABILITIES

Current Liabilities

Accounts payable		53,003
------------------	--	--------

NET ASSETS

Investment in capital assets		36,391
Unrestricted		149,566
TOTAL NET ASSETS	\$	185,957

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

**KCSM-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

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

OPERATING REVENUES

Direct Income		
CPB community service grants	\$	187,653
CPB other income		64,357
Other state income		21,006
Business and industry		109,424
Subscription and membership		1,287,086
Royalties		25
Other income		782
Facilities use		66,788
Indirect Income		
San Mateo County Community College District		552,915
Total Operating Revenues		2,290,036

OPERATING EXPENSES

Programming and production		534,180
Broadcasting		292,261
Program information and promotion		85,422
Management and general		1,193,445
Fundraising support		456,621
Underwriting and grant solicitation		63,232
Total Operating Expenses		2,625,161
Total Operating Loss		(335,125)

OTHER EXPENSES

Transfer to District		(2,790,377)
----------------------	--	-------------

CHANGE IN NET ASSETS		(3,125,502)
NET ASSETS AT BEGINNING OF YEAR		3,311,459
NET ASSETS AT END OF YEAR	\$	185,957

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

KCSM-FM**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004****CASH FLOWS FROM OPERATING ACTIVITIES**

CPB community service grants	\$ 187,653
National Public Radio income	64,357
Foundations and nonprofit associations	21,006
Business and industry	109,424
Subscription and membership	1,385,524
San Mateo County Community College District	552,915
Royalties	25
Other income	67,570
Payments to suppliers	(1,854,902)
Payment to /(on behalf of) employees	(752,453)
Loss on disposal of fixed assets	495,091
Net Cash Provided By Operating Activities	276,210

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Transfer to TV/District	(2,790,377)
Net Cash Used By Capital Financing Activities	(2,790,377)

NET DECREASE IN CASH (2,514,167)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 2,697,053

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 182,886

**RECONCILIATION OF NET OPERATING REVENUES TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (335,125)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	11,862
Loss on disposal of fixed assets	495,091
Changes in assets and liabilities	
Decrease in accounts receivable	98,438
Increase in accounts payable	5,944
NET CASH USED BY OPERATING ACTIVITIES	\$ 276,210

NONCASH TRANSACTIONS

Indirect income - San Mateo Community College District \$ 552,915

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

**KCSM-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

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

NOTE #1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

KCSM-FM is a public telecommunications radio station operated by San Mateo County Community College District. KCSM-FM is a program of San Mateo County Community College District general fund, and all activities are also reported within the financial statements of the District.

These financial statements are not intended to, and do not purport to, present fairly the financial position and changes in the financial position of the San Mateo County Community College District in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The KCSM-FM financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). In addition, the District applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

KCSM-FM operates as a proprietary fund; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses, including depreciation, of providing goods or services to its customers be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. KCSM-FM is not an entity separate from the College District and therefore does not present a Management Discussion and Analysis section.

Enterprise funds are used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its statement of net assets, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

For internal operating purposes, the District's Board of Trustees has established separate sub-funds, each of which includes a separate self-balancing set of accounts and a separate Board approved budget for the activities of KCSM-FM. These sub-funds are combined into the single enterprise fund presented in the accompanying financial statements.

The District's Board of Trustees adopts annual budgets on a basis consistent with accounting principles generally accepted in the United States of America.

**KCSM-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

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

Land, Buildings and Improvements

KCSM-FM records assets purchased at cost. The value of donated goods is recorded when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. KCSM-FM depreciates all equipment using the straight-line method of depreciation over the estimated useful life of the related assets, ranging from 5 to 20 years.

Estimates

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

Income Taxes

KCSM-FM is a program of San Mateo County Community College District. San Mateo County Community College District is a public educational institution and is considered to be a political subdivision of the State of California and is therefore tax exempt and not subject to filing information returns.

NOTE #2 – CASH AND CASH EQUIVALENTS

Cash accounts maintained by KCSM-FM are held by San Mateo County Community College District in pooled amounts at the County Treasury. For the purpose of the statement of cash flows, KCSM-FM considers all investments with maturities of six months or less to be cash equivalents.

NOTE #3 – EQUIPMENT

Changes in equipment are summarized as follows:

	July 1, 2003	Additions	Deletions	June 30, 2004
Equipment	\$ 966,269	-	\$ 842,406	\$ 123,863
Less - Accumulated Depreciation				87,472
Net Equipment				\$ 36,391

Current year depreciation expense was \$11,862.

**KCSM-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

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

NOTE #4 – DONATED SERVICES

During the year, many KCSM-FM individuals donate significant amounts of time and services in an effort to advance the programs and objectives of the station. These services have not been recorded in the financial statements because no objective basis is available to measure the value of such services.

NOTE #5 – RELATED PARTY TRANSACTIONS

During the year, KCSM-FM received indirect administrative support from San Mateo Community College District, the entity that operates the station, in the amount of \$552,915.

KCSM-FM also transferred the following amounts to the San Mateo County Community College District/TV station:

Transfer to fund TV	\$ 945,000
Transfer to fund prior year operations	1,845,377
Total transfer to district	\$ 2,790,377



INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Trustees
KCSM – FM

We have examined management's assertion included in the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support that KCSM – FM complied with CPB's Fiscal Year 2004, Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support (NFFS) during the fiscal year ended June 30, 2004. Management is responsible for KCSM – FM's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about KCSM – FM'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 KCSM – FM'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 KCSM – FM compliance with specified requirements.

In our opinion, management's assertion that KCSM – FM complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2004 is fairly stated.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than this specified party.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004

Financial Activities Help

AFR Main Menu

Note: Click on the links on the left to access Schedules A - F.

- AFR
- Schedule A
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- AFR Menu
- Financial Activities Menu

Grantee ID	Grantee Name	City	State	Licensee Type
1314	KCSM-FM	San Mateo	CA	University

AFR Schedule Status: Not Submitted

1) Additional AFR Forms

- Capital Spread
- Extension Request

2) Grantee Functions

OK

Click OK to proceed to the AFR Confirmation Screen

(NOTE: The total NFFS value displays below and on the AFR Confirmation Screen. The AFR/FSR Signature Page link will display after the AFR/FSR schedules are submitted to CPB.)

3) Form

- Upload Audited Financial Statement
- Accountant's Qualification Statement (if applicable)

Comments	Status
	Not Submitted
	Not Submitted

Summary of Non-federal Financial Support

	2004	2003	\$ Change	% Change
1. Schedule A	\$1,417,541	\$1,482,477	-\$64,936	-4.4
2. Schedule B	\$552,915	\$359,864	\$193,051	53.6
3. Schedule C	\$0	\$0	\$0	N/A
4. Schedule D	\$0	\$0	\$0	N/A
5. Total NFFS	\$1,970,456	\$1,842,341	\$128,115	7.0

Financial Activities

Help

AFR

• Schedule A

• Schedule B

• Schedule C

• Schedule D

• Schedule E

• Schedule F

• AFR Menu

• Financial Activities Menu

AFR Schedule A

Grantee Information	ID	Grantee	City	State	Licensee Type
	1314	KCSM-FM	San Mateo	CA	University

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- where appropriate, navigational buttons or hyperlinks that may appear either in the middle or bottom of a screen.

Enter negative values preceded by a minus sign (e.g. "-200547"), NOT in parentheses.

IMPORTANT! When entering values on Schedule A-1 you must return to Schedule A and select the SAVE DATA button again before moving to the next Schedule.

AFR SCHEDULE A - DIRECT REVENUE

Questions

FY 2003 | FY 2004

AFR SCHEDULE A - DIRECT REVENUE

1. Amounts provided directly by federal government agencies

A. PTFP (NTIA) Facilities Grants	\$0	\$0
B. Department of Education	\$0	\$0
C. Department of Health and Human Services	\$0	\$0
D. National Endowment for the Arts and Humanities	\$0	\$0
E. National Science Foundation	\$0	\$0
F. Other Federal Funds (specify)	\$0	\$0
Total federal government (forwards to line 22)	\$0	\$0

2. Amounts provided by Public Broadcasting Entities (e.g. CPB, PBS, NPR, etc., including other stations and regional networks. See Guidelines for complete list.)

A. CPB - Community Service Grants (Unrestricted)	\$190,459	\$187,653
B. Annenberg/CPB Project Grants	\$0	\$0
C. CPB - Community Service Grant (Restricted-formerly NPPAG)	\$0	\$0
D. CPB - Interconnection grants	\$0	\$0
E. CPB - all other funds	\$0	\$64,357
F. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines	\$0	\$0

for details.

G. NPR - all payments except pass-through payments. See Guidelines for details.	\$400	\$	0
H. Public broadcasting stations - all payments	\$0	\$	0
I. Other PBE funds (specify)	\$0	\$	0
Total public broadcasting entities (forwards to line 23)	\$190,859	\$	252010
3. Local boards and departments of education or other local government or agency sources	\$0	\$	0
4. State boards and departments of education or other state government or agency sources	\$0	\$	21006
5. State colleges and universities	\$0	\$	0
6. Other state-supported colleges and universities	\$0	\$	0
7. Private colleges and universities	\$0	\$	0
8. Foundations and nonprofit associations	\$4,300	\$	0
9. Business and industry	\$190,290	\$	176212
10. Memberships and subscriptions (net of write-offs)	\$1,333,944	\$	1287086
10a. Total number of contributors.	15,165		13299
11. Revenue from Friends groups less any revenue included on line 10	\$0	\$	0
11a. Total number of Friends contributors.	0		0
12. Revenue from subsidiary enterprises and related organizations (See instructions)	\$0	\$	0
13. Net auction revenue (net of direct expenses of)	\$0	\$	0
14. Net revenue from special fund raising activities (net of direct expenses of)	\$0	\$	0
15. Passive income			
15a. Interest and dividends	\$0	\$	0
15b. Royalties	\$0	\$	0
15c. PBS or NPR pass-through copyright royalties	\$23	\$	25
Subtotal - passive income	\$23	\$	25
16. Realized and unrealized gains or losses on investments and sale of other assets. (Must also be reported on Schedule A-1, line 9.)			
16a. Property and Equipment - gains from sales only.	\$0	\$	0
16b. Realized gains (losses) on investments.	\$0	\$	0
16c. Unrealized gains (losses) on investments.	\$0	\$	0
Subtotal - gains (losses)	\$0	\$	0
17. Endowment revenue (contributions plus interest and dividends) Do not include realized or unrealized gains (losses) on investments - see line 16.	\$0	\$	0
18. Capital fund contributions			
18a. Facilities and Equipment	\$0	\$	0
18b. Other - See Guidelines for instructions and	\$0		

Other

0
0

specific examples.

\$ 0

Other

Subtotal - capital fund contributions

\$0 \$ 0

19. Gifts and bequests from major individual donors

\$0 \$ 0

20. Other See Guidelines for instructions and specific examples.

\$70 \$ 782

Other

21. Total Revenue (Sum of lines 1 through 20).

\$1,719,486 \$ 1737121

ADJUSTMENTS TO REVENUE

22. Federal revenue from line 1.

\$0 \$ 0

23. Public broadcasting revenue from line 2.

\$190,859 \$ 252010

24. Capital funds exclusion (from line 18a) - TV only

\$0 \$ 0

25. Other revenue on line 21 not meeting the source, form, purpose, or recipient criteria (Schedule A-1, line 19)

\$46,150 \$ 67570

26. Revenue on line 21 that has been previously claimed as NFFS

\$0 \$ 0

27. Total Direct Nonfederal Financial Support (Line 21 less Lines 22 through 26). (Forwards to line 1 of the Summary of Nonfederal Financial Report)

\$1,482,477 \$ 1417541

ADDITIONAL INFORMATION REQUIRED

1. How much of revenue reported on line 8 (from foundation and non-profits) was received as underwriting?

\$4,200 \$ 0

2. How much of revenue reported on line 9 (from business and industry) was received as underwriting?

\$111,395 \$ 109424

AFR SCHEDULE A-1 REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

Schedule A-1

Financial Activities

Save Data

Financial Activities Help

Annual Financial Report Schedule A-1

AFR

Grantee Information	ID	Grantee City	State	Licensee Type
	1314	KCSM-FM San Mateo	CA	University

• Schedule A

Unless revenue meets the specific criteria defined in the Communications Act of 1934, as amended, it must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

• Schedule B

• Schedule C

Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary or any individual.

• Schedule D

Form: Payment in exchange for any service or material

• Schedule E

Purpose: Service or material for any related activity of the public broadcasting entity.

• Schedule F

Recipient: A public broadcasting entity

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

• AFR Menu

When entering data in this screen (and all other SGMS screens), DO NOT USE the ENTER key to the cursor from field to field. Use your mouse or the TAB key to do so.

• Financial Activities Menu

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Enter negative values preceded by a minus sign (e.g. "-200547"), NOT in parentheses.

AFR SCHEDULE A-1 REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

Questions

FY2004

AFR SCHEDULE A-1 REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

List revenue from for-profit corporations or individuals reported on Schedule A that is for the sale of goods and services:

1. Production, taping, or other broadcast related activities	Line Reference	\$ 0
2. Telecasting production/teleconferencing	Line Reference	\$ 0
3. Foreign rights	Line Reference	\$ 0
4. Rentals of membership lists	Line Reference	\$ 0
5. Rentals of studio space, equipment, tower, parking space	Line Reference	\$ 66788
6. Leasing of SCA, VBI, ITFS channels	Line Reference	\$ 0
7. Sale of programs or program rights for public performance	Line Reference	\$ 0

8. Sale or rental of program transcripts or recording for other than public performance including private use	Line Reference	\$	0
9. Realized and unrealized gains or losses on investments and sale of other assets.	Line Reference	\$	0
10. Sale of premiums	Line Reference	\$	0
11. Royalty income from licensing fees	Line Reference	\$	0
12. Other revenue not listed above and not includable by definition (e.g. PRMS, channel swaps, etc.)	Line Reference	\$	782
List below any revenue claimed on Schedule A regardless of source:			
13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of the business	Line Reference	\$	0
14. A wholly owned or partially owned nonprofit subsidiary	Line Reference	\$	0
15. Sale of program guides	Line Reference	\$	0
16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription	Line Reference	\$	0
17. Refunds, rebates, reimbursements and insurance proceeds	Line Reference	\$	0
18. Other (e.g. unrelated business income as reported on federal form 990T, revenue from non-broadcast activities that fail to meet exception criteria, etc.) See Guidelines for additional information.	Line Reference	\$	0
19. Total Revenue not meeting criteria for inclusion as NFFS. (sum of lines 1 through 18) (Forward to Schedule A, Line 25)		\$	67570

Other

Other

Annual Financial Report Schedule A

Schedule A **IMPORTANT!**

After you select the "Save Data" button on this Schedule, return to Schedule A and select the "Save Data" button again before moving to the next Schedule.

Financial Activities

Save Data

Financial Activities

Help

AFR

- Sched. B Intro
- Sched. B Main
- Worksheet II
- Schedule E
- AFR Menu
- Financial Activities Menu

AFR SCHEDULE B - Main Screen

Grantee Information	ID	Grantee	City	State	Licensee Type
	1314	KCSM-FM	San Mateo	CA	University

Round all figures to the nearest dollar.

INDIRECT ADMINISTRATIVE SUPPORT

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AFR SCHEDULE B		FY 2003	FY 2004
Questions			
Schedule B Main			
1. Total support activity benefiting station		\$356,021	\$ 549072
2. Occupancy All grantees claiming occupancy value as indirect administrative support must complete the occupancy forms, which can be accessed by clicking the Occupancy button. NOTE: If the cost pools used in determining the licensee's OSA rate include a rate for building use, DO NOT ALSO claim a value for occupancy here in item 2 of the Schedule B Main Screen.			
Occupancy Value		\$3,843	\$ 3843
3. Deductions: (a) fees paid to the licensee for overhead recovery, assessment, etc. and/or (b) support shown on lines (1) or (2) in excess of revenue reported in financial statements.		\$0	\$ 0
4. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)		\$359,864	\$ 552915
5. Please enter an institutional type code for your licensee.	OU		OU
Financial Activities			
<input type="button" value="Save Data"/>			
Donor Codes - You Must Select One:			
SU - State University			
SG - State Government			
PU - Private University			
LG - Local Government			
OU - Other University			

**Financial
Activities
Help**

AFR

- Sched. B Intro
- Sched. B Main
- Worksheet II
- Schedule E
- AFR Menu
- Financial Activities Menu

**Schedule B - Introduction Screen
(Schedule B is for use only by grantees with institutional licensees)**

Grantee Information	ID	Grantee City	State	Licensee Type
	1314	KCSM-FM San Mateo	CA	University

INDIRECT ADMINISTRATIVE SUPPORT

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Check ONE box to indicate the indirect cost rate methodology to be used, click on the "Save" button, and proceed to the appropriate worksheet by clicking on the Worksheet button that appears at the left.

For Grantees claiming **Occupancy Value Only** - select the Grantee-Developed Method.

1. Basic Method --> Worksheet II
2. Grantee-Developed Method --> Worksheet III
3. Other Sponsored Activities - Modified Total Direct Cost Method --> Worksheet I
4. Other Sponsored Activities - Salaries and Wages Method --> Worksheet IA

Save

Financial Activities

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AFR OCCUPANCY FORMS MENU

Grantee Information	ID	Grantee	City	State	Licensee Type
	1314	KCSM-FM	San Mateo	CA	University

Round all figures to the nearest dollar.

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AFR OCCUPANCY FORMS MENU

Form	Location	Value	View	Delete
Building	College of San Mateo	3843	View	Delete

Occupancy Functions

To continue, select Done then Sched. B Main.

Financial Activities

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- Sched. B Main
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- Schedule E
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- Financial Activities Menu

Annual Value Computation for Buildings and Tower Facilities

Grantee Information	ID	Grantee City	State	Licensee Type
	1314	KCSM-FM	San Mateo	CA University

Round all figures to the nearest dollar.

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IMPORTANT REMINDER: If Line 7, Column A or B, equals 0, DO NOT enter any data in that column.

Building Information

Name	Location
Library/Learning Resou.	College of San Mateo

Annual Value Computations for Buildings and Tower Facilities

Questions	Column A use for original costs	Column B use for improvements
1. Record building at original cost or at fair market value at the time the station took possession (use fair value only if original cost is unknown)	900598	
2. Total original cost of major improvements		2881901
3. Subtract federal and CPB funds used in construction or improvements	0	0
4. Total nonfederal value of building/improvements	900598	2881901
5. Enter year constructed or acquired	1964	1996
6. Estimated useful life of building / improvements from date of acquisition or construction	30	30
7. Remaining useful life of building - if remaining useful life is zero, do not continue this computation	0	22
IMPORTANT REMINDER: If Line 7, Column A or B, equals 0, DO NOT enter any data in that column.		
8. Annual value (line 4 divided by line 6)	30020	96063

9. Station's prorata use of building	0	4
10. Product of lines 8 and 9	0	3843
11. Payments made by the station as part of lease or rental agreements	0	0
12. Payments received by the station for use by others of this space	0	0
13. Annual value for NFFS purposes (line 10 minus lines 11 and 12)	0	3843
Save Building Data		
<input type="button" value="Save Data"/>		<input type="button" value="Back to Occupancy"/>

Financial Activities

AFR Schedule B - Worksheet II (Basic Allocation Method)

- Help**
- AFR
 - Sched. B Intro
 - Sched. B Main
 - Worksheet II
 - Schedule E
 - AFR Menu
 - Financial Activities Menu

Grantee Information	ID	Grantee	City	State	Licenses Type
	1314	KCSM-FM	San Mateo	CA	University

INDIRECT ADMINISTRATIVE SUPPORT

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Each line of this worksheet must be completed, except that ONLY ONE of EITHER item 2a OR 2b should be completed.

AFR SCHEDULE B - Worksheet II		FY 2003	FY 2004
Questions			
AFR Schedule B - Worksheet II			
1. Determine station net direct expenses			
1a. Total station operating expenses and capital outlays (forwards from line 10 of Schedule E)	\$1,741,744	\$	2720790
Deductions (lines 1b.1. through 1b.7.):			
1b.1. Capital outlays (from Schedule E, line 9 total)	\$11,469	\$	95629
1b.2. Depreciation	\$60,575	\$	11862
1b.3. Amortization	\$0	\$	0
1b.4. In-kind contributions (services and other assets)	\$0	\$	0
1b.5. Indirect Administrative Support (see Guidelines for instructions)	\$359,864	\$	552915
1b.6. Donated property and equipment (if not included on line 1b.1)	\$0	\$	0
1b.7. Other	\$0	\$	0
1b.8. Total deductions	\$431,908	\$	660406
1c. Station net direct expenses	\$1,309,836	\$	2060384
2a. Institutional support rate calculation (net direct expense method)			
2a.1. Station net direct expenses (forwards from line 1c.)	\$1,309,836	\$	2060384
2a.2. Licensee net direct activities	\$61,805,137	\$	58066563
2a.3. Percentage of allocation (2a.1.	2.1193		3.548314

Other

divided by 2a.2.) (forwards to line 7, below.)

2b. Institutional support rate calculation (salaries and wages method)

2b.1. Station salaries and wages \$0 \$ 0

2b.2. Licensee salaries and wages for direct activities \$0 \$ 0

2b.3. Percentage of allocation (2b.1. divided by 2b.2.) (forwards to line 7, below.) 0 0

3. Physical plant support rate calculation

3a. Net square footage occupied by station 0 0

3b. Licensee's net assignable square footage 0 0

3c. Percentage of allocation ((3a. divided by 3b) (forwards to line 7, below.) 0 0

Complete ONE Schedule B screen (identifying the benefiting cost groups included in the amounts on line 6, below) and return to this worksheet.

Institutional Support Cost Group	Physical Plant Operations Cost Group
----------------------------------	--------------------------------------

		Institutional Support	Physical Plant Operations
4. Costs per licensee financial statements	\$40,370,769	\$0 \$ 42376598	\$ 0
5. Less: Cost groups that do not benefit the operations of the public broadcast station	\$23,571,768	\$0 \$ 21865559	\$ 0
6. Total costs benefiting station operations (line 4 less line 5)	\$16,799,001	\$0 \$ 20511039	\$ 0
7. Percentage of allocation (from lines 2 and 3)	2.1193	0 3.548314	0
8. Portion of support activity benefiting the station (forwards to line 1 of Schedule B Main)	\$356,021	\$0 \$ 727796	\$ 0

Financial Activities

Save Data

Financial Activities Help

AFR SCHEDULE C - IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

AFR

Grantee Information	ID	Grantee City	State	Licensee Type
	1314	KCSM-FM San Mateo	CA	University

• Schedule A

• Schedule B

• Schedule C

• Schedule D

• Schedule E

• Schedule F

• AFR Menu

• Financial Activities Menu

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Supporting documentation for all claims must be maintained at the station and may be requested CPB. This support must be recognized in the station's audited financial statements.

AFR SCHEDULE C - IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

Questions	FY 2003	FY 2004
AFR SCHEDULE C - IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS		
	Donor Type Code (See below)	Donor Type Code (See below)
1. PROFESSIONAL SERVICES		
(a) Legal	\$0	\$0
(b) Accounting and/or auditing	\$0	\$0
(c) Engineering	\$0	\$0
(d) Other professionals (see specific line item instructions in Guidelines before completing)	\$0	\$0
Total Professional Services	\$0	\$0
2. GENERAL OPERATIONAL SERVICES		
(a) Annual rental value of space (studios, offices, or tower facilities)	\$0	\$0
(b) Annual value of land used for locating a station-owned transmission tower	\$0	\$0
(c) Station Operating Expenses	\$0	\$0
(d) Other (see specific line item instructions in Guidelines before completing)	\$0	\$0
Total general operational services	\$0	\$0
3. OTHER SERVICES		
(a) ITV or educational radio	\$0	\$0
(b) State public broadcasting agencies (APBC, FL DOE, NYN, OET, PPTN)	\$0	\$0

Other

Other

(c) Local advertising	\$0	\$0
(d) National advertising	\$0	\$0
Total Other Services	\$0	\$0
4. Total in-Kind Contributions - services and other assets (Sum of Lines 1 through 3)	\$0	\$0
5. LESS: In-kind contributions from federal and public broadcasting entities included in Line 4	\$0	\$0
6. Total nonfederal in-kind contributions - services and other assets (Line 4 less Line 5) forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$0	\$0

Financial Activities

Save Data

Donor Type Codes

- BS - Business
- PU - Private University
- FD - Foundation
- SG - State Government
- FG - Federal Government
- SU - State University
- LG - Local Government
- PB - Public Broadcasting Entity
- OT - Other

Financial Activities Help

AFR SCHEDULE D - IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

AFR

ID	Grantee	City	State	Licensee Type
1314	KCSM-FM	San Mateo	CA	University

• Schedule A

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• Schedule B

To move from one task to another within SGMS, DO NOT USE THE BACK BUTTON ON YOUR BROWSER, use:

• Schedule C

- tabs at the top of the screen to move from one major section of SGMS to another,

• Schedule D

- navigational buttons in the left-hand margin of each screen, or
- where appropriate, navigational buttons or hyperlinks that may appear either in the middle or bottom of a screen.

• Schedule E

Round all figures to the nearest dollar.

• Schedule F

Supporting documentation for all claims must be maintained at the station and may be requested CPB. This support must be recognized in the station's audited financial statements.

• AFR Menu

• Financial Activities Menu

AFR SCHEDULE D - IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

Questions	FY 2003	FY 2004	
AFR SCHEDULE D - IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT			Donor Type Code (See below)
1. Land	\$0	\$0	<input type="text" value="0"/>
2. Building	\$0	\$0	<input type="text" value="0"/>
3. Equipment	\$0	\$0	<input type="text" value="0"/>
4. Vehicle(s)	\$0	\$0	<input type="text" value="0"/>
5. Other (see specific line item instructions in Guidelines before completing)	\$0	\$0	<input type="text" value="0"/> Other
6. Total in-kind contributions - property and equipment (sum of lines 1 through 5)	\$0	\$0	<input type="text" value="0"/>
7. LESS: in-kind contributions from federal and public broadcasting entities included in line 6	\$0	\$0	<input type="text" value="0"/>
8. Total non-federal in-kind contributions - property and equipment (line 6 less line 7) (Forwards to line 3b of the Summary of Nonfederal Financial Support)	\$0	\$0	<input type="text" value="0"/>

Financial Activities

Donor Type Codes

BS - Business

PU - Private University

FD - Foundation
SG - State Government
FG - Federal Government
SU - State University
LG - Local Government
PB - Public Broadcasting Entity
OT - Other

**Financial
Activities
Help**

AFR SCHEDULE E - EXPENDITURES

AFR

Grantee Information	ID	Grantee	City	State	Licensee Type
	1314	KCSM-FM	San Mateo	CA	University

- Schedule A
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- AFR Menu
- Financial Activities Menu

When entering data in this screen (and all other SGMS screens), DO NOT USE the ENTER key to the cursor from field to field. Use your mouse or the TAB key to do so.

To move from one task to another within SGMS, NEVER USE THE BACK BUTTON ON YOUR BROWSER, use:

- tabs at the top of the screen to move from one major section of SGMS to another,
- navigational buttons in the left-hand margin of each screen, or
- where appropriate, navigational buttons or hyperlinks that may appear either in the middle or bottom of a screen.

Include both cash and non-cash expenses

AFR SCHEDULE E - EXPENSES & INVESTMENT IN CAPITAL

Questions	FY 2003	FY 2004
EXPENSES (Operating and non-operating) — Do not adjust for any reason. Total expenses must agree with financial statements.		
PROGRAM SERVICES		
1. Programming and production	\$491,621	\$ 534180
2. Broadcasting and engineering	\$109,239	\$ 292261
3. Program information and promotion	\$80,608	\$ 85422
SUPPORT SERVICES		
4. Management and general	\$526,058	\$ 1181583
5. Fund raising and membership development	\$387,137	\$ 456621
6. Underwriting and grant solicitation	\$75,037	\$ 63232
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$60,575	\$ 11862
8. Total expenses (sum of lines 1 to 7) — must agree with audited financial statements	\$1,730,275	\$ 2625161
INVESTMENT IN CAPITAL ASSETS		
Cost of capital assets purchased or donated		
9a. Land and buildings	\$0	\$ 0
9b. Equipment	\$11,469	\$ 95629
9c. All other	\$0	\$ 0
9. Total capital assets purchased or donated (sum of lines 9a. to 9c.)	\$11,469	\$ 95629
10. TOTAL EXPENSES AND INVESTMENT IN CAPITAL ASSETS (sum of lines 8 and 9)	\$1,741,744	\$ 2720790
Additional Information (Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)		

11. Total expenses (direct cash only)	\$ 2471710
12. Total expenses (indirect and in-kind)	\$ 0
13. Investment in capital assets (direct cash only)	\$ 95629
14. Investment in capital assets (indirect and in-kind)	\$ 0

Financial Activities

Save Data

Financial Activities

Help

AFR

• Schedule A

• Schedule B

• Schedule C

• Schedule D

• Schedule E

• Schedule F

• AFR Menu

• Financial Activities Menu

AFR SCHEDULE F - RECONCILIATION FORM

Grantee Information	ID	Grantee City	State	Licensee Type
	1314	KCSM-FM San Mateo	CA	University

Round all figures to the nearest dollar.

As stated in the FY 2004 Financial Reporting Guidelines, a station's AFR must be reconciled with its audited financial statements. This form must be used in reconciling the two reports. Remember that all NFFS reported for any given year by a station must be recognized as support and revenue in the station's audited financial statements for the year.

SCHEDULE F - RECONCILIATION FORM

When more than one grantee is licensed to the same entity, they may jointly elect to reconcile their AFRs to a single combined set of financial statements. To reconcile this AFR with one or more separate AFRs for which the financial statements are consolidated, check the "check here" box below and select "Reconcile Grantee". For more information on this feature go to the SGMS Help files, Financial Reporting Guidelines, Chapter 5.9.

From CPB Annual Financial Report(s)	Fiscal Year 2004
1a. Schedule A, Line 21	\$ 1737121
1b. Schedule B, Line 4	\$ 552915
1c. Schedule C, Line 4	\$ 0
1d. Schedule D, Line 6	\$ 0
1. Total per CPB Annual Financial Report(s) (Sum of lines 1a. to 1d.)	\$ 2290036

From Audited Financial Statements -- Use only one of line items 2, 3 or 4 to enter values from the AFS	Fiscal Year 2004
FASB REPORTING MODEL	
2a. Total support and revenue - unrestricted	\$ 2017020
2b. Total support and revenue - temporarily restricted	\$ 0
2c. Total support and revenue - permanently restricted	\$ 273016
2. Total per Audited Financial Statements -- FASB reporting model (Sum of lines 2a. to 2c.)	\$ 2290036

GASB REPORTING MODEL A (proprietary enterprise-fund financial statements with business-type activities only)	
3a. Operating revenues	\$ 0
3b. Non-operating revenues	\$ 0
3c. Other revenue	\$ 0
3d. Capital grants, gifts and appropriations (if not included above)	\$ 0
3. Total per Audited Financial Statements -- GASB reporting model A (Sum of lines 3a. to 3d.)	\$ 0

GASB REPORTING MODEL B (public broadcasting entity-wide statements with mixed governmental and business-type activities)	
4a. Charges for services	\$ 0
4b. Operating grants and contributions	\$ 0

4c. Capital grants and contributions	\$	0
4d. Other revenues (if not included above)	\$	0
4. Total per Audited Financial Statements – GASB reporting model B (Sum of lines 4a. to 4d.)	\$	0

5. Total per Audited Financial Statements – Item 2 Total + Item 3 Total + Item 4 Total	\$	2290036
---	----	---------

RECONCILIATION

6. Difference – Total per CPB AFR (Line 1 Total) less total per AFS (Line 5 Total) – explain in detail using Line 7 Other button	\$	0
7. Total of detailed reconciling items in Other button detail – must agree with difference shown on line 6	\$	0

Other

Financial Activities

To continue select Save Data button, and AFR Menu link.

BOARD REPORT NO. 05-1-101B

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: James W. Keller, Executive Vice Chancellor, 358-6790

**RECEIPT AND ACCEPTANCE OF THE 2003-04
GENERAL OBLIGATION BOND FINANCIAL AND PERFORMANCE AUDITS**

Attached is a copy of the General Obligation Bond financial and performance audits for the San Mateo County Community College District, prepared by the Board-approved firm of Vavrinek, Trine, Day & Company. The audit was based upon the fiscal year ending June 30, 2004. Representatives of the Bond Oversight Committee and the auditing firm will be present to participate in the discussion.

RECOMMENDATION

It is recommended that the Board of Trustees receive and accept the 2003-04 audit reports for the General Obligation Bond funds.

**SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY –
BOND FUND
FINANCIAL REPORT**

JUNE 30, 2004

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND

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JUNE 30, 2004

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Capital Outlay - Bond Fund	
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Fund Balance	3
Notes to Financial Statements	4



INDEPENDENT AUDITORS' REPORT

Measure C Citizens' Oversight Committee
San Mateo County Community College District
San Mateo, California

We have audited the accompanying financial statements of the capital outlay - bond fund of the San Mateo County Community College District, as of and for the year ended June 30, 2004, 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the capital outlay - bond fund and are not intended to present fairly the financial position and results of operations of the San Mateo County Community College District in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the capital outlay - bond fund of the San Mateo County Community College District at June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
October 1, 2004

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY - BOND FUND
BALANCE SHEET
JUNE 30, 2004**

ASSETS

Investments	\$51,490,687
Accounts receivable	458,058
Due from other funds	75
Total Assets	\$51,948,820

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 4,667,579
Due to other funds	303
Total Liabilities	4,667,882

FUND EQUITY

Fund balances	
Unreserved	
Undesignated	47,280,938
Total Liabilities and Fund Equity	\$51,948,820

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2004**

REVENUES	
Other local revenues	\$ 2,167,621
Total Revenues	2,167,621
EXPENDITURES	
Current	
Books and supplies	36,624
Services and operating expenditures	3,800,808
Capital outlay	
Buildings	22,856,873
Land	8,832,647
Total Expenditures	35,526,952
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(33,359,331)
OTHER FINANCING SOURCES/(USES)	
Operating transfers out	(928,886)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(34,288,217)
FUND BALANCE, BEGINNING OF YEAR	81,569,155
FUND BALANCE, END OF YEAR	\$47,280,938

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the San Mateo County Community College District bond fund conforms to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The San Mateo County Community College District capital outlay - bond fund accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

A. Financial Reporting Entity

These financial statements were prepared to comply with the requirements of proposition 39 related to the 55% voter approval requirements for bond issues and include only the capital outlay - bond fund established to account for the expenditures of the general obligation bonds issued November 2001. These financial statements are not intended to present fairly the complete financial position and results of operations of the San Mateo County Community College District in conformity with generally accepted accounting principles.

B. Fund Accounting

The District accounts for the capital outlay – bond fund in a fund, which is considered to be a separate accounting entity from all other funds of the District. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (or retained earnings), revenues, and expenditures (or expenses), as appropriate. District resources are allocated to and accounted for in individual governmental funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

D. Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

E. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not available for appropriation or amounts legally segregated for a specific future use. Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

F. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. 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 San Mateo bills and collects the taxes for the District. The District recognizes tax revenues when received.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE #2 -- INVESTMENTS

Investments at June 30, 2004, held on behalf of the capital outlay - bond fund of the San Mateo County Community College District consist of deposits in the County of San Mateo Treasury:

	Reported Amount	Fair Value
Deposits with county treasurer	\$ 51,490,687	\$ 51,490,687

Deposits with County Treasurer is an external investment pool sponsored by the County of San Mateo. College districts are required to deposit substantially all receipts and collections of monies with their county treasurer (Education Code Section 41001).

Therefore, the District is considered to be an involuntary participant in an external investments pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE #3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2004, consists of the following:

Interest	\$ 458,058
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NOTE #4 – INTERFUND TRANSACTIONS

Interfund Receivable/Payables (Due To/Due From)

The amount of interfund receivable and payable balances due at June 30, 2004, is \$75 and \$303, respectively. These amounts are due from the capital outlay fund.

Operating transfers

Operating transfers at June 30, 2004 were \$928,886. These amounts were transferred to the capital outlay fund for scheduled maintenance.

NOTE #5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2004, consists of the following:

Vendor payables	\$ 4,667,579
-----------------	--------------

NOTE #6 – FUND BALANCES

Fund balances are composed of the following elements:

Unreserved Undesignated	\$47,280,938
----------------------------	--------------

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE #7 – LONG-TERM DEBT

A. Long-Term Debt Summary

Under the modified accrual basis of accounting, liabilities for long-term debt are not reported in the individual funds of the District. However, they are reported as liabilities on the Statement of Net Assets in the Entity Wide financial statements of the District. A schedule of changes in long-term debt for the year ended June 30, 2004, is shown below:

B. General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Beginning of Year	Accretion	Redeemed	Bonds End of Year
6/2002	2026	5.20-5.74	\$96,875,613	\$97,579,417	\$ 1,054,196	\$2,335,000	\$ 96,298,613

The general obligation bonds mature through 2026 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2005	\$ 3,455,000	\$ 3,556,653	\$ 7,011,653
2006	3,905,000	3,469,802	7,374,802
2007	1,395,000	3,359,402	4,754,402
2008	1,560,000	3,279,902	4,839,902
2009	1,855,000	3,235,577	5,090,577
2010-2014	14,795,000	14,387,242	29,182,242
2015-2019	22,980,810	17,575,748	40,556,558
2020-2024	25,655,674	15,565,825	41,221,499
2025-2027	19,642,933	4,702,987	24,345,920
Total	95,244,417	\$ 69,133,138	\$ 164,377,555
Accretions to date	1,054,196		
	\$ 96,298,613		

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE #8 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2004, the building fund had the following commitments with respect to unfinished capital projects:

Description	Amount
District wide energy efficiency projects	\$ 1,095
District wide other projects	152,147
Skyline buildings	582,223
Skyline other projects	1,491,206
Canada buildings	885,123
Canada other projects	613,282
CSM buildings	927,474
CSM integrated science center	17,921,755
CSM other projects	146,987
	\$ 22,721,292

**SAN MATEO COUNTY COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND
PERFORMANCE REPORT**

JUNE 30, 2004



**INDEPENDENT ACCOUNTANTS' REPORT ON
 APPLYING AGREED-UPON PROCEDURES**

Measure C Citizens' Oversight Committee
 San Mateo County Community College District
 San Mateo, California

We have performed the agreed-upon procedures listed below, which were agreed to by the management of the San Mateo County Community College District and the Measure C Citizen's Oversight Committee, solely to review at least 25% of the expenditures of the 2001 General Obligation Bond funds for the period of July 1, 2003 through June 30, 2004 for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents, District resolutions, the master plan and the revised master plan as guidance for the intended use of the funds. For any expenditures in question, we recommended that the District obtain the opinion of legal counsel and we informed this committee as to the issues. Management is responsible for San Mateo County Community College District's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for either the purpose for which this report has been requested or for any other purpose.

Financial Summary

1. The general obligation bond funds were authorized at an election of the registered voters of the District held on November 6, 2001. The bonds were authorized at an issuance of \$207,000,000 principal amount for the purpose of financing the addition and modernization of school facilities. The first series of the bonds were issued in 2002 and sold in the amount of \$96,875,613.
2. Total expenditures and encumbrances through June 30, 2004, were \$78,905,861.
3. An analysis of expenditures is as follows:

	Prior Periods	7/1/03 to 6/30/2004	Total
Expenditures			
Books and supplies	\$ 21,679	\$ 36,624	\$ 58,303
Services and operating expenses	1,517,856	3,800,808	5,318,664
Capital Outlay	7,559,920	21,150,785	28,710,705
Retentions on construction	541,569	1,706,088	2,247,657
Land purchase	7,607,701	8,832,647	16,440,348
Total expenditures	17,248,725	35,526,952	52,775,677
Other uses of funds			
Bond issuance costs	1,161,750	-	1,161,750
Transfer to capital outlay fund for projects	1,318,256	928,886	2,247,142
Total expenditures and other uses	\$ 19,728,731	\$ 36,455,838	56,184,569
Contract commitments, June 30, 2004			22,721,292
Total expenditures and commitments			\$ 78,905,861

4. Available unspent funds from the first series of bonds as of June 30, 2004 are:

	Prior Periods	7/1/03 to 6/30/2004	Total
Series A 2001 general obligation bonds principal	\$ 96,875,613	\$ -	\$96,875,613
Bond premium	1,199,606	-	1,199,606
Bond proceeds available	98,075,219	-	98,075,219
Interest earned in building fund	3,222,667	2,167,621	5,390,288
Total revenues received	\$ 101,297,886	\$ 2,167,621	103,465,507
Total expenditures and commitments			(78,905,861)
Amount available			\$24,559,646

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds were accounted for separately in the accounting records to allow for accountability.
2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts by obtaining settlement statement for the new bond issue and verifying amounts deposited into the building and bond interest and redemption funds.
3. Select 25% of the expenditures and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials, district resolutions, and master plan. See supplemental information for list of expenditures reviewed.
4. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

Results of Procedures

1. The general obligations bond fund expenditures were accounted for separately in the capital outlay – bond fund of the District.
2. There were no proceeds from bond sales during the current period.
3. Our review of the expenditures for the period July 1, 2003, through June 30, 2004, did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds as approved by the registered voters of the District on November 6, 2001. We did not request that management of the District consult with legal counsel on any expenditures during the current period.
4. Our review of the policies over awarding of contracts revealed no exceptions to the policies of the District or the requirements of the State as they relate to awarding of contracts. Our review of the District policies over disbursement of funds revealed no exceptions to the disbursement policies of the District.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the San Mateo County Community College District and the Measure C Citizen's Fiscal Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Tiine, Day & Co LLP

Pleasanton, California
October 1, 2004

Invoice Date	Description	Item Number in Exhibit A of Election Doc	Item Number in Facilities Project List	Amount	Location Coding	District wide 490xx and 49409	Canada 49300	CSM 494xx	Skyline 492xx	Authorized by Exhibit A of Election Doc	Traced to Bond Project Worksheet
Chevron											
5/27/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	361,825.48	49001-1149-6210-715000	361,825.48				✓	✓
5/27/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	361,825.48	49001-1149-6210-715004	361,825.48				✓	✓
6/14/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	834,808.04	49001-1149-6210-715004	834,808.04				✓	✓
4/29/2004	Energy Efficiency Project	4-9	I.T.1 thru 6	1,443,239.40	49001-1149-6210-715000	1,443,239.40				✓	✓
11/24/2003	Energy Efficiency Project	4-9	I.T.1 thru 6	3,532,820.75	49001-1149-6210-715000	3,478,060.75		54,760.00		✓	✓
11/24/2003	Energy Efficiency Project	4-9	I.T.1 thru 6	54,760.00	49409-1149-6210-715000	54,760.00				✓	✓
				6,589,279.15							
Deposit to Escrow											
7/21/2003	Skyline Land Acquisition (in WIP)	51	III.D.2	3,748,287.00	49011-1001-7110-716000	3,748,287.00				✓	✓
4/7/2004	Skyline Land Acquisition (in WIP)	51	III.D.2	4,325,561.00	49011-1001-7110-716000	4,325,561.00				✓	✓
				8,073,848.00							
Sugimura & Associates											
12/31/2003	Skyline College Seismic Retrofit, Gym Bldg	13	I.O/P/Q	39,511.85	49202-1149-6211-715000				39,511.85	✓	✓
2/25/2004	Skyline College Seismic Retrofit, Gym Bldg	13	I.O/P/Q	42,554.03	49202-1149-6211-715000				42,554.03	✓	✓
				82,065.88							
Swinerton Management & Consulting											
8/1/2003	Capital Improvement Program	51	DW	101,028.00	49004-1149-5690-715000	101,028.00				✓	✓
7/1/2003	Capital Improvement Program	51	DW	112,237.00	49004-1149-5690-715000	112,237.00				✓	✓
4/1/2004	Capital Improvement Program	51	DW	101,640.00	49004-1149-5690-715000	101,640.00				✓	✓
2/1/2004	Capital Improvement Program	51	DW	116,018.00	49004-1149-5690-715000	116,018.00				✓	✓
12/1/2003	Capital Improvement Program	51	DW	115,530.00	49004-1149-5690-715000	115,530.00				✓	✓
11/1/2003	Capital Improvement Program	51	DW	304,997.00	49004-1149-5690-715000	304,997.00				✓	✓
10/1/2003	Capital Improvement Program	51	DW	108,623.00	49004-1149-5690-715000	108,623.00				✓	✓
				960,073.00							
P.L. Annuzzi, Inc.											
5/7/2004	SkiLine College Bldg 3 Swing Space	51	I.O/P/Q	103,889.03	49207-1149-6210-715000				103,889.03	✓	✓
6/2/2004	SkiLine College Bldg 3 Swing Space	51	I.O/P/Q	164,993.09	49207-1149-6210-715000				164,993.09	✓	✓
				268,882.12							
Mcquire and Hester, Inc.											
5/31/2004	Skyline Swing Space Site Prep	51	III.D.2	157,275.00	49207-1149-6210-715000				157,275.00	✓	✓
6/15/2004	Skyline Summer 2004 Infrastructure Project	32	II.L/M/T.1&2,II.B	412,421.40	49211-1149-6120-715000				412,421.40	✓	✓
				569,696.40							
Marchetti Construction Inc.											
Canada Bldg 3 (Theater) Phase I											
5/14/2004	Modernization	51	I.O/P/Q	104,058.00	49301-1149-6210-715000		104,058.00			✓	✓
2/17/2004	Same as above	51	I.O/P/Q	304,676.00	49301-1149-6210-715000		304,676.00			✓	✓
1/28/2004	Same as above	51	I.O/P/Q	469,061.00	49301-1149-6210-715000		469,061.00			✓	✓
12/19/2003	Same as above	51	I.O/P/Q	459,901.00	49301-1149-6210-715000		459,901.00			✓	✓
11/25/2003	Same as above	51	I.O/P/Q	240,867.00	49301-1149-6210-715000		240,867.00			✓	✓
11/7/2003	Same as above	51	I.O/P/Q	194,874.00	49301-1149-6210-715000		194,874.00			✓	✓
4/23/2004	Same as above	51	I.O/P/Q	150,827.55	49301-1149-6210-715000		150,827.55			✓	✓
9/3/2003	Canada Summer 2003 Classroom Renovation:	51	I.O/P/Q	265,500.00	49301-1149-6210-715000		265,500.00			✓	✓
				2,189,764.55							
Gonsalves & Stronck Construction Co.											
8/28/2003	Canada Child Development Center	51	I.O/P/Q, II.H/I	341,264.45	49313-1149-6215-715000		341,264.45			✓	✓
RMT Landscape Contractors, Inc.											
11/10/2003	Canada Bldg 19-22, Lanscaping	26	I.O/P/Q, II.H/I	168,675.93	49317-1149-6120-715000		168,675.93			✓	✓

Invoice Date	Description	Item Number in Exhibit A of Election Doc	Item Number in Facilities Project List	Amount	Location Coding	District wide 490xx and 49409	Canada 49300	CSM 494xx	Skyline 492xx	Authorized by Exhibit A of Election Doc	Traced to Bond Project Worksheet
O. C. Jones and Sons, Inc.											
11/24/2003	2003 Asphalt Paving & Site Work Repair	21	DW	118,453.49	49318-1149-6110-715000 49213/49318/49423-1149-6110-715000		118,453.49			✓	✓
7/22/2003	AC Repaire	6	DW	394,436.35 512,889.84			184,567.50	127,581.30	82,287.55	✓	✓
Preston Pipelines											
1/19/2004	CSM Sanitary Sewer at Tennis Courts	3	I.L/M/T.1&2, II.B	217,673.90	49413-1149-6120-715000		217,673.90			✓	✓
KMD/K2A											
2/29/2004	Skyline Student Center	46	I.O/P/Q	195,214.90	49203-1149-6211-715003				195,214.90	✓	✓
1/31/2004	Skyline Student Center	46	I.O/P/Q	128,915.50	49203-1149-6211-715003				128,915.50	✓	✓
10/31/2003	Skyline Student Center	46	I.O/P/Q	116,477.25 440,607.65	49203-1149-6211-715003				116,477.25	✓	✓
Noll & Tam											
5/31/2004	Canada College Library/LRC/Student Serv	51	III.D.2	109,495.68	49303-1149-6211-715003		109,495.68			✓	✓
3/31/2004	Canada College Library/LRC/Student Serv	51	III.D.2	288,700.43	49303-1149-6211-715003		288,700.43			✓	✓
1/31/2004	Canada College Library/LRC/Student Serv	51	III.D.2	212,797.02 610,993.13	49303-1149-6211-715003		212,797.02			✓	✓
McCarthy Building Companies											
7/9/2004	CSM Science Bldg 36	41	III.B.1	579,084.00	49403-1149-6210-715003			579,084.00		✓	✓
6/8/2004	CSM Science Bldg 36	41	III.B.1	1,254,165.00 1,833,249.00	49403-1149-6210-715003			1,254,165.00		✓	✓
TBP Architecture											
9/22/2003	CSM Bridging Document (ISC)	41	III.B.1	283,819.94	49403-1149-6211-715003			283,819.94		✓	✓
Harris Corp. Broadcast Division											
9/25/2003	KCSM Digital TV Master Control Syst Invoices Tested	33	II.E	223,238.67 23,366,022 35,526,952	49409-1149-6450-715004	15,568,440 20,506,285	3,613,719 6,208,156	2,740,323 5,282,180	1,443,540 3,530,331	✓	✓
				66%	76%		58%	52%	41%		

BOARD REPORT NO. 05-1-102B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: José D. Nunez, Executive Director of Facilities Planning & Operations, 358-6836

**CONTRACT AWARD FOR SEISMIC UPGRADE AND MODERNIZATION OF
BUILDING 3, SKYLINE COLLEGE**

Building 3 at Skyline College is a 2 story, 39,584 s.f. concrete building which houses the gymnasium, multi-purpose rooms, locker rooms, classrooms, faculty and staff offices and the Physical Education/Athletics Division Office.

This building does not meet current seismic requirements, and was identified as requiring seismic upgrading in the District's seismic assessment completed by Rinne & Peterson, Structural Engineers (January 1993) and on the list of "highest priorities" buildings in the State's Department of General Services, Real Estate Services Division's report of April 1998 entitled *California Community College Seismic Survey Report and Recommendations*. In addition, the building is in need of modernization of mechanical and electrical systems, roofing, entry doors, restroom facilities, fire & life safety systems, classroom finishes, instructional technology, furniture and equipment, and upgrades for accessibility by disabled persons.

The scope of work under this contract includes installation of structural bracing for walls and trusses; upgrade of existing restrooms and construction of a new restroom wing to serve the second floor, along with adjacent site accessibility upgrades including ramps and parking lot striping, to meet ADA compliance standards; remodeling of the first floor to accommodate programmatically-required team rooms; mechanical, electrical, lighting, access controls, plumbing, technology and audio/visual upgrades; relocation of a fire hydrant, and fire protection system upgrades; installation of new architectural finishes on walls, floors and ceilings; heating and ventilation system replacement and repairs; installation of new roofing and insulation; acoustic upgrades; new lockers; and signage.

On November 8 and 15, 2004 the District published a legal Notice inviting pre-qualified General Contractors to bid on this project. Fourteen pre-qualified firms attended the mandatory pre-bid conference on November 18, 2004, and on January 11th, 2005, three firms submitted bids as follows:

General Contractor	Bid
BDP Builders	Non-Responsive -
Robert A. Bothman	\$6,704,000 -
John Plane Construction	\$6,716,522

District administration, along with Swinerton Management and Consulting, has conducted a due diligence investigation of the bids to ascertain the lowest responsive, responsible bid that meets all the requirements of the project. BDP Builders' bid submittal was deemed non-responsive due to irregularities in their submission process: their sealed bid was not received before the official cut off time. Accordingly, the lowest bid, from Robert A. Bothman, Inc., has been reviewed and is responsive and responsible.

This project will be funded by State Capital Outlay Program, State Scheduled Maintenance and Measure C general obligation bond funds.

RECOMMENDATION

It is recommended that the Board of Trustees award the contract for Seismic Upgrade and Modernization of Building 3, Skyline College to Robert A. Bothman, Inc., in an amount not to exceed \$6,704,000.

BOARD REPORT NO. 05-1-103B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Rick Bennett, Director of General Services, 358-6752
Marilyn Lawrence, General Manager, KCSM, 524-6905

CONTRACT AWARD FOR KCSM-TV MEDIA STORAGE

As the Board is aware, KCSM has been working diligently toward completing its transition to digital broadcasting. In May 2004, KCSM was awarded a Digital Distribution Fund grant through the Corporation for Public Broadcasting (CPB) in the amount of \$366,535 to establish a near on-line video archive. To procure such a media storage system, KCSM released RFP #86497 in late November, 2004. The RFP was legally advertised on November 22nd and 29th. Although the CPB grant requires match funding, KCSM was able to use previously purchased equipment as a local match, thereby eliminating the need for additional capital outlay. The RFP solicited vendors for various file format storage, including media, to be used by the KCSM-TV operations center. The bid required that the equipment specified be compatible with KCSM's existing Omneon Video Server and the Novus Automation systems. KCSM will use the product to store information for future airings. The stored data reduces the need to re-ingest the media into the on-line server, decreasing KCSM's reliance on videotape.

Two vendors, Computer Upgrade Corporation (CUC) and SignaSys, Inc., submitted bids in response to RFP #86497. The proposals were judged based on the following criteria:

- Amount of near on-line storage;
- Ability to interface with existing equipment;
- Ability to respond to problems within 1 hour;
- Ability to demonstrate a working product;
- Ability to grow with our facilities needs; and
- Cost of equipment and implementation.

Computer Upgrade Corporation responded with a traditional video server proposal and SignaSys, Inc. with a traditional IT file server. Although both systems adequately meet KCSM's storage requirements currently, SignaSys solution will provide KCSM with enhanced growth potential in the future. Further, the SignaSys proposal includes hardware from Omneon and Network Appliances, both local companies, allowing for very good customer support. Finally, the SignaSys proposal was the lowest responsive bid at \$361,528 versus the CUC bid of \$573,321.

Additional expenses not covered by the grant will be paid for with Measure C bond dollars. KCSM estimates this amount not to exceed \$14,000.

RECOMMENDATION

It is recommended that the Board of Trustees award the contract for the KCSM-TV Media Storage system to SignaSys, Inc., in an amount not to exceed \$380,000.

BOARD OF TRUSTEES
OF THE
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

RESOLUTION NO. 05-1

January 26, 2005

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS AND NOT TO EXCEED \$75,000,000 AGGREGATE PRINCIPAL AMOUNT OF SERIES B GENERAL OBLIGATION BONDS OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT BY NEGOTIATED SALE PURSUANT TO A BOND PURCHASE CONTRACT, PRESCRIBING THE TERMS OF SALE OF SAID BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE CONTRACT, APPROVING FORMS OF AND DISTRIBUTION OF AN OFFICIAL STATEMENT, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS, AGREEMENTS AND CERTIFICATES RELATING TO SAID BONDS.

WHEREAS, this Board of Trustees of San Mateo County Community College District (the "District"), located in the County of San Mateo (the "County"), California, duly called and an election was regularly held in the District on November 6, 2001, at which the following proposition summary was submitted to the electors of the District:

To prepare College of San Mateo, Cañada and Skyline College students for universities and contemporary jobs, upgrade science and computer labs; modernize classrooms and occupational facilities; fix leaking roofs; improve handicapped accessibility; make seismic/safety improvements; finish energy conservation projects; make other property acquisitions and improvements; as specified in the Bond Projects List; shall San Mateo County Community College District issue \$207,000,000 in bonds at interest rates within the legal limit and appoint a Citizen's Oversight Committee to perform audits?

and

WHEREAS, at least 55% of the votes cast on said proposition were in favor of issuing said bonds;

WHEREAS, the District hereby finds and certifies to the Board of Supervisors of the County that all of the election proceedings were conducted in accordance with law;

WHEREAS, pursuant to a resolution adopted May 8, 2002, the District issued \$96,875,612.95 in aggregate principal amount of said bonds entitled "2002 General Obligation Bonds (Election of 2001), Series A" (the "Series A Bonds") on June 19, 2002;

WHEREAS, this Board of Trustees of the District (the "Board") deems that it is necessary and desirable to offer for sale, as provided herein, a portion of said bonds in an additional series "San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), Series B," in an aggregate principal amount not exceeding \$75,000,000, according to the terms and in the manner hereinafter set forth;

WHEREAS, this Board has determined, and does hereby declare, that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires the examination of whether a portion of the Series A Bonds may now be refunded (such bonds to be refunded being collectively referred to herein as the "Prior Bonds") in conjunction with the issuance of the Series B Bonds;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law, and pursuant to the resolution providing for the issuance of the Series A Bonds, the District is authorized to issue a series of refunding bonds (the "Refunding Bonds") to refund a portion of the District's outstanding bonds, and to sell its Refunding Bonds at public sale or on a negotiated sale basis;

WHEREAS, pursuant to Section 53558 of the Government Code, the District is authorized to deposit the proceeds of sale of the Refunding Bonds in escrow in an amount sufficient to pay (i) the principal of and interest and redemption premium, if any, on the Prior Bonds as they become due or at the prior redemption date thereof, or (ii) the principal of and interest and redemption premiums, if any, on the Refunding Bonds prior to the maturity of the Prior Bonds or prior to a designated date or dates before the maturity of the Prior Bonds on which date the Prior Bonds are to be redeemed, and the principal of and any redemption premium on the Prior Bonds at maturity or at the redemption date, as the case may be, and in each case, (iii) the designated costs of issuing the Refunding Bonds;

WHEREAS, this Board acknowledges that the issuance of the Refunding Bonds to refinance any of the Prior Bonds more than 90 days in advance of the date of redemption thereof shall thereafter preclude any advance refunding of the Refunding Bonds issued hereunder for such redemption;

WHEREAS, the Board further deems that it necessary and desirable to authorize the sale of said bonds by a negotiated sale to Morgan Stanley & Co. Incorporated (the "Underwriter") pursuant to a Bond Purchase Contract (the "Bond Purchase Contract");

WHEREAS, Treasurer-Tax Collector of the County (the "County Treasurer") has been requested to and will act as Paying Agent (herein called the "Paying Agent") with respect to the Bonds, and, if a refunding is prudent, a bank or trust company will be engaged to act as Escrow Agent (herein called the "Escrow Agent") with respect to the Prior Bonds;

WHEREAS, the District proposes to execute an Escrow Agreement with the Escrow Agent for the Prior Bonds, directing the creation of an escrow fund for deposit of proceeds of sale of the Refunding Bonds for the purpose of defeasing the Prior Bonds as more fully described therein;

WHEREAS, there have been submitted and are on file with the Secretary of the Board proposed forms of the Bond Purchase Contract, an Escrow Agreement, an Official Statement, and a Continuing Disclosure Certificate, all with respect to the San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), Refunding Series A-1 and the not to exceed \$75,000,000 aggregate principal amount of San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), Series B, proposed to be sold; and

WHEREAS, the District has appointed Orrick, Herrington & Sutcliffe LLP as Bond Counsel to the District with respect to said bonds; and

WHEREAS, the District desires that the County Controller of the County (the "County Controller") annually establish tax rates on taxable property within the District for repayment of said bonds, pursuant to Sections 29100-29103 of the Government Code of the State of California, and that the County Board of Supervisors annually approve the levy of such tax, and that the Treasurer-Tax Collector of the County (the "County Treasurer") annually collect such tax and apply the proceeds thereof to the payment of principal of and interest on said bonds when due, all pursuant to Sections 15250 and 15251 of the Education Code of the State of California;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Recitals: All of the above recitals are true and correct.

Section 2. Authority for Issuance: The bonds described herein are being issued pursuant to Section 15266 of the Education Code of the State of California and Section 53550 et seq. of the Government Code of the State of California, and other applicable provisions of law.

Section 3. Authorization and Designation of Bonds: Pursuant to Section 15140 and following of the Education Code of the State of California, this Board of Trustees hereby authorizes on behalf of the San Mateo County Community College District, the issuance and sale of not to exceed \$75,000,000 aggregate principal amount of bonds of the District and designates said bonds to be issued and sold as the "San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), Series B" (herein called the "Series B Bonds" or, with the Refunding Bonds, the "Bonds"). The Series B Bonds may be issued as Current Interest Bonds and Capital Appreciation Bonds, as provided in Section 7 hereof. The Board hereby further authorizes the sale and issuance of a series of refunding bonds of the District and the designation of said bonds as the "San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), Refunding Series A-1" (herein called the "Refunding Bonds" or, with the Series B Bonds, the "Bonds") in an amount to be finally

determined by the Chancellor of the District, the Executive Vice Chancellor of the District, the Chief Financial Officer (the "CFO"), or such other officer of the District designated for such purpose (each, an "Authorized District Representative") so as to provide, as a result of the refunding, present value debt service savings in an amount equal to not less than 3% of the principal amount of the Prior Bonds. Proceeds from the sale of the Refunding Bonds and any investment earnings thereon are hereby authorized to be applied to pay all costs of refunding the Prior Bonds, including the amount of any premium required to be paid to redeem any of the Prior Bonds and such interest and principal as may be due upon the Prior Bonds prior to the redemption date, and to pay authorized costs of issuance of the Refunding Bonds, including, without limitation, the costs of any insurance or other credit enhancement with respect to the Refunding Bonds. The Refunding Bonds may be issued as Current Interest Bonds or Capital Appreciation Bonds as provided in Section 7 hereof.

Section 4. Registered Form; Book-Entry: The Bonds shall be issued in fully registered form without coupons. The Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and registered ownership of the Bonds may not thereafter be transferred except as provided in Section 12 hereof. The Depository Trust Company is hereby appointed depository for the Bonds. A single bond certificate shall be issued for each maturity of the Current Interest Bonds of each Series having the same payment terms, and a single bond certificate shall be issued for each maturity of the Capital Appreciation Bonds of each Series having the same payment terms.

Section 5. Form of Bonds; Execution: (a) Form. The Current Interest Bonds and the Capital Appreciation Bonds, including the Paying Agent's (as defined in Section 11) certificate of authentication and registration and the form of assignment to appear thereon, shall be in substantially the forms attached hereto as Exhibit A and Exhibit B, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) Execution. The Bonds shall be signed by the manual or facsimile signature of the President of the Board and countersigned by the manual or facsimile signature of the Secretary of the Board. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

(c) Number. The Paying Agent shall assign each Bond of each Series authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the District and the County for inspection.

(d) Effect of Authentication. Only such of the Bonds as shall bear a certificate of authentication and registration, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

Section 6. Date of Bonds: The Current Interest Bonds shall be dated the date of issuance thereof, or such other date as shall be set forth in the Bond Purchase Contract. The

Capital Appreciation Bonds shall be dated the date of issuance thereof, or such other date as shall be set forth in the Bond Purchase Contract.

Section 7. Aggregate Principal Amount; Maturity; Principal Amounts; Denominations: (a) Aggregate Principal Amount. The Series B Bonds authorized hereby shall not exceed \$75,000,000 in aggregate principal amount and the Refunding Bonds authorized hereby shall not be issued in an amount that exceeds the amount which produces the required debt service savings.

(b) Maturity. The Bonds shall mature on the dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Contract approved pursuant to Section 15 hereof. No Bond shall mature prior to September 1, 2006, and no Bond shall mature later than the date which is 25 years from the date of the Bonds, to be determined as provided in Section 6. No Bond shall have principal maturing on more than one principal maturity date. Capital Appreciation Bonds and Current Interest Bonds may be issued as designated in the Bond Purchase Contract. The Bond Purchase Contract may provide that both Capital Appreciation Bonds and Current Interest Bonds shall be issued or that only Capital Appreciation Bonds or only Current Interest Bonds shall be issued.

(c) Denominations. The Current Interest Bonds shall be issued in the denomination of \$5,000 principal amount or any integral multiple thereof.

The Capital Appreciation Bonds shall be issued in denominations of \$5,000 accreted value at maturity ("maturity value") or any integral multiple thereof, except that the first numbered Capital Appreciation Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Bond shall not be an integral multiple of \$5,000.

Section 8. Interest Rate: As used in this Resolution and in the Bonds, the terms "interest payment date" and "interest date" shall be interchangeable, and shall mean March 1 and September 1 of each year, or such other dates specified in the Bond Purchase Contract.

The Current Interest Bonds shall bear interest at an interest rate not to exceed seven percent (7.00%) per annum, first payable on September 1, 2005, and thereafter on March 1 and September 1 in each year (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Contract), computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond authenticated and registered on any date prior to the close of business on the first Record Date (as defined in Section 9 (b)) shall bear interest from the date of said Current Interest Bond. Each Current Interest Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Current Interest Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Current Interest Bond, interest is in default on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Current Interest Series B Bonds.

The Capital Appreciation Bonds shall not bear current interest; each Capital Appreciation Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at the maturity thereof at a compounded interest rate which shall not exceed seven percent (7.00%) per annum, assuming in any semiannual period that the value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months. The interest on the Capital Appreciation Bonds shall be compounded commencing on the March 1 or September 1 following the issuance thereof and thereafter on March 1 and September 1 in each year (or on such other initial and semiannual interest dates as shall be set forth in the Bond Purchase Contract), and shall be payable only upon maturity or prior redemption thereof.

The accreted value per \$5,000 maturity value of the Capital Appreciation Bonds on each interest date may be given for reference in a table of accreted values prepared by the Underwriter and to appear in the Capital Appreciation Bonds; provided, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in said table, and the District takes no responsibility for the table of accreted values prepared by the Underwriter. Interest on the Capital Appreciation Bonds shall be payable only upon maturity or prior redemption thereof.

Section 9. Payment: (a) Payment of Principal. The principal of each Bond shall be payable when due or upon redemption prior thereto in lawful money of the United States of America to the person appearing on the bond registration books of the Paying Agent (described in Section 11 hereof) as the registered owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent, as defined in Section 11.

(b) Payment of Interest; Record Date. The interest on the Current Interest Bonds shall be payable in lawful money of the United States of America to the Owner thereof as of the close of business on the fifteenth day of the month immediately preceding an interest payment date (the "Record Date"), whether or not such day is a business day. Interest on the Capital Appreciation Bonds shall be paid as part of the accreted value of the Capital Appreciation Bonds upon maturity or prior redemption.

Interest on the Current Interest Bonds shall be paid to the Owner at such Owner's address as it appears on the registration books described in Section 11, or at such address as the Owner may have filed with the Paying Agent for that purpose. Upon the written request of the Owner of Current Interest Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the applicable Record Date for any interest payment date, interest shall be paid by federal funds wire transfer in immediately available funds at an account maintained in the United States at such wire address as such Owner shall specify in its written request. So long as Cede & Co. or its registered assigns shall be the registered Owner of the Bonds, payment shall be made by wire transfer as provided in Section 12(d) hereof.

(c) Interest and Sinking Fund. Principal and interest due on the Bonds shall be paid from the interest and sinking fund of the District (the "Interest and Sinking Fund") as provided in Section 15146 of the Education Code of the State of California. The County Controller was heretofore authorized and directed to create the Interest and Sinking Fund of the

District under the name "San Mateo County Community College District Interest and Sinking Fund."

Section 10. Redemption Provisions: (a) Optional Redemption. The Bonds shall be subject to redemption at the option of the District on the dates and terms provided in the Bond Purchase Contract. The Bond Purchase Contract may provide that all or a portion of the Bonds shall not be subject to optional redemption, and may provide separate and distinct redemption provisions for the Current Interest Series B Bonds and the Capital Appreciation Bonds and the Refunding Bonds.

If less than all of the Bonds are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot or in such other manner as the Paying Agent shall determine. The "redemption date" is that date on which the Bonds which are called are to be presented for redemption.

(b) Mandatory Sinking Fund Redemption. The Current Interest Bonds, if any, which are designated in the Bond Purchase Contract as Current Interest Term Bonds shall also be subject to redemption prior to their stated maturity date, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Contract. The Bond Purchase Contract may provide that the Current Interest Bonds shall not be subject to mandatory sinking fund redemption.

The Capital Appreciation Bonds, if any, which are designated in the Bond Purchase Contract as Capital Appreciation Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Contract. The Bond Purchase Contract may provide that the Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption.

The Controller of the County is hereby authorized to create such sinking funds or accounts for the Bonds as shall be necessary to accomplish the purposes of this section.

(c) Notice of Redemption. Notice of redemption of any Bonds shall be given by the Paying Agent upon the written request of the District. Notice of any redemption of Bonds shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail, postage prepaid, to the respective Owners thereof at the addresses appearing on the bond registration books described in Section 11, (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as nationally-recognized municipal securities information repositories, and (iii) as may be further required in accordance with the continuing disclosure certificate of the District described in Section 19.

Each notice of redemption shall contain all of the following information:

- (i) the date of such notice;
- (ii) the name of the Bonds and the date of issue of the Bonds;

- (iii) the redemption date;
- (iv) the redemption price;
- (v) the dates of maturity of the Bonds to be redeemed;
- (vi) (if less than all of the Bonds of any maturity are to be redeemed) the distinctive numbers of the Bonds of each maturity to be redeemed;
- (vii) (in the case of Bonds redeemed in part only) the respective portions of the principal amount of the Bonds of each maturity to be redeemed;
- (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;
- (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; and
- (x) notice that further interest on such Bonds will not accrue after the designated redemption date.

(d) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners and to the appropriate securities information repositories as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond or by any securities information repository of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in paragraph (e) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium, if any, thereon only to the interest and sinking fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in said notice of redemption. Such monies so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to

the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, said monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from said fund; provided, however, that if said monies are part of the proceeds of bonds of the District, said monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, said monies shall be transferred to the general fund of the District as provided and permitted by law.

(f) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all outstanding Bonds all of the principal, interest and premium, if any, represented by Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 14 hereof, and such obligation and all agreements and covenants of the District to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of paragraph (g) hereof shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America or non-callable obligations of government-sponsored agencies as listed in Exhibit C hereto, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(g) Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 11. Paying Agent: (a) Appointment. The County Treasurer is hereby appointed to act as the initial paying agent with respect to the Bonds (the "Paying Agent"). The County Treasurer shall continue to serve as Paying Agent hereunder unless and until the County Treasurer shall, at its sole discretion, appoint a successor Paying Agent.

(b) Principal Corporate Trust Office. Unless otherwise specifically noted, any reference herein to the "principal corporate trust office" of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Bonds shall initially mean in care of the office of the Treasurer-Tax Collector in Redwood City, California, provided, however, that in any case "Paying Agent" shall refer to any successor paying agent/registrar, authenticating agent or transfer agent for the Bonds, and "principal corporate trust office" shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(c) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said books, Bonds as provided in Section 13 hereof.

(d) Payment of Fees and Expenses. The fees and expenses of the Paying Agent not paid from the proceeds of sale of the Bonds shall be paid in each year from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the Education Code of the State of California.

Section 12. Bond Depository; Discontinuation of Book-Entry System: (a) The Bonds shall be initially issued and registered as provided in Section 4. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

- (i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;
- (ii) To any substitute depository not objected to by the District or the County Treasurer, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District or the County Treasurer to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or
- (iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District or the County Treasurer to remove The Depository Trust

Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District or the County Treasurer, a new Bond for each maturity of Current Interest Bonds and each maturity of Capital Appreciation Bonds shall be executed and delivered (in the case of Current Interest Bonds, in the aggregate principal amount of the Current Interest Bonds then outstanding, and in the case of Capital Appreciation Bonds, in the aggregate maturity value of the Capital Appreciation Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or the County Treasurer. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District or the County Treasurer, subject to all of the terms of the original Bonds described herein, and thereafter the Bonds shall be transferred pursuant to the provisions set forth in Section 13 hereof; provided, that the Paying Agent shall not be required to deliver such new Bonds within fewer than sixty (60) days after the receipt of any such written request.

(c) The District, the County Treasurer and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by any of them; and the District, the County Treasurer and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with, any beneficial owners of the Bonds. Neither the District, the County Treasurer, nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except as the Owner of any Bonds.

(d) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole Owner, in effecting payment of the principal and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 13. Transfer and Exchange: (a) Transfer. Following the termination or removal of the depository pursuant to Section 12 hereof, any Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 11 hereof, by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate (each as provided in

Section 5), and the Paying Agent shall deliver, a new Bond or Bonds of the same series, maturity, tenor, interest payment mode and interest rate, for a like aggregate principal amount, or, in the case of Capital Appreciation Bonds, for a like aggregate maturity value. The Paying Agent shall require the payment by the Owner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Bond shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest payment date, or (2) the close of business on the date on which notice is given that such Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

(b) Exchange. Bonds may be exchanged at the principal corporate trust office of the Paying Agent for a like aggregate principal amount of Bonds, or, in the case of Capital Appreciation Bonds, for a like aggregate maturity value of other authorized denominations of the same series, maturity, tenor, interest payment mode and interest rate. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Bonds shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable Record Date to and including the succeeding interest payment date, or (2) the close of business on the date on which notice is given that such Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

Section 14. Request to County to Levy Tax: The Bonds represent the statutory obligation of the County Treasurer to pay amounts owed on the Bonds on behalf of the District. The money for the payment of principal of and interest on the Bonds shall be raised by taxation upon all taxable property in the District and the District hereby requests the County to provide for the levy, collection, and deposit of such taxes in the manner provided by law.

Section 15. Sale of Bonds; Bond Purchase Contract: (a) Bond Purchase Contract. The Bonds shall be sold to the Underwriter not later than May 1, 2005. The Bond Purchase Contract submitted to and on file with this Board providing for the sale by the District and the purchase by the Underwriter of the Bonds at a purchase price to be set forth therein, is hereby approved, and the Chancellor of the District, the Executive Vice Chancellor of the District, the Chief Financial Officer of the District or such other officer of the District as the Chancellor may designate (each, an "Authorized District Representative") is hereby authorized and directed on behalf of the District to execute and approve the Bond Purchase Contract; provided, that (i) the true interest cost on the Bonds shall not be in excess of seven percent (7%) per annum, (ii) the interest rate on the Bonds shall not be in excess of seven percent (7%) per annum; (iii) the minimum price for the Bonds shall be not less than the aggregate principal amount thereof; (iv) the underwriter's discount (to be paid from premium) shall not be in excess of one percent (1%) of the principal amount of the Bonds (not including any costs of issuance to be paid by the Underwriter in accordance with the Bond Purchase Contract); (v) the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall be less than the total net interest cost to maturity on the Prior Bonds plus the

principal amount of the Prior Bonds; (vi) the present value of the debt service savings from the Refunding Bonds shall be at least 3% of the principal amount of the Prior Bonds; and (vii) the Bonds shall otherwise conform to the limitations specified herein; and provided further, that such execution and approval, with such changes therein as shall be approved by the Authorized District Representative, shall constitute conclusive evidence of the approval by the District of any changes or revisions therein from the form of Bond Purchase Contract filed herewith.

The Bond Purchase Contract shall recite the aggregate principal amount of the Bonds of each Series, and with respect to the Current Interest Bonds, shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any; and with respect to the Capital Appreciation Bonds, shall recite the date thereof (if other than the date of issuance), the initial principal amounts, maturity dates, and maturity values of each maturity thereof, the initial and semiannual interest compounding dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any.

(b) **Bond Insurance.** The Authorized District Representative is hereby authorized to solicit proposals from municipal bond insurers, and, if such officer determines it is in the best interest of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

(c) **Official Statement.** The Official Statement relating to the Bonds, in substantially the form on file with the Secretary of this Board, is hereby approved with such changes, additions and corrections as the Authorized District Representative may hereafter approve, and the Underwriter is hereby authorized to distribute copies of such Official Statement in preliminary form to persons who may be interested in purchasing the Bonds. The Authorized District Representative is hereby authorized to certify to the Underwriter, on behalf of the District, that the preliminary form of the Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Authorized District Representative is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and the Underwriter is hereby authorized and directed to deliver copies of such Official Statement in final form to the purchasers of the Bonds.

(d) **Notice to California Debt and Investment Advisory Commission.** The Authorized District Representative is hereby authorized and directed to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8856.

(e) **Escrow Agreement.** The Escrow Agreement relating to the Prior Bonds and the Refunding Bonds between the District and the Escrow Agent, in substantially the form on file with the Secretary of this Board, is hereby approved and authorized and the Authorized District Representative is hereby authorized and directed to execute and deliver an agreement in substantially said form, completed with terms as shall be agreed to by the Authorized District

Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized District Representative is hereby authorized to engage an Escrow Agent for the Prior Bonds and to enter into appropriate agreements with respect thereto.

Section 16. Deposit and Investment of Series B Bonds Proceeds: The proceeds of sale of the Series B Bonds, exclusive of any net premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District (the "Bond Construction Fund"), which the County Controller is hereby authorized and directed to create under the name "San Mateo County Community College District Bond Construction Fund." Any net premium and accrued interest shall be deposited upon receipt in the Interest and Sinking Fund of the District within the County treasury.

The Board hereby requests, authorizes and directs that proceeds of the Series B Bonds and all other monies held by the County Treasurer hereunder shall be invested by the County Treasurer in the County Treasurer's Investment Pool, at the County Treasurer's discretion, in such investments authorized by law and in accordance with the investment policy of the County.

Investment earnings on the money in the Bond Construction Fund shall be deposited in the Bond Construction Fund. Investment earnings on the money in the Interest and Sinking Fund shall be deposited in the Interest and Sinking Fund.

Section 17. Deposit and Investment of Refunding Bonds Proceeds: The proceeds of sale of the Refunding Bonds shall be deposited pursuant to the Escrow Agreement and shall be invested by the Escrow Agent in "Defeasance Securities" as defined in the Resolution of the Prior Bonds.

Section 18. Tax Covenants: (a) General. The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the tax certificate of the District with respect to the Bonds to be entered into by the District on the date of issuance of the Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Bonds.

(b) Yield Restriction. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an opinion of counsel of

nationally recognized standing in the field of law relating to municipal bonds (an "Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the County Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the tax certificate of the District, and the covenants hereunder shall be deemed to be modified to that extent.

Section 19. Continuing Disclosure: The Authorized District Representative is hereby authorized on behalf of the District to execute a continuing disclosure certificate in substantially the form on file with the Secretary of this Board, with such changes thereto as deemed necessary in order to permit the Underwriter to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate as finally executed and delivered.

Section 20. Approval of Actions: The President of the Board, the Secretary of the Board, the Chancellor of the District, the Executive Vice Chancellor of the District, the Chief Financial Officer of the District or such officer of the District as the Chancellor may designate, are hereby authorized and directed to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, representation letters to The Depository Trust Company, a tax certificate, a continuing disclosure certificate, and any other certificates proposed to be distributed in connection with the sale of the Bonds, which any of them deem necessary and desirable to accomplish the transactions set forth above. The general counsel of the District is authorized to render any legal opinions required in connection therewith.

Section 21. Filing with County: The Authorized District Representative is hereby authorized and directed to report to the County Controller the final terms of sale of the Bonds, and to file with the County Controller and with the County Treasurer a copy of the executed Bond Purchase Contract, this Resolution, and the schedule of amortization of the principal of and payment on the Bonds. The filing of this Resolution shall serve as the notice required to be given by Section 15140(c) of the Education Code and as the District's request to the County Controller and the Board of Supervisors of the County to propose and adopt, pursuant to law, in each year a tax rate applicable to all taxable property of the District for payment of the Bonds; and to the other officers of the County to levy and collect said taxes for the payment of the Bonds, to pay in a timely manner to the Paying Agent on behalf of the Owners of the Bonds the principal, interest, and premium, if any, due on the Bonds in each year, and to create in the County treasury to the credit of the District a Bond Construction Fund and an Interest and Sinking Fund pursuant to Section 15146 of the Education Code.

The County Controller, the County Treasurer, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary, upon the defeasance of the Prior Bonds from proceeds of the Refunding Bonds, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Prior Bonds, pursuant to Section 53561 of the California Government Code.

Section 22. Notice of Redemption of Prior Bonds: The Escrow Agent is hereby authorized and directed to give notice of redemption of the Prior Bonds, pursuant to the terms of the resolution of the District authorizing the issuance thereof and pursuant to the terms of the Escrow Agreement, at the direction and request of the Authorized District Representative.

Section 23. Appointment of Bond Counsel: The firm of Orrick, Herrington & Sutcliffe LLP is hereby acknowledged as bond counsel to the District in connection with the Series B Bonds and the Refunding Bonds, in accordance with the terms and conditions set forth in the agreement for bond counsel services on file with the CFO. The Authorized District Representative is hereby authorized and directed to make such modifications to such agreement with respect to the refunding as shall be acceptable to the Authorized District Representative, such approval to be conclusively evidenced by such execution.

Section 24. Authorization of Further Actions: (a) Bond Counsel and the appropriate District officials are hereby authorized and directed to continue to prepare the necessary legal documents to accomplish said financing and the other transactions authorized herein, and to take any and all necessary actions in connection therewith, including the engagement of a verification agent and other professionals necessary or appropriate to the financing.

(b) The officers and employees of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 25. Ratification of Actions: All actions heretofore taken by the officers and agents of the District with respect to the sale, execution and delivery of the Bonds and the other transactions authorized and contemplated herein are hereby approved, confirmed and ratified.

Section 26. Effective Date: This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of January, 2005, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Trustees
of the San Mateo County Community College
District

Attest:

Secretary of the Board of Trustees of the
San Mateo County Community College District

EXHIBIT A

[Form of Series 2005 Current Interest Bond]

Number
R - _____ UNITED STATES OF AMERICA Amount
STATE OF CALIFORNIA \$
COUNTY OF SAN MATEO

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2005 GENERAL OBLIGATION BONDS (ELECTION OF 2001), SERIES ___

CURRENT INTEREST BOND

Dated as of Interest Rate Maturity Date CUSIP NO.
_____, 2005 _____% September 1, _____

Registered Owner: CEDE & CO.

Principal Sum: DOLLARS

San Mateo County Community College District in San Mateo County, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the registered owner identified above or registered assigns, but only from taxes collected by the County of San Mateo (the "County") for such purpose pursuant to Section 15250 of the Education Code of the State of California, on the maturity date set forth above or upon redemption prior thereto, the principal sum specified above in lawful money of the United States of America, and the interest thereon in like lawful money at the interest rate per annum stated above, computed on the basis of a 360-day year of twelve 30-day months, payable September 1, 2005, and thereafter on March 1 and September 1 in each year, until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on August 15, 2005, it shall bear interest from the date hereof. If authenticated during the period between any Record Date (defined as the 15th day of the month preceding an interest payment date) and the close of business on its corresponding interest payment date, it shall bear interest from such interest payment date. Otherwise, this bond shall bear interest from the interest payment date immediately preceding the date of its authentication.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as that term is defined in the Resolution) of the Treasurer-Tax Collector of the County, the initial paying agent/registrant and transfer agent of the District (herein, together with any successor thereto, called the "Paying Agent"). The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the preceding Record Date, whether or not such day is a business day, such interest to be paid by check mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date, of the owner of Current Interest Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made by wire transfer as provided in the Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____, and designated as "San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), [Series ___]" (the "Bonds"). The Bonds are issued in the form of Current Interest Bonds or Capital Appreciation Bonds. Bonds of the District, including the Bonds, were authorized in an aggregate principal amount of \$207,000,000 by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2001. The Bonds are issued and sold by the Board of Trustees of the District, pursuant to and in strict conformity

with the provisions of the Constitution and laws of said State, and of a resolution (herein called the "Resolution") adopted by said Board of Trustees on [January __, 2005], and subject to the more particular terms specified in the Bond Purchase Contract executed by the District on _____, 2005.

The Current Interest Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor, series, maturity, interest payment mode and interest rate of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same tenor, series, maturity, interest payment mode and interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District, the County and the Paying Agent shall not be affected by any notice to the contrary.

[The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution, as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.]

The District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond; and that this bond is in substantially the form prescribed by order of the Board of Trustees of the District duly made and entered on its minutes. The Bonds represent an obligation of the District, subject to defeasance, payable out of the interest and sinking fund of the District, and the money for the redemption of this bond, and the payment of principal of and interest thereon, shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the Board of Trustees of the San Mateo County Community College District, County of San Mateo, State of California, has caused this bond to be signed by its President and countersigned by the Secretary of said Board, as of the date set forth above.

President of the Board of Trustees
of the San Mateo County Community College District

Countersigned:

Secretary of the Board of Trustees
of the San Mateo County Community College District

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2005 GENERAL OBLIGATION BONDS (ELECTION OF 2001), SERIES ___

This is one of the Current Interest Bonds described in the within-mentioned Resolution and authenticated and registered on _____, 2005.

TREASURER-TAX COLLECTOR, County of San Mateo,
California as Paying Agent/Registrar and Transfer Agent

By _____
Authorized Signatory

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated:

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

REDEMPTION SCHEDULE

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2005 GENERAL OBLIGATION BONDS (ELECTION OF 2001), SERIES B AND SERIES A-1**

[to be completed with terms from Purchase Contract following pricing of Bonds]

EXHIBIT B

[Form of Capital Appreciation Series __ Bond]

Number R - ____	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF SAN MATEO	Maturity Value \$
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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2005 GENERAL OBLIGATION BONDS (ELECTION OF 2001), SERIES __

CAPITAL APPRECIATION BOND

Date as of ____, 2005	Interest Rate ____%	Maturity Date September 1, ____	CUSIP NO.
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Registered Owner: CEDE & CO.

Initial Principal Amount: DOLLARS

Accreted Value at Maturity: DOLLARS

San Mateo County Community College District of the County in San Mateo, State of California (herein called the "District"), acknowledges itself indebted to and promises to pay, on the maturity date specified above or upon prior redemption hereof, in lawful money of the United States of America, to the registered owner identified above or registered assigns, the "accreted value" hereof on such date, consisting of the initial principal amount hereof plus interest earned thereon at the interest rate set forth above and accumulated to such date (in accordance with the Resolution hereinafter defined and as reflected in the Table of Accreted Values hereinafter set forth; provided, that any accreted value determined in accordance with the Resolution shall prevail over any accreted values given in the Table of Accreted Values), commencing on the date hereof, compounded on March 1 and September 1 of each year commencing on [March 1, 2005], assuming in any such semiannual period that this Bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the Resolution hereinafter defined, upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of the Treasurer-Tax Collector of the County of San Mateo, the initial paying agent/registrars and transfer agent of the District (herein, together with any successor thereto, called the "Paying Agent").

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____, and designated as "San Mateo County Community College District 2005 General Obligation Bonds (Election of 2001), Series __" (the "Bonds"). The Bonds are issued in the form of Current Interest Bonds or Capital Appreciation Bonds. Bonds of the District, including the Bonds, were authorized in an aggregate principal amount of \$207,000,000 by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2001. The Bonds are issued and sold by the Board of Trustees of the District, pursuant to and in strict conformity with the provisions of the Constitution and laws of said State, and of a resolution (herein called the "Resolution") adopted by said Board on [January __, 2005] and subject to the more particular terms specified in the Bond Purchase Contract, dated as of _____, executed by the District.

The Capital Appreciation Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 accreted value at maturity (the "maturity value") or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the maturity value of such Bond shall not be in an integral multiple of \$5,000, and provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as

provided in the Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same tenor, series, interest rate, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same tenor, series, interest rate and interest payment mode and same aggregate maturity value will be issued to the transferee in exchange herefor.

The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District, the County and the Paying Agent shall not be affected by any notice to the contrary.

[The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution, and as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.]

The Table of Accreted Values attached hereto has been prepared and furnished by the original purchaser of the Bonds, and the District take no responsibility for any inaccuracy therein.

The District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond, and that this bond is in substantially the form prescribed by order of the Board of Trustees of the District duly made and entered on its minutes. The Bonds represent an obligation of the District, subject to defeasance, payable out of the interest and sinking fund of the District, and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the Board of Trustees of the San Mateo County Community College District has caused this bond to be signed by its President and countersigned by the Secretary of said Board, as of the date set forth above.

President of the Board of Trustees
of the San Mateo County Community College District

Countersigned:

Secretary of the Board of Trustees
of the San Mateo County Community College District

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2005 GENERAL OBLIGATION BONDS (ELECTION OF 2001), SERIES ___

This is one of the Capital Appreciation Bonds described in the within-mentioned Resolution and authenticated and registered on _____, 2005.

TREASURER-TAX COLLECTOR, County of San Mateo,
California as Paying Agent/Registrar and Transfer Agent

By _____

Authorized Signatory

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated:

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT C

ELIGIBLE SECURITIES FOR DEFEASANCE PURPOSES

1. Non-callable obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States. These include:

- U.S. Treasury Obligations
All direct or fully guaranteed obligations
- Farmers Home Administration
Certificates of beneficial ownership
- General Services Administration
Participation certificates
- U.S. Maritime Administration
Guaranteed Title XI financing
- Small Business Administration
Guaranteed participation certificates
Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
GNMA - guaranteed mortgage-backed securities
GNMA - guaranteed participation certificates
- U.S. Department of Housing and Urban Development
Local authority bonds
- Washington Metropolitan Area Transit Authority
Guaranteed transit bonds
- State and Local Government Series
- Veterans Administration
Guaranteed REMIC Pass-through certificates

2. Non-callable obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government. These include:

- Federal Home Loan Mortgage Corp. (FHLMC)
Debt Obligations

- Farm credit System (Formerly: Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives)
Consolidated Systemwide bonds and notes
- Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
Debt Obligations
- Student Loan Marketing Association (SLMA)
Debt obligations
- Resolution Funding Corp. (REFCORP)
Debt obligations
- U.S. Agency for International Development (U.S. A.I.D.)
Guaranteed Notes (must mature at least 4 business days before the appropriate payment date)

3. Certain stripped securities where the principal-only and interest-only strips are derived from non-callable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Bank of New York. (No custodial receipts, i.e. CATs, TIGERS, unit investment trusts and mutual funds, etc. qualify as permitted defeasance securities).

SECRETARY'S CERTIFICATE

I, Ron Galatolo, Secretary of the Board of Trustees of the San Mateo County Community College District, County of San Mateo, California, hereby certify as follows:

The attached is a full, true and correct copy of Resolution No. 05-1 duly adopted at a meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on January 26, 2005, and entered in the minutes thereof, of which meeting all of the members of said Board of Trustees had due notice and at which a quorum thereof was present, and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 3401 CSM Drive, San Mateo, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this day of , 2005.

Secretary of the Board of Trustees of the
San Mateo County Community College District

BOARD REPORT NO. 05-1-105B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: José D. Nuñez, Executive Director, Facilities Planning & Operations, 358-6836

**AUGMENTATION OF CONTRACT WITH GAGE BABCOCK AND ASSOCIATES FOR
FIRE ALARM SYSTEM DESIGN SERVICES**

On May 28, 2003 (Board Report No. 03-5-2CA) the Board authorized execution of a contract with Gage Babcock and Associates (GBA) for Fire Alarm Design Services in an amount not to exceed \$100,000. On April 15, 2003, the District entered into an agreement with GBA for said services, in the amount of \$87,728. GBA completed the work covered under the agreement, although they expended more hours to do so than originally anticipated. Subsequently, GBA submitted a request to the District for additional compensation in the amount of \$35,000 in order to cover their costs.

District staff therefore requests additional approval in the amount of \$22,728, bringing the total contract amount to \$122,728. This will allow a final payment to GBA in the amount of \$35,000, per their request, and close-out of this contract.

RECOMMENDATION

It is recommended that the Board of Trustees approve an augmentation to Gage Babcock and Associates, in the amount of \$22,728, as final augmentation to the contract executed April 15, 2003.

BOARD REPORT NO. 05-1-2C

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor-Superintendent
PREPARED BY: Linda da Silva, Director, Facilities Maintenance & Operations, 358-6726

REPORT ON SCHEDULED MAINTENANCE PROGRAM

Each year, the State Chancellor's Office invites community colleges to participate in its Scheduled Maintenance & Special Repairs Program. The program was established by the Legislature effective September 1981; its primary objectives are to protect the State's investment in community colleges through timely nonrecurring repair and maintenance of their facilities, to correct and avoid health and safety hazards, to maintain an environment conducive to learning, and to improve the long term cost effectiveness of facility operations.

The program assists districts by sharing in the cost of repairing and replacing some of the more costly maintenance projects. The State will fund 2004-05 approved projects as it has for the past seven years at a 1:1 ratio. The State Chancellor's Office selects projects to be funded from qualified proposals submitted by districts. In order to qualify for funding, proposed scheduled maintenance projects must be valued between \$10,000 and \$400,000, and categorized into one of the following project types: roofs, utilities, mechanical, exterior, and other projects. Final decisions on project funding take into consideration available State apportionment for scheduled maintenance and the district's ability to meet the 1:1 match requirement.

Projects for facilities that are not State supported pursuant to Title 5 (parking lots, stadiums, bookstores, and dormitories) are not considered for funding in the Scheduled Maintenance Program. Projects for control or removal of hazardous substances are supported by the Hazardous Substances Program; these project proposals are under development and will be submitted to the State on or before January 31, 2005.

The attached spreadsheet contains the fifty-seven scheduled maintenance projects for which the District seeks \$11,764,526 of financial support in 2005-06. The request was submitted to the State Chancellor's Office on November 30, 2004. For comparison purposes, the following table shows amounts requested and funded in the previous 9 years.

Scheduled Maintenance Historical Analysis

Fiscal Year	Amount Requested	Amount Granted	Funding Ratio
2005-06	\$11,764,526	TBA	TBA
2004-05	\$10,489,225	\$846,146	1:1
2003-04	\$10,392,292	\$606,344	1:1
2002-03	\$8,500,963	\$1,086,562	1:1
2001-02	\$4,921,512	\$399,710	1:1
2000-01	\$2,416,030	\$561,184	1:1
1999-00	\$2,749,982	\$1,082,987	1:1
1998-99	\$4,047,844	\$559,600	1:1
1997-98	\$1,856,060	\$1,510,700	3.5:1
1996-97	\$1,517,000	\$870,000	3.5:1

2005-06 SCHEDULED MAINTENANCE REQUESTS
San Mateo County Community College District

Priority	Project title	2005-06	Priority	Project title	2005-06	Priority	Project title	2005-06
4	Mechanical System Replacement in Bldg 18	\$399,950	1	Replace Air Handlers, Phase 1	\$399,750	3	Bldg. 5 - Rooftop HVAC Repairs	\$387,450
7	12KV Feeder Line Replacement	\$276,500	2	Interior Lighting and Controls Upgrade, Phase I	\$398,754	6	Building 8 - Mechanical	\$391,102
10	Electrical Feeder Replacement from Bldg. 5 to Bldg. 8	\$349,412	5	Campuswide Electrical Service System Testing and Repairs	\$334,880	9	Building 1 Roof Repair	\$374,204
14	Electric Motor Replacement	\$228,863	8	Interior Lighting and Controls Upgrade, Phase 2	\$399,750	13	Building 7 Mechanical	\$391,104
17	Replace Air Handler for Counseling Services in bldg.5	\$349,894	11	Replace air handlers, Phase 2	\$399,750	16	Bldgs. 1, 7, 8 - Electrical Service Sys. (Test and Repair)	\$202,069
20	Hydraulic Elevator Cylinder Replacement	\$399,750	12	Hydraulic Elevator Cylinder Replacement	\$399,519	19	Bldg. 1 - Ventilation	\$280,827
23	HV System Component Replacement	\$160,729	15	Campuswide Clock Replacement	\$376,654	22	Hydraulic Elevator Cylinder Replacement	\$369,000
26	Repair/Service Hot Water Exchangers	\$27,953	18	Pneumatic Air Compressors	\$399,750	25	Replace Eyewash Stations in Instructional Areas	\$219,628
29	Clock Replacement	\$234,861	21	Bldg 3 Roof Repair	\$153,795	28	Bldgs. 7, 8 - Access Control System	\$312,543
32	Electrical System Repairs	\$181,694	24	Roof Hatch Maintenance	\$28,083	31	Repair Door Operators, Campuswide - Phase II	\$347,151
35	Bldg 13 Transformer Upgrade	\$69,883	27	Duct Cleaning in Classroom Buildings	\$266,906	34	Bldg. 3 - Exterior Metal Door Replacement	\$125,421
38	Lift Controls Replacement	\$29,500	30	Permanent Standby Backup Generator	\$97,377	37	Bldg. 3 - Access Control System	\$32,190
41	Lavatory Sink Replacement	\$104,823	33	Fire Hydrant Replacement	\$110,361	40	Bldgs. 1, 2, 7 - Fixed Sealing Replacements	\$137,773
44	Bldg 1 Women's Locker Room Shower Repairs	\$70,440	36	Replace Pressure Regulator Valves	\$311,601	43	Bldgs. 1, 7, 8 - Refinish Interior Stairs	\$45,394
47	Flush Valve Replacement	\$66,478	39	Corridor Suspended Ceiling Repairs	\$29,421	46	Bldg. 2 - Exterior Metal Doors Replacement (Store Front Doors facing West)	\$17,735
48	Bldg 1 Shower Mixing Valve Replacement	\$33,193	42	Roadway speed bumps at pedestrian crossings	\$49,760			
49	Exterior Lighting Contactor Replacement	\$30,572	45	Repair Tennis Courts	\$85,054			
50	Replace Waterproofing Membrane for Choral Room in bldg.3	\$69,883	51	Carpet Replacement	\$88,264			
52	Walking Path Resurfacing, Phase I	\$368,979						
53	Restroom Partition Replacement Over 5-year Period.	\$43,238						
54	Bldg 1 Gymnasium Suspended Ceiling Repair/Replacement	\$76,869						
55	Gym Bleachers Repair	\$153,750						
56	Carpet Replacement Over 5-year Period	\$33,542						
57	Window Coverings Replacement Over 5-year Period	\$30,750						
Canada Total		\$3,811,506	CSM Total		\$4,319,429	Skyline Total		\$3,633,591

DISTRICT TOTAL: \$11,764,526



Cañada College

Executive Report
January 26, 2005

Professor to Present Paper on Muslim Women – Anniqua Rana, professor of English, will present a paper titled “Unveiling the Myth of the Muslim Woman” at a conference in Italy in April. Rana makes a point of including Muslim women writers in her English 400 class and plans to do the same in her English 100 class. She said the student response sometimes reflects the common notion that all Muslim women are suppressed and veiled so exposing them to Muslim women writers can dispel that myth. The conference, *Diversity in Education in an International Context*, is designed to familiarize U.S. and European educators with each other’s work and to promote cross-Atlantic collaboration on the many pressing issues that confront educators in multi-cultural societies.

Japanese Americans in Redwood City: A Local History – Jagruti Patel, a local historian and instructor at Cañada College, will discuss her recent research on the Japanese American community in Redwood City from 9:45 to 11 a.m., Tuesday, Feb. 15 in the college library. Patel’s lecture will be attended by several classes.

Former Cañada Baseball Player Joins the Giants – Moises Alou, a former Cañada College baseball player, signed a free-agent contract in late December to join the Giants. Moises is the son of current Giants manager Felipe Alou. Moises never played organized baseball until he attended Cañada. In 1986, he had a Coast Conference-leading .447 average with seven homers. At his introductory press conference Alou mentioned his time at Cañada and his relationship with then coach and current Cañada College Athletic Director Mike Garcia.

Cynthia Foreman to Perform One-Woman Play on Domestic Violence – Cynthia Foreman, the wife of former world boxing champion George Foreman, will bring her one-woman play *Cynthia Foreman, Bruised But Not Broken – The Cynthia Foreman Story* to the college’s main theater from 11:15 a.m. to 12:25 p.m. Thursday, March 3. Foreman’s play details the horrors of domestic violence from her personal perspective.

Jeanne Gross Named Interim Dean of University Center – Jeanne Gross began working as the interim Dean of the University Center Jan. 6. She was appointed to the position after Phyllis Lucas-Woods was named interim Vice President for Student Services. Gross plans to assess the effectiveness of the University Center’s current programs in addition to exploring how the University Center can build relationships with local business and agencies.

Award-Winning Civil Rights Photographer to Present Slide Show – Photographer Matt Herron will present a slide show from 12:15 to 1:30 p.m., Wednesday, Feb. 23 detailing his work chronicling the civil rights movement in the South in the 60s. Herron is director of *Take Stock: Images of Change*, a picture agency specializing in images of social change and dedicated to preserving the images and disseminating the history of two social movements: civil rights and migrant farm labor. His current exhibit is on display at Stanford University.

Lower Plaza Nearly Finished – Students have been socializing in the new lower plaza as the finishing touches are completed. The plaza, with its low concrete benches, has been a magnet for students and provides a beautiful new entry for campus.

Malcolm X Meets MLK, a Three-Man Play – *The Meeting*, a three-man play based on the fictional meeting between Martin Luther King Jr. and Malcolm X will be performed from 11:10 a.m. to 12:25 p.m., Tuesday, March 15 in the main theater. The play has been performed throughout the United States including locally at UC Berkeley and Laney College.

Cash for College Event Feb. 12 – Cañada College will host a free “Cash for College” financial aid workshop from 10 a.m. to 1 p.m., Saturday, Feb. 12 in the Student Center. The college is working closely with Skyline and the College of San Mateo to plan and market the events. The three colleges will offer a free financial aid workshop every Saturday during February.

West African Highlife Band to Perform Feb. 16 – Renowned bass guitarist Ken Okulolo brings his authentic all-star group of West African music veterans to the main theater from 12 to 1 p.m., Wednesday, Feb. 16. The band revives “highlife” dance classics with a fusion of African and world music. Okulolo is a resident of Oakland.

Auditions Begin for Spring Play – The college is holding open auditions Jan. 27-28 for the spring play, “El Soldado Razo” (The Low Soldier) written by acclaimed Latino playwright Luis Valdez. It is a story about a soldier about to go to war as the audience witnesses his last night with his family and loved ones. The story is narrated by Muerte (Death) and it foreshadows the soldier’s inevitable end. Auditions are open to all San Mateo County Community College District students.

Happenings at Cañada

January 26 through February 28, 2005

Date	Time	Event
1/26 & 27	12:15 - 1 P.M.	Steps for Algebra Success Workshop, Learning Center – Bldg 5, Room 105
1/28	7:00 P.M.	Men's Basketball vs. Skyline College (home)
1/29	10 A.M. - 12 P.M.	Small Business Development Center workshop: TAX – AID – Earn It, Keep It and Save It to Develop Your Own Small Business, Daly City Public Library, Serramonte
2/2	7:00 P.M.	Men's Basketball vs. City College San Francisco (away)
2/2 & 3	12:15 – 1 P.M.	Time Management Workshop Learning Center – Bldg 5, Room 105
2/3	2:00 P.M.	Colts Baseball vs. Contra Costa College (home)
2/4	2:00 P.M. 7:00 P.M.	Colts Baseball vs. Contra Costa College (away) Men's Basketball vs. Chabot College (home)
2/8	2:00 P.M.	Colts Baseball vs. Ohlone College (away)
2/8, 15, 22	12:15 – 1 P.M.	Conversation Circle for ESL students Learning Center – Bldg 5, Room 105
2/9 & 10	12:15 – 1 P.M.	Listening & Taking Notes Workshop, Learning Center – Bldg 5, Room 105
2/10	1:30 – 3 P.M.	All College Meeting Building 2, Room 10
2/11	7:00 P.M.	Men's Basketball vs. Foothill College (away)
2/11-13	TBA	Colts Baseball – Light Brigade Tournament, Bakersfield
2/12	9:30 A.M.-12 P.M. 10 A.M. – 1 P.M.	"Flipping the Switch on Home Lighting" lecture by Nancy McCoy Building 3, Room 148 "Cash for College" Financial Aid Workshop, Student Center

2/14	TBA	Vision Screening Student Center
2/15	9:45 – 11 A.M.	"Japanese Americans in Redwood City: A Local History" Library – Building 6, Room 002
2/16	12 – 1 P.M.	West African Highlife Band Main Theater
	6:30 – 7:30 P.M.	Small Business Development Center Workshop: Sell, Sell, Sell – Tips & Strategies for Selling to Increase Business Skyline College Chestnut Center
	7:00 P.M.	Men's Basketball vs. Ohlone College (home)
2/16 & 17	12:15 – 1 P.M.	Reading Textbooks Effectively & Efficiently Workshop Learning Center – Bldg 5, Room 105
2/18	2:00 P.M.	Colts Baseball/Bay Area Classic CC Tournament (home)
2/19	10:30 A.M. 7:00 P.M.	Colts Baseball/Bay Area Classic CC Tournament (home) Men's Basketball vs. Skyline College (away)
2/20	10:30 A.M.	Colts Baseball/Bay Area Classic CC Tournament (home)
2/23 & 24	12:15 – 1 P.M.	Personal Statement for Scholarships Workshop Learning Center – Bldg 5, Room 105
2/24	2:00 P.M.	Colts Baseball/Golden Gate Classic CC Tournament (home)
2/25	2:00 P.M.	Colts Baseball/Golden Gate Classic CC Tournament (home)
2/26	10:30 A.M.	Colts Baseball/Golden Gate Classic CC Tournament (home)
2/27	10:30 A.M.	Colts Baseball/Golden Gate Classic CC Tournament (home)



COLLEGE of
SAN MATEO

Office of the President

Executive Report to the Board of Trustees

January 26, 2005

President's Lecture Series for Spring 2005

Three notable authors will participate in the "President's Lecture Series: Diverse Voices in Writing," for Spring 2005. The schedule includes; **Jeanne Kawasaki Houston**, author of "Farewell to Manzanar" and "The Legend of Fire Horse Woman" on March 3, 11:10am; **Tobias Wolff**, author of "This Boy's Life" and "Old School," on April 6 at 11:10am; and **Anne Lamott**, author of "Traveling Mercies" and "Bird by Bird: Some Instructions on Writing and Life," on May 3, 10:10. This series is made possible by a generous grant from the Lane Family Charitable Trust. **Susan Estes**, dean of language arts, is the coordinator of the series.

CSM Hosts Integrative Learning Event

On January 26, CSM hosted *Integrative Learning: Opportunities to Connect*, a national collaborative project of the Association of American Colleges and Universities (AAC&U) and The Carnegie Foundation for the Advancement of Teaching. Representatives from ten colleges and universities from throughout the nation that participate in the project, including CSM, attended the day-long event which focused on integrated learning strategies. **Mike Burke**, professor of mathematics, and a faculty leader in CSM's learning communities effort, coordinated the event.

Cash for College Days

On February 5 and 12, CSM will sponsor *Cash for College Days*, workshops for students and parents to learn about financial aid information and eligibility. Professional assistance will be provided to families completing the Cal Grant forms, Board of Governors (BOG) Fee Waivers and Free Applications for Federal Student Aid (FAFSA). Computer workstations will be set up to help students and parents complete the online FAFSA application. Bilingual assistance will also be available in several languages. *Cash for College Days* is scheduled from 10am to 2pm in the South Cafeteria on both days.

CSM Alum Named Stanford's Football Coach

CSM alumnus **Walt Harris** was hired as Stanford University's head football coach in December. Harris was a stand-out defensive player in the mid-1960s at the College, earning first team all-conference honors; he subsequently attended University of Pacific on a football scholarship. Most recently, he was a successful head coach at the University of Pittsburg.

Professor's Book Translated Into French

Susan Petit, professor of French, has had her book, *Françoise Mallet-Joris*, (originally published in 2001) translated into French as *Femme de papier: Françoise Mallet-Joris et son œuvre*, and published by Grasset, a major commercial French publishing house. The book is a study of the life and works of a Belgian and French writer born in 1930. Mallet-Joris is primarily a novelist, but her best-known work, *Maison de papier*, is fictionalized autobiography. At 74, Mallet-Joris is still writing; in fact, publication of Petit's book was timed to coincide with that of the January release of Mallet-Joris's latest novel, *Portrait d'un enfant non identifié*. Both books are featured on Grasset's Web site at www.grasset.fr.

CSM Students Appear in State Calendar

Photos of CSM sociology students participating in a service learning project through *CSM Connects* are included in the 2005 Service Calendar produced by the Office of the Governor and California Service Corp. CSM students are featured in the month of January.

COLLEGE of SAN MATEO

1700 West Hillsdale Boulevard • San Mateo, CA 94402
(650) 574-6161

CALENDAR OF EVENTS For the SMCCCD Board Meeting of January 26, 2005

Day / Date	<u>Event</u>	Location /Time
Wednesdays	Farmers' Market	Lot 16 10 a.m. – 2 p.m.
Saturdays	Farmers' Market	Lot 1 9 a.m. – 1 p.m.
Friday January 28	Women's Basketball Hartnell College vs. CSM	CSM 7 p.m.
Saturday February 12	Women's Basketball Ohlone College vs. CSM (double – header)	CSM 5 p.m.
Saturday February 19	Women's Basketball Cabrillo College vs. CSM (double – header)	CSM 5 p.m.



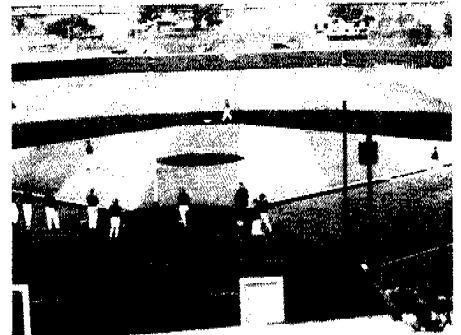
SKYLINE COLLEGE
EXECUTIVE REPORT FOR THE BOARD OF TRUSTEES
JANUARY 26, 2005

APPRECIATION

New Cypress Lawn scholarship: A new scholarship for Skyline College students has just been initiated by Kenneth Varner, President and CEO of Cypress Lawn. He made an initial donation of \$10,000, and the fund will provide for ten scholarships of \$1000 for students who are either graduating high school seniors or continuing Skyline students and who are residents of San Mateo or San Francisco counties. The scholarships will be based upon financial need. Mr. Varner hopes to make a significant annual donation to the fund.

Social Sciences bequest: Rosemary V. Barker, a Social Science instructor who retired from Skyline in 1990, has named the Social Science Department as one of the beneficiaries of her trust. Ms. Barker passed away on December 7, 2004. It is anticipated that the bequest will be more than \$50,000.

Facilities and construction: Major construction projects are underway at Skyline and students, faculty, and staff are showing enormous patience during this period of disruption and constant change. Skyline is becoming more beautiful and well designed with each step in the process. It is exciting to see the soccer and baseball teams practicing on the new athletic fields. Special thanks are given to Facilities Supervisor Richard Inokuchi for his clear and detailed updates to all Skyline staff, as well as the 20 professionals on the facilities team. Doug Henry and Jose Nuñez are also to be commended for their diligent efforts in keeping projects on track and on time and minimizing the disruption to the campus.



PROGRAM NEWS

MESA students attend national conference: Ten Skyline College students attended the Society of Hispanic Professional Engineers national conference on Jan. 5th - 10th in Dallas, Texas. They were accompanied by Tiffany Reardon, Director of the Skyline College Mesa Center. Attending students were Gabriela Dubon, Uthman Apatira, Alvaro Martinez, Mauricio Gomez, Nick Langhoff, Miriam Vega, Vincent Yurtola, Maria Sanchez, Juan Alcantar, and Corey Kreidler. Students attended workshops on engineering techniques,

\$60 and after January 28th the fee will be \$80 per person. The student fee is \$25 and students who attend can also earn college credit with English/Literature 166. *WOW!* has received funding from the President's Innovation Fund and the Associated Students of Skyline College. Brochures are available in the Skyline Public Information Office or online at www.skylinecollege.edu (click on the Women on Writing link).

Expanding Your Horizons in Math and Science (EYH):

The 25th annual career conference for 6th through 12th grade young women will be held on March 19, 2005 at Skyline College. Young women will learn about rewarding career opportunities in math and science and the training needed to qualify for these positions. Each student attends three hands-on workshops during this all-day conference and will meet women who use science and math in their

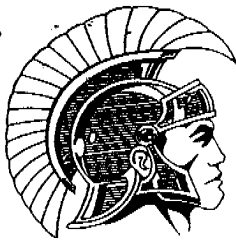


careers as well as women in non-traditional careers. Sponsored by the Genentech Foundation for Biomedical Sciences, more than 15,000 young women have participated in Skyline College's Expanding Your Horizons conference since its inception in 1980. EYH committee members include Patricia Carter, Chris Case, Sue Lorenzo, Tiffany Reardon, and Shari Snitovsky.

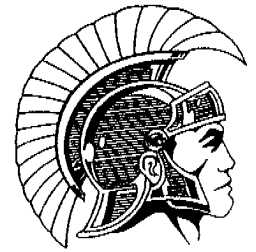
35th Anniversary Celebration: "Building for the Future"

is the theme for Skyline College's 35th anniversary celebration, which will be held on Thursday, April 28, 2005. Festivities begin at noon and include a dedication of the Founders Learning Grove of Trees, located by the renovated baseball field; a BBQ picnic and baseball game; a North County Chambers of Commerce mixer; and a student art exhibit reception in the Gallery Theatre at 5:00 p.m. Timelines of historical milestones in the college's divisions are being created as well as an oral history project including faculty, staff, and students. The 35th Anniversary Celebration received funding from the President's Innovation Fund.





San Mateo County Community College District
SKYLINE COLLEGE
2005 Baseball Schedule



Feb. 4	Fri.	Barstow College	San Bruno	2:00 pm
Feb. 5	Sat.	Barstow College DH	San Bruno	11:00 am
Feb. 8	Tues.	Diablo Valley College	Pleasant Hill	2:00 pm
Feb. 12	Sat.	Yuba College	Yuba	Noon
Feb. 13	Sun.	Yuba College	Yuba	Noon
Feb. 15	Tues.	Sierra College	Rocklin	2:00 pm
Feb. 19	Sat.	Yuba College	San Bruno	2:00 pm
Feb. 20	Sun.	Ventura College	San Bruno	10:30 am
Feb. 24	Thurs.	Laney College	San Bruno	2:00 pm
Feb. 25	Fri.	Los Medanos	San Bruno	2:00 pm
Feb. 26	Sat.	College of Marin	San Bruno	2:00 pm
Feb. 27	Sun.	College of the Redwoods	San Bruno	10:30 am
MAR. 3	THURS.	CANADA COLLEGE	SAN BRUNO	2:00 PM
MAR 5	SAT.	MISSION COLLEGE	SANTA CLARA	NOON
MAR 8	TUES.	COLLEGE SAN MATEO	SAN MATEO	2:00 PM
MAR 10	THURS.	CABRILLO COLLEGE	SAN BRUNO	2:00 PM
MAR 12	SAT.	DE ANZA COLLEGE	CUPERTINO	NOON
MAR 15	TUES.	MONTEREY PENINSULA COLLEGE	SAN BRUNO	2:00 PM
MAR 17	THURS.	CHABOT COLLEGE	HAYWARD	2:00PM
MAR 19	SAT.	SAN FRANCISCO CC	SAN BRUNO	NOON
SPRING BREAK MARCH 21-27				
MAR 29	TUES.	DE ANZA COLLEGE	SAN BRUNO	2:00 PM
MAR. 31	THURS.	CANADA COLLEGE	RWC	2:00 PM
APR. 2	SAT.	GAVILAN COLLEGE	SAN BRUNO	NOON
APR 5	TUES.	COLLEGE SAN MATEO	SAN BRUNO	2:00 PM
APR. 7	THURS.	CABRILLO COLLEGE	APTOS	2:00 PM
APR. 9	SAT.	MISSION COLLEGE	SAN BRUNO	NOON
APR. 12	TUES.	WEST VALLEY COLLEGE	SAN BRUNO	2:00 PM
APR. 14	THURS.	SAN FRANCISCO CC	SAN FRANCISCO	2:00 PM
APR. 16	SAT.	HARTNELL COLLEGE	SALINAS	NOON
APR. 19	TUES.	SAN JOSE CITY COLLEGE	SAN BRUNO	2:00 PM
APR 21	THURS.	SAN FRANCISCO CC	SAN BRUNO	2:00 PM
APR. 23	SAT.	MISSION COLLEGE	SANTA CLARA	NOON
APR 26	TUES.	CABRILLO COLLEGE	SAN BRUNO	2:00 PM
APR. 28	THURS.	COLLEGE SAN MATEO	SAN MATEO	2:00 PM
APR. 30	SAT.	CANADA COLLEGE	SAN BRUNO	NOON
MAY 3	TUES.	OHLONE COLLEGE	FREMONT	2:00 PM
MAY 5	THURS.	DE ANZA COLLEGE	CUPERTINO	2:00 PM
May 13-15	Fri-Sun	Regional Playoffs	TBA	TBA
May 20-22	Fri-Sun	Super Regional Playoffs	TBA	TBA
MAY 27-30	FRI-MON.	STATE CHAMPIONSHIPS		@FRESNO

HEAD COACH: DINO NOMICOS

San Mateo County Community College District



SKYLINE COLLEGE



2005 Women's Badminton Schedule

MARCH 29 th	TUES.	CC SAN FRANCISCO	SAN FRANCISCO	TBA
APRIL 2	Sat.	Mission College Tournament	Santa Clara	All Day
APRIL 5	TUES.	MISSION COLLEGE	** CSM	TBA
APRIL 7	THURS.	FRESNO CITY COLLEGE	** CSM	TBA
APRIL 12	TUES.	CC SAN FRANCISCO	** CSM	TBA
APRIL 14	THURS.	MISSION COLLEGE	SANTA CLARA	3 PM
APRIL 19	TUES.	FRESNO CITY COLLEGE	** CSM	TBA
APRIL 21	THURS.	CC SAN FRANCISCO	SAN FRANCISCO	TBA
APRIL 26	TUES.	MISSION COLLEGE	** CSM	TBA
APRIL 28	THURS.	FRESNO CITY COLLEGE	FRESNO	3 PM
MAY 7 th	SAT.	COAST CONFERENCE CHAMPIONSHIPS @ COLLEGE OF SAN MATEO		All Day
MAY 13 th - 15 th	FRI.-SUN.	STATE CHAMPIONSHIPS @ FRESNO CITY COLLEGE		All Day

Head Coach: Jan Fosberg

Assistant Coach: Jon Lee

College President: Victoria Morrow, Ph.D.

Athletic Director: Andreas Wolf

Badminton Office: (650) 738-4215

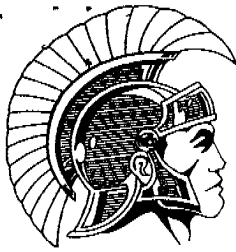
Athletic Office: (650) 738-4271 FAX: (650) 738-4160

** All Skyline home matches will be played at the

College of San Mateo

1700 West Hillsdale Blvd

San Mateo, CA 94402



SKYLINE COLLEGE

2004-05

MEN'S BASKETBALL SCHEDULE



Nov. 7	Sun.	Cabrillo College	@ CSM	5 pm
Nov. 12-14	Fri-Sun	San Jose City Tournament	@ San Jose	2-4-6-8 pm
Nov. 18	Thurs.	Gavilan College	@ CSM	7 pm
Nov. 20	Sat.	San Jose City College	@ San Jose	6 pm
Nov. 23	Tuesday	Modesto College	@ CSM	7 pm
Dec. 2	Thurs.	Merritt College	@ Merritt	7 pm
Dec. 4	Sat.	Merritt College (DH)	@ CSM	7 pm
Dec. 8	Wed.	De Anza College	@ De Anza	7 pm
Dec. 10	Fri.	West Valley College	@ W. Valley	7 pm
Dec. 15	Wed.	Hartnell College	@ Hartnell	7 pm
Dec. 17-19	Fri-Sun.	College of Sequoia Tournament	@ Sequoia	2-4-6-8 pm
Dec. 30	Thurs.	Monterey Peninsula College	@ Monterey	7 pm
Jan. 5	Wed.	** Chabot College	@ CSM	7 pm
Jan. 12	Wed.	** Foothill College	@ Foothill	7 pm
Jan. 15	Sat.	** Ohlone College	@ Ohlone	7 pm
Jan. 22	Sat.	** San Francisco CC (DH)	@ CSM	7 pm
Jan. 28	Fri.	** Canada College	@ Canada	7 pm
Feb. 2	Wed.	** Chabot College	@ Chabot	7 pm
Feb. 5	Sat.	** Foothill College	@ CSM	7 pm
Feb. 12	Sat.	** Ohlone College (DH)	@ Ohlone	7 pm
Feb. 16	Wed.	** San Francisco CC	@ SF CC	7 pm
Feb. 19	Sat.	** Canada College (DH)	@ CSM	7 pm
Feb. 23	Wed.	Regional Playoffs – (Play-in Round)	tba	tba
Feb. 25-26	Fri-Sat.	Regional Playoffs # 1	tba	tba
Mar. 5-6	Fri-Sat.	Regional Playoffs # 2	tba	tba
Mar. 11-14	Thurs.-Sat.	STATE CHAMPIONSHIPS @University of San Diego		tba

HEAD COACH: JUSTIN PIERGROSSI

Assistant Coaches: Johnny Collins – Alex Wilson – Eddy Harris

College President: Victoria P. Morrow, Ph.D. - Athletic Director: Andreas Wolf - Athletic Trainer: Jo Silken, A.T.C.

Basketball Office: (650) 738-4367 - FAX: (650) 738-4160

**** Denotes Coast-North Conference Games - (DH) Denotes Double-Header w/ College of San Mateo Women's Team**

ALL SKYLINE COLLEGE HOME GAMES WILL BE PLAYED

@ THE COLLEGE OF SAN MATEO FOR THE 2004-05 SEASON

Revised: 11-03-04