

AGENDA
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
REGULAR MEETING OF THE BOARD OF TRUSTEES
January 26, 2011
District Office Board Room
3401 CSM Drive, San Mateo, CA 94402

This meeting will also be conducted by teleconference at: 2710 Belmont canyon Road, Belmont, CA

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

The Board welcomes public discussion.

- *The public's comments on agenda items will be taken at the time the item is discussed by the Board.*
- *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 should 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.*
- *Persons with disabilities who require auxiliary aids or services will be provided such aids with a three day notice. For further information, contact the Executive Assistant to the Board at (650) 358-6753.*
- *Regular Board meetings are tape recorded; tapes are kept for one month.*

Government Code §54957.5 states that public records relating to any item on the open session agenda for a regular board meeting should be made available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to the members of the Board. The Board has designated the Chancellor's Office at 3401 CSM Drive for the purpose of making those public records available for later inspection; members of the public should call 650-358-6753 to arrange a time for such inspection.

6:00 p.m. **ROLL CALL**

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

MINUTES

11-1-2 [Minutes of the Study Session of the Board of Trustees of January 12, 2011](#)

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

BOARD SERIES PRESENTATION – INNOVATIONS IN TEACHING, LEARNING AND SUPPORT SERVICES

11-1-5C [Math Academy at Skyline College](#)

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

NEW BUSINESS

11-1-3A [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.

11-1-1CA [Approval of 2011-12 Budget and Planning Calendar](#)

11-1-2CA [Ratification of November and December 2010 District Warrants](#)

Other Recommendations

11-1-1B [Nominations for Membership on the California Community College Trustees \(CCCT\) Board, 2011](#)

11-1-101B [Receipt and Acceptance of the 2009-10 District Audit Report](#)

11-1-102B [Receipt and Acceptance of the 2009-10 KCSM Audit Report](#)

11-1-103B [Receipt and Acceptance of the 2009-10 General Obligation Bond Financial and Performance Audits](#)

11-1-104B [Receipt and Acceptance of the 2009-10 Retirement Futuris Public Entity Investment Trust Audit Report](#)

11-1-105B [Approval of Nonresident Tuition Fee, 2010-11](#)

11-1-106B [Approval of Construction Consultants](#)

11-1-107B [Board Member Compensation](#)

INFORMATION REPORTS

11-1-6C [Accountability Reporting for the Community Colleges \(ARCC\) Report, 2010](#)

11-1-7C [First Quarter Report of Auxiliary Operations, 2010-11](#)

11-1-8C [Discussion of Topics for Board Retreat of February 12, 2011](#)

STATEMENTS FROM BOARD MEMBERS

COMMUNICATIONS

RECESS TO CLOSED SESSION

1. Closed Session Personnel Items

- A. Public Employment: **Cañada College** – Interim Director of Financial Aid Services, Enrollment Services; **College of San Mateo** – Planning & Research Analyst, Planning, Research & Institutional Effectiveness; Office Assistant II, Planning, Research & Institutional Effectiveness; **Skyline College** – Admissions & Records Assistant II, Enrollment Services

2. Conference with Labor Negotiator

Agency Negotiator: Harry Joel

Employee Organizations: AFSCME, AFT and CSEA

CLOSED SESSION ACTIONS TAKEN

ADJOURNMENT

**Minutes of the Study Session of the Board of Trustees
San Mateo County Community College District
January 12, 2011, San Mateo, CA**

The meeting was called to order at 6:03 p.m.

Board Members Present: President Richard Holoher, Vice President-Clerk Dave Mandelkern, Trustees Helen Hausman and Karen Schwarz

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Jim Keller, Skyline College President Regina Stanback Stroud, College of San Mateo President Michael Claire, Cañada College President Tom Mohr and District Academic Senate President Ray Hernandez

President Holoher announced that Trustee Miljanich was out of town and would not be present at the meeting, and that a student representative would not be present because students are on winter break.

President Mohr introduced Dr. David Miles Johnson, whose approval as Dean of Humanities and Social Sciences at Cañada College the Board will be asked to approve tonight. President Mohr provided a brief background of Dr. Johnson's experience, most recently at Berkeley City College.

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

None

MINUTES

It was moved by Trustee Hausman and seconded by Vice President Mandelkern to approve the minutes of the December 15, 2010 meeting of the Board. Trustee Schwarz asked that the minutes be corrected to state that she moved to elect Vice President Mandelkern to serve another term as Vice President-Clerk. The motion to approve the minutes, as amended, carried, all members voting "Aye."

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 (11-1-1A)

It was moved by Trustee Schwarz and seconded by Vice President Mandelkern to approve the actions in Board Report No. 11-1-1A. The motion carried, all members voting "Aye."

ADOPTION OF RESOLUTION NO. 11-1 TO APPROVE THE ENROLLMENT OF TEMPORARY PART TIME FACULTY IN THE CALIFORNIA STATE DISABILITY INSURANCE PROGRAM (11-1-2A)

It was moved by Trustee Schwarz and seconded by Trustee Hausman to approve the adoption of Resolution No. 11-1. The motion carried, all members voting "Aye."

Other Recommendations

APPROVAL OF SUBCONTRACT WITH SANTA CLARITA COMMUNITY COLLEGE DISTRICT (11-1-100B)

It was moved by Trustee Hausman and seconded by Trustee Schwarz to approve the subcontract as described in the report. The motion carried, all members voting "Aye."

STUDY SESSION: COURSE EQUIVALENCY MATRIX (11-1-1C); GRADUATION REQUIREMENTS (11-1-2C); REPORT ON DEGREEWORKS (11-1-3C); REPORT ON SB 1440 (11-1-4C)

Vice Chancellor Jing Luan introduced the following people who will be involved in the presentation: Robin Richards, Vice President of Student Services at Cañada College; Joe Madrigal, Vice President of Student Services at Skyline College; Jennifer Hughes, Vice President of Student Services at College of San Mateo; and Ray Hernandez, District Academic Senate President, along with faculty representatives. The presentation will focus on the following three areas: SMCCCD Course and Graduation Alignment; Degree Audit-DegreeWorks Updates; and Transfer Reform: SB 1440.

Course and Graduation Alignment

Vice Chancellor Luan said that in 2007, the Board directed staff to identify courses in the District which are different but are called the same and numbered the same, and to examine the attributes of these courses for purposes of alignment in order to reduce students' confusion. The task was taken up by the District Joint Vice Presidents Council. The Council developed a prototype which was vetted with the District Curriculum Committee, District Academic Senate and others. The result was the Course Equivalency Matrix. Elements included in the Matrix in terms of alignment are: units; prerequisites; degree/certificate requirements; CSU GE; and Intersegmental General Education Transfer Curriculum (IGETC). The CSU GE and IGETC elements are subject to outside forces because the Colleges negotiate articulation agreements with individual CSU and UC institutions. Vice President Mandelkern asked if articulation agreements are done from each College to each CSU, or from the District to each CSU. Vice Chancellor Luan said they are done from the Colleges. He said graduation requirements are not part of the Course Equivalency Matrix but will be addressed later. He presented an example of the Matrix, showing the alignment of a particular course with the elements noted above.

Vice Chancellor Luan said that in 2009, the District acquired CurricuNet, a software application used by more than 60 community colleges in California to manage the development and editing of various courses and the curriculum program. An important feature of the program is the ability for one of the District Colleges to consult with the other two Colleges about whether there is agreement on the development of a new course or program.

Vice Chancellor Luan said that all of the approximately 2,560 courses offered in the District have been examined. Remaining differences are:

- 50 courses with different numbers of units; most are not transfer-level courses
- 62 courses with different prerequisite requirements
- 1 course with differences in terms of degree application
- 28 courses with differences in terms of certificate application
- 44 courses that differ in terms of meeting the requirements of CSU GE
- 6 courses that differ in terms of meeting the requirements of IGETC

The goal is to further engage the District Academic Senate and District Curriculum Committee, with its expanded role as a recommending body, to align current and future courses. As recommended by Board members at a previous meeting, if agreement cannot be achieved, the course name/number should be changed so that students will not be confused. Progress will be reviewed in a year.

Vice Chancellor Luan said there were formerly three areas that were different among the Colleges in terms of graduation requirements. At a 2007 Study Session, the Board asked that graduation requirements be aligned. The District Academic Senate, District Curriculum Committee, Vice Presidents and others worked on this and the requirements are now fully aligned.

Vice President Mandelkern congratulated those involved in the work done on alignment. He asked if a course listed as a prerequisite and completed at one of the Colleges will count as a prerequisite completed at all of the Colleges. Vice Chancellor Luan said it will. Vice President Mandelkern asked if any course taken at one of the Colleges will be fully counted as a completed course at any of the Colleges. Vice Chancellor Luan said it will. Vice President Mandelkern asked if the District can ask the CSUs to approve transferability for a course that has been aligned across the District, rather than the Colleges submitting individual courses. Vice Chancellor Luan said courses must be submitted by the Colleges and he does not believe the CSUs consider a district's internal alignment. Some of the differences are historical, e.g. a CSU may not accept a new course that it previously accepted from another college.

The Colleges seek every opportunity to resubmit courses. President Claire clarified that with regard to CSU GE and IGETC, courses are submitted by an individual College to the CSU System, rather than to an individual CSU.

President Stanback Stroud said it is possible for the three Colleges to submit the same course and not all be accepted. She said the CSUs review course outlines as well as content and the outlines may differ because of the distinct curriculum committees at the Colleges. A CSU may appreciate that a course has a different emphasis, different required exercises, etc. and approve that course while rejecting the other Colleges' submissions. President Stanback Stroud said this raises the opportunity for coordination and communication; if a College plans to submit a course and finds that the other Colleges are considering the same submission, they can work together to align and increase the likelihood that all will be accepted.

Vice President Mandelkern asked if the nonalignment of the six IGETC courses comes up as a practical issue with students. Vice President Hughes said it does come up because the course has the same name and number and students often do not realize that a course taken at one College which articulates to a university may not articulate if taken at another of the Colleges. Every attempt is made to let students know that articulation can vary depending on where a course is taken. Vice Chancellor Luan added that the information is published on WebSmart. Trustee Hausman asked how well-aligned the state universities are with each other. Vice Chancellor Luan said they are not well aligned. Trustee Schwarz asked if it is best to counsel students at the beginning of the transfer program to decide which of the Colleges they will attend and to take all of their courses at that College. President Stanback Stroud said students are not counseled to choose just one College and thereby not take advantage of the flexibility of moving within the District. They are counseled that there are nuances and that what appear to be the same or similar courses may not be. She said it also is not advantageous to require consistency if the cost is to give up a course that articulated at one College in the past but is unable to articulate at the other Colleges; rather, it is important to keep the course so that at least some students will benefit. She said it is very important to maintain strong communication with students.

Chancellor Galatolo said he is concerned about the residency requirements. He said two key pillars that support the foundation for community colleges are student access and student success. Many students in the District have life-changing events that require them to move throughout the State. The residency requirement might require students who are on the precipice of obtaining a degree to stay at a College longer than needed because they do not have the required number of units to satisfy the residency requirement even though they have met the degree requirements. Chancellor Galatolo asked if there is an appeals process whereby a student can ask the College to consider his/her individual situation. Professor Demsetz said the residency requirement specifies that only 12 units must be taken at a College, which is a small portion of a student's program. President Stanback Stroud said the requirement was changed from 50% of courses having to be taken at a College to 12 units. She said, however, that student requests are dealt with on a case-by-case basis and the Colleges often waive or substitute graduation requirements. Vice President Mandelkern said he believes that getting a degree from an institution should mean something about the amount of time spent at that institution, rather than it being simply the last stop in the process.

President Holober asked if each College has other, unique AA/AS requirements in addition to the requirements listed. Vice President Hughes said the requirements listed are just one piece of the total requirements. President Holober asked if there have been discussions about aligning the other pieces that are required by the Colleges. Vice Chancellor Luan said differences are being examined and there will be ongoing discussions regarding this issue. He added that Policy 6.26 in District Rules and Regulations guarantees that if a student meets the general education requirements at one of the Colleges, he/she meets those requirements at all of the Colleges.

Degree Audit – DegreeWorks Updates

Vice President Richards said the District now uses the degree audit program called CAPP, which does not have interactivity capability and does not allow for any transfer information. She said there is also no electronic education plan in the District, so what is input into the system is static rather than dynamic. DegreeWorks is a web-based program which provides help in academic advising, degree audit and transfer articulation. Students will be able to navigate a highly complex set of requirements, particularly in terms of transferability. DegreeWorks will also help staff to support more timely degree articulation.

Vice President Madrigal said a steering committee was formed, comprised of an IT representative, the Vice Presidents of Student Services at the three Colleges, and the Deans of Counseling or Counseling Department Chairs at the three Colleges. A College Implementation Team was also formed, comprised of a large group of staff who are involved with various aspects of DegreeWorks implementation. It was recommended that this Team attend the kickoff orientation on November 11 and that they continue to attend future meetings as needed. The timeline for implementation is as follows:

- November 1 – initial meeting was held
- November 11 – kickoff orientation
- December and February – data entry
- March or April – online pilot program
- May – training
- June – pilot will go live
- Fall – go live with DegreeWorks

Vice President Madrigal said it is anticipated that the timeline will be met.

ITS Director Eric Raznick presented a live demonstration of DegreeWorks. He said it is an application that students, along with counseling and advising staff, will use. Areas which users will be able to access include program requirements, degree progress, credits needed and class history. They will be able to see different courses being offered which will help to meet their requirements. Chancellor Galatolo asked if the status of these classes will be shown, i.e. if they are open, full or waitlisted. Mr. Raznick said the system does not show class status at this time.

Vice President Hughes said that when the CAPP system was being implemented, it was discovered that there were problems with existing policies, how they were being interpreted, and how they were being implemented. It was difficult to do the kind of programming that was needed prior to resolving these issues. Because they were dealt with at that time, the programming for DegreeWorks can begin immediately. At a recent Steering Committee meeting, the consultant reported that more than 130 of the 400 blocks of data that must be entered have already been implemented. Vice President Hughes said that whenever a new system is implemented, many people must participate in data entry and go through training; these are primarily staff in Admissions and Records. In the past, they were asked to do so in addition to their regular workload, and this did not work well. The Vice Presidents put forth a proposal and the Board approved some short-term positions to backfill for staff who will be trained in the new system.

Vice President Hughes said there is still one significant issue to be addressed. Many students come to the Colleges with credits from outside institutions. The District has never had a system through which that course work could be evaluated on a course-by-course basis, which would allow students to determine whether the courses meet certain degree requirements and thus enable them to better develop their educational plans. Currently, more formal evaluation occurs when students are nearing the end of their educational experience in the District. Vice President Hughes said additional staff is needed to evaluate transcripts on a course-by-course basis as they come in. This function could be consolidated for the three Colleges and would ideally be put into the Degree Works system. Vice President Mandelkern asked if the functionality already exists in the DegreeWorks software. Vice President Hughes said it does. She added that efficiency can be achieved because once a course is evaluated and the data entered into DegreeWorks, it will not need to be replicated for other students who have taken that course.

Vice President Mandelkern asked if there is any tracking function in case students allege that the DegreeWorks system provided them with inaccurate information about what they needed to meet degree and certificate requirements. Vice President Richards said that degree requirements are not changed very often and will always be in the catalog. President Stanback Stroud said DegreeWorks does not substitute for the agreement students have with the District through catalog rights. The catalog specifies the requirements for a degree or certificate; DegreeWorks is a tool which allows students to see how they are progressing with regard to those requirements. Vice President Mandelkern suggested that it be stated clearly in DegreeWorks that the information contained therein is not a guarantee and that the catalog is the guiding authority.

Vice President Mandelkern asked if DegreeWorks reflects transfer requirements. Mr. Raznick said it does not. Vice President Mandelkern suggested that this be clarified for students as well. President Claire said there are other tools for articulation, such as ASSIST. Vice President Mandelkern asked if it is possible to enter data on transfer

requirements, by both campus and major, into DegreeWorks. Chief Technology Officer Frank Vaskelis said that capability is unknown at this time.

Transfer Reform: SB 1440

President Hernandez introduced faculty members Tania Beliz, Professor of Biology at College of San Mateo; Amelito Enriquez, Professor of Engineering at Cañada College; and Professor Laura Demsetz, Curriculum Chair at College of San Mateo. President Hernandez said that, currently, transfer degrees are individually articulated with the CSUs. The requirements and processes are confusing and duplicative and offer no guarantee that a student will be able to transfer. In addition, the requirements constantly change. Students who leave the District Colleges with an Associate Degree often have taken more than 60 units. Success rate is an issue as only 23% of students who indicated the intention to transfer actually did.

President Hernandez said the language in SB 1440 was adopted in September 2010 and is on a fast track to be implemented in fall 2011. SB 1440 states that to earn an “associate degree for transfer,” a student must complete 60 semester units that are eligible for transfer and that consist of (1) IGETC or CSU GE Breadth, and (2) a major or area of emphasis of at least 18 units in accordance with Title 5 regulations. No additional local graduation requirements may be required. A minimum GPA of 2.0 is required. If a student completes an “associate degree for transfer,” the CSU shall guarantee admission with junior status, but admission to the CSU does not guarantee admission for specific majors or campuses. The CSU shall not require students transferring to repeat courses that are similar to those taken at the community college that counted toward the associate degree or transfer. The CSU shall grant a student priority admission to his or her local CSU campus and to a program or major that is similar to his or her CC major or area of emphasis, as determined by the CSU campus to which the student is admitted. Professor Hernandez said the issues of a “local” CSU campus and a program or major that is “similar” to a student’s community college major are not yet resolved. Chancellor Galatolo said that not all CSUs currently use local priority. He said he met with the President of San Jose State University, who was not willing to accept the District as a local service area. However, CSU System President Charlie Reed issued a memo stating that local priorities should not be created. Vice Chancellor Luan said many District students have majors that are available only at San Jose State and they are shut out. It is made even more difficult if a CSU declares the institution or a particular major to be impacted. Sarah Perkins, Vice President of Instruction at Cañada College, said that if a student wants to transfer to San Jose State, he/she may take all of the degree requirements at one of the District Colleges except the last 12 and then transfer to Foothill or DeAnza to finish the degree. The State then counts that student as a non-completer in the District, while Foothill or DeAnza gets credit for the student as a completer. President Holober asked if the language regarding priority admission to a local campus is in the senate bill language. President Hernandez said it is. President Holober suggested that discussions with local lawmakers be held regarding making the language nondiscriminatory to districts like SMCCCD which are not geographically located in close proximity to a CSU. Vice Chancellor Luan said County Counsel advised that it is legally questionable for the CSUs to set local service areas because they serve the entire State. Chancellor Galatolo said he will be meeting with President Reed and will raise this issue again. Vice President Mandelkern said the real issue concerns the State education budget which results in fewer spaces than the number of students wishing to enroll.

President Hernandez discussed two options for responding to AB 1440. Plan A involves a concerted, Statewide response. It includes a C-ID (Course identification number system) which was developed to ease transfer and articulation burdens and is used to create Transfer Model Curriculum. Discipline groups of faculty are working on degrees in an open and collaborative process and all drafts are vetted online. Once a model curriculum is finalized, colleges may adopt it. The State Chancellor’s Office has made a commitment to expedite approval. Plan B is for the 112 community colleges to each develop its own degree in each major; this may be necessary if there are degrees on which the Statewide initiatives are not working. The District wants to focus on Plan A, which will result in clear pathways for students Statewide to earn an associate degree, complete major prep, and receive admission priority. The Transfer Model Curriculum includes appropriate courses for an associate degree and preparation for transfer.

Transfer Model Curriculum areas now being vetted are Communications Studies, Geology, Math, Psychology, Sociology and Criminal Justice. Soon to be vetted are Biology, Chemistry, Early Childhood Education, Kinesiology/PE, Physics and Theatre. In spring 2011, Business, Accounting, Economics, Political Science and others will be vetted. These curriculum areas align well with those of District students.

Professor Beliz described the process at the State level in the area of Biology. There have been meetings in Sacramento and southern California with the purpose of examining the content of core Biology courses, agreeing on what should be in those courses and what the transfer requirements should be, and vetting the drafts online. Meetings will continue via conference calls. It is anticipated that an Associate Transfer Model will be developed by spring or summer and implemented in the fall of 2011.

Professor Enriquez said there are no Statewide conversations taking place for Engineering. Among the reasons are that many students transfer without getting an Associate Degree and there is variability by major, i.e. different types of engineering have different requirements and vary among the universities. Professor Demsetz said that Engineering is now more advanced as a field than it was when programs were first established; there are many more topics, such as nanotechnology, and differences in curriculum which previously occurred in the upper division have now trickled down to lower division courses. Professor Enriquez said he believes there will be a movement to try to do something to address the problem. He suggested three possibilities: (1) an Associate Degree in Pre-engineering, with no engineering courses required; (2) an Associate Degree in Engineering with no specialization; and (3) an Associate Degree in a specific Engineering field. Each of these options raises questions. President Holoher asked if students in the District get Associate Degrees in Engineering with no specialty. Professor Enriquez said this is the case. President Holoher asked if it is the same for a freshman entering a four-year institution. Professor Enriquez said it is not; those students would apply to be accepted in a specific specialty. President Holoher asked if an institution would allow a student to switch to another specialty. Professor Enriquez said it is allowed, but is discouraged. Professor Enriquez distributed a paper he co-authored titled "The Dismantling of the Engineering Education Pipeline."

President Hernandez described the next steps: those degrees that have been vetted will go to the discipline faculty who will consider the Transfer Model Curriculum, then to the Curriculum Committees for adoption, and then to the State Chancellor's Office for fast-track approval.

Vice President Mandelkern complimented everyone involved on the progress that has been made in the areas discussed tonight. He said that because of budget cuts, the changes have become a necessity as District students compete for scarce spots at the four-year institutions. Vice President Mandelkern asked if SB 1440 will have any impact on the Colleges' guaranteed transfer agreements with specific universities. Vice President Hughes said the agreements will not be affected.

President Holoher thanked the presenters for an informative presentation.

President Holoher said he saw former Student Trustee Richael Young and she sends greetings to everyone. He suggested that discussion of topics for the Board Retreat on February 12 be put on the agenda for the next Board meeting. He also reminded fellow Board members of State Senator Joe Simitian's Education Update on February 5.

President Holoher said the recent massacre in Tucson brings to our attention the importance of security and training for District staff, particularly in light of the fact that the individual who is accused of the crime had been expelled from a community college because of repeated danger signs. He said security has been a priority for the District and was heightened in the wake of the Virginia Tech massacre. He suggested that the Board look again at what security steps and training are in place, including procedures to identify disturbed individuals, and to examine what should be done and what can legally be done. Trustee Schwarz said she supports having a future conversation because everyone needs to be more aware and more prepared. Chancellor Galatolo said the Board might want to look at the current Rules and Regulations and then possibly direct staff to address them with local legislators to see if they should be modified to give more freedom to administrators and others to make decisions regarding potential problems. It was agreed that security and training will be a topic at the Study Session on March 9.

RECESS TO CLOSED SESSION

President Holoher said that during Closed Session, the Board will consider the personnel items listed as 1A and 1B on the printed agenda. The Board will also hold a conference with agency labor negotiator Harry Joel; the employee organizations are AFT, AFSCME and CSEA.

The Board recessed to Closed Session at 8:20 p.m.
The Board reconvened to Open Session at 9:28 p.m.

CLOSED SESSION ACTIONS TAKEN

President Holoher reported that at the Closed Session just concluded, the Board voted 4-0 to approve the items listed as 1A and 1B on the printed agenda.

ADJOURNMENT

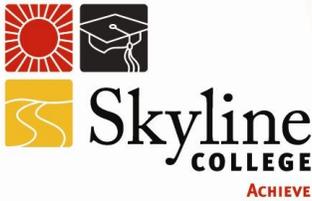
It was moved by Trustee Hausman and seconded by Trustee Schwarz to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 9:30 p.m.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the January 26, 2011 meeting.

Dave Mandelkern
Vice President-Clerk



President's Report to the Board of Trustees

Dr. Regina Stanback Stroud
January 26, 2011

Williamson Selected as Interim Vice President for Instruction

Skyline College is pleased to announce that Mike Williamson, Dean of the Division of Science, Math and Technology, has been selected to serve as the Interim Vice President for Instruction through June 2012. A hiring process for an interim dean has been launched.

Board of Trustees Approves Skyline College Plans for Measure G resources

At the December 15 meeting of the Board of Trustees, President Regina Stanback Stroud, along with former President Vicki Morrow, made a presentation on Skyline College's plans for use of Measure G (parcel tax) resources for the 2010-11 year. Skyline College's plan was considered by the College Budget Committee in early November and a recommendation was developed at that time, which was then recommended to the chancellor and the board. At the December board meeting, the trustees approved Skyline College's plan, along with those of CSM and Cañada College. In the spring of 2011, the college will go through a similar process to consider proposals for use of Measure G in the 2011-12 year. Anyone who wants to see the 2010-11 plan can look at the College Budget Committee website at <http://www.skylinecollege.edu/facstaff/GovCommittees/cbc/measureG.html>.

SKYLINE SHINES

United Way of the Bay Area Presents SparkPoint San Mateo Center at Skyline College to a National Audience

-Photos by Christianne Marra



United Way of the Bay Area presented SparkPoint San Mateo Center at Skyline College to a national audience on Thursday, January 20, 2011. SparkPoint San Mateo Center, one of nine sites throughout the Bay Area, bundles multiple support services that students and the community utilize to achieve economic self-sufficiency.

Guests included United Way personnel from Delaware, Marin, Orange County, Portland and San Francisco. Additional guests included Jenny Flores and Scott Stokes from Citi Foundation, faculty and staff from Everett Community College and Highline Community College, both located near Seattle, and City College of San Francisco.



United Way's Tse Ming and Emily Harpster presented **SparkPoint 101** to introduce guests to the SparkPoint model. Guests took advantage of the opportunity to learn lessons related to the launch and implementation of SparkPoint Services as presented by United Way of the Bay Area and SparkPoint San Mateo Center at Skyline College.

Thanks to Skyline College personnel and SparkPoint San Mateo partners for co-hosting the event. They include:

- Glenda Benevides, SparkPoint
- Teresa Betancourt, San Francisco Welcome Back Center
- Jenny Carreno, California Employment Development Department
- Steve Cooney, Skyline College Cooperative Education
- Melanie Espinueva SparkPoint
- Kenny Gonzalez, Skyline College English Language Institute
- Pcyeta Jackson, SparkPoint
- Raymond Jones, SparkPoint
- Adolfo Leiva, SparkPoint
- Jennie Mollica, Jewish Vocational Services
- Eric Muckel, San Mateo County Workforce Investment Board / Workforce Development Unit
- Alfonso Murillo, California Employment Development Department
- Virginia Padron, Skyline College Career Center–Job Placement Services
- Amber Rocha, Skyline College English Language Institute
- Leigh Anne Sippel, Skyline College English Language Institute
- Regina Stanback Stroud, Skyline College President
- William Watson, SparkPoint San Mateo at Skyline College Director
- Mike Williamson, Skyline College Interim Vice President of Instruction



For more information about the SparkPoint San Mateo at Skyline College, please contact William Watson at ext. 7035.

Door Cards

On behalf of the students and the public, President Stanback Stroud wants to thank the faculty for posting their door cards. All full-time and adjunct faculty, are asked to post and hold office hours. As of January 21, **95%** of the full-time faculty and **65%** of the adjunct faculty have posted Spring 2011 door cards. The Vice President of Instruction will be following up to provide any assistance and encouragement in finalizing this aspect of the student-centered approach at Skyline College.



Skyline College Celebrates the Earning of LEED Certification by the New Facilities Maintenance Center

On November 1, Skyline College's Facilities Maintenance Center (FMC) was awarded the Leadership in Energy and Environmental Design (LEED) Gold Certification Award by the U.S. Green Building Council. An awards ceremony and luncheon was held on December 15 at the Skyline College FMC to celebrate this achievement. Skyline's FMC became only the fifth maintenance facility in the nation to achieve a Gold award.

Congratulations to the Skyline College FMC and Facilities staff on being recognized for its commitment to environmental issues on our campus and community. Thanks to Seini Mateialona for these photos of Bunton Clifford & Associates architect Rashelle Jones, and Vice Chancellor for Facilities Jose Nunez unveiling the new LEED Gold Glass Medallion Award; and John Plane Construction Project Manager Steve Germano and Skyline College Swinerton Team Chief Jack Herbert unveiling LEED Gold Award Certificate.



Founded by the American Cancer Society and the National Association of Basketball Coaches

Coaches vs. Cancer Fundraiser a Success!

On January 19, Skyline College participated in the Coaches vs. Cancer fundraiser during the men's and women's basketball games against Foothill College. Thanks to generous donations from the campus community, \$455 was raised during the event and will be given directly to the American Cancer Society. If you were unable to attend the games and would still like to contribute to this great cause, donation buckets have been placed at the Skyline College Bookstore and will be available through Friday, January 28. A donation made via check by contacting Joe Morello at 650-738-4271 or send an email to morelloj@smccd.edu. Checks should be made payable to the "American Cancer Society."



Art on Campus

In the next few weeks the artist will begin the artwork installation that is slated to go on the stairway wall on the west end of Building 4. While they were originally scheduled to finish by the end of May, they are willing to consider accelerating the installation to try and finish in time for the ribbon cutting ceremony. If you would like more information about the Art on Campus projects, contact Donna Bestock at ext. 4155.

PROGRAMS

Grove Scholars Program Awards 22 New \$2,000 Scholarships

The Skyline College Grove Scholars Program (GSP) enters its second semester at Skyline College awarding twenty-two \$2000 scholarships for spring 2011. The GSP provides a need based scholarship supporting full-time students pursuing Career and Technical Education. Recipients of the award are called Grove Scholars. The Scholars commit to multiple support services bundled through the SparkPoint San Mateo Center at Skyline. Services include: academic progress monitoring and academic support where needed, financial education and coaching, academic and financial aid counseling, matched savings accounts, and screening for eligible benefits. The GSP receives major funding through the Grove Foundation. The GSP Scholarship Screening Committee included: Kent Gomez, SparkPoint (former Coordinator), Adolfo Leiva, SparkPoint; Jessica Lopez, Learning Center; Crystal Shetaya, Financial Aid; and William Watson, SparkPoint. Maria Escobar, Enrollment Services, supported the development and implementation of the program. For more information about the Grove Scholars Program contact Melanie Espinueva, Interim Coordinator, at the SparkPoint San Mateo Center, 650-738-7035.



Pictured here are Melanie Espinueva, GSP Interim Coordinator; William Watson, SparkPoint Director; Crystal Shetaya, Financial Aid Office Scholarship Coordinator; Adolfo Leiva, SparkPoint Program Services Coordinator. Photo provided courtesy of the SparkPoint San Mateo at Skyline College staff.

CONSTRUCTION

Update on Building 4 – Administration, Multi-Cultural Center, Cosmetology Building

Skyline College got a nice glimpse of the beautiful new building 4 when Hensel Phelps, Swinerton Construction Management, and Vice Chancellor José Nuñez's Construction Planning Department (CPD) provided a way for the college to host Vicki Morrow's retirement celebration in the new Hosting Gallery. The college is nearing the home stretch for the completion of the building. Furniture has been ordered and is scheduled to arrive on March 7th, 14th, and 21st for the first, second and third floors respectively. The move schedule is planned to provide for minimal disruption of programs, services and classes while occupying some of the areas immediately. The administrative offices will move during Spring Recess. Some of the classrooms will be used this semester and Cosmetology will be moved over between the spring and summer semesters. A ribbon cutting ceremony is being plan for the end of March—just before Spring Recess. As plans for the ceremony are finalized, President Stanback Stroud will be sure to publish the date and details in *Skyline Shines*.

Dedication Plaques

Dedication plaques will be used to provide a historical preservation marker for the new buildings. Currently, some buildings are marked with plaques, others with murals/artwork, others with an inscription, and still others with some combination of the markers mentioned here. A building 4 plaque is being drafted in hopes of being approved and created in time for the ribbon cutting ceremony.

New Directory Maps Coming Soon!

Updated directory maps that incorporate all of the campus site improvements will be installed on the campus directory signs located around campus. The college is expecting to see pre-fabrication drafts of the maps in the next week and the final maps should be installed by the end of Spring Break. If you need more information about the directory maps, please contact Glenn Claycomb in the CPD department at ext. 7062.



FACILITIES

Facilities Staff Hard at Work Over Winter Break

Photos by Richard Inokuchi

President Stanback Stroud wants to recognize the Facilities Maintenance staff for the important work they accomplished over the Winter Break. During those 13 days, they took advantage of the empty buildings to complete some key jobs that result in our campus, its buildings and grounds being safe, clean, operational, and pleasing to look at. Here are some examples from each of those three groups:

Custodial

- Cleaned and waxed hallways in Bldg 8
- Cleaned and waxed floors/carpet cleaned several offices in Bldg 1
- Cleaned and waxed floors in Art Studio classrooms in Bldg 1
- Cleaned floors in both Cosmetology Labs at Pacific Heights
- Cleaned carpets in 2nd floor offices in Bldg 2
- Cleaned carpets on 1st and 2nd floors in Bldg 5
- Cleaned exterior windows on Bldgs 2 and 5
- Assisted with office move and set-up for President Regina
- Detail cleaned all individual assigned areas and restrooms



Hugh Wong – Bldg 5 Custodian, cleaning carpets in Library

Grounds

- Groomed all three synthetic athletic fields
- Washed the tennis courts and pressure washed the nets
- Installed new hay bales at Archery Range
- Trimmed low-lying pine tree branches at Bldg 6, Bldg 7 and Bus Stop
- Weed abatement campus-wide
- Aerated, fertilized and seeded the grass soccer field and lawn areas in quads
- Cleaned up campus storm debris after multiple rain and severe wind storms



From left, Dave McCargar, Diego Zarco, Sheikh Hussain chipping fallen tree limbs after storm

Engineering

- Changed filters and completed operational checks to all gas furnaces at Pacific Heights
- Resurfaced all entry ramps with non-skid paint at Portables 3A, 3B, 3C, 3D, and 3E
- Installed 12 replacement condenser fan guards on the four HVAC units on the roof of Bldg 5
- Coordinated with National Guardian for semi-annual hood cleaning in Bldg 6 Kitchen
- Coordinated with BT Mancini for stair replacements in Bldg 7A
- Coordinated with Siemens Fire Safety for semi-annual fire alarm device testing
- Coordinated with AAA Fire for semi-annual service to Ansul fire suppression system in Bldg 6 kitchen
- Attended two Engineer training sessions for new Bldg 4
- Started re-pinning permanent lock cylinders cores for new Bldg 4
- Coordinated with Siemens Fire Safety for fire sprinkler riser repairs in Bldg 2
- Installed two gas furnaces at the FMC (Bldg 24 – Vehicle Park)
- Worked on getting caught up with backlogged work requests

College of San Mateo

Executive Report to the Board of Trustees • January 26, 2011

HEALTH & WELLNESS BUILDING HONORED WITH SUSTAINABILITY AWARD

The college's Health and Wellness Building has been honored with the 2011 Sustainable San Mateo County Green Building Award for Non Residential. Sponsored by Sustainable San Mateo County (SSMC), San Mateo County RecycleWorks and the San Mateo County Chapter of the American Institute of Architects, the award recognizes outstanding construction projects designed and built in accordance with principles of sustainable resource use and environmental sensitivity. CSM will be presented with the award on March 10 at the 12th annual sustainable San Mateo County Awards Event and Dinner. At the event, a SSMC produced video highlighting the green and sustainable features of the Health and Wellness Building will be shown.



W. S. Merwin

PRESIDENT'S LECTURE SERIES WELCOMES U. S. POET LAUREATE

On Tuesday, February 11, the President's Lecture Series is proud to present the current United States Poet Laureate and Pulitzer Prize-winning poet and essayist **W. S. Merwin**. During a career that has spanned five decades, Merwin has become one of the most widely read – and imitated – poets in America. He is author of more than 40 books of poetry, prose and translation and the recipient of nearly every major award bestowed on American poets. He was awarded the Pulitzer Prize twice, for the *Carrier of Ladders* and *The Shadow of Sirius*, and received the National Book Award for *Migration: Selected Poems 1951-2001*. The lecture begins at noon in the Theatre; a reception and book signing will immediately follow the presentation. The lecture series is made possible by a generous contribution from the Lane Family Charitable Trust. (Photo credit: Tom Sewell)

STATE'S TOP EDUCATOR A CSM ALUM

California's top educator, State Superintendent of Public Instruction **Tom Torlakson** (photo), is a CSM alum and graduate of Westmoor High School. He attended the college in 1968-69 and transferred to UC Berkeley where he earned bachelor's and master's degrees and a teaching credential. Superintendent Torlakson served in the California Senate from 2000-08 and in the Assembly from 2009-2010. He is a former high school teacher and coach and presently an adjunct faculty member at Los Medanos College.



BOSTON RED SOX OUTFIELDER GIVES BACK TO CSM

Boston Red Sox outfielder and CSM alum **Daniel Nava** showed up at College of San Mateo earlier this month and presented each CSM baseball position player with two pairs of Cutters batting gloves. Nava, who is sponsored by Cutters, worked out a deal with the company agreeing to forego his signing bonus in exchange for gloves which were custom made for the CSM Baseball team. The total package is worth over \$1,000. Cutters' sales manager Chris Miller said, "Daniel has been a huge supporter of Cutters over the last few years, and it is only appropriate for us to help out a program that clearly means so much to him."

While Nava was handing out the gloves, he spoke to CSM's players about the importance of his path to the major leagues and advised the group "to always remember where you came from." Coach **Doug Williams** was not surprised by Nava's generosity. Williams noted, "Daniel was as classy a kid as I have ever coached and this act just falls in line with who he is and what he is all about."

Nava made national headlines this past summer when he came to the plate at Fenway Park with the bases loaded in his first ever major league at bat. Daniel hit the first pitch for a grand slam homerun, becoming only the fourth player in major league history to accomplish that feat. Nava reports to spring training in Florida this February.



CSM LINEMAN USC-BOUND

CSM football standout **Jeremy Galten** has accepted a scholarship offer from University of Southern California where he will begin classes this semester. Upon graduating from Hillsdale High School, the offensive lineman had passed on the opportunity to play for a NCSS Division III school and decided to play for CSM where he was an all-state athlete. The decision turned out to be advantageous for both CSM and Galten. In an article in the *San Mateo County Times*, Galten credits the college for his success, "CSM prepared me for the next level as a player and as a man. I think it's one of the best staffs in the country." The article also highlighted CSM's football leadership program, developed by CSM Coach Bret Pollack and his staff, which includes guest speakers on timely and relevant issues such as domestic violence, drug abuse, alcohol abuse and team building.

KUDOS

★ According to the Office of the Vice President of Student Services, a fund raising raffle for student scholarships held during the college's holiday reception in December netted a grand total of \$920 -- a very good return for \$2 raffle tickets. Each division and many departments donated themed gift baskets which ran the gamut from yoga, cats, New Year's Eve, do it yourself home improvement, chocolate, Italian cuisine, music, and many others.



BULLDOG LENDS A PAW TO WELCOME MAT ACTIVITIES

CSM's once again rolled out Operation Welcome Mat to help students during the first week of the semester. With staff positioned at key high traffic areas around campus, students found friendly and helpful assistance as they maneuvered their way to classes. The start of the semester also brought out CSM's **Bulldog** who meandered through the campus greeting students, posing for photos and providing a fun and entertaining tone during the first week of classes. Operation Welcome Mat is coordinated by the Community Relations and Marketing Department.

CSM GRADUATE RETURNS TO BAY AREA FOR POST AT STANFORD

CSM graduate **Tommy Lee Woon** has been appointed as Stanford University's first director of diversity and first-gen programs. Since 2006, he has served as the dean of multicultural life at Macalester College in St. Paul Minnesota; previous positions include associate dean of student life and director of pluralism and leadership at Dartmouth College and assistant dean of students/multicultural educator at Stanford University and in student and diversity affairs at Brown University and Oberlin College. Woon earned his associate degree from CSM in 1970; he holds a bachelor's degree from UC Davis and a master's degree from Cal State University, Sacramento. In 2002, he returned to CSM as the commencement speaker. In a conversation with the college administration, he mentioned that he had overlooked completing the paperwork for the degree; at the commencement ceremony, Woon was officially presented with his associate degree from College of San Mateo.



Tommy Lee Woon

UPCOMING EVENTS

- ▶ On Saturday, February 5, Congresswoman **Jackie Speier** will be at CSM to conduct a kick off news conference to publicize the college's Volunteer Income Tax Preparation service. The news conference will take place in the lobby of Building 14 at 10 am. The free service is provided by students in the Volunteer Income Tax Preparation class for members of the community on most Saturdays between February 5 through March 26, from 9 am – 1 pm each date in Building 14, Room 104. To qualify, individuals need to have earned less than \$50,000 in 2010. Last year, CSM's tax preparation students prepared 239 returns.
- ▶ On Monday, February 7, the Diversity In Action Group and Office of Student Life will co-sponsor a presentation featuring **Karen Ande** and **Ruthann Richter**, authors of *Face to Face: Children of the AIDS Crisis in Africa*, at 11 am in the Theatre. The book offers a moving portrayal of life in Africa in the shadow of HIV/AIDS. A reception and book signing will follow immediately following the presentation.
- ▶ It's become a tradition that CSM's 17-piece Big Band, led by trumpeter and Professor of Music **Mike Galisatus**, performs standards and jazz at the Oak City Bar and Grill in Menlo Park on the third Monday of every month. Oak City Bar and Grill's website hails the musicians as "superb talents with an awesome mix of instruments. The band's next performance is February 21 at 8 pm.

IN MEMORIAM

CSM alum, **Ed Macaulay**, best known as the “Voice of Stanford Stadium” recently passed away. Macaulay, who attended CSM in the late 1930’s, was a pioneering Bay Area sports television producer and ad executive who served as the public-address voice for Stanford football games for 40 years, from 1952 through 1990



CSM STUDENT SUCCESS STORY:

CATHERINE RAYE-WONG

Perseverance pays off for working student

By day, **Catherine Raye-Wong** worked full time as a legal secretary; in the evening, she transitioned to college student. Catherine arrived at CSM equipped with ambition and drive to pursue her lifelong career goal of becoming a lawyer. Having a full time job presents an extra set of challenges for many students but Catherine found that CSM addressed multiple needs involved in balancing work and school.

As a working student, Catherine valued the flexibility that CSM’s class schedule offered which allowed her to continue to work and support her education. In addition, the college provided comfortable surroundings and a variety of resources that allowed her to complete all of her general education requirements. Catherine also appreciated CSM’s professional staff members who advised her in the selection of transfer track classes which would facilitate a smooth transition to Notre Dame de Namur University where she completed her bachelor’s degree.

Affordability also figured into Catherine’s decision to attend CSM. The payoff came once she earned her bachelor’s degree and realized that she wasn’t saddled with large loans to pay back that her friends experienced when they completed college. What she saved by attending CSM for the first two years and working her way through college helped make it possible to afford graduate school. She continued working toward her career goal by enrolling in San Francisco Law School where she earned a Juris Doctorate and an LL.M. degree in taxation from Golden Gate University’s School of Law. Fulfilling her career goal, Catherine currently operates her own law firm, Raye-Wong & Associates, specializing in estate law in downtown San Carlos.

“CSM prepared me by offering excellent English courses that challenged me to become a decent writer. Writing skills are of the utmost importance in a legal career.” She offers this advice about attending CSM: “I always encourage potential college student to look at CSM, visit the campus and observe what is going on. I think they will find it a welcoming, high caliber institution, as I did.”

“My favorite memories of CSM involved my writing classes which gave me more experience in essays and poetry.” While at CSM, Catherine had the opportunity to participate in the London Semester, part of the college’s Study Abroad Program which she recalls as a “wonderful experience” and resulted in several lifelong friendships.

- Basketball team is 14-2 overall and 3-1 in Coast North Division play.
- Measure G funding approved by campus committees
- David Johnson is hired as the new Dean of Humanities & Social Sciences

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Cañada College

VOLUME 1, ISSUE VII

JANUARY 26, 2011

Cañada Became a Smoke-Free Campus Jan. 1

Cañada College became a smoke-free campus on Jan. 1 after the College Planning Council revised the campus smoking policy at its Nov. 4 meeting. The new policy prohibits smoking on campus. Smoking will be allowed only in designated parking lots.

"The issue was brought to us by concerned students, staff, and faculty," said Cañada College President Tom Mohr. "We have discussed changing the procedure for the past year."

The College Planning Council discussed the issue at six different meetings. The Safety Committee also discussed the issue at numerous meetings. On Sept. 2, the College Planning Council appointed a Smoking Task Force which included two representatives from the Safety Committee, two from the Associated Students of Cañada College, one representative from the College Planning Council, and five representatives from the campus at large. This group was charged

with collecting information and recommending a policy.

Students were actively engaged in the discussion. The Student Ac-



More than 60 percent of respondents to a campus survey felt smoking should be completely banned.

tivities Coordinator brought the topic to ASCC for discussion and the ASCC board appointed representatives to the Smoking Task Force. ASCC representatives attended the College Planning Council meeting to show support for the proposed smoking policy.

On Oct. 8, the Smoking Task

Force distributed an online Smoking Survey to faculty, staff, and students via the college website, Facebook, Twitter, and e-mail. A total of 651 responses were received with the following results:

- 38 percent did not want smoking and tobacco products allowed on campus, including the parking lots
- 22 percent felt smoking and tobacco products should be restricted to parking lots
- 39 percent felt smoking and tobacco products should be allowed only in designated smoking areas.

"The survey showed that a clear majority - 60 percent - felt smoking and tobacco products should not be allowed on campus," Mohr said. "The results of the survey coupled with the numerous discussions on the topic have led us to make the policy change."

Workshops Focus on Campus Safety

A series of workshops designed to help faculty and staff identify student behavior issues and how to report them were held this week. The workshops were organized by Vice President of Student Services Robin Richards,

Security Chief Gary Hoss, and Psychologist Gena Rhodes. Workshops were held in both the afternoon and evening.

"Given recent events, we felt it was important to go over the basics when it comes to identifying

troubling student behavior and making sure it gets reported," Richards said. The college is looking at a computerized reporting system that will make it easier to identify problem behavior across the district.

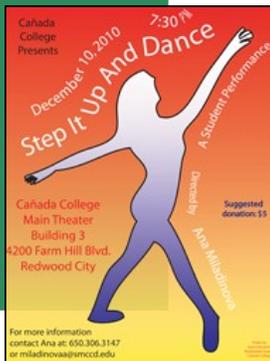


Denise Sheldon was a local high school star at Sacred Heart Prep

“Her experience and connections are exactly what we were looking for.”

President Tom Mohr

Student dancers thrilled the audience with a sparkling performance in the Main Theater



Denise Sheldon to Coach Volleyball

Former Sacred Heart Prep volleyball star and current USA Volleyball coach Denise Sheldon has been hired to resurrect the Cañada College volleyball program. The college placed the program on hiatus two years ago when it lost its coach. Sheldon will lead it into competition again next fall.

“This is really an exciting opportunity,” Sheldon said. “I’ve already started recruiting and I’ll begin teaching a class at the college in the spring.”

Sheldon played high school volleyball at Sacred Heart Prep and accepted a scholarship to Fordham University. After her first year at Fordham, Sheldon blew out her knee and came back to the Bay Area where she played one season at Cabrillo College, earning Junior College All-American honors. She finished her collegiate career at the University of Nevada in Reno.

“Denise Sheldon comes to us

highly recommended as an outstanding motivator, teacher of volleyball skills and communicator of young women,” said Cañada College Athletic Director, Mike Garcia. “We are extremely excited that Denise will lead the Lady Colt’s next season.”

Sheldon currently works with the Northern California Volleyball Association and USA Volleyball in their High Performance Program. “The program essentially finds volleyball players throughout the country who are the best in their age group,” she said. “The goal is to identify athletes early and teach them a common system of techniques and systems utilized by the U.S. National Team. I really enjoy working with motivated athletes of all ages and the HP program allows me to do that throughout the year.”

Sheldon is also the Director and Head Coach of Peninsula

Juniors Volleyball Club. It features nine girls’ teams and two boys’ teams. “I love that I am in a gym almost every day and at a tournament just about every weekend.”

The Bay Area is a hotbed for junior volleyball and Sheldon’s connections with the junior clubs and USA Volleyball will help in the recruiting process. “I’m familiar with many of the high school and club programs in the area. I expect there to be a lot of interest in the renewed Cañada program because it will give volleyball players on the Peninsula the opportunity to play volleyball in college and get an excellent education.”

Cañada College President Tom Mohr said he expects Sheldon to quickly build a competitive program. “Her experience and connections are exactly what we were looking for,” he said. “I couldn’t be happier with this hire.”

Dancers Thrill Audience With Performance

The annual Cañada College fall semester student dance performance was held in December in the Main Theater. This year’s performance was titled “Step It Up and Dance!”

Dance instructor Ana

Miladinova said this year’s performance was particularly exciting because of the diversity in the dances. “We had jazz, modern, ballet, salsa, and hip-hop,” she said.

Many of the performers are enrolled in Miladinova’s Ballet, Jazz and Salsa dance classes. She said some have performed

before and some are beginners. “It is exciting to watch them practice,” she said. “It brings them happiness. Many students have been working for this since the beginning of the semester because they are passionate about dance. Their enthusiasm shows on the dance floor.”

Basketball Team is Red Hot and Rolling

The men's basketball team remains one of the best in the state with a 14-2 overall record and 3-1 mark in the Coast Northern Division

The Colts have defeated several ranked teams, including Cabrillo College, De Anza, and Ohlone.

"The team is playing very well right now," said Head Coach Peter Diepenbrock. "We are getting contributions from our big men as well as our outside shooters. This makes us a very difficult team to defend."

Last week, the Colts defeated Ohlone 58-54. Ohlone made the state finals last season.

One of the team's losses came at the City College of San Francisco, the top-rated community college team in the state.

"They are ranked No. 1 and I would concur with that vote," said Diepenbrock. "They played very well and got out to an early lead.



Head Coach Peter Diepenbrock has the Cañada Colts off to their best start in years. This year's team has a chance to compete for the state title.

We did not play well and found ourselves down by 20 points at the half. We played much better in the second half. We are definitely excited for another chance to play them at home on Friday, Feb. 4."

Guard Peter Pappageorge continues

to lead the team. He is averaging 20 points per game to lead the Coast North Division. Freshman Isaih Tureta is fifth in the league in scoring at just over 14 points per game.

Diepenbrock said the team remains solid defensively and is a threat to score from three-points.

The Cañada Colts are now 14-2 overall and 3-1 in Coast Conference play.

DAVID JOHNSON HIRED AS DEAN OF HUMANITIES AND SOCIAL SCIENCES AT CAÑADA COLLEGE

A Bay Area native with extensive classroom teaching experience has been hired to lead the Humanities and Social Sciences Division at



Cañada College. Dr. David Johnson, a resident of Oakland, replaces Jennifer Castello, a long-time faculty member who served as interim dean for the past 18 months.

Johnson most recently led the Program for Adult College Education (PACE) at Berkeley City College where he restructured the curriculum, introduced online courses, and

bolstered the faculty to better serve students. "Although I served as director, the success of the program was the result of collaboration and sacrifice by the faculty, classified staff, and the students themselves," he said. "Over the last four years, PACE has accounted for 34 percent of the liberal arts degrees awarded at Berkeley City College, even though the program constitutes less than 3 percent of the total student body."

As a result, the Peralta Community College Chancellor's Office recognized PACE as a Program of Distinction for the district.

Johnson said his plan for the Humanities and Social Sciences Divi-

sion at Cañada is simple: ensure that the division is offering the best liberal arts education in the state. "I will work with our faculty and classified staff to make sure our students have the analytical, communication, and practical skills necessary to make their way in the world," he said. "Supporting our faculty in their efforts to make this happen for our students is why I am here."

Cañada College President Thomas Mohr said Johnson's focus on student success is why he was hired. "David Johnson presented a vision for our students that is consistent with our mission. He understands that the

foundation of a good education is built upon the student's ability to communicate in a global economy."

Johnson said he's excited to join Cañada College. "I believe there are people here who have a deep-seated commitment to helping our students achieve academic success. Similar to BCC, Cañada is a tight-knit community and there are some extraordinary programs and initiatives in place that are transforming the lives of our students. I wanted to be a part of that and make a contribution to that effort."

Focus Groups Help With Internet Navigation



The college is working with prospective students, community members, staff, faculty and current students to make sure the college website is user-friendly.

Cañada College is working to make sure its presence on the Internet remains customer-friendly by engaging focus groups comprised of prospective students, community members, current students, staff, faculty and administrators.

Participants in the focus groups are asked to complete a questionnaire assessing their use of the college website. They are then asked to perform some basic tasks that help measure how easy it is for them to find specific information on the site.

The project is being led by the Cañada Communications Office and Mike Habeeb, the former Public Information Officer at the College of San Mateo.

“We are lucky to have Mike help with this project,” said Robert Hood, Director of Marketing and Communications at Cañada College. “He is very familiar with the District and how our websites operate.”

Habeeb, Hood, and Roberta Chock, the schools webmaster, designed the assessment tools based on national standards for educational websites.

“If our users are having a difficult time navigating a portion of our site we want to know about it,” Hood said.

The college uses analytical tools to assess web traffic on a daily basis but knowing which pages are visited most often doesn’t always tell the whole story.

“Working directly with our users

gives us a complete picture of how the web is being used and how easy it is for them to find information,” Hood said.

While the focus groups help the college better understand site navigation, it doesn’t assess content.

“We know that our users want more content and they want content updated daily,” Hood said. “That’s our biggest challenge. Providing content requires resources that the college simply doesn’t have. Staffing for our Internet operations hasn’t changed in six years but the way people use the Internet during that time has changed dramatically.”

Michael Hoffman Joins Cañada as Math Instructor

Michael Hoffman has been hired as the new math instructor at Cañada College. He has been teaching transfer and developmental math courses to community college students in different districts for the better part of three years, which the bulk of his teaching experience coming at Skyline College.

“Michael is familiar with the district and he really stood out during the interview process,” said Janet Stringer, dean of the Science & Technology Division.

Hoffman worked as an instructional aide in the Skyline Learning Center where he did intensive one-on-one tutoring with students enrolled in calculus, linear algebra, and statistics as well as developmental math courses such as pre-algebra and algebra.

“I also taught developmental algebra as well as calculus and pre-calculus throughout my graduate educa-



tion at San Francisco State University and I have taught algebra to returning adults through the Program for Adult Continuing Education at Berkeley City College for the past two years,” Hoffman said. In fact, Hoffman worked with David Johnson, Cañada’s new dean of Humanities & Social Sciences, while at Berkeley City College.

“Michael is a great teacher,” Johnson said. “I was pleasantly surprised to learn he would be joining Cañada.”

Hoffman has been involved in departmental discussions of Student Learning Outcomes and their assessment and has worked with the Basic Skills Initiative at Skyline College. “As part of the Basic Skills Initiative, I have been collaborating with the faculty at Skyline to spearhead the Supplemental Instruction program, which involves developing a study skills curriculum that incorporates individual and collaborative mathematics problem solving to reinforce core mathematics, community building, and habits and skills for success,” Hoffman said. “The SI program also put me in touch with the curriculum development that is ongoing for pre-algebra and algebra. At Berkeley City College, I developed and utilized combined online and face-to-face methods for teaching the college’s first ‘hybrid’ algebra sequence.”

Hoffman earned a bachelor’s degree in physics and a master’s degree in mathematics from San Francisco State University.

Bookstore Display ‘Wows’ Customers

Professor Ken Fehrman and his students are at it again. This time, they’ve dressed mannequins in the Bookstore in white paper and they’re turning heads around campus.

“The students in my Fashion 228 Visual Merchandising class produced all of the winter Bookstore displays including the wreaths hanging outside the Bookstore,” Fehrman said. “All of the displays were created out of white paper of various textures and weights. The only non-paper object is the tree in the display over the art section.”

Fehrman said the assignment called for using only white paper and silver or gold glitter. For the wreaths outside the store, two purple bows were incorporated.

“It was great fun directing and working with the student on this particular project,” he said. “They are required to do a photo essay of the assignment.”

Fehrman’s classes have been decorating the Bookstore for several years.



Students in the Fashion 228 Visual Merchandising class were instructed to use only white paper and silver or gold glitter when preparing this project

Winter Math Jam Draws 95 students

Math Jam continues to grow at Cañada College. The one-week Winter Math Jam drew 95 students, up from the 87 students that attended the event last year.

“Students don’t want to spend any additional time in school so the opportunity to skip a math class is met with happiness,” said Amelito Enriquez, professor of mathematics and engineering and organizer of the event.

The Winter Mini-Math Jam was a one-week program designed especially for students who placed into a college math course below pre-calculus and who want to

advance to the next math level by scoring higher on the Math Placement Test at the end of Math Jam. The goal of Math Jam is to help students complete their Associates Degree and/or transfer requirements for a four-year college/university in less time than previously possible.

The first Math Jam in June of 2009 drew 50 students. The next year, that number had grown to 109 students. The first one-week Math Jam in August of 2010 drew 74 students. “Students certainly enjoy the opportunity to improve their test scores and skip a class,” Enriquez said.

Measure G Spending Approved by Campus Committees

Cañada College has added some sections for the Fall Semester and is prepared to add a great deal more for Spring Semester through the use of Measure G funds.

“We have had exhaustive conversations with our campus community to come to a consensus on spending Measure G funds,” President Tom Mohr said. “Our primary goal was to add sections and get more students into the classroom.” Mohr said only a limited number of sections were added for Fall Semester due to the short turnaround time between the election and the start of classes. He said a significantly larger number will be added this spring.

“While the timeframe was tight, it was important to us that the process be transparent,” Mohr said. “We believe this was accomplished through the committees.”

San Mateo County Community College District

January 26, 2011

BOARD REPORT NO. 11-1-5C

MATH ACADEMY AT SKYLINE COLLEGE

There is no printed report for this agenda item.

BOARD REPORT 11-1-3A

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Harry W. Joel, Vice Chancellor, Human Resources and Employee Relations
(650) 358-6767

APPROVAL OF PERSONNEL ITEMS

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

A. PROFESSIONAL DEVELOPMENT LEAVE

College of San Mateo

Durella Combs Associate Professor (Welding) Business/Technology

Recommend approval of a Professional Development leave for Fall Semester 2010 with required leave compensation, benefits, and obligations pursuant to the collective bargaining agreement.

B. SHORT-TERM, NON-CONTINUING POSITIONS

The following is a list of requested classified short-term, non-continuing services that require Board approval prior to the employment of temporary individuals to perform these services, pursuant to Assembly Bill 500 and its revisions to Education Code 88003:

<i>Location</i>	<i>Division/Department</i>	<i>No. of Pos.</i>	<i>Start and End Date</i>		<i>Services to be performed</i>
District	Facilities Planning & Operations	10	1/27/2011	6/30/2011	Custodian: Provide additional custodial assistance due to opening new facilities in Spring 2011 semester.
CSM	Planning, Research & Institutional Effectiveness	2	2/1/2011	2/28/2011	Administrative Analyst: Provide orientation to new employees relating to files, programming scripts, databases, local data dictionaries, graphics templates, and programming for web-based SLO data collection.
Skyline	Counseling Services	1	1/27/2011	6/30/2011	Career Resources/Counseling Aide: Assist the Transfer Director with day-to-day transfer related activities.
Skyline	Counseling Services	3	2/1/2011	6/30/2011	Office Assistant II: Provide comprehensive availability of staff at the front line of the information center in the One Stop area. Extension of positions previously approved on December 15, 2010.

Skyline	Counseling Services	1	2/1/2011	6/30/2011	Program Services Coordinator: Liaison between Hermanos program students and various campus departments; make referrals to various resources; conduct student follow-up; maintain files; make presentations; conduct workshops, etc. Extension of position previously approved on December 15, 2010.
Skyline	Counseling Services/DSPS	1	2/1/2011	6/30/2011	Instructional Aide II: Assist the instructor in DSPS classes. Extension of position previously approved on December 15, 2010.
Skyline	Counseling Services/DSPS	1	2/1/2011	6/30/2011	Office Assistant II: Provide evening test proctoring services. Extension of position previously approved on December 15, 2010.
Skyline	Student Services/EOPS	1	1/27/2011	6/30/2011	Office Assistant I: Provide daily clerical support for EOPS Program.
Skyline	Enrollment Services	3	1/27/2011	6/30/2011	Admissions & Records Assistant II: Assistance during peak registration periods to provide relief to staff and to scan and index boxes of materials related to student records.
Skyline	Financial Aid	1	2/1/2011	6/30/2011	Office Assistant II: Provide coverage at the front counter.
Skyline	Student Services/CARE & CalWorks	1	2/1/2011	6/30/2011	Program Services Coordinator: Serve as liaison between student program participants and campus departments; refer students to outside resources; follow up to determine student needs. Extension of position previously approved on December 15, 2010.
Skyline	Center for International Trade Development (YEP Program)	1	1/27/2011	6/30/2011	Office Assistant II: Provide clerical assistance to carry out the activities specified in the Young Entrepreneurs Program State-funded grant program.

BOARD REPORT NO. 11-1-1CA

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

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

APPROVAL OF 2011-12 BUDGET AND PLANNING CALENDAR

The budget development process for 2011-12 requires formulation of a budget calendar. Included in the 2011-12 calendar is consultation with the Committee for Budget and Finance, which is a subcommittee of the District Shared Governance Council in matters relating to finance.

The calendar provides timelines for planning, discussions and decisions by the Board, and concludes with adoption of the Final Budget for 2011-12 on September 28, 2011.

RECOMMENDATION

It is recommended that the Board of Trustees approve the attached 2011-12 Budget and Planning Calendar.

Budget and Planning Calendar, 2011-12

<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 2011 Schedule of Classes		
November – December		Review of Budget and Planning Calendar, discussion of budget strategies and resource allocation, and budget development process	
January 10	Governor's Budget Proposal		
January	Chancellor's Council review/revise draft of Budget and Planning Calendar and budget development process; discussion of Governor's Budget; District revenue/expenditure implications.	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 2011-12 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	Chancellor's Council discussions of budget strategies and allocations.	Continuing discussion of State budget and District revenue/expenditure options.	Board policy discussions/decision regarding budget adjustments which impact existing positions.
January/February	Ongoing State budget hearings		
February	Legislative Analyst's Office Review of Governor's Proposed Budget		
February	Campuses Finalize Summer Session 2011 Schedule of Classes	Review of preliminary District revenue assumptions and expenditure plans.	Review of preliminary District revenue assumptions and expenditure plans.
February	"P1" First Principal Apportionment	Certify to State Controller Apportionment	
February/March	Discussion of budget priorities at Colleges and with Chancellor's Cabinet.	Review of 2010-11 Mid-Year Budget Report	Review of 2010-11 Mid-Year Budget Report
March 1	Target date for Governor's "mini" budget by the legislature in preparation for June measure		
March	Campuses Finalize Fall 2011 Schedule of Classes	Review of Board budget priorities and Districtwide allocations (inform DSGC at its next meeting).	Review/approval of 2011-12 budget priorities and Districtwide allocations.
Mid-March	Run preliminary position control worksheets for 2011-12	Colleges ongoing review of position control	
April			Budget updates with Board; review budget assumptions for Tentative budget.
May 10	Site Tentative Budgets completed. Work resumes developing final budget after tentative budget is loaded.		
Mid-May	Governor's May Revise		

<u>Date</u>	<u>Campus & District Review/Action</u>	<u>Committee for Budget and Finance Consultation</u>	<u>Board Review/Action</u>
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	June special election		
June	District Office completes budget input and prepares Tentative Budget document	Review of 2011-12 Tentative Budget	
June 22			Adoption of 2011-12 Tentative Budget and 2011-12 Gann Limit.
June 24	"P2" Second Principal Apportionment	Certify to State Controller Apportionment	
June-August	Final adjustments to budget are made.		
July	Enactment of 2011-12 State Budget		
August	Legislative Trailer Bills		
August	State Budget Workshop (held after Advance)		
August	2010-11 books are closed. District Office completes budget input and prepares Final Budget document.		
Sept. 28			Adoption of 2011-12 Final Budget.

BOARD REPORT NO. 11-1-2CA

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

RATIFICATION OF NOVEMBER AND DECEMBER 2010 DISTRICT WARRANTS

Attached as Exhibits A and B are the warrants in excess of \$10,000 that were issued in the months of November and December 2010 respectively. The schedules include total warrants issued for the subject period in addition to the warrant sequences. 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 November 1, 2010 through December 31, 2010 and ratify the contracts entered into leading to such payments.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
NOVEMBER 1-30, 2010
WARRANT SCHEDULE GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
<u>District Accounts Payable</u>				
017693	11/04/10	Casey Printing, Inc.	37,157.20	Skyline Class Schedules and Catalog Printing Services
017696	11/04/10	Constellation NewEnergy Inc.	21,585.98	Utilities
017698	11/04/10	Official Payments Corporation	32,738.87	Student Registration Services
017700	11/04/10	Siemens Industry, Inc.	34,301.45	Districtwide Fire Alarm Monitoring Services
017701	11/04/10	SM County Community College District	28,096.77	Replenish Flex Spending Account
017848	11/18/10	Associated Std-CSM	200,000.00	Union to Wells Bank Fund Transfer
017849	11/18/10	CIS, Inc	73,625.00	CSM DSA Inspection Services
017851	11/18/10	Constellation NewEnergy Inc.	24,599.93	Utilities
017858	11/18/10	GRD Energy Inc.	10,500.00	CSM Commissioning Services
017859	11/18/10	Interline Brands Inc.	18,390.26	Custodial Supplies Purchase
017860	11/18/10	Intermountain Electric Company	29,022.75	Skyline Electrical Project
017861	11/18/10	Krueger International	27,417.71	CSM Building 5 Furniture Purchase
017863	11/18/10	NetVersant Solution II LP	24,738.12	Districtwide Monitoring Services
017872	11/18/10	Urtext	22,875.00	Districtwide CPD Consulting Services
433533	11/01/10	Ebsco	12,656.14	Skyline Library Subscription Purchase
433544	11/01/10	Pac Gas & Elec Co	18,496.41	Utilities
433551	11/01/10	Strata Information Group	50,504.00	ITS Consulting Services
433559	11/01/10	A.C.C.J.C.	17,453.00	Annual Accrediting Due For Skyline
433564	11/01/10	Public Empl Ret Sys	1,097,373.17	Health Insurance Monthly Premium
433565	11/01/10	Seabury and Smith, Inc.	21,288.00	Districtwide Annual Professional Insurance
433566	11/04/10	A.C.C.J.C.	14,837.00	Annual Accrediting Due For Cañada
433570	11/04/10	Advance Soil Technology Inc.	25,620.00	Skyline and CSM Construction Projects
433592	11/04/10	Chouinard & Myhre, Inc.	370,178.16	Districtwide ITS Equipment and Software Purchase
433594	11/04/10	Swinerton Management & Consulting	17,626.60	Program Management Services
433596	11/04/10	Coulter Construction Inc.	35,477.50	Skyline and Cañada Construction Projects
433598	11/04/10	Cumming Corporation	10,319.00	Districtwide Project Management Services
433600	11/04/10	Dell Computers	19,256.88	Skyline and Facilities Computer Purchase
433630	11/04/10	Pac Gas & Elec Co	13,397.90	Utilities
433650	11/04/10	Swinerton Management & Consulting	334,905.39	Program Management Services
433652	11/04/10	Toyota Material Handling	69,358.57	CSM Vacuum Ride Sweeper Purchase
433662	11/04/10	Associated Std -Canada	34,013.50	Quarterly Student Fees Reimbursement
433663	11/04/10	Associated Std-CSM	51,314.50	Quarterly Student Fees Reimbursement
433664	11/04/10	Associated Std-Skyline	49,569.00	Quarterly Student Fees Reimbursement
433667	11/04/10	CalPERS	478,365.81	Cal PERS Contribution Advance

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
NOVEMBER 1-30, 2010
WARRANT SCHEDULE GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
433670	11/04/10	Hartford Life & Accident Insurance Co.	31,871.23	Life Insurance Premium
433696	11/08/10	Ellis & Ellis Sign Systems	29,934.36	CSM Signage Services
433707	11/08/10	Laerdal Medical Corporation	20,827.24	CSM Nursing Equipment Purchase
433708	11/08/10	Landscape Forms	17,008.83	Skyline Construction Project
433726	11/08/10	SharePoint360, LLC	14,470.50	SharePoint Consulting Services
433751	11/08/10	S.M.C.S.I.G.	146,825.22	Dental Premium Payment
433752	11/08/10	S.M.C.S.I.G.	18,488.93	Vision Premium Payment
433757	11/08/10	Wells Fargo Bank	319,454.05	Districtwide Procurement Card Payment
433833	11/15/10	PG&E Energy Services	64,129.31	Utilities
433836	11/15/10	Quick Crete Products Corp.	13,603.81	Skyline Construction Project
433842	11/15/10	Robert A. Bothman	114,198.06	Skyline Construction Project
433850	11/15/10	Signet Testing Laboratories, Inc	14,132.00	Cañada Special Testing and Inspection Project
433873	11/15/10	County of San Mateo	11,776.50	Parking Income Allocation
433876	11/15/10	Employment Development Department	37,313.16	Unemployment Tax Quarterly Payment
433880	11/15/10	Robert A. Bothman	44,507.57	Skyline Construction Project
433908	11/18/10	Commercial Energy of Montana, Inc.	32,140.51	Utilities
433920	11/18/10	Hensel Phelps Construction Co.	106,683.40	Skyline Construction Project
433929	11/18/10	Hensel Phelps Construction Co.	960,150.60	Skyline Construction Project
433970	11/18/10	Pankow Special Projects, L.P.	36,155.70	CSM Construction Project
433989	11/18/10	San Bruno Mun Util	14,940.63	Utilities
434020	11/18/10	County of San Mateo	22,876.78	Districtwide Legal Consulting Services
434052	11/22/10	Swinerton Management & Consulting	16,978.35	Program Management Services
434080	11/22/10	McCarthy Building Companies	882,506.30	CSM Construction Project
434081	11/22/10	McCarthy Building Companies	2,565,402.30	CSM Construction Project
434087	11/22/10	Pac Gas & Elec Co	27,346.27	Utilities
434108	11/22/10	Swinerton Management & Consulting	322,588.64	Program Management Services
434111	11/22/10	McCarthy Building Companies	285,044.70	Cañada Construction Project
434112	11/22/10	McCarthy Building Companies	46,447.70	Cañada Construction Project
434163	11/29/10	Inverse Inc.	15,620.00	PacketFence Deployment Consulting Fees
434165	11/29/10	Jones Hall, APLC	15,424.96	Districtwide Legal Consulting Services
434178	11/29/10	Pac Gas & Elec Co	25,897.24	Utilities
434179	11/29/10	Pac Gas & Elec Co	16,091.78	Utilities
434185	11/29/10	San Mateo Lawn Mower	10,668.42	Lawn mower Purchase
434197	11/29/10	American Federation of Teachers	51,808.88	Union Dues
434202	11/29/10	C S E A	11,911.26	Union Dues
434203	11/29/10	Calif Water Service Co	12,493.34	Utilities

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
NOVEMBER 1-30, 2010
WARRANT SCHEDULE GREATER THAN \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
434223	11/29/10	Hartford Retirement Plans Service Center	50,390.16	Tax Shelter Annuities
<u>District Payroll Disbursement (excluding Salary Warrants)</u>				
79329	11/01/10	US Treasury - Union Bank	1,358,963.47	Federal Tax
79405	11/01/10	EDD - Union Bank	296,799.87	State Tax
18699	11/19/10	US Treasury - Union Bank	35,943.26	Federal Tax
JE292510	11/09/10	State Teacher Retirement - Cash Balance	60,496.52	STRS Retirement - Cash Balance
JE292998	11/30/10	State Teacher Retirement - County Paid	574,054.35	STRS Retirement - Defined Benefit
<u>SMCCCD Bookstores</u>				
107484	11/04/10	MBS Textbook Exchange	34,684.04	Purchase of Inventory
107495	11/04/10	Patterson Dental Supply	18,400.98	Purchase of Inventory
107505	11/04/10	SMCC College District	200,198.27	Salaries and Benefits September 2010
EFT83323	11/01/10	Board of Equalization	58,695.00	Sales Tax
		Subtotal	12,393,404.02	89%
		Warrants Issued ≤ \$10,000	1,520,657.66	11%
		Total Non-Salary Warrants Issued	13,914,061.68	100%
District Accounts Payable		433523-434247,917712-918134,DD17656-17928	11,178,463.66	
District Payroll		65819-66563, DD50008952-50010343	7,591,620.27	
SMCCCD Bookstores		107457-107550, EFT#26375,83323,83453	399,895.03	
		Total Warrants Including Salaries - November 2010	19,169,978.96	

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
DECEMBER 1-31, 2010
WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
<u>District Accounts Payable</u>				
017988	12/02/10	AMS.Net, Inc.	116,629.09	ITS Equipment Purchase
017989	12/02/10	Associated Std -Canada	44,024.93	Union to Wells Bank Fund Transfer
017990	12/02/10	Associated Std-CSM	50,000.00	Union to Wells Bank Fund Transfer
017991	12/02/10	Associated Std-Skyline	80,000.00	Union to Wells Bank Fund Transfer
017992	12/02/10	Atlas/Pellizzari Electric Inc.	18,971.00	Districtwide Electrical Project
017994	12/02/10	Bunton Clifford Associates, Inc.	15,306.94	Cañada Architectural Services
017996	12/02/10	Constellation NewEnergy Inc.	21,189.77	Utilities
017997	12/02/10	Constellation NewEnergy Inc.	37,227.08	Utilities
018001	12/02/10	DRB Management Services Corporation	16,065.00	Districtwide Project Management Services
018005	12/02/10	Interline Brands Inc.	14,433.86	CSM and Skyline Janitorial Supplies Purchase
018007	12/02/10	NetVersant Solution II LP	44,252.35	Skyline Security Cameras Installation & Districtwide Monitoring Svcs
018013	12/02/10	SMC College Ed. Housing Corp.	103,771.89	Cañada and CSM Vista Monthly Rent Payment
018015	12/02/10	SMCCCD Bookstore	11,638.43	CSM Supplies and EOPS Books Purchase
018018	12/02/10	Sutro Tower Inc.	16,815.00	KCSM Transmitter Leasing Fee
018019	12/02/10	Urtext	18,312.50	Districtwide CPD Consulting Services
018020	12/02/10	VALIC Retirement Services Company	213,258.56	Tax Shelter Annuities
018081	12/09/10	CIS, Inc	59,400.00	Districtwide DSA Inspection Services
018085	12/09/10	Goodman Marketing Partners Inc.	11,655.26	KCSM Mailing Services
018086	12/09/10	GRD Energy Inc.	29,650.00	CSM and Cañada Commissioning Services
018089	12/09/10	Krueger International	34,237.74	CSM and Skyline Furniture Purchase
018091	12/09/10	Noll & Tam	132,746.57	Districtwide Architectural Services
018598	12/16/10	CIS, Inc	25,600.00	Skyline and Cañada DSA Inspection Services
018599	12/16/10	Constellation NewEnergy Inc.	35,583.57	Utilities
018602	12/16/10	Dovetail Decision Consultants, Inc.	14,960.40	Districtwide Site Furniture Design Standard Consulting Services
018603	12/16/10	DRB Management Services Corporation	25,280.00	Districtwide Project Management Services
018606	12/16/10	GRD Energy Inc.	13,055.00	CSM and Skyline Commissioning Services
018609	12/16/10	Intermountain Electric Company	24,750.00	Skyline Electrical Project
018612	12/16/10	Official Payments Corporation	21,382.37	Student Registration Services
018613	12/16/10	Performance Abatement Services, Inc.	14,077.21	Skyline and CSM Abatement Services
018616	12/16/10	SM County Community College District	31,465.25	Flex Spending Account Reimbursement
018618	12/16/10	TRC Engineers, Inc.	12,267.76	Skyline Construction Project
018644	12/20/10	Education Housing Partners, LLC.	21,000.00	Cañada Housing Project Consulting Services
018646	12/20/10	NetVersant Solution II LP	58,382.74	Security Cameras Installation and Monthly Monitoring Fees
018647	12/20/10	SMC College Ed. Housing Corp.	104,236.89	Cañada and CSM Vista Monthly Rent Payment

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
DECEMBER 1-31, 2010
WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
018649	12/20/10	Keenan & Associates	15,932.00	Cañada Vista Worker's Comp Insurance Premium
018650	12/20/10	Sutro Tower Inc.	16,815.00	KCSM Transmitter Leasing Fee
018651	12/20/10	VALIC Retirement Services Company	202,387.48	Tax Shelter Annuities
434252	12/02/10	Allana Buick & Bers, Inc.	13,830.15	Cañada Building Enclosure Consulting Services
434267	12/02/10	Bay View Painting Company	10,274.20	CSM Buildings 15 and 17 Exterior Painting Services
434274	12/02/10	Cornerstone Earth Group, Inc.	36,598.30	Districtwide Geotechnical Observation & Testing Services
434282	12/02/10	Galvez, Daniel	10,000.00	Skyline Stair Wall Contract Services
434289	12/02/10	J.W. Mcclenahan Oo.	12,999.00	CSM Athletic Club Drinking Fountains Purchase and Installation
434292	12/02/10	Kleinfelder	10,243.94	KCSM Antenna Relocation Services
434297	12/02/10	McCarthy Building Companies	62,700.00	Cañada Construction Project
434306	12/02/10	Pac Gas & Elec Co	12,427.01	Utilities
434312	12/02/10	Performance Abatement Services, Inc.	106,534.00	Cañada Construction Project
434320	12/02/10	Sances, John J.	10,000.00	Skyline Stair Wall Contract Services
434340	12/02/10	CalPERS	476,421.25	Cal PERS Contribution Advance
434341	12/02/10	County of San Mateo	54,137.60	CSM Sewer Tax
434348	12/02/10	Hartford Life & Accident Insurance Co.	31,734.65	Life Insurance Premium
434355	12/02/10	Public Empl Ret Sys	1,091,929.93	Health Insurance Monthly Premium
434358	12/02/10	Think Education Solutions, LLC	20,578.10	Star Site Software License Fees
434359	12/02/10	Wells Fargo Bank	300,684.91	Districtwide Procurement Card Payment
434372	12/06/10	Folsom Lake Ford	25,882.34	Ford Cargo Van Purchase
434381	12/06/10	Nebraska Student Loan Program, Inc.	10,850.00	National Student Loan Program Training
434382	12/06/10	OmniUpdate, Inc.	23,288.00	OU Campus License Fees
434394	12/06/10	U.S. Postal Services	11,532.08	Community Education Postage
434405	12/09/10	Avid Technology	15,400.00	Sundance Fastbreak System Service Contract
434407	12/09/10	C H Bull & Co	28,218.15	CSM Genie Lift Purchase
434417	12/09/10	Dell Computers	18,374.60	Districtwide Computer Purchase
434426	12/09/10	Foundation for California Community College	15,000.00	Contextualized Learning Conference Planning Services
434435	12/09/10	Kleinfelder	22,642.25	CSM and Skyline Materials Testing and Inspection Services
434441	12/09/10	MK Pipelines, Inc.	17,010.00	Skyline Storm Drain Installation Project
434462	12/09/10	S.M.C.S.I.G.	147,506.77	Dental Premium Payment
434485	12/09/10	S.M.C.S.I.G.	18,624.33	Vision Premium Payment
434488	12/09/10	VALIC	27,782.36	Tax Shelter Annuities
434970	12/13/10	Robert A. Bothman	56,748.83	Skyline Construction Project
434972	12/13/10	Sedgwick Claims Management Services. Inc.	21,000.00	Districtwide Worker's Comp TPA Services
435016	12/16/10	Cornerstone Earth Group, Inc.	12,811.00	CSM Geotechnical Services
435022	12/16/10	Hensel Phelps Construction Co.	209,076.10	Skyline Construction Project

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
DECEMBER 1-31, 2010
WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
435026	12/16/10	Foundation for California Community College	15,000.00	Contextualized Learning Conference Planning Services
435032	12/16/10	Hensel Phelps Construction Co.	1,881,684.90	Skyline Construction Project
435035	12/16/10	Industrial Employers/Distributors Assoc.	10,437.58	District Labor Relations Services
435041	12/16/10	Krueger International	192,775.95	Skyline Furniture Purchase
435048	12/16/10	McCarthy Building Companies	734,817.40	CSM Construction Project
435049	12/16/10	McCarthy Building Companies	1,492,167.60	CSM Construction Project
435062	12/16/10	Pankow Special Projects, L.P.	113,984.10	CSM Construction Project
435063	12/16/10	Pape Material Handling Inc.	11,274.60	Skyline Equipment Purchase
435077	12/16/10	Signet Testing Laboratories, Inc	13,695.00	Cañada and CSM Special Testing and Inspection Project
435084	12/16/10	Strata Information Group	50,504.00	ITS Consulting Services
435091	12/16/10	McCarthy Building Companies	165,796.40	Cañada Construction Project
435092	12/16/10	McCarthy Building Companies	38,674.60	Cañada Construction Project
435099	12/16/10	WRNS Studio, LLP	23,000.00	Skyline Electrical Project
435126	12/16/10	Pankow Special Projects, L.P.	12,664.90	CSM Construction Project
435143	12/20/10	Swinerton Management & Consulting	16,738.97	Program Management Services
435145	12/20/10	Commercial Energy of Montana, Inc.	51,233.88	Utilities
435146	12/20/10	County of Alameda	48,038.13	Skyline BayCEC contractor services
435165	12/20/10	Pac Gas & Elec Co	21,389.91	Utilities
435167	12/20/10	Pac Gas & Elec Co	21,307.62	Utilities
435173	12/20/10	Robert A. Bothman	252,380.70	Cañada Construction Project
435178	12/20/10	Strategic Energy Innovations	29,557.00	Utilities
435180	12/20/10	Swinerton Management & Consulting	318,040.52	Program Management Services
435185	12/20/10	Wesco Graphics, Inc.	18,497.75	Community Education Printing Services
435188	12/20/10	American Federation of Teachers	43,225.71	Union Dues
435191	12/20/10	C S E A	11,855.30	Union Dues
435195	12/20/10	County of San Mateo	26,371.11	Skyline BayCEC contractor services
435206	12/20/10	Hartford Retirement Plans Service Center	52,788.80	Tax Shelter Annuities
435224	12/20/10	Robert A. Bothman	28,042.30	Cañada Construction Project
<u>District Payroll Disbursement (excluding Salary Warrants)</u>				
52343	12/01/10	US Treasury - Union Bank	1,332,409.30	Federal Tax
52407	12/01/10	EDD - Union Bank	294,308.57	State Tax
63173	12/20/10	US Treasury - Union Bank	34,225.00	Federal Tax
64878	12/20/10	US Treasury - Union Bank	1,210,318.02	Federal Tax

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
 DECEMBER 1-31, 2010
 WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
64901	12/20/10	EDD - Union Bank	264,529.97	State Tax
JE294103	12/10/10	State Teacher Retirement - Cash Balance	55,371.06	STRS Retirement - Cash Balance
JE294165	12/31/10	State Teacher Retirement - County Paid	523,277.41	STRS Retirement - Defined Benefit
		<u>SMCCCD Bookstores</u>		
107637	12/09/10	SMCC College District	141,402.54	Salaries and Benefit October 2010
107637	12/14/10	Cengage Learning	<u>14,230.29</u>	Purchase of Inventory
		Subtotal	<u>14,235,618.38</u>	89%
		Warrants Issued ≤ \$10,000	<u>1,839,744.97</u>	<u>11%</u>
		Total Non-Salary Warrants Issued	<u><u>16,075,363.35</u></u>	100%
District Account Payable		43248-435241,918135-918294, DD17951-18652	12,099,702.46	
District Payroll		66564-67285, DD50010344-50011735	8,439,191.27	
SMCCCD Bookstores		107551-107658, EFT#84224	<u>242,347.96</u>	
		Total Warrants Including Salaries - December 2010	<u><u>20,781,241.69</u></u>	



Date: December 8, 2010
To: California Community College Trustees
California Community College Chancellors/Superintendents
From: Scott Lay
Subject: CCCT Board Election - 2011

The California Community College Trustees (CCCT) board serves a major role within the Community College League of California. Meeting five times a year, the twenty-one member board provides leadership and direction to ensure a strong voice for locally elected governing board members.

From January 1 through February 15, nominations for membership on the CCCT board will be accepted in the League office. Nominations are to be made by a member district board of trustees; and each district may nominate only members of its board.

Each nominee must be a local community college district trustee, other than the student trustee, and must have consented to be nominated. Only one trustee per district may serve on the board.

An official Biographical Sketch Form and Statement of Candidacy **must** accompany the Nominating Ballot mailed to the League office, and please use only these forms. Nomination materials should be sent by certified mail – return receipt requested. Faxed materials will **not** be accepted due to the quality of transmission.

The election of members of the CCCT board will take place between March 10 and April 25. Each member district board of trustees will have one vote for each vacancy on the CCCT board. Eight persons will be elected to the board this year. Five incumbents (elected and appointed) are eligible to run for re-election. In accordance with the CCCT Board Governing Policies, as adopted by the board at its June 2008 meeting, “CCCT Board members shall be elected by the institutional member governing boards for alternate three-year terms. No CCCT Board member shall serve more than three (3) terms consecutively.”

Election results will be announced at the CCCT annual conference. The newly elected members of the board will assume their responsibilities at the conclusion of the annual conference, May 1, 2011.

If you have any questions about the CCCT board election process, please call the League office.

Attachments: (mailed only to CCC Chancellors/Superintendents c/o Board Assistants)

- Official Nominating Form
- Official Biographical Sketch Form
- Official Statement of Candidacy
- CCCT Board Terms of Office
- CCCT Board Roster



CCCT BOARD NOMINATION FORM

Must be returned to the League office **postmarked no later than February 15, 2011**, along with the statement of candidacy and biographic sketch form. **Faxed material will not be accepted.**

Community College League of California
2017 "O" Street
Sacramento, CA 95811

The governing board of the _____ Community
College District nominates _____ to be a
candidate for the CCCT Board.

This nominee is a member of the _____ Community
College District governing board, which is a member in good standing of the Community College League of
California. The nominee has been contacted and has given permission to be placed into nomination.
Enclosed are the Statement of Candidacy and the CCCT Biographical Sketch Form for our nominee.

Signature of Clerk or Secretary of Governing Board

CCCT BOARD BIOGRAPHIC SKETCH FORM

Must be returned to the League office **postmarked no later than February 15, 2011**, along with the nominating ballot and statement of candidacy. **Faxed material will not be accepted.**

PERSONAL

Name: _____ Date: _____

Address: _____

City: _____ Zip: _____

Phone: _____ (home) _____ (office)

E-Mail: _____

EDUCATION

Certificates/Degrees: _____

PROFESSIONAL EXPERIENCE

Present Occupation: _____

Other: _____

COMMUNITY COLLEGE ACTIVITIES

College District Where Board Member: _____

Years of Service on Local Board: _____

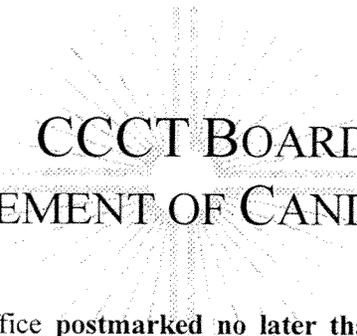
Offices and Committee Memberships Held on Local Board: _____

State Activities (*CCCT and other organizations boards, committees, workshop presenter; Chancellor's Committees, etc*) _____

National Activities (*ACCT and other organizations, boards, committees, etc.*): _____

CIVIC AND COMMUNITY ACTIVITIES

OTHER

The logo for the CCCT Board is a stylized sunburst or starburst design with many thin lines radiating from a central point. The text "CCCT BOARD" is centered over the top part of the sunburst, and "STATEMENT OF CANDIDACY" is centered below it.

CCCT BOARD
STATEMENT OF CANDIDACY

Must be returned to the League office **postmarked no later than February 15, 2011** along with the nominating ballot and biographic sketch form. **Faxed material will not be accepted.**

CANDIDATE'S NAME: _____ DATE: _____

What do you see as the major issues and activities that should be considered by CCCT and the League in the next two years? **(50 words or less; any portion of the statement beyond this limit will not be included.)**

What do you feel you can contribute in these areas? **(50 words or less; any portion of the statement beyond this limit will not be included.)**

<u>Election</u>	<u>Group</u>	<u>Seat</u>	<u>First Elected/Appointed</u>	<u>Next Election</u>	<u>Terms Left for Incumbent</u>	
2011	I.	*Albani	2000	2011	0	
	I.	Casas Frier	2010	2011	2	
	I.	Figueroa	2007	2011	1	
	I.	Gomez	2010	2011	2	
	I.	McMillin	2008	2011	1	
	I.	*Mercer	2002	2011	0	
	I.	Ortell	2004	2011	1	
	I.	*Villegas	2000	2011	0	
2012	II.	Chaniot	2009	2012	2	
	II.	Jones	2008	2012	1	
	II.	*Mann	2005	2012	0	
	II.	Ontiveros	2008	2012	1	
	II.	Otto	2009	2012	2	
	II.	Stampolis	2009	2012	2	
	II.	Zableckis	2009	2012	2	
2013	III.	Barreras	2006	2013	1	
	III.	Gulassa	2010	2013	2	
	III.	Hart	2010	2013	2	
	III.	Jaffe	2009	2013	1	
	III.	Kinsman	2010	2013	2	
	III.	*Singer	2004	2013	0	

* Board member is unable to seek reelection due to three-term limit.

**CALIFORNIA COMMUNITY COLLEGE TRUSTEES
2010-11 BOARD ROSTER**

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San Mateo County Community College District

January 26, 2011

BOARD REPORT NO. 11-1-101B

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

RECEIPT AND ACCEPTANCE OF THE 2009-10 DISTRICT AUDIT REPORT

Attached is a copy of the audit of the San Mateo County Community College District funds, prepared by the Board-approved firm of Vavrinek, Trine, Day & Company. The audit was based upon the fiscal year ending June 30, 2010. A representative of the auditing firm will be present at this meeting to respond to questions about the audit 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 2009-10 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, 2010 due date.

**SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2010 AND 2009

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of San Mateo County Community College District (the District) as of and for the years ended June 30, 2010 and 2009, and its discretely presented component unit the Education Housing Corporation as listed in the Table of Contents. These basic 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of San Mateo County Community College District and its discretely presented component unit as of June 30, 2010 and 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 is important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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*, is presented for purposes of additional analysis and is 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Additional Supplementary Information listed in the table of contents has been presented at the request of District management for purposes of additional analysis. 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.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 14, 2010

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

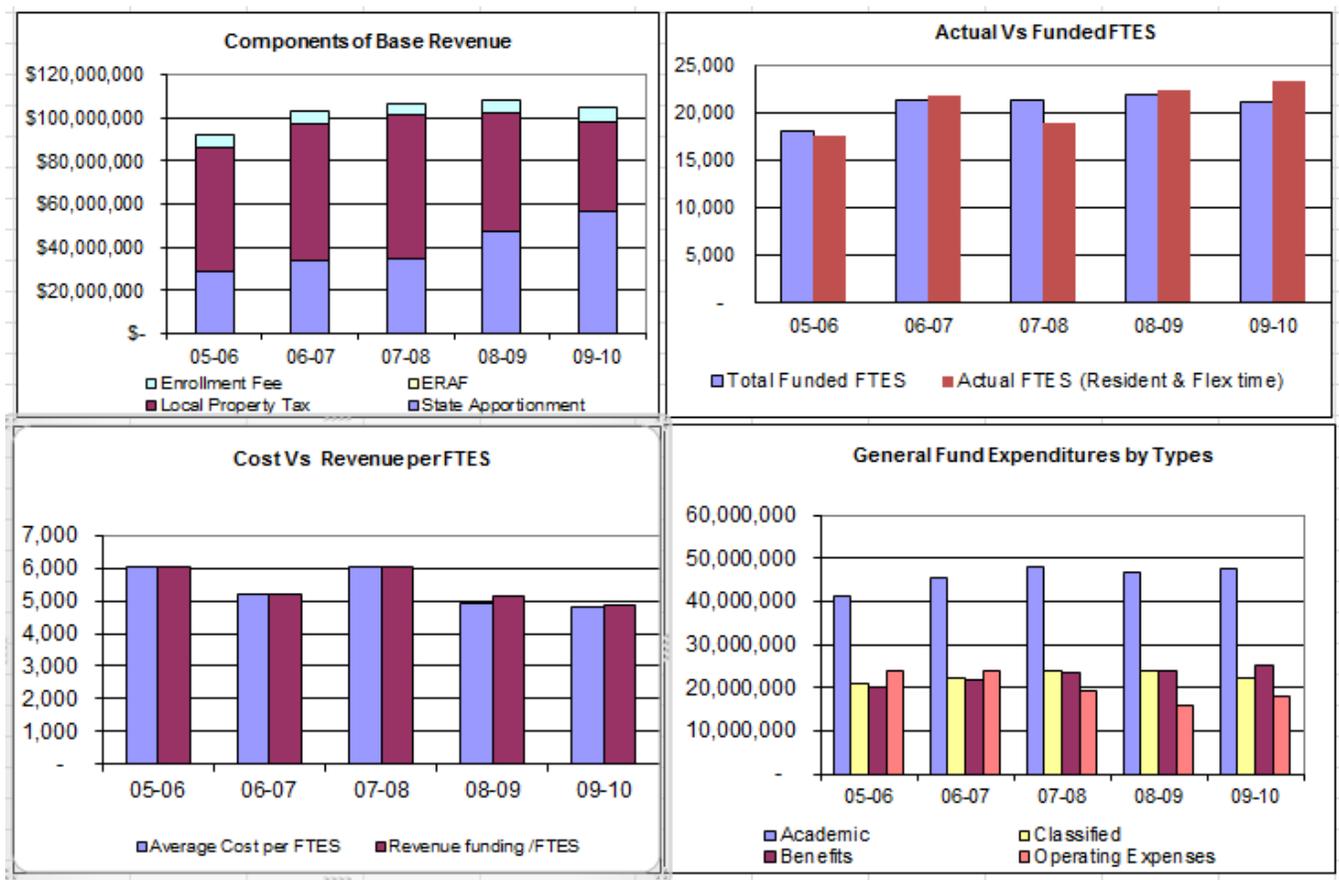
Introduction

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, 2010, June 30, 2009 and June 30, 2008. The discussion has been prepared by management and is best read in conjunction with the financial statements and the notes following this section.

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 2009-10



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Financial Overview

- Assets exceeded liabilities for the fiscal year ended June 30, 2010 by \$186 million, and total net assets increased \$15 million over last year.
- Net noncurrent assets increased \$16 million.
- Net operating loss was \$146 million.
- Net non-operating gain was \$147 million.

Reporting for the District as a Whole

- Economic position of the District with the State

As the state's economy faltered starting in 2008/09 and continuing into 2010/11 at least, the District's economic position has been more challenging. The state cut the District's funding by 3.4% in 2009/10. As the budget deliberations continue, the outlook for funding for 2010/11 continues to look grim. The District has responded by cutting 10% of the sites' operating budgets for 2009/10 and an additional 10% for 2010/11. As of P-2, the District was over its funded FTES cap for 2009/10 by about 1600 FTES. The passage of a parcel tax for the District will bring in needed relief for 2010/11 – about \$6 million.

- Salaries and Benefits

The expenditure projection for salaries includes annual increases for movement on step and column placements and longevity service increments only. The District completed its three-year contracts with each of the employee bargaining groups. With no State COLA in 2009-10, and again in 2010-11, COLA is not projected in the 2010-11 budget for any employee group. The budget includes the January 1, 2010 increases (2 – 17%) in non-capped health premium rates for employees and retirees. Dental insurance and vision rates increased slightly. The PERS rate increased from 9.428% to 9.709%. The District's Unemployment Insurance Contribution Rate increased to .3%. Worker's compensation decreased slightly remained at 2%. To comply with GASB 45, in 2009-10, the District began charging itself an amount (4%) to cover the future medical benefit costs for current employees. These charges appear as part of the benefit expenses in all funds.

- Bond construction

As of June 30, 2010, the \$207 million November 2001 general obligation bond was expended and encumbered \$387 million of the \$468 million November 2005 general obligation bond has been spent or encumbered by contract. The 2001 bond authorization projects were completed by the end of 2009. A program definition document identifying projects, sequence of construction, and cost estimates is used for the 2005 general obligation authorization. This document is adjusted regularly to keep pace with the academic and construction environment. The funds of the 2005 general obligation bond continue to be used to refurbish the three colleges' classroom spaces and to construct new instructional and student services facilities, as well as faculty offices. The 2005 general obligation bond construction projects are scheduled to be completed by the end of 2011 with many renovation projects and subprojects already completed.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

- Cañada College Building 5 & 6 Renovation Project is a State Funded project. This project will provide facilities to support the expansion of the University Center and will also create multi-function spaces a new Student Health Center, classrooms, faculty offices and Central Duplicating. In addition, the 36 year old electrical, plumbing and HVAC system will be improved and upgraded, a new gateway and elevator will be provided, improving accessibility and architecturally tying this portion of campus into the recent improvements from the Cañada Gateway Project. The cafeteria and servery will be modernized and will feature a video wall. Construction is 20% complete as of June 30, 2010. Occupancy is expected in the fall semester of 2011.
- College of San Mateo's largest bond funded project is the Design-Build Project, which involved demolition of four buildings; construction of two new buildings, a new aquatic center, a Chiller Plant to support the new buildings and extensive site work and landscape improvements. As of June 30, 2010, this project is 80 % complete. The construction of Health and Wellness Center, Building 5, has been completed. This building, the new home for the Workforce programs, including Dental Assisting, Nursing and Cosmetology, as well as the new home for the San Mateo Fitness and Aquatics Center, was completed in spring 2010. The Athletic Club and Aquatics Center has exceeded expectations and since its opening April 1, 2010 has more than 2000 members. Cosmetology, nursing, physical education and adaptive PE classes were taught in the summer of 2010. The building will be fully occupied in the fall semester of 2010. The Chiller Plant was completed in spring 2010. The construction of the new, College Center, Building 10, began in spring 2009 and is scheduled for completion in spring 2011 with occupancy set for late spring, summer and fall 2011. This new facility will unite Student Services into a "One-Stop Shop", including admissions, career services, counseling, health center, financial aid, a learning center, disabled students programs & services, cafeteria, convenience store, coffee bar, a copy center and the CSM Bookstore. In addition, the building will house the Multi-Media program, Administration, conference rooms and medium and large forum classrooms. The majority of the Sitework, including Parking lots, new campus entries roadways and landscaping will be completed in the summer of 2010, with the central quad around Building 10 phased for the fall semester.
- College of San Mateo Building 12/15/17/34 Modernization. Buildings 12/15/17 have been completed. Buildings 15 and 17 house Division administrators, faculty, and staff. Building 17 is home to a new Student Life and Leadership Development suite and Building 12, first floor, is the new home for Fire Science and Administrative Justice. Building 34 will be the future swing home of ITS, as well as the permanent home of Fire Science Equipment storage and the CSM mail and receiving department.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

- Skyline College's largest bond funded project is the Design-Build Project, which is approximately 65% complete with the remainder currently under construction. Building 4 will be the new home of the Cosmetology program, the Multi-Cultural Center and college administration and general assignment classrooms. Building 11 Automotive Transmission Facility, was completed in spring 2010 and Automotive Transmission classes will be taught in the fall semester 2010. The Ceramics Lab renovation in Building 1 was completed and classes began in the modernized facility in the spring semester 2010. Building 4 is scheduled for completion in the spring of 2011 with occupancy planned for summer 2011. Also part of this Design Build project is parking, paving, sidewalk and roadway upgrades; new campus entries; landscape improvements and renovation of existing quads on campus. The majority of this work will be completed prior to the fall semester, 2011, with the remainder being completed early in 2011.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2010**



Rendering of Cañada Building 5 Gateway



CSM Building 5, Health and Wellness



CSM Chiller Plant



CSM Building 10, College Center



Skyline College Building 11, Automotive Transmission



Skyline College Building 4, Multicultural, Cosmetology & Administration

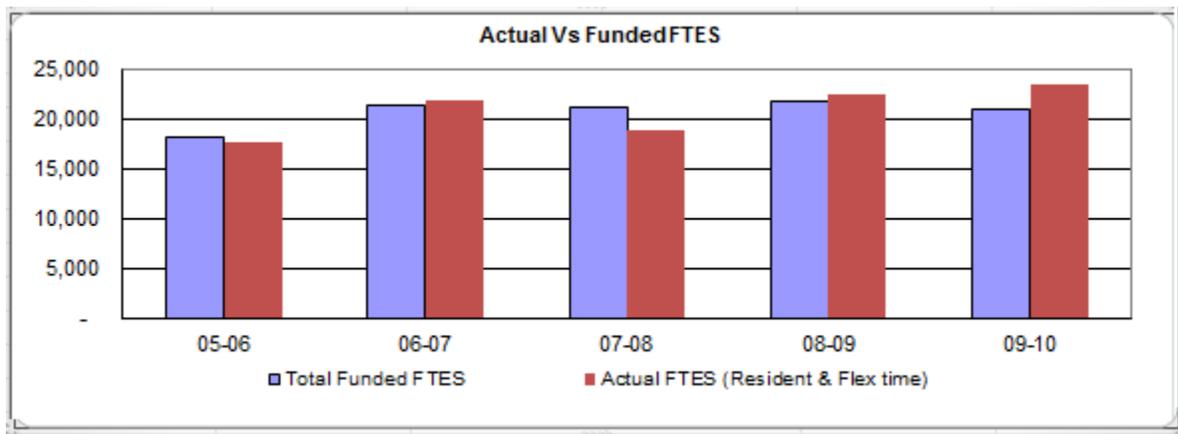
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Enrollment

Over the last several years, the District has been borrowing FTES from the following summer to boost enrollment, while being held harmless for funding in the year from which the FTES were taken. In 2008/09, the District has finally just about reached its funded FTES cap, borrowing only 116 FTES from 2009/10. With the state 3.4% reduction in funded FTES in 2009/10 and record demand, the District was over its funded FTES cap in 2009/10. The District is likely to continue to be overcap as it attempts to meet the needs of its students with shrinking resources. The FTES goals for 2010/11 have been reduced another 400 FTES under the 2009/10 goals. The following chart shows comparative funded and actual 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, Special Deposit Bond and 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.

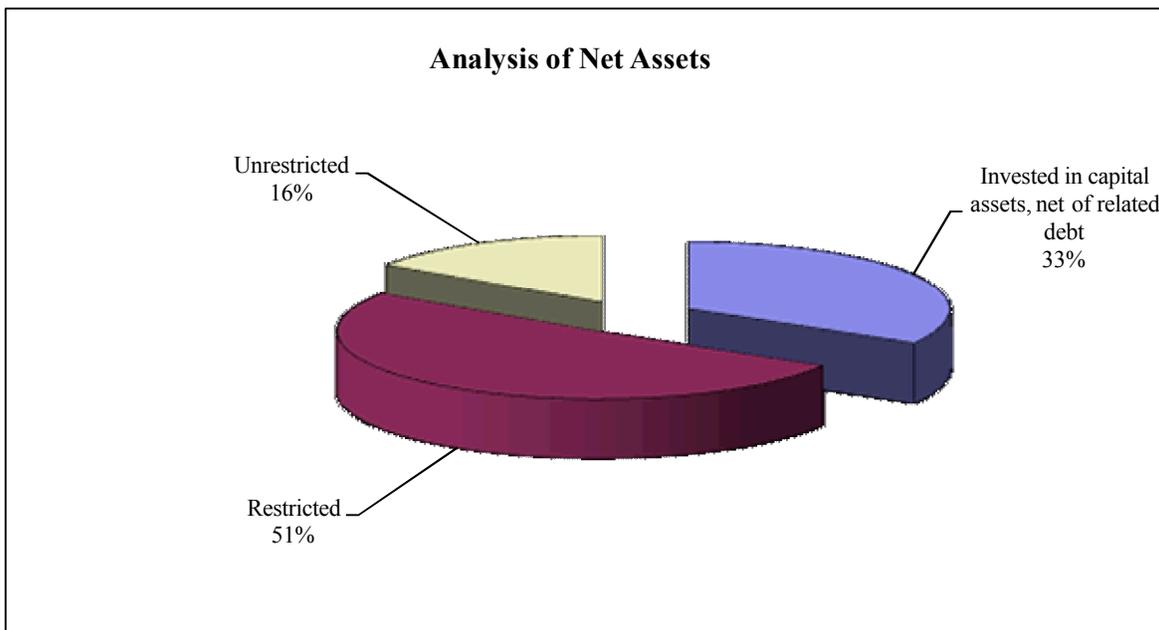
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

- 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 state apportionment and student fees; however, the funds were not earned as the end of the fiscal year.
- Long-term liabilities include obligations to be paid over a period longer than 1 year. The current portion represents payments due within the next 12 months. The District has compensated absences payable, and construction bond.
- 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.
 - Unrestricted net assets represent resources used for transactions relating to the educational and general operations of the District.

Analysis of Net Assets – June 30, 2010



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

Table 1 Statement of Net Assets

	2010	2009	2008
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 52,658,313	\$ 70,270,706	\$ 5,554,918
Investments	-	-	66,683,257
Accounts receivable, net	36,730,049	26,624,489	22,256,730
Student loans receivable	1,444,989	770,222	621,628
Prepaid expenses	3,592,332	172,303	3,586,283
Deferred charges	266,780	266,780	266,780
Stores inventories	1,841,518	1,832,612	1,754,594
Other current assets	-	-	25,750
Total Currents Assets	96,533,981	99,937,112	100,749,940
Noncurrent Assets:			
Deferred charges	5,149,046	5,415,828	5,682,608
Prepaid expenses	511,915	7,078,461	7,387,606
Restricted cash and cash equivalents	251,638,753	368,589,938	499,030,957
Non-depreciable capital assets	197,058,518	180,487,313	99,114,649
Depreciable capital assets, net of depreciation	408,115,705	284,577,220	250,013,002
Total Noncurrent Assets	862,473,937	846,148,760	861,228,822
TOTAL ASSETS	959,007,918	946,085,872	961,978,762
LIABILITIES			
Current Liabilities:			
Accounts payable	28,686,223	32,118,233	25,564,758
Interest payable, restricted	14,990,244	16,624,786	17,622,768
Deferred revenue	12,002,231	11,507,994	10,178,081
Amount held in trust on behalf of others	-	-	949,659
Compensated absences payable - current portion	-	-	2,303,149
Bonds and notes payable - current portion	11,200,000	9,575,000	16,065,000
Bond premium - current portion	877,627	877,627	877,627
Total Current Liabilities	67,756,325	70,703,640	73,561,042
Noncurrent Liabilities			
Compensated absences payable - noncurrent portion	3,489,506	3,338,217	1,013,153
Bonds and notes payable - noncurrent portion	683,767,051	677,772,064	670,946,723
Net OPEB Obligation	-	4,350,423	2,709,003
Other long-term liabilities - noncurrent portion	17,551,018	18,428,645	19,306,275
Total Noncurrent Liabilities	704,807,575	703,889,349	693,975,154
TOTAL LIABILITIES	772,563,900	774,592,989	767,536,196
NET ASSETS			
Invested in capital assets, net of related debt	62,387,368	66,322,802	79,328,342
Restricted for:			
Debt service	20,213,256	18,441,351	26,772,227
Capital projects	69,832,065	58,337,149	56,979,609
Educational programs	4,946,405	4,207,126	3,976,966
Other activities	188,718	166,888	177,874
Unrestricted	28,876,206	24,017,567	27,181,798
TOTAL NET ASSETS	\$ 186,444,018	\$ 171,492,883	\$ 194,416,816

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

Total net assets at June 30, 2010, increased \$15 million over the prior fiscal year. The increase was primarily due to the increase in depreciable capital assets from Bond construction.

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, 2010**

Table 2 – Statement of Operating Revenues

	2010	2009	2008
OPERATING REVENUES			
Student Tuition and Fees	\$ 17,238,134	\$ 13,580,206	\$ 12,617,332
Less: Fee waivers and allowance	(4,936,761)	(3,241,560)	(2,942,230)
Net Tuition and fees	<u>12,301,373</u>	<u>10,338,646</u>	<u>9,675,102</u>
Auxiliary Enterprise Sales and Charges			
Bookstore	8,181,477	8,769,069	8,569,211
Cafeteria	186,399	211,458	207,873
Fitness Center	215,505	-	-
TOTAL OPERATING REVENUES	<u>20,884,754</u>	<u>19,319,173</u>	<u>18,452,186</u>
OPERATING EXPENSES			
Salaries	85,071,308	92,142,686	87,820,850
Employee benefits	25,920,582	31,784,596	32,107,393
Supplies, materials, and other operating expenses and services	27,522,557	32,627,603	36,265,682
Student financial aid	15,270,317	9,097,088	6,899,035
Depreciation	13,885,147	10,486,701	12,596,369
TOTAL OPERATING EXPENSES	<u>167,669,911</u>	<u>176,138,674</u>	<u>175,689,329</u>
OPERATING LOSS	<u>(146,785,157)</u>	<u>(156,819,501)</u>	<u>(157,237,143)</u>
NON-OPERATING REVENUES (EXPENSES)			
State apportionments, noncapital	55,358,880	48,244,024	33,478,098
Local property taxes, levied for general purposes	40,915,540	53,585,109	66,173,389
Local property taxes, levied for special purposes	26,507,015	24,274,761	23,577,893
Federal	19,885,592	12,285,730	9,526,924
State	7,705,476	13,644,091	12,572,475
Local	2,891,579	2,188,699	2,811,493
State taxes and other revenues	2,679,525	2,307,213	2,518,268
Investment income (loss), net	5,354,937	(15,601,986)	26,619,435
Interest expense on capital related debt	(30,256,360)	(30,588,864)	(40,904,192)
Interest income on capital asset-related debt, net	114,206	155,977	164,587
Other non-operating revenue	14,514,253	9,405,516	11,808,859
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>145,670,643</u>	<u>119,900,270</u>	<u>148,347,229</u>
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	<u>(1,114,514)</u>	<u>(36,919,231)</u>	<u>(8,889,914)</u>
OTHER REVENUES AND EXPENSES			
State revenues, capital	1,592,888	11,103,757	12,762,469
Local revenues, capital	14,472,761	2,891,541	2,835,501
TOTAL OTHER REVENUES AND EXPENSES	<u>16,065,649</u>	<u>13,995,298</u>	<u>15,597,970</u>
INCREASE IN NET ASSETS	14,951,135	(22,923,933)	6,708,056
NET ASSETS, BEGINNING OF YEAR	171,492,883	194,416,816	187,708,760
NET ASSETS, END OF YEAR	<u>\$ 186,444,018</u>	<u>\$ 171,492,883</u>	<u>\$ 194,416,816</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

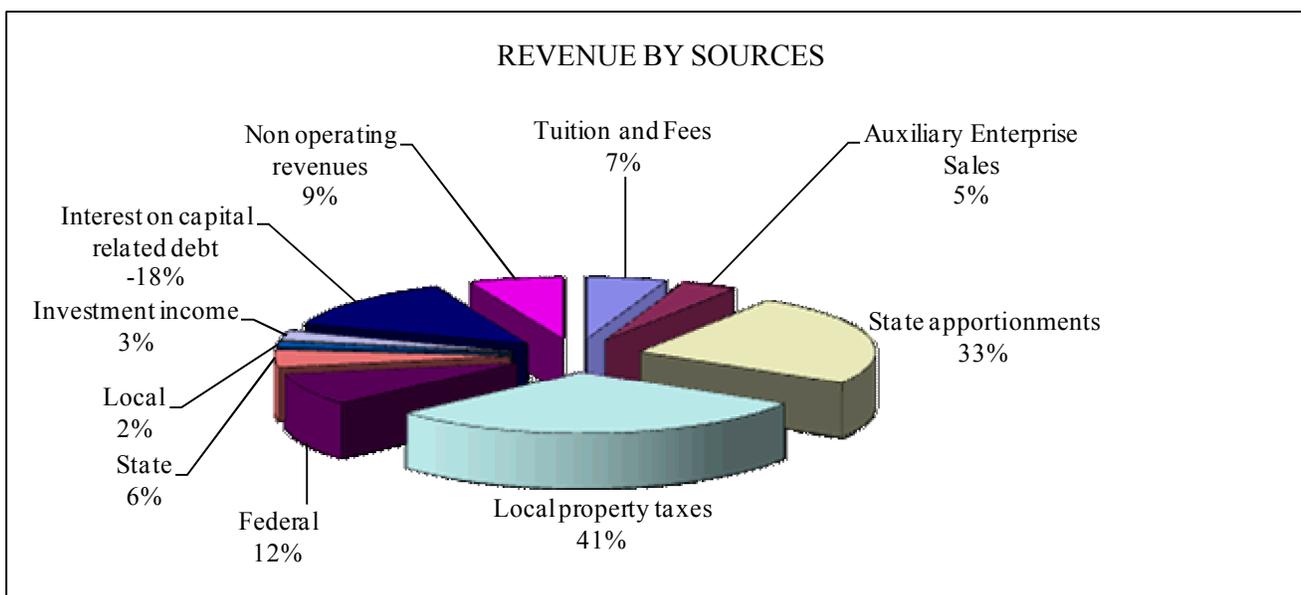
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Explanatory information for the statement is as follows:

- Tuition and Fees include enrollment, health, non-resident tuition, other student fees and less scholarship discount and allowance as defined by GASB statement No. 35.
- Auxiliary Enterprise Sales and Charges consist of bookstore, cafeteria sales and fitness center less discount allowances.
- State apportionments, non-capital includes state apportionment, apprenticeship, 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.
- 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.
- 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.
- 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:



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

Revenues and expenses changed mainly due to the following:

- Net Income from Operating sources illustrated an increase in tuition and fees.
- Net Non-Operating sources increased mainly due to an increase in the State apportionment revenue and Federal grants.

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, decreased due to the State budget cuts.
- 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

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:

- The main cash receipts from operating activities consist of tuition, student fees, and auxiliary enterprise sales. Cash outlays include payment of salaries, benefits, supplies and operating expenses.

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 and C.O.P. proceeds.
- Cash from investing activities consists of Interest from County Investment Pool, Certifications of Deposits, Bond and Local Agency Investment Fund (LAIF).

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2010

	2010	2009	2008
CASH FLOWS PROVIDED BY (USED IN):			
Operating Activities	in thousands (\$135,159)	in thousands (\$131,165)	in thousands (\$142,367)
Noncapital financing activities	167,199	151,358	149,238
Capital financing activities	(173,502)	(138,987)	(70,928)
Investing activities	6,899	(13,614)	28,993
NET CHANGE IN CASH AND CASH EQUIVALENTS	(134,564)	(132,408)	(35,064)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	438,861	571,269	606,333
CASH AND CASH EQUIVALENTS, END OF YEAR	\$304,297	\$438,861	\$571,269

Economic Factors and the 2010-11 Budget

The 2009/10 state budget arrived with a 3.4% reduction in state revenues and significant draws upon the District’s cash flows. The state’s revenues continue to come in below the budget. The state is relying on borrowing from schools, deferring payments both within the current and into the next fiscal year. The 2010/11 state budget anticipates a \$19.1 billion gap between revenues and ongoing expenses, many of which are mandated or are match to federal dollars. Although the Governor’s May Revise treats community colleges well, the legislature does not agree with the Governor’s drastic human services cuts and education must take a hit if the budget is to be balanced without additional revenues. The District is relying primarily upon local tax dollars to assist with cash flow, in addition to borrowing through a Tax Revenue Anticipation Note (TRAN). The District adopted a deficit budget for 2009/10, using reserves generated from shifting FTES between years. Because there were no mid-year cuts during 2009/10, the District will not experience that deficit and will end the year with a slight surplus. The District is now planning on a slight deficit for 2010/11, again allowing the possibility of final budget or mid-year cuts. This has allowed the District time to prepare for cuts for the 2010/11 fiscal year. Because the District is planning and preparing for budget cuts one year in advance, the District is able to use the District’s strategic plan to make the cuts in the least harmful way. The District continues to prepare multi-year projections to allow it to plan ahead.

Construction In Progress (C.I.P.) Planning 2010-11 and Beyond

Staff continues to revise and update the master schedule and the master budget of the Capital Improvement Program to coincide with the funding and programming requirements of CSM and Skyline College’s Design-Build Projects, State and locally funded modernization projects. The situation at the state level for potential bond funding continues to be undefined as to the date of the next Statewide Capital Outlay Bonding. Staff continues to work with the state update Final Project Proposals and create new Initial Project Proposals, so that the District is poised to receive funding when the state process begins again. Most of the effort for 2010-2011 will be in the completion, move-in, start up and close out of Skyline Building 4 and CSM Building 10, the two largest buildings in C.I.P.II. The amount of time spent planning for future projects in C.I.P.II will begin to subside in 2010-2011. Compilations of site-specific activities, which currently in design or pre-construction are listed below:

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010

Cañada College:

- Electrical Infrastructure Upgrades

College of San Mateo:

- North Gateway--Demolition of Buildings 21-29-- Project (State Funded)
 - Increment 1- Electrical Load Center 4 Replacement
 - Increment 2- Demolition of Buildings 21-27 & 29; Construction of new North Gateway

Skyline College:

- Electrical Infrastructure Upgrades

San Mateo County Community College District is fortunate in having legislative authority to use a variety of construction delivery methods, to best suit each project's character and bring best value to the Colleges and our taxpayers, including design-build, multiple-prime contracting, as well as the traditional design-bid-build delivery method.

Staff and Faculty Housing

The College District recently opened its second housing project (Cañada Vista) for faculty and staff on Parking Lot 3 at Cañada College. The project was fully entitled by the City of Redwood City, Town of Woodside and the Local Agency Formation Commission; construction began in April, 2009 and the grand opening occurred on August 12, 2010.

Canada Vista has 60 units: 22 one bedroom or one bedroom with den; 32 two bedrooms; and 6 three-bedroom units. Fifty-six units will have private, individual garages and a washer/dryer. Interior amenities include 9 foot ceilings, wood entryways, individual patios or decks; large windows and sliding glass doors. As is the case with College Vista, rents are expected to be significantly below market rate. The District has allocated 52 of the units to faculty and staff who were on the wait list for housing; six units are being reserved for newly hired faculty and staff.

The College Vista Project, which has been open for more than 4½ years, continues to be successful and we believe that it has helped the district increase its retention of employees. Twelve employees who lived at College Vista have moved out to purchase new homes.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010



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.edu.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET ASSETS – PRIMARY GOVERNMENT
JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 52,658,313	\$ 70,270,706
Accounts receivable, net	36,730,049	26,624,489
Student loans receivable	1,444,989	770,222
Prepaid expenses	3,592,332	172,303
Deferred charges	266,780	266,780
Stores inventories	1,841,518	1,832,612
Total Current Assets	<u>96,533,981</u>	<u>99,937,112</u>
Noncurrent Assets		
Deferred charges	5,149,046	5,415,828
Prepaid expenses	511,915	7,078,461
Restricted cash and cash equivalents	251,638,753	368,589,938
Nondepreciable capital assets	197,058,518	180,487,313
Depreciable capital assets, net of depreciation	408,115,705	284,577,220
Total Noncurrent Assets	<u>862,473,937</u>	<u>846,148,760</u>
TOTAL ASSETS	<u>959,007,918</u>	<u>946,085,872</u>
LIABILITIES		
Current Liabilities		
Accounts payable	28,686,223	32,118,233
Interest payable, restricted	14,990,244	16,624,786
Deferred revenue	12,002,231	11,507,994
Bonds and notes payable - current portion	11,200,000	9,575,000
Bond premium - current portion	877,627	877,627
Total Current Liabilities	<u>67,756,325</u>	<u>70,703,640</u>
Noncurrent Liabilities		
Compensated absences payable - noncurrent portion	3,489,506	3,338,217
Bonds and notes payable - noncurrent portion	683,767,051	677,772,064
Net OPEB Obligation	-	4,350,423
Other long-term liabilities - noncurrent portion	17,551,018	18,428,645
Total Noncurrent Liabilities	<u>704,807,575</u>	<u>703,889,349</u>
TOTAL LIABILITIES	<u>772,563,900</u>	<u>774,592,989</u>
NET ASSETS		
Invested in capital assets, net of related debt	62,387,368	66,322,802
Restricted for:		
Debt service	20,213,256	18,441,351
Capital projects	69,832,065	58,337,149
Educational programs	4,946,405	4,207,126
Other activities	188,718	166,888
Unrestricted	28,876,206	24,017,567
TOTAL NET ASSETS	<u>\$ 186,444,018</u>	<u>\$ 171,492,883</u>

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 – PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	2010	2009
OPERATING REVENUES		
Student Tuition and Fees	\$ 17,238,134	\$ 13,580,206
Less: Fee waivers and allowance	(4,936,761)	(3,241,560)
Net tuition and fees	<u>12,301,373</u>	<u>10,338,646</u>
Auxiliary Enterprise Sales and Charges		
Bookstore	8,181,477	8,769,069
Cafeteria	186,399	211,458
Fitness Center	215,505	-
TOTAL OPERATING REVENUES	<u>20,884,754</u>	<u>19,319,173</u>
OPERATING EXPENSES		
Salaries	85,071,308	92,142,686
Employee benefits	25,920,582	31,784,596
Supplies, materials, and other operating expenses and services	27,522,557	32,627,603
Student financial aid	15,270,317	9,097,088
Depreciation	13,885,147	10,486,701
TOTAL OPERATING EXPENSES	<u>167,669,911</u>	<u>176,138,674</u>
OPERATING LOSS	<u>(146,785,157)</u>	<u>(156,819,501)</u>
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	55,358,880	48,244,024
Local property taxes, levied for general purposes	40,915,540	53,585,109
Local property taxes, levied for special purposes	26,507,015	24,274,761
Federal grants	19,885,592	12,285,730
State grants	7,567,964	13,644,091
Local grants	2,891,579	2,188,699
State taxes and other revenues	2,817,037	2,307,213
Investment income (loss), net	5,354,937	(15,601,986)
Interest expense on capital related debt	(30,256,360)	(30,588,864)
Interest income on capital asset-related debt, net	114,206	155,977
Other nonoperating revenue	14,514,253	9,405,516
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>145,670,643</u>	<u>119,900,270</u>
LOSS BEFORE OTHER REVENUES AND EXPENSES	<u>(1,114,514)</u>	<u>(36,919,231)</u>
State revenues, capital	1,592,888	11,103,757
Local revenues, capital	<u>14,472,761</u>	<u>2,891,541</u>
TOTAL OTHER REVENUES AND EXPENSES	<u>16,065,649</u>	<u>13,995,298</u>
CHANGE IN NET ASSETS	14,951,135	(22,923,933)
NET ASSETS, BEGINNING OF YEAR	<u>171,492,883</u>	<u>194,416,816</u>
NET ASSETS, END OF YEAR	<u>\$ 186,444,018</u>	<u>\$ 171,492,883</u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS – PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 12,618,314	\$ 12,810,510
Local grants and contracts	(2,052,169)	5,103,588
Payments to vendors for supplies and services	(27,349,024)	(25,724,876)
Payments to or on behalf of employees	(111,243,775)	(122,866,914)
Payments to students for scholarships and grants	(15,943,740)	(9,245,682)
Auxiliary sales	8,811,134	8,758,558
Net Cash Flows From Operating Activities	<u>(135,159,260)</u>	<u>(131,164,816)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	51,434,144	43,177,654
Property taxes, levied for general purposes	40,915,540	53,585,109
Property taxes, levied for special purposes	26,507,015	24,274,761
Grant and contracts	35,003,471	23,555,343
State taxes and other apportionments	2,817,037	2,307,213
Other receipts (payments)	10,521,487	4,457,667
Net Cash Flows From Noncapital Financing Activities	<u>167,198,694</u>	<u>151,357,747</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(160,626,141)	(122,978,899)
Loss on disposal of capital assets	442,777	328,303
Bond accretions	17,194,987	16,400,341
Net increase (decrease) on OPEB obligations	(4,350,423)	1,641,420
State revenue, capital projects	1,592,888	11,103,757
Local revenue, capital projects	14,472,761	2,891,541
Principal paid on capital debt	(10,452,627)	(16,942,630)
Interest paid on capital debt	(31,890,902)	(31,586,846)
Interest received on capital asset-related debt	114,206	155,977
Net Cash Flows Used for Capital Financing Activities	<u>(173,502,474)</u>	<u>(138,987,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received/(paid) from investments	<u>6,899,462</u>	<u>(13,614,383)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(134,563,578)	(132,408,488)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	438,860,644	571,269,132
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 304,297,066</u>	<u>\$ 438,860,644</u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS, PRIMARY GOVERNMENT, Continued
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	\$ (146,785,157)	\$ (156,819,501)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense	13,885,147	10,486,701
Changes in Assets and Liabilities:		
Receivables, net	(824,247)	2,529,798
Inventories	(8,906)	(78,018)
Prepaid and other current assets	3,146,517	3,413,980
Student loans receivable, net	(674,767)	(148,594)
Accounts payable and accrued liabilities	(4,392,084)	8,060,831
Deferred revenue	494,237	1,389,987
Total Adjustments	<u>11,625,897</u>	<u>25,654,685</u>
Net Cash Flows From Operating Activities	<u>\$ (135,159,260)</u>	<u>\$ (131,164,816)</u>
 CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash and cash equivalents, unrestricted	\$ 52,658,313	\$ 70,270,706
Cash and cash equivalents, restricted	251,638,753	368,589,938
Total Cash and Cash Equivalents	<u>\$ 304,297,066</u>	<u>\$ 438,860,644</u>
 NON CASH TRANSACTIONS		
On behalf payments for benefits	<u>\$ 1,601,068</u>	<u>\$ 1,772,764</u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF FIDUCIARY NET ASSETS
JUNE 30, 2010 AND 2009**

	2010		2009		
	Agency Fund		Agency Fund		
	Associated Students Trust	Student Representation Fee	Associated Students Trust	Student Representation Fee	BACC JPA
ASSETS					
Cash and cash equivalents	\$ 1,718,403	\$ 115,130	\$ 1,499,388	\$ 57,818	\$ 59,160
Accounts receivable	1,004,649	-	892,979	-	-
Fixed assets	7,854	-	10,929	-	-
Total Assets	\$ 2,730,906	\$ 115,130	\$ 2,403,296	\$ 57,818	\$ 59,160
LIABILITIES					
Accounts payable	\$ 1,701,509	\$ -	\$ 1,507,356	\$ -	\$ -
Due to student groups and other	1,029,397	115,130	895,940	57,818	59,160
Total Liabilities	\$ 2,730,906	\$ 115,130	\$ 2,403,296	\$ 57,818	\$ 59,160

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**DISCRETELY PRESENTED COMPONENT UNIT
EDUCATIONAL HOUSING CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 77,631	\$ 86,793
Accounts receivable	146	202
Prepaid expenses	2,721	2,500
Total Assets	<u>\$ 80,498</u>	<u>\$ 89,495</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 136
Deferred rent	-	30,614
Other deferred revenue	-	510
Rent security deposits	67,934	50,899
Total Liabilities	<u>67,934</u>	<u>82,159</u>
NET ASSETS		
Unrestricted	<u>12,564</u>	<u>7,336</u>
Total Liabilities and Net Assets	<u>\$ 80,498</u>	<u>\$ 89,495</u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**DISCRETELY PRESENTED COMPONENT UNIT
EDUCATIONAL HOUSING CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	2010	2009
REVENUES		
Rental income	\$ 560,912	\$ 560,482
Interest and dividends	444	1,234
Commission	151	221
Water reimbursement	11,715	11,304
Other local income	1,235	-
Total Revenues	574,457	573,241
EXPENSES		
Operating expenses	97,729	115,083
Total Expenses	97,729	115,083
OTHER SOURCES AND USES		
Transfer out to SMCCCD	(471,500)	(457,500)
Total Other Uses	(471,500)	(457,500)
CHANGE IN NET ASSETS	5,228	658
NET ASSETS, BEGINNING OF YEAR	7,336	6,678
NET ASSETS, END OF YEAR	\$ 12,564	\$ 7,336

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT EDUCATIONAL HOUSING CORPORATION STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,228	\$ 658
Changes in Assets and Liabilities		
Decrease in accounts receivable	56	202
Decrease in prepaid expenses	(221)	221
Increase/(decrease) in accounts payable	(136)	136
Increase/(decrease) in deferred revenue	(31,124)	31,124
Increase in rent security deposits	17,035	875
Net Cash Flows From Operating Activities	<u>(9,162)</u>	<u>33,216</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,162)	33,216
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>86,793</u>	<u>53,577</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 77,631</u></u>	<u><u>\$ 86,793</u></u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 – ORGANIZATION

Organization

The San Mateo County Community College District (the District) was established in 1922 as a political subdivision of the State of California and provides post secondary educational services to residents of San Mateo County and surrounding areas. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three college campuses located in the cities of San Mateo, San Bruno, and Redwood City, California. While the District is a political subdivision of the State of California, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a “direct benefit”, the “environment and ability to access/influence reporting”, and the “significance” criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component units:

San Mateo County Community College District Financing Corporation
San Mateo County Community Colleges Educational Housing 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 of the District as if the activity was the District’s. This activity is included as the COP Payment Fund and COP Construction Fund in the District’s governmental funds. Individually-prepared financial statements are not prepared for the Corporation.

The San Mateo County Community Colleges Educational Housing Corporation (the Corporation) is a legally separate organization component unit of the District. The Corporation was formed to operate staff and faculty housing. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity of the Corporation is reported separately in the financial statements. Individually-prepared financial statements are not prepared for the Corporation. The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private corporation. Accordingly, no provision for income taxes has been provided in the functional statements. The Corporation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

The District has determined that the San Mateo County Community Colleges Foundation does not meet the criteria for inclusion under GASB 39.

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 as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. 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 material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are 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, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain grants, entitlements, and donations are classified as nonoperating revenue. Federal and State grants received to provide direct grants to students are classified as nonoperating revenues because the District does not generally receive any direct benefit from the grants and are recognized in the fiscal year in which all eligibility requirements are satisfied. Eligibility requirements may include time and/or purpose requirements. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent student (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to colleges and universities, as well as those prescribed by the California Community Colleges Chancellor's Office. The District reports are based on all applicable GASB pronouncements, as well as applicable FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The budgetary and financial accounts of the District are maintained in accordance with the State System's Office's *Budget and Accounting Manual*.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37 and No. 38. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
 - Statement of Net Assets – Primary Government
 - Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government
 - Statement of Cash Flows – Primary Government
 - Financial Statements for the Fiduciary Funds including:
 - Statements of Fiduciary Net Assets
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the statement of cash flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

Investments held at June 30, 2010 and 2009, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon a five-year average ratio over actual revenues. The allowance was estimated at \$2,246,281 and \$1,757,816 for the years ended June 30, 2010 and 2009, respectively.

Prepaid Expenditures

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

Inventory

Inventory consists primarily of bookstore merchandise 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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 for equipment and \$100,000 for land, buildings and improvements. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing 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.

Deferred Issuance Costs, Premiums, and Discounts

In the entity-wide financial statements and in the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Deferred revenues include (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met are recorded as deferred revenue.

Net Assets

GASB Statements No. 34 and No. 35 report equity as "Net Assets." Net assets are classified according to imposed 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 – Nonexpendable: Net assets whose use by the District has been externally restricted in perpetuity such as Endowment funds where future investment earnings may be used for the donor stipulated purpose. The District has no nonexpendable net 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. Net assets may be restricted for capital projects, debt repayment, and/or educational programs.

None of the District's restricted net assets have resulted from enabling legislation adopted by the District.

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

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these calculations and corrections are accrued in the year in which the FTES area generated.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

On-Behalf Payments

GASB Statement No. 24 requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on-behalf payments to the California State Teachers' Retirement System (CalSTRS) on behalf of all community colleges in California. The amounts of on-behalf payments were \$1,601,068.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Mateo bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds in 2001 and 2005 for the acquisition, construction, and remodeling of District capital assets. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

Scholarship Discounts and Allowances

Student tuition and fee revenue is reported net of scholarship discounts and allowances in the Statement of Revenues, Expenditures, and Changes in Net Assets. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers and discounts have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

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. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the related *Compliance Supplement*. During the year ended June 30, 2010 and 2009, the District distributed \$1,673,444 and \$1,313,235 in student loans through the U.S. Department of Education Federal Family Education Loan Program.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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 Expenditures of Federal Awards.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the entity-wide financial statements.

New Accounting Pronouncements

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Classifications*. The objectives of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. The District does not anticipate a significant impact in reporting as a result of this Statement as fund financial information is not reported.

Comparative Financial Information

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	180 days	30%	10%
Negotiable Certificates of Deposit	5 years	30%	FDIC
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	\$20 million

Summary of Deposits and Investments

Deposits and investments as of June 30, 2010 and 2009, are classified in the accompanying financial statements as follows:

	2010	2009
Business-type activities	\$ 304,297,066	\$ 438,860,644
Fiduciary funds	1,833,533	1,616,366
Component Unit	77,631	86,793
Total Deposits and Investments	<u>\$ 306,208,230</u>	<u>\$ 440,563,803</u>

Deposits and investments as of June 30, 2010 and 2009, consist of the following:

	2010	2009
Cash on hand and in banks	\$ 5,290,160	\$ 1,542,072
Investments	300,918,070	439,021,731
Total Deposits and Investments	<u>\$ 306,208,230</u>	<u>\$ 440,563,803</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the County pool and local agency investment fund (LAIF).

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity In Years</u>
Brokered certificates of deposit	\$ 5,000	0.35
County Pool	286,915,630	1.00
State Investment Pool	13,997,440	0.57
Total	<u>\$ 300,918,070</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool and LAIF are not required to be rated, nor have they been rated as of June 30, 2010.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit.) The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2010 and 2009, the District's bank balances of approximately \$1,766,000 and \$0, respectively, were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. The District computes the allowance for bad debt accounts based on a five-year weighted average on uncollectibles accounts receivable to total revenue ratio.

The accounts receivable are as follows:

	<u>2010</u>	<u>2009</u>
Federal Government		
Categorical aid	\$ 2,204,764	\$ 1,679,591
State Government		
Apportionment	11,753,161	7,828,425
Categorical aid	441,857	956,107
Lottery	267,820	1,153,244
Other state sources	1,226,614	5,010,449
Local Sources		
Interest	819,495	2,364,020
Other local sources	15,761,340	4,429,655
Subtotal	<u>32,475,051</u>	<u>23,421,491</u>
Student receivables	6,501,279	4,960,814
Less allowance for bad debt	<u>(2,246,281)</u>	<u>(1,757,816)</u>
Accounts receivables, net	<u>\$ 36,730,049</u>	<u>\$ 26,624,489</u>
Student loans	<u>\$ 1,444,989</u>	<u>\$ 770,222</u>

Receivables at June 30, 2010 and 2009 include \$977,521 for loans made to 14 District employees to purchase houses. All full time employees who purchase a home and contribute at least 20 percent of the purchase price are eligible to receive loans of up to \$75,000 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 percent per year. As of June 30, 2010, all of the funds have been loaned out. No loans will be granted to additional employees until existing loans are paid back or the Board authorizes additional amounts to be loaned out.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Discretely Presented Component Unit

The Educational Housing Corporation's accounts receivable are interest receivable.

Fiduciary Fund

The Fiduciary Fund's accounts receivable are primarily student fees and interest receivable.

NOTE 5 – PREPAID EXPENSES AND OTHER ASSETS

The significant item within prepaid expense is that the District has entered into a long-term contract for the insurance of the bond construction projects throughout the District. The insurance agreement calls for an original lump-sum payment of \$10,264,301 which is being amortized over the life of the insurance coverage. The prepaid expense as of June 30, 2010 was \$3,722,524. Amortization of the prepaid balance is as follows:

2010-2011	\$ 3,210,609
2011-2012	503,098
2012-2013	7,558
2013-2014	1,259
Total	<u>\$ 3,722,524</u>

On November 1, 2009, the District entered a lease agreement with San Mateo County Community College District Financing Corporation to finance the acquisition and construction of Canada Vista project. The agreement authorizes the Financing Corporation to borrow from the Retiree Benefits Fund in the amount of \$14,951,276 to finance the acquisition and construction of Canada Vista. This amount has been eliminated for consolidated reporting purpose. The loan will be repaid in fiscal year 2010-2011.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2010, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 20,628,292	\$ -	\$ -	\$ 20,628,292
Construction in progress	159,859,021	147,981,558	131,410,353	176,430,226
Total Capital Assets Not Being Depreciated	<u>180,487,313</u>	<u>147,981,558</u>	<u>131,410,353</u>	<u>197,058,518</u>
Capital Assets Being Depreciated				
Land improvements	12,953,351	19,338,948	-	32,292,299
Buildings and improvements	326,411,995	114,640,357	-	441,052,352
Furniture, equipment, and vehicles	22,455,685	3,887,104	832,206	25,510,583
Total Capital Assets Being Depreciated	<u>361,821,031</u>	<u>137,866,409</u>	<u>832,206</u>	<u>498,855,234</u>
Less Accumulated Depreciation				
Land improvements	8,665,435	747,708	-	9,413,143
Buildings and improvements	57,008,646	10,294,495	-	67,303,141
Furniture, equipment, and vehicles	11,569,730	2,842,944	389,429	14,023,245
Total Accumulated Depreciation	<u>77,243,811</u>	<u>13,885,147</u>	<u>389,429</u>	<u>90,739,529</u>
Net Capital Assets Being Depreciated	<u>284,577,220</u>	<u>123,981,262</u>	<u>442,777</u>	<u>408,115,705</u>
Net Capital Assets	<u>\$ 465,064,533</u>	<u>\$ 271,962,820</u>	<u>\$ 131,853,130</u>	<u>\$ 605,174,223</u>

Depreciation expense for the year was \$13,885,147.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Capital asset activity for the District for the fiscal year ended June 30, 2009, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	\$ 20,628,292	\$ -	\$ -	\$ 20,628,292
Construction in progress	78,486,357	123,729,738	42,357,074	159,859,021
Total Capital Assets Not Being Depreciated	<u>99,114,649</u>	<u>123,729,738</u>	<u>42,357,074</u>	<u>180,487,313</u>
Capital Assets Being Depreciated				
Land improvements	12,953,351	-	-	12,953,351
Buildings and improvements	287,580,688	42,357,074	3,525,767	326,411,995
Furniture, equipment, and vehicles	19,483,400	3,033,077	60,792	22,455,685
Total Capital Assets Being Depreciated	<u>320,017,439</u>	<u>45,390,151</u>	<u>3,586,559</u>	<u>361,821,031</u>
Less Accumulated Depreciation				
Land improvements	8,401,201	264,234	-	8,665,435
Buildings and improvements	52,489,281	7,716,829	3,197,464	57,008,646
Furniture, equipment, and vehicles	9,128,860	2,501,662	60,792	11,569,730
Total Accumulated Depreciation	<u>70,019,342</u>	<u>10,482,725</u>	<u>3,258,256</u>	<u>77,243,811</u>
Net Capital Assets Being Depreciated	<u>249,998,097</u>	<u>34,907,426</u>	<u>328,303</u>	<u>284,577,220</u>
Net Capital Assets	<u>\$ 349,112,746</u>	<u>\$ 158,637,164</u>	<u>\$ 42,685,377</u>	<u>\$ 465,064,533</u>

Depreciation expense for the year was \$10,482,725.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	2010	2009
Accrued payroll	\$ 2,105,683	\$ 2,508,857
Construction	11,412,932	18,433,665
Vendor	15,167,608	11,175,711
Total	<u>\$ 28,686,223</u>	<u>\$ 32,118,233</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Discretely Presented Component Unit

The Educational Housing Corporation has no accounts payable as of June 30, 2010.

Fiduciary Fund

The accounts payable of the Fiduciary Fund consists primarily of funds held for the student clubs.

NOTE 8 - DEFERRED REVENUE

Deferred revenue at June 30, 2010 and 2009 consisted of the following:

	2010	2009
Federal financial assistance	\$ 5,873	\$ 10,000
State categorical aid	2,630,352	1,387,587
Enrollment fees	5,190,307	3,821,366
Other local	4,175,699	6,289,041
Total	<u>\$ 12,002,231</u>	<u>\$ 11,507,994</u>

NOTE 9 – INTERFUND TRANSACTIONS

Interfund Receivables and Payable (Due To/Due From)

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

Operating Transfers

Operating transfers between funds of the District 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 restricted 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, 2010**

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2010 fiscal year consisted of the following:

	Balance Beginning of Year	Additions/ Accretions	Prepaid/ Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	\$ 687,347,064	\$ 17,194,987	\$ 9,575,000	\$ 694,967,051	\$ 11,200,000
Other Liabilities					
Compensated absences	3,338,217	151,289	-	3,489,506	-
Net OPEB obligation	4,350,423	7,430,914	11,781,337	-	-
Total Other Liabilities	695,035,704	24,777,190	21,356,337	698,456,557	11,200,000
Premiums, net of amortization	19,306,272	-	877,627	18,428,645	877,627
Total Long-term Liabilities	<u>\$ 714,341,976</u>	<u>\$ 24,777,190</u>	<u>\$22,233,964</u>	<u>\$ 716,885,202</u>	<u>\$12,077,627</u>

The changes in the District's long-term obligations during the 2009 fiscal year consisted of the following:

	Balance Beginning of Year	Additions/ Accretions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	\$ 687,011,723	\$ 16,400,341	\$16,065,000	\$ 687,347,064	\$ 9,575,000
Total Bonds and Notes Payable	687,011,723	16,400,341	16,065,000	687,347,064	9,575,000
Other Liabilities					
Compensated absences	3,316,302	21,915	-	3,338,217	-
Net OPEB obligation	2,709,003	8,175,590	6,534,170	4,350,423	-
Total Other Liabilities	693,037,028	24,597,846	22,599,170	695,035,704	9,575,000
Premiums, net of amortization	20,183,902	-	877,630	19,306,272	877,627
Total Long-term Liabilities	<u>\$ 713,220,930</u>	<u>\$ 24,597,846</u>	<u>\$23,476,800</u>	<u>\$ 714,341,976</u>	<u>\$10,452,627</u>

Description of Debt

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property revenues. The accrued vacation and Net OPEB obligations are paid by the fund in which the related employee costs are accounted for.

General obligation bonds were approved by local elections in 2001 and 2005. The total amount approved by the voters in 2001 and 2005 were \$207,000,000 and \$468,000,000, respectively. All of the authorized 2001 and 2005 bonds have been issued. Interest rates on the 2001 bonds are range from 3.00 percent to 5.74 percent and the interest rates on the 2005 bonds are range from 3.50 percent to 5.00 percent. At June 30, 2010, the outstanding balances for the 2001 and 2005 bonds were \$208,722,029 and \$486,245,022, respectively.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Debt Maturity

General Obligation Bonds

The bonds mature through 2039 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2011	\$ 11,200,000	\$ 15,294,608	\$ 26,494,608
2012	12,985,000	14,836,700	27,821,700
2013	14,910,000	14,289,483	29,199,483
2014	16,945,000	13,692,094	30,637,094
2015	25,219,008	12,940,682	38,159,690
2016-2020	118,344,342	53,378,140	171,722,482
2021-2025	132,084,913	38,479,988	170,564,901
2026-2030	153,113,361	27,978,950	181,092,311
2031-2035	112,130,361	16,436,500	128,566,861
2036-2039	98,035,066	4,818,500	102,853,566
Total	\$ 694,967,051	\$ 212,145,645	\$ 907,112,696

Other Postemployment Benefit (OPEB) Obligation

The District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, during the year ended June 30, 2008. The District's actuarially-determined annual required contribution (ARC) for the year ended June 30, 2010, was \$7,383,929. The District made a contribution of \$6,177,360 for premiums for current retirees. The balance of the ARC was contributed by the District to the San Mateo County Community College District Public Entity Investment Trust. See Note 12 for additional information regarding the OPEB obligation and the District's postemployment benefit plan.

NOTE 11 – DEFEASED DEBT

In 2006, the District defeased \$30,885,000 certificates of participation issued in 2004 by creating an irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, removed as a liability from the District's Long-Term Obligations. As of June 30, 2010, the amount of defeased debt outstanding but removed from the Long-Term Obligations amounted to \$29,261,106.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 12 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

Plan Description

The Other Postemployment Benefit Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the San Mateo County Community College District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 712 retirees and beneficiaries currently receiving benefits and 810 active plan members. Separate financial statements are prepared for the Plan and may be obtained by contacting the San Mateo County Community College District.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits. During the year, the District contributed \$6,177,360 to the Plan to pay for current retirees' medical premiums. Plan members receiving benefits contributed \$36,575, or approximately .006 percent of the total premiums. Contributions made by retirees range between \$1 to \$335 per month. In addition to the current premium, the District contributed \$5,000,000 to the San Mateo County Community College District Public Entity Investment Trust.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities or funding costs (UAAL) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	\$ 7,383,929
Interest on net OPEB obligation	46,985
Adjustment to annual required contribution	(730,137)
Annual OPEB cost (expense) - District paid premiums	(6,177,360)
Contributions (total trust, net of investment expenses and interest)	<u>(4,990,358)</u>
Contributions in excess of ARC	(4,466,941)
Net OPEB obligation, beginning of year	<u>4,350,423</u>
Prepaid OPEB, end of year	<u><u>\$ (116,518)</u></u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Trend Information

Trend information for the annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the past three years is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation/(Prepaid)
2008	\$ 9,056,503	\$ 6,339,552	70%	\$ 2,709,003
2009	8,175,590	6,534,170	80%	4,350,423
2010	7,383,929	11,167,718	100%	(116,518)

Funding Status and Funding Progress

The funded status of the OPEB Plan as of June 30, 2010, is as follows:

Actuarial Accrued Liability (AAL)	\$ 108,915,006
Actuarial Value of Plan Assets	(4,990,358)
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 103,924,648</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	5%
Covered Payroll	\$ 85,080,018
UAAL as Percentage of Covered Payroll	<u>122%</u>

The above noted actuarial accrued liability was based on the revised September 8, 2009, actuarial valuation. In October 2009, the District established an irrevocable trust fund for the Other Postemployment Benefit Plan and transferred \$5 million into the Trust to relieve the District of its post retirement medical benefits liability. The Plan assets as of June 30, 2010 were \$4,990,358. Separate financial statements are prepared for the Plan and may be obtained by contacting the San Mateo County Community College District.

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follow the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

In the September 8, 2009 actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative expenses), based on the Plan being funded in a retiree benefits reserve fund invested in a long-term fixed income portfolio. Healthcare cost trend rates assumed 4 percent per year. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2010, was 29 years. The actuarial value of assets was not determined in this actuarial valuation. At July 1, 2010, the Trust held net assets in the amount of \$4,990,358 in investments with Benefit Trust.

NOTE 13 - RISK MANAGEMENT

Insurance Coverages

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 the year ending June 30, 2010, the District contracted with MacCorkle Inc., an insurance broker to manage the District's insurance claims. The District is self-insured for the first \$150,000. Settled claims have not exceeded this commercial coverage.

Workers' Compensation

For the fiscal year, the District contracted with Andreini and Company for placement of excess workers' compensation insurance program. The District is self-insured for the first \$350,000.

Employee Medical Benefits

The District has contracted with the Cal PERS to provide employee medical and surgical benefits. CalPERS 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 CalPERS 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. CalPERS requires the District to have a post retirement medical benefit plan for CalPERS members.

The District also contributed towards the medical plan premiums of PERS and STRS retirees who did not meet the District eligibility requirements for retiree benefits when they retired. This contribution is required by CalPERS and is called the "Employer Share" and was established in order to provide retirees, regardless of District eligibility, with continuation of group medical insurance coverage at a reduced monthly premium. There are currently 60 retirees that fall under this categorical and the District's share for the fiscal year was \$349,230.

Claim Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Unpaid Claim Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2008 to June 30, 2010:

	Workers' Compensation	Property and Liability
Liability Balance, July 1, 2008	\$ 868,625	\$ 300,000
Claims and changes in estimates	938,053	-
Claims payments	(272,532)	-
Liability Balance, June 30, 2009	1,534,146	300,000
Claims and changes in estimates	118,565	-
Claims payments	-	(150,000)
Liability Balance, June 30, 2010	<u>\$ 1,652,711</u>	<u>\$ 150,000</u>
Assets available to pay claims at June 30, 2010	<u>\$ 9,156,855</u>	<u>\$ 150,000</u>

NOTE 14 - 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 California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 95826.

Funding Policy

Active members are required to contribute 8.0 percent of their salary while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2009-2010 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's total contributions to CalSTRS for the fiscal years ended June 30, 2010, 2009, and 2008, were \$3,114,710, \$3,248,693, and \$3,538,898, respectively, and equal 100 percent of the required contributions for each year.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

CalPERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. 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 95811.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary (7.0 percent of monthly salary over \$133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2009-2010 was 9.709 percent of covered payroll. The District's contributions to CalPERS for fiscal years ending June 30, 2010, 2009, and 2008, were \$3,251,939, \$3,221,484, and \$3,067,890, respectively, and equaled 100 percent of the required contributions for each year.

On-Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS. The State of California made contributions to CalSTRS on behalf of the District for fiscal year ending June 30, 2010, 2009, and 2008 amounted to \$1,601,068, \$1,772,764, and \$1,771,986, respectively, and equaled 4.267 percent of salaries subject to CalSTRS. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees two 457 and seven 403 (b) tax deferred compensation plans. The plans, available to all employees, permits them to defer a portion of their pre-tax salary into investment(s) provided by the plans. The deferred compensation will become available once a qualifying event, as defined by the IRS, has been met. The District oversees the administrative functions of these plans. The District makes employer contributions for five of its employees, otherwise, these plans are strictly for employee contributions only.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2010.

The California State Controller's Office audited the District's mandated costs claims in 2003-2004. As the result of the audit, the District has set aside a reserve for the liability. However, the District is in the process of disputing this liability with the State.

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, 2010.

Early Retirement

The District offered an early incentive retirement plan to all bargaining units who elect early retirement. The cost of the incentives for fiscal year 2009-2010 was \$1,104,261. \$959,261 had been paid during the year. The remaining of the incentive in the amount of \$145,000 will be paid in fiscal year 2010-2011.

Construction Commitments

As of June 30, 2010, 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	\$ 1,930,158	within 1 year
State funded capital outlay projects	3,365,917	within 1 year
2001 G.O. Bond (Measure C) construction projects	3,664	within 6 months
2005 G.O. Bond (Measure A) construction projects	40,238,235	within 3 years
	<u>\$ 45,537,974</u>	

The projects are funded through a combination of general obligation bonds and capital project apportionments from the State Chancellor's Office.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Deferral of State Apportionments

The State legislature has not enacted a budget as of June 30, 2010. As a result, certain apportionments owed to the District for funding of FTES, categorical programs, and construction reimbursements which are attributable to the 2009-2010 fiscal year have been deferred to the 2010-2011 fiscal year. The total amount of funding deferred into the 2010-2011 fiscal year was \$11,841,284 which have been received as of December 14, 2010. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years.

NOTE 16 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is self-insured for the workers’ compensation and property and liability up to \$150,000. The District contracts with MacCorkle Inc., an insurance broker to manage the District’s insurance claims. The District pays an annual premium to MacCorkle for their services. The relationships between the District and the risk management company are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2010, the District made payment of \$53,000 to MacCorkle Inc. for the insurance related services. The District also paid \$30,308 and \$224,975 to School Excess Liability Fund and Princeton Excess and Surplus for excess liability program.

The District is a member of South Bay Regional Public Safety Training Consortium JPA. During the year, the District made payments of approximately \$136,950 to South Bay Regional Public Safety Training Consortium JPA for the purpose of serving the students and providing them instruction.

NOTE 17 - TAX AND REVENUE ANTICIPATION NOTES

On July 6, 2009, the District issued \$29,530,000 Tax and Revenue Anticipation Notes bearing interest at 2.50 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on July 1, 2010. By May 2010, 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 of \$29,530,000 and related accrued interest and cash held in trust are not included in these financial statements.

	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year
2009 2.50% TRANS	\$ -	\$29,530,000	\$29,530,000	\$ -

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 18 - SUBSEQUENT EVENTS

The District issued \$14,415,000 of Tax and Revenue Anticipation Notes dated July 1, 2010. The notes mature on June 1, 2011, and yield 0.650 percent interest. The notes were sold to supplement cash flow. Repayment requirements are that a percentage of principal and interest be deposited with the Fiscal Agent each month beginning January 1, 2011, until 100 percent of principal and interest due is on account in May, 2011.

***REQUIRED SUPPLEMENTARY
INFORMATION***

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
PROGRESS
FOR THE YEAR ENDED JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
September 1, 2006	\$ -	\$ 149,530,877	\$ 149,530,877	\$ -	\$ 87,823,351	170.26%
Septembr 8, 2009, revised *	\$ -	\$ 108,915,006	\$ 108,915,006	\$ -	\$ 92,142,686	118.20%
Septembr 8, 2009, revised *	\$ -	\$ 108,915,006	\$ 108,915,006	\$ -	\$ 85,080,018	128.01%

* The September 8, 2009 actuarial study was revised to reflect the change in interest rate assumption from 5% to 7% upon the establishment of the trust and a new investment policy. As of June 30, 2010, the District has total assets of \$4,990,358 in the OPEB irrevocable trust.

SUPPLEMENTARY INFORMATION

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION JUNE 30, 2010

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. The District's three colleges are each accredited by the Accrediting Commission for Community and Junior Colleges, Western, Association of Schools and Colleges.

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Patricia Miljanich	President	2011
Dave Mandelkern	Vice President- Clerk	2011
Helen Hausman	Trustee	2013
Richard Holober	Trustee	2013
Karen Schwarz	Trustee	2011

ADMINISTRATION

Ron Galatolo	Chancellor - Superintendent
James Keller	Executive Vice Chancellor
Michael Claire	President – College of San Mateo
Tom Mohr	President – Canada College
Victoria Morrow	President – Skyline College

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION		
Student Financial Aid Cluster		
Federal Work Study Program	84.033	\$ 382,537
ARRA - Federal Work Study Program	84.033	45,774
Pell Grant	84.063	13,782,511
Supplemental Educational Opportunity Grant (SEOG)	84.007	482,356
Federal Family Education Loans	84.032	1,673,444
Academic Competitiveness Grant (ACG)	84.375	123,356
Postsecondary Education		
TRIO Cluster		
Student Support Services	84.042A	845,803
Upward Bound	84.047A	235,362
Passed through Santa Clarita Community College District		
Fund for the Improvement of Postsecondary Education	84.116Z	57,000
International Education		
Undergraduate International Studies and Foreign Language	84.016	11,478
Undergraduate Education		
Minority Science and Engineering Improvement	84.120	310,495
College Cost Reduction and Access Act Hispanic Serving Institutions	84.031C	559,453
Vocational Education		
Passed through Cabrillo Community College District:		
CTEA II Tech Prep Education	84.243	10,000
Passed through California Department of Education:		
CTEA I-C Basic Grants to States	84.048A	663,152
CTEA II Tech Prep Education	84.243	203,250
Elementary and Secondary Education		
Passed through California Department of Development Services:		
Special Education-Grants for Infants and Families	84.181	9,750
Passed through Sequoia Union High School District:		
Twenty-First Century Community Learning Centers	84.287	1,678
Passed through California Department of Education/CCCCO:		
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	507,922
Special Education and Rehabilitation Services		
Passed through California Department of Rehabilitation:		
Vocational Rehabilitation-Workability	84.126A	143,858
Total U.S. Department of Education		<u>20,049,179</u>

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Administration for Children and Families		
Passed through California Department of Education:		
Temporary Assistance for Needy Families (TANF)	93.558	71,250
ARRA - Temporary Assistance for Needy Families (TANF), ECF	93.714	76,564
Child Care and Development Block Grant	93.575	27,348
Total U.S. Department of Health and Human Services		<u>175,162</u>
U.S. DEPARTMENT OF AGRICULTURE		
Passed through California Department of Education:		
Child and Adult Care Food Program	10.558	37,124
Passed through County of San Mateo/California DSS:		
Supplemental Nutrition Assistance Program	10.551	75,014
Total U.S. Department of Agriculture		<u>112,138</u>
U.S. DEPARTMENT OF LABOR		
Passed through County of San Mateo/California EDD:		
WIA Dislocated Workers	17.260	72,257
ARRA - WIA Dislocated Workers	17.260	173,374
Passed through California Employment Development Department/CCCCO:		
WIA Governor's 15% Discretionary Fund	17.258	36,382
ARRA - WIA Governor's 15% Discretionary Fund	17.258	44,175
Community Based Job Training Grants	17.269	624,940
Total U.S. Department of Labor		<u>951,128</u>
U.S. DEPARTMENT OF THE TREASURY		
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	13,000
NATIONAL SCIENCE FOUNDATION		
Education and Human Resources	47.076	303,427
Total Expenditures of Federal Awards		<u>\$ 21,604,034</u>

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Program	Program Revenues				Total Program Expenditures
	Cash Received ^[1]	Accounts Receivable	Deferred Revenue	Total Revenue	
GENERAL FUND					
Disabled Students Programs & Services	\$ 1,191,991	\$ -	\$ 113,816	\$ 1,078,175	\$ 1,078,175
Extended Opportunity Programs & Services	1,154,887	-	2,661	1,152,226	1,152,226
CARE/EOPS	93,613	-	1,297	92,316	92,316
Matriculation	814,653	-	-	814,653	814,653
Foster Parent Training	46,451	35,326	1,923	79,854	79,854
FA Administrative Allowance	809,820	-	28,547	781,273	781,273
Block Grant	1,329,691	-	1,263,679	66,012	66,012
T-Com and Technology (TTIP)	186,874	-	112,589	74,285	74,285
CalWORKS	316,095	-	1,583	314,512	314,512
Middle College High School	96,353	101,525	-	197,878	197,878
CITD Economic Development	64,982	54,047	-	119,029	119,029
Transfer and Articulation	457	-	-	457	457
Staff Diversity	2,943	-	-	2,943	2,943
Staff Development	58,635	-	48,288	10,347	10,347
Statewide Leadership Multimedia	71,864	-	71,864	-	-
MESA/CCCP Funds for Student Success	110,138	7,602	-	117,740	117,740
RCS D CBET Program	33,245	44,998	-	78,243	78,243
Lottery-Prop 20-Instructional Materials	37,053	267,820	-	304,873	120,520
Nursing-Enrollment Growth	163,619	3,872	-	167,491	167,491
TTIP Video Over IP Grant	11,619	-	11,619	-	-
SUHSD CBET Program	24,986	19,366	-	44,352	44,352
CCC Live Caption	9,036	-	9,036	-	-
Basic Skills 09-10	359,267	-	263,978	95,289	95,289
Basic Skills 07-08	110,040	-	-	110,040	110,040
CTE Equip - Allied Health	2,048	-	392	1,656	1,656
Econ Dev IDRC Surgical Technology	131,216	24,994	-	156,210	156,210
CTE Community Collaborative Project	194,614	-	-	194,614	194,614
Basic Skills 08-09	482,047	-	153,067	328,980	328,980
CTE Com Collaborative Project 09-10	375,651	-	217,572	158,079	158,079
CTE Com Collaborative Project 10-12	309,998	-	288,115	21,883	21,883
Entrepreneurship Career Pathways	35,000	50,000	-	85,000	85,000
LACCD - CCC ESL/BSI Prof Dev Grant	62,500	-	129	62,371	62,371
Los Rios CCD - Kaiser RWT - Canada	-	11,488	-	11,488	11,488
State Library	25,547	-	21,724	3,823	3,823
CDE Child Development	341,039	59,554	-	400,594	400,593
Cal Grant	430,564	29,085	18,473	441,176	441,176
Total State Programs	\$ 9,488,536	\$ 709,677	\$ 2,630,352	\$ 7,567,862	\$ 7,383,508

[1]Include cash received from prior year.

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF WORKLOAD MEASURES FOR STATE
GENERAL APPORTIONMENT – ANNUAL (ACTUAL) ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2010**

CATEGORIES	Revised Reported Data*	Audit Adjustments	Audited Data
A. Summer Intersession			
1. Noncredit	11	-	11
2. Credit	2,734	-	2,734
B. Summer Intersession			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	16,790	-	16,790
(b) Daily Census Contact Hours	1,182	-	1,182
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	109	-	109
(b) Credit	804	-	804
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	978	-	978
(b) Daily Census Procedure Courses	312	-	312
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	<u>22,920</u>	<u>-</u>	<u>22,920</u>
E. Basic Skills courses and Immigrant Education (FTES)			
1. Noncredit	48	-	-
2. Credit	2,259	-	-
	<u>2,307</u>	<u>-</u>	<u>-</u>

* Revised, November 2010.

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
(CCFS-311) WITH FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311), which required reconciliation to the audited financial statements at June 30, 2010.

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

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

Total Fund Balance:

General Funds	\$ 20,924,286
Special Revenue Funds	33,938,244
Capital Projects Funds	218,549,641
Debt Service Funds	20,213,256
Enterprise Funds	6,771,735
Internal Service Funds	7,504,144
Fiduciary Funds	250,646

Total Fund Balance - All District Funds **\$ 308,151,952**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is	\$ 695,913,752	
Accumulated depreciation is	<u>(90,739,529)</u>	605,174,223

Capital assets recorded in proprietary funds. (422,537)

Expenditures relating to issuance of debt were recognized on the modified accrual basis, but should not be recognized in accrual basis. 5,415,826

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. (14,990,244)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

Bonds payable	694,967,051	
Premiums, net of amortization	18,428,645	
Compensated absences (vacations)	<u>3,489,506</u>	<u>(716,885,202)</u>

Total Net Assets **\$ 186,444,018**

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2010

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

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.

The following schedule provides reconciliation between revenues reported on the statement of revenues, expenses, and changes in net assets and the related expenditures reported on the schedule of expenditures of Federal awards.

Description	CFDA Number	Amount
Total Federal Revenues per Statement of Revenues, Expenses, and Changes in Net Assets:		\$ 19,885,592
Federal Family Education Loans		1,673,444
Adjustments to Skyline SEOG program (with \$2 rounding difference)		44,998
Total Expenditures of Federal Awards		<u>\$ 21,604,034</u>

Schedule of Expenditures of State Awards

The accompanying schedule of expenditures of State awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Schedule of Workload Measures for State General Apportionment – Annual (Actual) Attendance

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. These schedules provide information regarding the attendance of students throughout the District.

Reconciliation of Annual Financial and Budget Report (CCFS - 311) with Fund Financial Statements

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

Reconciliation of the Governmental Fund Balance Sheets to the Statement of Net Assets

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

*INDEPENDENT AUDITORS'
REPORTS*



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

**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) for the years ended June 30, 2010 and 2009, and have issued our report thereon dated December 14, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered San Mateo County Community College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Mateo County Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Community College District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Mateo County Community College District's 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 audits 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*.

We noted certain matters that we reported to management of San Mateo County Community College District in a separate letter dated December 14, 2010.

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

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 14, 2010



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON 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 (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its San Mateo County Community College District's major Federal programs for the year ended June 30, 2010. San Mateo County Community College District's major Federal programs are identified in the summary of auditors' 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 San Mateo County Community College District's management. Our responsibility is to express an opinion on San Mateo County Community College 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; 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 San Mateo County Community College 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 of San Mateo County Community College District's compliance with those requirements.

In our opinion, San Mateo County Community College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010.

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 the 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 the requirements that could have a direct and material effect on a major Federal program 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Community College District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 14, 2010



REPORT ON STATE COMPLIANCE

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

We have audited the compliance of San Mateo County Community College District (the District) with the types of compliance requirements described in Section 400 of the California State Chancellor's Office's *California Community College District Audit Manual (CDAM)* that are applicable to community colleges in the State of California. The specific requirements are described below.

We conducted our audit of compliance 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements with State laws and regulations have occurred. An audit includes examining, on a test basis, evidence about San Mateo County Community College 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 of San Mateo County Community College District's compliance with those requirements.

General Directive

Section 424: MIS Implementation - State General Apportionment Funding System

Administration

Section 435: Open Enrollment

Section 437: Student Fees - Instructional Materials and Health Fees

Apportionments

Section 423: Apportionment of Instructional Service Agreements/Contracts

Section 425: Residency Determination for Credit Courses

Section 427: Concurrent Enrollment of K-12 Students in Community College Credit Courses

Section 432: Enrollment Fee

Section 426: Students Actively Enrolled

Fiscal Operations

Section 421: Salaries of Classroom Instructors (50% Law)

Section 431: Gann Limit Calculation

Student Services

Section 428: Use of Matriculation Funds

Section 433: CalWORKs - Use of State and Federal TANF Funding

Facilities

Section 434: Scheduled Maintenance Program

In our opinion, San Mateo County Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported and are described in the accompanying schedule of findings and questioned costs as items 2010-1.

San Mateo County Community College District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit San Mateo County Community College District's response and, accordingly, we express no opinion.

This report is intended solely for the information of the Board of Trustees, District Management, 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.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 14, 2010

*SCHEDULE OF FINDINGS
AND
QUESTIONED COSTS*

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2010**

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.033 (Include ARRA), 84.063, 84.007, 84.375, 84.032	Student Financial Aid Cluster (Include ARRA)
84.042A, 84.047A	TRIO Cluster
84.120	Minority Science and Engineering Improvement
84.394	State Fiscal Stabilization Fund - ARRA
93.558, 93.714 (ARRA)	Temporary Assistance for Needy Families (Include ARRA)
17.260 (Include ARRA), 17.258 (Include ARRA)	WIA Cluster (Include ARRA)
17.269	Community Based Job Training Grants
47.076	Education and Human Resources

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

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for State programs:	<u>Qualified</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2010**

None reported.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

None reported.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010

The following findings represent instances of noncompliance and/or questioned costs relating to State program laws and regulations.

2010-1 Concurrent Enrollment of K-12 Students In Community College Credit Courses

Criteria or Specific Requirement

Education Code section 87356 requires the Board of Governors to adopt regulations to establish minimum qualifications for service as a community college faculty member. Education Code section 87357 requires the Board of Governors to engage in various activities in establishing those minimum qualifications. Subsection (b) of section 87357 requires the Board to issue a list of disciplines that is to be distributed to the districts for their use in applying the minimum qualifications for service.

Title 5, section 53410 sets the basic minimum qualifications for credit instructors which include either a master's degree "in the discipline of the faculty member's assignment" or a master's degree "in a discipline reasonably related" to the assignment and a bachelor's degree "in the discipline of the faculty member's assignment."

Education Code section 87359 requires the Board of Governors to adopt regulations setting forth a process to allow local districts to employ faculty members who do not meet the minimum qualifications adopted by the Board of Governors. The section provides that a person may be hired to serve as a faculty member if the district governing board determines that the individual "possesses qualifications that are at least equivalent to the minimum qualifications specified in regulations of the board of governors adopted pursuant to Section 87356." The section requires a process to ensure that "each individual faculty member employed under the authority granted by the regulations possesses minimum qualification specified in regulations adopted by the board of governors."

Condition

We noted at Skyline College that one credit instructor did not have the necessary documentation on file to show that the instruction met the minimum qualification requirements as described above.

Questioned Costs

0.16 FTES or approximately \$700.

Context

The course taught by the instructor was Music -377 (course # 92570) in Fall 2009 semester. The weekly student contact hours for the course were 82.8 hours.

Effect

The District is not in compliance with the requirements of instructor minimum qualification.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2010

Cause

The College did not obtain all necessary documentation as required to show teacher hired met minimum teaching qualification.

Recommendation

Individuals having hiring responsibilities should be reminded the importance of following the appropriate policy and procedures established by governing board and the requirements indicated in CCR Title 5, section 53410.

District Response

The instructor was hired to teach guitar. At the time he was hired, he had over 20 years of experience playing the guitar professionally. The relatively new dean was unaware that the instructor would have to apply for an equivalency as the dean did not believe a degree was necessary to teach guitar given 20 years of professional experience. The District will conduct an education forum for the deans about equivalencies, minimum qualifications and FSA's to prevent this in the future.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

None reported.

*ADDITIONAL SUPPLEMENTAL
INFORMATION*

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010**

	General Unrestricted	General Restricted	Child Development	Retiree Benefits
ASSETS				
Cash and cash equivalents	\$ 15,124,373	\$ 9,229,700	\$ 125,232	\$ 17,684,139
Accounts receivable, net of allowance	17,403,082	2,723,499	77,077	1,117,857
Due from other funds	84	-	-	-
Prepaid expenses	158,654	7,979	-	-
Other current assets	-	-	-	14,951,276
Total Assets	\$ 32,686,193	\$ 11,961,178	\$ 202,309	\$ 33,753,272
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Deficit cash	\$ -	\$ -	\$ -	\$ -
Accounts payable	11,452,296	621,907	4,924	3,218
Due to other funds	84	-	-	-
Other current liabilities	-	-	-	-
Deferred revenue	5,255,932	6,392,866	8,667	528
Total Liabilities	16,708,312	7,014,773	13,591	3,746
FUND EQUITY				
Fund Balances				
Reserved	8,620,671	4,946,405	-	-
Unreserved				
Designated	7,357,210	-	-	-
Undesignated	-	-	188,718	33,749,526
Total Fund Equity	15,977,881	4,946,405	188,718	33,749,526
Total Liabilities and Fund Equity	\$ 32,686,193	\$ 11,961,178	\$ 202,309	\$ 33,753,272

See accompanying note to additional supplementary information.

Bond Interest and Redemption	COP Payment	Capital Outlay Projects	Bond Construction	COP Construction	Total Governmental Funds (Memorandum Only)
\$ 20,007,060	\$ 160,800	\$ 79,155,078	\$ 152,315,815	\$ -	\$ 293,802,197
44,966	430	3,307,385	584,522	11,341,251	36,600,069
-	-	2,300,000	1,118,895	-	3,418,979
-	-	36,000	3,901,614	-	4,104,247
-	-	-	-	-	14,951,276
<u>\$ 20,052,026</u>	<u>\$ 161,230</u>	<u>\$ 84,798,463</u>	<u>\$ 157,920,846</u>	<u>\$ 11,341,251</u>	<u>\$ 352,876,768</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,660,292	\$ 5,660,292
-	-	1,625,108	9,203,270	593,540	23,504,263
-	-	1,118,895	-	2,300,000	3,418,979
-	-	14,951,276	-	-	14,951,276
-	-	58,538	-	-	11,716,531
<u>-</u>	<u>-</u>	<u>17,753,817</u>	<u>9,203,270</u>	<u>8,553,832</u>	<u>59,251,341</u>
-	-	-	-	-	13,567,076
-	-	-	-	-	7,357,210
<u>20,052,026</u>	<u>161,230</u>	<u>67,044,646</u>	<u>148,717,576</u>	<u>2,787,419</u>	<u>272,701,141</u>
<u>20,052,026</u>	<u>161,230</u>	<u>67,044,646</u>	<u>148,717,576</u>	<u>2,787,419</u>	<u>293,625,427</u>
<u>\$ 20,052,026</u>	<u>\$ 161,230</u>	<u>\$ 84,798,463</u>	<u>\$ 157,920,846</u>	<u>\$ 11,341,251</u>	<u>\$ 352,876,768</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Child Development</u>	<u>Retiree Benefits</u>
REVENUES				
Federal revenues	\$ -	\$ 5,504,262	\$ 38,107	\$ -
State revenues	58,175,641	6,726,193	400,593	-
Local revenues	55,651,083	8,494,994	194,218	298,722
Total Revenues	<u>113,826,724</u>	<u>20,725,449</u>	<u>632,918</u>	<u>298,722</u>
EXPENDITURES				
Current Expenditures				
Academic salaries	47,241,193	4,729,272	181,357	-
Classified salaries	22,198,874	7,870,389	504,597	-
Employee benefits	24,914,923	3,466,599	323,550	-
Books and supplies	1,578,156	1,164,773	43,007	-
Services and operating expenditures	8,361,594	3,118,135	5,247	50,140
Capital outlay	72,351	745,584	-	-
Debt service - principal	-	-	-	-
Debt service - interest and other	-	-	-	-
Total Expenditures	<u>104,367,091</u>	<u>21,094,752</u>	<u>1,057,758</u>	<u>50,140</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,459,633</u>	<u>(369,303)</u>	<u>(424,840)</u>	<u>248,582</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	2,022,692	446,670	1,500,000
Operating transfers out	(8,009,527)	(280,969)	-	-
Other sources	7,518	242,707	-	2,435,979
Other uses	(10,148)	(875,848)	-	(5,000,000)
Total Other Financing Sources (Uses)	<u>(8,012,157)</u>	<u>1,108,582</u>	<u>446,670</u>	<u>(1,064,021)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,447,476	739,279	21,830	(815,439)
FUND BALANCE, BEGINNING OF YEAR	<u>14,530,405</u>	<u>4,207,126</u>	<u>166,888</u>	<u>34,564,965</u>
FUND BALANCE, END OF YEAR	<u>\$15,977,881</u>	<u>\$ 4,946,405</u>	<u>\$ 188,718</u>	<u>\$33,749,526</u>

See accompanying note to additional supplementary information.

Bond Interest and Redemption	COP Payment	Capital Outlay Projects	Bond Construction	COP Construction	Total Governmental Fund (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,542,369
171,843	-	1,592,888	-	-	67,067,158
26,746,014	2,590	3,457,689	3,635,931	11,411,041	109,892,282
<u>26,917,857</u>	<u>2,590</u>	<u>5,050,577</u>	<u>3,635,931</u>	<u>11,411,041</u>	<u>182,501,809</u>
-	-	-	142,080	-	52,293,902
-	-	268,528	2,969,298	383	33,812,069
-	-	69,727	1,037,571	54	29,812,424
-	-	226,968	6,058,062	23,457	9,094,423
-	-	324,689	10,060,974	521,021	22,441,800
-	-	1,270,719	119,060,251	9,963,230	131,112,135
9,575,000	-	-	-	-	9,575,000
15,573,542	-	-	-	-	15,573,542
<u>25,148,542</u>	<u>-</u>	<u>2,160,631</u>	<u>139,328,236</u>	<u>10,508,145</u>	<u>303,715,295</u>
1,769,315	2,590	2,889,946	(135,692,305)	902,896	(121,213,486)
-	-	6,346,720	-	-	10,316,082
-	-	-	-	(2,300,000)	(10,590,496)
-	-	470,831	-	-	3,157,035
-	-	(1,000,000)	-	-	(6,885,996)
<u>-</u>	<u>-</u>	<u>5,817,551</u>	<u>-</u>	<u>(2,300,000)</u>	<u>(4,003,375)</u>
1,769,315	2,590	8,707,497	(135,692,305)	(1,397,104)	(125,216,861)
18,282,711	158,640	58,337,149	284,409,881	4,184,523	418,842,288
<u>\$ 20,052,026</u>	<u>\$ 161,230</u>	<u>\$ 67,044,646</u>	<u>\$148,717,576</u>	<u>\$ 2,787,419</u>	<u>\$ 293,625,427</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**PROPRIETARY FUNDS
BALANCE SHEET
JUNE 30, 2010**

	Enterprise Funds				Internal Service Fund
	Bookstore	Cafeteria	Fitness Center	Total	
ASSETS					
Cash and cash equivalents	\$ 5,000,055	\$ 277,725	\$ 1,025,187	\$ 6,302,967	\$ 9,306,855
Accounts receivable	100,937	27,699	1,344	129,980	-
Stores inventories	1,841,518	-	-	1,841,518	-
Furniture and equipment (net)	275,069	138,492	8,976	422,537	-
Total Assets	\$ 7,217,579	\$ 443,916	\$ 1,035,507	\$ 8,697,002	\$ 9,306,855
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ 539,841	\$ 28,416	\$ 237,775	\$ 806,032	\$ -
Current loan	-	-	1,000,000	1,000,000	-
Deferred revenue	-	-	119,235	119,235	-
Claim liabilities	-	-	-	-	1,802,711
Total Liabilities	539,841	28,416	1,357,010	1,925,267	1,802,711
FUND EQUITY					
Retained earnings	6,677,738	415,500	(321,503)	6,771,735	7,504,144
Total Liabilities and Fund Equity	\$ 7,217,579	\$ 443,916	\$ 1,035,507	\$ 8,697,002	\$ 9,306,855

See accompanying note to additional supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2010**

	Enterprise Funds			Total	Internal Service Fund
	Bookstore	Cafeteria	Fitness Center		
OPERATING REVENUES					
Sales revenues	\$ 7,873,046	\$ 186,399	\$ 215,505	\$ 8,274,950	\$ -
Other local revenues	308,431	-	-	308,431	1,751,462
Total Operating Income	8,181,477	186,399	215,505	8,583,381	1,751,462
OPERATING EXPENSES					
Classified salaries	1,799,106	21,294	272,706	2,093,106	101,235
Employee benefits	25,810	5,751	-	31,561	49,823
Books and supplies	5,795,411	-	-	5,795,411	-
Services and other operating expenditures	479,713	144,687	267,850	892,250	440,800
Total Operating Expenses	8,100,040	171,732	540,556	8,812,328	591,858
Operating Income (Loss)	81,437	14,667	(325,051)	(228,947)	1,159,604
NONOPERATING REVENUES (EXPENSES)					
Interest income	124,563	2,390	3,548	130,501	57,843
Total Nonoperating Revenues (Expenses)	124,563	2,390	3,548	130,501	57,843
NET INCOME (LOSS) RETAINED EARNINGS, BEGINNING OF YEAR	206,000	17,057	(321,503)	(98,446)	1,217,447
RETAINED EARNINGS, END OF YEAR	6,471,738	398,443	-	6,870,181	6,286,697
RETAINED EARNINGS, END OF YEAR	\$ 6,677,738	\$ 415,500	\$ (321,503)	\$ 6,771,735	\$ 7,504,144

See accompanying note to additional supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

	Enterprise Funds			Total	Internal Service Fund
	Bookstore	Cafeteria	Fitness Center		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from user charges	\$8,396,068	\$200,905	\$ 214,161	\$8,811,134	\$ 1,751,462
Cash received (paid) from other funds	-	(40,948)	-	(40,948)	-
Cash payments to employees for services	(1,824,916)	(27,045)	(272,706)	(2,124,667)	(151,058)
Cash payments for insurance claims	-	-	-	-	(31,926)
Cash payments to suppliers for goods and services	(6,370,523)	(103,593)	89,632	(6,384,484)	(440,800)
Net Cash Provided (Used) for Operating Activities	200,629	29,319	31,087	261,035	1,127,678
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Loss on disposal of capital assets	2,003	358		2,361	-
Acquisition of capital assets	(7,516)	-	(9,448)	(7,516)	-
Net Cash Used for Capital and Related Financing Activities	(5,513)	358	(9,448)	(14,603)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	124,563	2,390	3,548	126,953	57,843
Net Cash Provided from Investing Activities	124,563	2,390	3,548	126,953	57,843
Net increase (decrease) in cash and cash equivalents	319,679	32,067	1,025,187	1,376,933	1,185,521
Cash and cash equivalents - Beginning	4,680,376	245,658	-	4,926,034	8,121,334
Cash and cash equivalents - Ending	\$5,000,055	\$277,725	\$1,025,187	\$6,302,967	\$9,306,855
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	81,437	14,667	(325,051)	(228,947)	1,159,604
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	84,301	29,268	472	114,041	-
Changes in assets and liabilities:					
Receivables	214,590	14,506	(1,344)	227,752	-
Due to other fund	-	(40,948)	-	(40,948)	-
Prepaid expenses	47,562	-	-	47,562	-
Inventories	(8,906)	-	-	(8,906)	-
Accrued liabilities	(218,355)	11,826	237,775	31,246	(31,926)
Deferred revenue	-	-	119,235	119,235	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 200,629	\$ 29,319	\$ 31,087	\$ 261,035	\$ 1,127,678

See accompanying note to additional supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**FIDUCIARY FUNDS
BALANCE SHEET
JUNE 30, 2010**

	Trust		Agency Fund	
	Student Financial Aid	Associated Students Trust	Student Representation Fee	
ASSETS				
Cash and cash equivalents	\$ 545,339	\$ 1,718,403	\$ 115,130	
Accounts receivable	1,444,989	1,004,649	-	
Fixed assets	-	7,854	-	
Total Assets	\$ 1,990,328	\$ 2,730,906	\$ 115,130	
LIABILITIES AND FUND EQUITY				
Accounts payable	\$ 1,573,217	\$ 1,701,509	\$ -	
Deferred revenue	166,465	-	-	
Due to student groups and other	216	1,029,397	115,130	
Total Liabilities	1,739,898	\$ 2,730,906	\$ 115,130	
FUND BALANCE				
Unreserved	250,430			
Total Liabilities and Fund Balance	\$ 1,990,328			

See accompanying note to additional supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**FIDUCIARY FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

	Student Financial Aid
REVENUES	
Federal revenues	\$ 14,343,223
State revenues	441,176
Local revenues	426,212
Total Revenues	<u>15,210,611</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in	280,969
Operating transfers out	(6,555)
Other uses	(15,469,907)
Total Other Financing Sources (Uses)	<u>(15,195,493)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	15,118
FUND BALANCE, BEGINNING OF YEAR	<u>235,312</u>
FUND BALANCE, END OF YEAR	<u>\$ 250,430</u>

See accompanying note to additional supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOTE TO ADDITIONAL SUPPLEMENTARY INFORMATION JUNE 30, 2010

NOTE 1 – PURPOSE OF SCHEDULES

Fund Financial Statements

The accompanying financial statements report the governmental, proprietary, and fiduciary fund activities of San Mateo County Community College District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these financial statements may differ from amounts presented in, or used in, the preparation of the basic financial statements. The information is not required component of the financial statements in accordance with GASB Statements No. 34 and No. 35 and is presented at the request of the District management.

San Mateo County Community College District

January 26, 2011

BOARD REPORT NO. 11-1-102B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

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

RECEIPT AND ACCEPTANCE OF THE 2009-10 KCSM AUDIT REPORT

Attached are copies of the audits of KCSM-FM and KCSM-TV financial records, prepared by the Board-approved firm of Vavrinek, Trine, Day & Company. The audits were based upon the fiscal year ending June 30, 2010. A representative of the auditing firm will be present at this meeting to respond to questions about the audit in general and about the firm's findings and recommendations.

RECOMMENDATION

It is recommended that the Board of Trustees receive and accept the 2009-10 audit reports for KCSM-FM and KCSM-TV, which were filed with the Corporation for Public Broadcasting prior to the January 31, 2011 due date.



To the Board of Trustees and Management
of San Mateo County Community College District

In planning and performing our audit of the financial statements of KCSM - TV & FM as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered San Mateo County Community College District, KCSM – TV & FM’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the KCSM – TV & FM’s internal control. Accordingly, we do not express an opinion on the effectiveness of the KCSM TV & FM’s internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated December 3, 2010, on the financial statements of KCSM – TV & FM.

Cash Receipts

Comment

We noted that KCSM – TV & FM do not maintain a cash receipt log to document when a check was received and deposited. Therefore it was difficult to determine whether monies collected are deposited intact and timely.

Recommendation

We understand that most of the cash received at KCSM – TV & FM are checks in the mail. KCSM – TV & FM should consider using a receipt log to record all checks received. The receipt log should include the date money was received, source, amount, and the date money was deposited to ensure all money collected are deposited timely.

District Response

The District will review the check processing procedures at KCSM in light of the minimal risk involved and the staffing cuts incurred at KCSM. An intranet will be created for KCSM to replace log book that includes date, amount, and number of checks received.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Governing Board, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 3, 2010



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

To the Governing Board
San Mateo County Community College District

We have audited the financial statements of San Mateo County Community College District – KCSM TV, for the year ended June 30, 2010, and have issued our report thereon dated December 3, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Mateo County Community College District – KCSM TV 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 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, 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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2010.

Management 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 governmental unit’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.

Other Audit Findings or Issues

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 governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of San Mateo County Community College District – KCSM TV and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 3, 2010

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
KCSM TV**

**AUDIT DIFFERENCE EVALUATION FORM
JUNE 30, 2010**

KCSM - TV					
Description of Audit Difference	Cause	Financial Statements Effects			
		Total Assets	Total Liabilities	Fund Balance	Net Income/Loss
Account Receivable	Magallanes/Faulknor - 2nd half of Art2Art accrued before services completed	\$ 7,500	\$ -	\$ 7,500	\$ 7,500
Account Receivable	June 2010 Royalties not accrued	(8,647)	-	(8,647)	(8,647)
Total		\$ (1,147)	\$ -	\$ (1,147)	\$ (1,147)
Financial Statement Caption Totals		\$ 4,731,847	\$ 26,970	\$ 4,704,877	\$ 137,805
Net Audit Differences as % of F/S Captions		-0.02%	0.00%	-0.02%	-0.83%

KCSM-TV

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2010

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

JUNE 30, 2010

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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, 2010, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2010, 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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2010, on our consideration of KCSM-TV's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in assessing the results of our audit.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 3, 2010

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

STATEMENT OF NET ASSETS
JUNE 30, 2010

ASSETS

Current Assets

Cash and cash equivalents	\$ 644,034
Accounts receivable	29,395
Total current assets	<u>673,429</u>

Noncurrent assets

Capital assets	7,706,314
Accumulated depreciation	<u>(3,647,896)</u>
Total noncurrent assets	<u>4,058,418</u>
TOTAL ASSETS	<u>4,731,847</u>

LIABILITIES

Current Liabilities

Accounts payable	<u>\$ 26,970</u>
------------------	------------------

NET ASSETS

Investment in capital assets	4,058,418
Unrestricted	<u>646,459</u>
TOTAL NET ASSETS	<u>\$ 4,704,877</u>

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, 2010

OPERATING REVENUES

Direct Income	
CPB community service grants	\$ 636,527
CPB television interconnection grants	12,695
CPB other income	677,379
Business and industry	43,415
Subscription and membership	679,573
Royalties	60,044
Other income	8,022
San Mateo County Community College District	1,014,576
Indirect Support	
San Mateo County Community College District	735,342
Total Operating Revenues	<u><u>3,867,573</u></u>

OPERATING EXPENSES

Programming and production	880,962
Broadcasting	1,883,802
Program information and promotion	170,476
Management and general	1,039,200
Fundraising support	297,921
Underwriting and grant solicitation	182,207
Total Operating Expenses	<u><u>4,454,568</u></u>
Operating Loss	<u><u>(586,995)</u></u>

OTHER INCOME

Transfer from district	<u>724,800</u>
------------------------	----------------

CHANGE IN NET ASSETS

NET ASSETS AT BEGINNING OF YEAR	<u>4,567,072</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 4,704,877</u></u>

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, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

CPB community service grants	\$ 636,527
CPB television interconnection grants	12,695
CPB other income	677,379
Business and industry	77,455
Subscription and membership	679,573
Royalties	60,044
Other income	8,022
Payments to suppliers	(1,536,533)
Payment to /(on behalf of) employees	(2,309,945)
Net Cash Used By Operating Activities	<u><u>(1,694,783)</u></u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of equipment	(805,749)
Transfer from District	2,474,718
Net Cash Provided By Capital Financing Activities	<u><u>1,668,969</u></u>

NET DECREASE IN CASH

(25,814)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

669,848

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 644,034

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

Operating loss	\$ (586,995)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	666,290
District contribution	(1,749,918)
Changes in assets and liabilities	
Decrease in accounts receivable	34,040
Increase in accounts payable	(58,200)
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (1,694,783)</u></u>

NONCASH TRANSACTIONS

Indirect support - San Mateo Community College District	<u><u>\$ 735,342</u></u>
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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, 2010**

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 the 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 resource within the general 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.

The Enterprise format accounts 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 format when 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, 2010**

Capital Assets

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 maintains a capitalization threshold of \$5,000. 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.

Cash Flows

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

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 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2010, are classified in the accompanying financial statements as a governmental fund investment in the amount of \$644,034. Cash accounts maintained by KCSM-TV are held by San Mateo County Community College District in pooled amounts at the San Mateo County Treasury.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Policies and Practices

KCSM - TV is authorized through the District under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury – KCSM – TV and the District are considered to be involuntary participants in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the entity's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. KCSM-TV and the District manage exposure to interest rate risk by depositing funds with the San Mateo County Treasury. KCSM-TV’s share of deposits with the County Treasury was \$644,034. The weighted average maturity of the San Mateo pooled investments at June 30, 2010, was approximately 1.0 years.

NOTE 3 – CAPITAL ASSETS

Changes in equipment are summarized as follows:

	Beginning of Year	Additions	Deletions	End of Year
Equipment	\$ 6,900,565	\$ 805,749	\$ -	\$ 7,706,314
Less - Accumulated Depreciation	<u>2,981,606</u>	<u>666,290</u>	<u>-</u>	<u>3,647,896</u>
Net Equipment	<u>\$ 3,918,959</u>	<u>\$ 139,459</u>	<u>\$ -</u>	<u>\$ 4,058,418</u>

Current year depreciation expense was \$666,290 and is included in management and general expenses.

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 from San Mateo County Community College District in the amount of \$735,342 for indirect administrative support. In addition, KCSM-TV received direct support from San Mateo County Community College District in the amount of \$1,014,576 for payroll and benefit related costs.

As of June 30, 2010, the District and KCSM-FM transferred to KCSM-TV for operating costs in the amount of \$550,000 and 174,800, respectively.

INDEPENDENT AUDITORS' REPORT



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

**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***

Governing Board
KCSM-TV
San Mateo, California

We have audited the financial statements of KCSM - TV resource of the general fund of San Mateo County Community College District as of and for the year ended June 30, 2010, which comprises the KCSM - TV basic financial statements and have issued our report thereon dated December 3, 2010. 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 KCSM-TV's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the KCSM-TV's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the KCSM-TV's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KCSM-TV's 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*.

We noted certain matters that we reported to management of KCSM in a separate letter dated December 3, 2010.

This report is intended solely for the information and use of the Governing Board, management, the California Department of Education, the State Chancellor's Office, Federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 3, 2010



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

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 2010 Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support (NFFS) during the fiscal year ended June 30, 2010. 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, 2010, is fairly stated.

This report is intended solely for the information and use of management of KCSM-TV, the San Mateo County Community College District, and of the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than the specified parties.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 3, 2010

Financial Reporting Main

Show all data for:

AFR Status: **Submitted to CPB**

Forms due: **December 31, 2010**

Required Forms due on December 31, 2010

Based on your [grantee profile](#), you will be required to complete the following forms:

Form Name	Current Status	Completed By
Grantee Profile	Completed	Marilyn Lawrence
Schedule A: Direct Revenue	Completed	Marilyn Lawrence
Schedule E: Expenses & Investment in Capital	Completed	Marilyn Lawrence
Schedule F: Reconciliation	Completed	Marilyn Lawrence
Signature Page	Completed	Xiupin Guillaume
Audited Financial Statements	Completed	Xiupin Guillaume

Optional Forms

You must complete any optional forms that apply to you.

Form Name	Current Status	Completed By
<input checked="" type="checkbox"/> Schedule B: Indirect administrative support and occupancy support provided by licensee	Completed	Marilyn Lawrence
<input type="checkbox"/> Schedule C: In-kind contributions of services and other assets	Not Started	
<input type="checkbox"/> Schedule D: In-kind contributions of property and equipment	Not Started	
Large Gift Spread: Elect to amortize large one-time gifts of direct revenue(TV grantees only)	Not Started	
Accountant's Qualification Statement: (for use by state or internal auditors only)	Not Started	

Have you completed your AFR schedules?

Please verify and Route the Signature Page. When the Signature Page is complete, please ensure that the Audited Financial Statement has been uploaded and you reviewed your Grantee Profile. Then you are ready to Submit to CPB. If you cannot complete the forms on time, [request an extension](#).

NFFS Summary

	2010	2009	\$ Change	% Change
1. Schedule A	\$2,487,015	\$3,392,001	\$-904,986	-26.7
2. Schedule B	\$843,892	\$659,641	\$184,251	27.9
3. Schedule C	\$0	\$0	\$0	0.0

4. Schedule D	\$0	\$0	\$0	0.0
5. Total NFFS	\$3,330,907	\$4,051,642	\$-720,735	-17.8

no

Schedule A
KCSM-TV (1722)
San Mateo, CA

NFFS Excluded?

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.

Source of Income	2009 data	2010 data
1. Amounts provided directly by federal government agencies	\$0	\$54,238
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	\$54,238
Description	Amount	
American Recovery and Reinvestment	\$54,238	
2. Amounts provided by Public Broadcasting Entities (e.g. CPB, PBS, NPR, etc., including other stations and regional networks. See Guidelines for complete list.)	\$703,615	\$1,272,362
A. CPB - Community Service Grants (for radio enter unrestricted portion only)	\$612,481	\$636,527
B. CPB - Digital Project Grants	\$78,556	\$623,140
C. CPB - Restricted portion of Radio Community Service Grants	\$0	\$0
D. CPB - TV Interconnection grants	\$12,578	\$12,695
E. CPB - all other funds	\$0	\$0
F. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
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
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	\$0
5. State colleges and universities	\$0	\$0
6. Other state-supported colleges and universities	\$2,319,080	\$1,739,376
7. Private colleges and universities	\$0	\$0
8. Foundations and nonprofit associations	\$0	\$0

	2009 data	2010 data						
8a. How much of this revenue was received as underwriting?	\$0	\$0						
9. Business and Industry								
			\$38,970	\$43,415				
9a. How much of this revenue was received as underwriting?	\$0	\$0						
<table border="1"> <thead> <tr> <th>Exclusion Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Rentals of studio space, equipment, tower, parking space</td> <td>\$43,415</td> </tr> </tbody> </table>					Exclusion Description	Amount	Rentals of studio space, equipment, tower, parking space	\$43,415
Exclusion Description	Amount							
Rentals of studio space, equipment, tower, parking space	\$43,415							
10. Memberships and subscriptions (net of write-offs)								
			\$1,015,739	\$687,595				
10a. Total number of contributors.	10,338	4,723						
11. Revenue from Friends groups less any revenue included on line 10								
			\$0	\$0				
11a. Total number of Friends contributors.	0	0						
12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)								
			\$0	\$0				
Form of Revenue								
			2009 data	2010 data				
13. Auction revenue								
			\$0	\$0				
A. Gross auction revenue								
			\$0	\$0				
B. Direct auction expenses								
			\$0	\$0				
14. Special fundraising activities								
			\$0	\$0				
A. Gross special fundraising revenues								
			\$0	\$0				
B. Direct special fundraising expenses								
			\$0	\$0				
15. Passive income								
			\$51,199	\$60,044				
A. Interest and dividends (other than on endowment funds)								
			\$0	\$0				
B. Royalties								
			\$44,403	\$60,044				
C. PBS or NPR pass-through copyright royalties								
			\$6,796	\$0				
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)								
			\$0	\$0				
A. Gains from sales of property and equipment - do not report losses								
			\$0	\$0				
B. Realized gains/losses on investments (other than endowment funds)								
			\$0	\$0				
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)								
			\$0	\$0				

17. Endowment revenue		\$0	\$0
A. Contributions to endowment principal		\$0	\$0
B. Interest and dividends on endowment funds		\$0	\$0
C. Realized and unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen - e.g. "-1,765")		\$0	\$0
18. Capital fund contributions		\$0	\$0
A. Facilities and equipment (except funds received from federal or public broadcasting sources)		\$0	\$0
B. Other		\$0	\$0
19. Gifts and bequests from major individual donors		\$0	\$0
	2009 data	2010 data	
19a. Total number of major individual donors	0	0	
20. Other Direct Revenue		\$0	\$0
21. Total Revenue (Sum of lines 1 through 12, 13a, 14a, and 15 through 20).		\$4,128,603	\$3,857,030
Adjustments to Revenue		2009 data	2010 data
22. Federal revenue from line 1.		\$0	\$54,238
23. Public broadcasting revenue from line 2.		\$703,615	\$1,272,362
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 to be included as NFFS. Click here to view all revenue reported as NFFS X.		\$32,987	\$43,415
26. Other automatic subtractions from total revenue		\$0	\$0
A. Auction expenses – limited to the lesser of lines 13a or 13b		\$0	\$0
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b		\$0	\$0
C. Gains from sales of property and equipment – line 16a		\$0	\$0
D. Realized gains/losses on investments (other than endowment funds) – line 16b		\$0	\$0
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c		\$0	\$0
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c		\$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 Support)		\$3,392,001	\$2,487,015

Comments

Comment	Name	Date	Status
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Schedule E
KCSM-TV (1722)
San Mateo, CA

EXPENSES

(Operating and non-operating)

	2009 data	2010 data
PROGRAM SERVICES		
1. Programming and production	\$1,269,624	\$880,962
2. Broadcasting and engineering	\$1,587,108	\$1,883,802
3. Program information and promotion	\$194,655	\$170,476
SUPPORT SERVICES		
4. Management and general	\$195,738	\$372,910
5. Fund raising and membership development	\$441,988	\$297,921
6. Underwriting and grant solicitation	\$196,431	\$182,207
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$593,631	\$666,290
8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements	\$4,479,175	\$4,454,568

INVESTMENT IN CAPITAL ASSETS

Cost of capital assets purchased or donated

	2009 data	2010 data
9. Total capital assets purchased or donated	\$1,231,270	\$805,749
9a. Land and buildings	\$0	\$0
9b. Equipment	\$1,231,270	\$805,749
9c. All other	\$0	\$0
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$5,710,445	\$5,260,317

Additional Information

(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)

	2009 data	2010 data
11. Total expenses (direct only)	\$4,479,175	\$4,454,568
12. Total expenses (indirect and in-kind)	\$0	\$0
13. Investment in capital assets (direct only)	\$1,231,270	\$805,749
14. Investment in capital assets (indirect and in-kind)	\$0	\$0

Comments

Comment	Name	Date	Status
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Schedule F
 KCSM-TV (1722)
 San Mateo, CA

	2010 data
1. Data from AFR	
a. Schedule A, Line 21	\$3,857,030
b. Schedule B, Line 5	\$843,892
c. Schedule C, Line 6	\$0
d. Schedule D, Line 8	\$0
<hr/>	
e. Total from AFR	\$4,700,922

Choose Reporting Model

You must choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.

- FASB
 GASB Model A proprietary enterprise-fund financial statements with business-type activities only
 GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities

	2010 data
2. FASB	
a. Total support and revenue - unrestricted	\$3,374,321
b. Total support and revenue - temporarily restricted	\$677,379
c. Total support and revenue - permanently restricted	\$649,222
d. Total from AFS, lines 2a-2c	\$4,700,922

Reconciliation

	2010 data
3. Difference (line 1 minus line 2)	\$0
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.	\$0

Comments

Comment	Name	Date	Status
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Schedule B WorkSheet
 KCSM-TV (1722)
 San Mateo, CA

	2009	2010
1. Determine Station net direct expenses		
1a. Total station operating expenses and capital outlays (forwards from line 10 of Schedule E)	\$5,710,445	\$5,260,317
Deductions (lines 1b.1. through 1b.7.):		
1b.1. Capital outlays (from Schedule E, line 9 total)	\$1,231,270	\$805,749
1b.2. Depreciation	\$593,631	\$666,290
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)	\$927,505	\$735,342
1b.6. Donated property and equipment (if not included on line 1b.1)	\$0	\$0
1b.7. Other	\$0	\$0
1b.8. Total deductions	\$2,752,406	\$2,207,381
1c. Station net direct expenses	\$2,958,039	\$3,719,226
2. Institutional support rate calculation (Note: Choose one method only - either 2a or 2b)		
2a. Net direct expense method		
2a.1. Station net direct Expenses (forwards from line 1)	\$2,958,039	\$3,719,226
2a.2. Licensee net direct activities	\$75,487,176	\$73,940,741
2a.3. Percentage of allocation (2a.1 divided by 2a.2) (forward to line 2c.5 below)	%3.918598	%5.030009
2b. 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) (forward to line 2c.5 below)	%0	%0
2c. Institutional support calculation		
2c.1. Choose applicable cost groups that benefit the station		
<input type="checkbox"/> Budget and Analysis		
<input type="checkbox"/> Campus Mail Service		
<input type="checkbox"/> Computer Operations		
<input type="checkbox"/> Financial Operations		
<input type="checkbox"/> Human Resources		
<input type="checkbox"/> Insurance		
<input type="checkbox"/> Internal Audit		
<input type="checkbox"/> Legal		
<input type="checkbox"/> Payroll		
<input type="checkbox"/> President's Office		

	2009	2010
<input type="checkbox"/> Purchasing		
<input type="checkbox"/> Other		
<input type="checkbox"/> Not Applicable		
2c.2. Costs per licensee financial statements	\$40,731,698	\$46,084,989
2c.3. LESS: Cost groups that do not benefit the operations of the public broadcast station	\$23,898,101	\$29,307,838
2c.4. Costs benefiting station operations	\$16,833,597	\$16,777,151
2c.5. Percentage of allocation (from line 2a.3 or 2b.3)	%3.918598	%5.030009
2c.6. Total institutional costs benefiting station operations	\$659,641	\$843,892
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) (forward to line 3d.5 below)	%0	%0
3d.1. Choose applicable cost groups that benefit the station		
<input type="checkbox"/> Building Maintenance		
<input type="checkbox"/> Custodial Services		
<input type="checkbox"/> Director of Operations		
<input type="checkbox"/> Elevator Maintenance		
<input type="checkbox"/> Grounds and Landscaping		
<input type="checkbox"/> Motor Pool		
<input type="checkbox"/> Refuse Disposal		
<input type="checkbox"/> Roof Maintenance		
<input type="checkbox"/> Utilities		
<input type="checkbox"/> Security Services		
<input type="checkbox"/> Facilities Planning		
<input type="checkbox"/> Other		
<input type="checkbox"/> Not Applicable		
3d.2. Costs per licensee financial statements	\$0	\$0
3d.3. LESS: Cost groups that do not benefit the operations of the public broadcast station	\$0	\$0
3d.4. Costs benefiting station operations	\$0	\$0
3d.5. Percentage of allocation (from line 3c.)	%0	%0
3d.6. Total physical plant support costs benefiting station operations	\$0	\$0
4. Total costs benefiting station operations (forwards to line1 on tab3)	\$659,641	\$843,892

Comments

Comment	Name	Date	Status
Occupancy List (KCSM-TV , 1722, University)			

Type of Occupancy Location

Value

Schedule B Totals
(KCSM-TV , 1722, University)

	2009 data	2010 data
1. Total support activity benefiting station	\$659,641	\$843,892
2. Occupancy value	0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$0	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$0	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$659,641	\$843,892
6. Please enter an institutional type code for your licensee.	OU	OU

Comments

Comment	Name	Date	Status
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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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To the Governing Board
San Mateo County Community College District

We have audited the financial statements of San Mateo County Community College District – KCSM FM, for the year ended June 30, 2010, and have issued our report thereon dated December 3, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Mateo County Community College District – 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 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements that required to be communicated.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, 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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2010.

Management 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 governmental unit’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.

Other Audit Findings or Issues

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 governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of San Mateo County Community College District – KCSM FM and is not intended to be and should not be used by anyone other than these specified parties.

Vavimek, Time, Day & Co., LLP

Pleasanton, California
December 3, 2010

KCSM-FM

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2010

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

JUNE 30, 2010

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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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, 2010, 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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2010, 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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2010, on our consideration of KCSM-FM's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in assessing the results of our audit.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 3, 2010

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

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

ASSETS

Current assets

Cash and cash equivalents	\$	576,983
Accounts receivable		84,764
Total current assets		<u>661,747</u>

Noncurrent assets

Capital assets		528,378
Accumulated depreciation		(259,245)
Total noncurrent assets		<u>269,133</u>
TOTAL ASSETS		<u>930,880</u>

LIABILITIES

Current Liabilities

Accounts payable		<u>45,927</u>
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NET ASSETS

Investment in capital assets		269,133
Unrestricted		615,820
TOTAL NET ASSETS	\$	<u>884,953</u>

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, 2010**

OPERATING REVENUES

Direct Income

CPB community service grants	\$ 154,695
CPB other income	27,774
CPB stabilization grant	15,546
Other income	2,322
Business and industry	53,718
Subscription and membership	1,318,071
Facilities use	14,000

Indirect support

San Mateo County Community College District	308,880
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Total Operating Revenues	<u>1,895,006</u>
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OPERATING EXPENSES

Programming and production	552,091
Broadcasting	328,232
Program information and promotion	50,259
Management and general	395,068
Fundraising support	309,262
Underwriting and grant solicitation	37,205

Total Operating Expenses	<u>1,672,117</u>
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Total Operating Income	<u>222,889</u>
-------------------------------	----------------

OTHER EXPENSES

Transfer out	(174,800)
--------------	-----------

<u>(174,800)</u>

CHANGE IN NET ASSETS

48,089

NET ASSETS AT BEGINNING OF YEAR

836,864

NET ASSETS AT END OF YEAR

<u>\$ 884,953</u>

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, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES

CPB community service grants	\$ 154,695
CPB other income	27,774
CPB stablization grant	15,546
Other income	2,322
Business and industry	18,434
Subscription and membership	1,318,071
San Mateo County Community College District	308,880
Facilities use	14,000
Payments to suppliers	(764,234)
Payment to /(on behalf of) employees	(849,145)
Net Cash Provided By Operating Activities	<u>246,343</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(84,825)
Transfer to TV	(174,800)
Net Cash Used By Capital Financing Activities	<u>(259,625)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,282)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	590,265
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 576,983</u>

**RECONCILIATION OF NET OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 222,889
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	38,513
Changes in assets and liabilities	
Decrease in accounts receivable	(35,284)
Increase in accounts payable	20,225
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 246,343</u>

NONCASH TRANSACTIONS

Indirect support - San Mateo Community College District	<u>\$ 308,880</u>
---	--------------------------

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, 2010**

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 resource within the general 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.

The Enterprise format accounts 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 format 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, 2010**

Capital Assets

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 maintains a capitalization threshold of \$5,000. 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.

Cash Flows

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

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 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2010, are classified in the accompanying financial statements as a governmental fund investment in the amount of \$576,983. Cash accounts maintained by KCSM-FM are held by San Mateo County Community College District in pooled amounts at the County Treasury.

Policies and Practices

KCSM - FM is authorized through the District under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Investment in County Treasury – KCSM – FM and the District are considered to be involuntary participants in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the entity's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. KCSM-FM and the District manage exposure to interest rate risk by depositing funds with the San Mateo County Treasury. KCSM-FM's share of deposits with the County Treasury was a \$576,983. The weighted average maturity of the San Mateo pooled investments at June 30, 2010, was approximately 1.0 years.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 3 – CAPITAL ASSETS

Changes in equipment are summarized as follows:

	<u>July 1, 2009</u>	<u>Additions</u>	<u>June 30, 2010</u>
Equipment	\$ 443,553	\$ 84,825	\$ 528,378
Less - Accumulated Depreciation	<u>220,732</u>	<u>38,513</u>	<u>259,245</u>
Net Equipment	<u>\$ 222,821</u>	<u>\$ 46,312</u>	<u>\$ 269,133</u>

Current year depreciation expense was \$38,513 and is included in management and general expenses.

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 \$308,880.

As of June 30, 2010, KCSM-FM transferred \$174,800 to KCSM-TV for operating cost.

INDEPENDENT AUDITORS' REPORT



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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

Governing Board
KCSM-FM
San Mateo, California

We have audited the financial statements of KCSM - FM resource of the general fund of San Mateo County Community College District as of and for the year ended June 30, 2010, which comprises the KCSM - FM basic financial statements and have issued our report thereon dated December 3, 2010. 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 KCSM-FM's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the KCSM-FM's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the KCSM-FM's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Governing Board, management, the California Department of Education, the State Chancellor's Office, Federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
December 3, 2010



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

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 2010, Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support (NFFS) during the fiscal year ended June 30, 2010. 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, 2010, is fairly stated.

This report is intended solely for the information and use of management of KCSM-FM, the San Mateo County Community College District, and the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than the specified parties.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 3, 2010

Financial Reporting Main

Show all data for:

AFR Status: **Submitted to CPB**

Forms due: **December 31, 2010**

Required Forms due on December 31, 2010

Based on your [grantee profile](#), you will be required to complete the following forms:

Form Name	Current Status	Completed By
Grantee Profile	Completed	Marilyn Lawrence
Schedule A: Direct Revenue	Completed	Marilyn Lawrence
Schedule E: Expenses & Investment in Capital	Completed	Marilyn Lawrence
Schedule F: Reconciliation	Completed	Marilyn Lawrence
Signature Page	Completed	Xiupin Guillaume
Audited Financial Statements	Completed	Xiupin Guillaume

Optional Forms

You must complete any optional forms that apply to you.

Form Name	Current Status	Completed By
<input checked="" type="checkbox"/> Schedule B: Indirect administrative support and occupancy support provided by licensee	Completed	Marilyn Lawrence
<input checked="" type="checkbox"/> Schedule C: In-kind contributions of services and other assets	Completed	Marilyn Lawrence
<input checked="" type="checkbox"/> Schedule D: In-kind contributions of property and equipment	Completed	Marilyn Lawrence
Capital Spread: Elect to amortize substantial gifts of property (for use by Radio grantees only)	Not Started	
Accountant's Qualification Statement: (for use by state or internal auditors only)	Not Started	

[Submit to CPB](#)

Have you completed your AFR schedules?

Please verify and Route the Signature Page. When the Signature Page is complete, please ensure that the Audited Financial Statement has been uploaded and you reviewed your Grantee Profile. Then you are ready to Submit to CPB. If you cannot complete the forms on time, [request an extension](#).

NFFS Summary

	2010	2009	\$ Change	% Change
1. Schedule A	\$1,374,111	\$1,387,172	\$-13,061	-0.9
2. Schedule B	\$309,318	\$335,071	\$-25,753	-7.7
3. Schedule C	\$0	\$0	\$0	0.0

4. Schedule D	\$0	\$0	\$0	0.0
5. Total NFFS	\$1,683,429	\$1,722,243	\$-38,814	-2.3

no

Schedule A
KCSM-FM (1314)
San Mateo, CA

NFFS Excluded?

If you have an NFFS Exclusion, please click the "NFFS X" button, and enter your NFFS data.



Source of Income

	2009 data	2010 data
1. Amounts provided directly by federal government agencies	\$0	\$15,546
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	\$15,546
Description	Amount	
American Recovery and Reinvestment	\$15,546	
2. Amounts provided by Public Broadcasting Entities (e.g. CPB, PBS, NPR, etc., including other stations and regional networks. See Guidelines for complete list.)	\$146,864	\$182,469
A. CPB - Community Service Grants (for radio enter unrestricted portion only)	\$146,864	\$154,695
B. CPB - Digital Project Grants	\$0	\$27,774
C. CPB - Restricted portion of Radio Community Service Grants	\$0	\$0
D. CPB - TV Interconnection grants	\$0	\$0
E. CPB - all other funds	\$0	\$0
F. PBS - all payments except copyright royalties and other pass-through payments. See Guidelines for details.	\$0	\$0
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
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	\$0
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	\$0	\$0

	2009 data	2010 data
8a. How much of this revenue was received as underwriting?	\$0	\$0

9. Business and Industry		\$84,967	\$84,671
--------------------------	--	----------	----------

	2009 data	2010 data
9a. How much of this revenue was received as underwriting?	\$37,744	\$53,718

Exclusion Description	Amount
Rentals of studio space, equipment, tower, parking space	\$14,000

10. Memberships and subscriptions (net of write-offs)	\$1,348,716	\$1,301,118
---	-------------	-------------

	2009 data	2010 data
10a. Total number of contributors.	14,230	9,744

11. Revenue from Friends groups less any revenue included on line 10	\$0	\$0
--	-----	-----

	2009 data	2010 data
11a. Total number of Friends contributors.	0	0

12. Subsidiaries and other activities unrelated to public broadcasting (See instructions)	\$0	\$0
---	-----	-----

Form of Revenue

	2009 data	2010 data
13. Auction revenue	\$0	\$0
A. Gross auction revenue	\$0	\$0
B. Direct auction expenses	\$0	\$0
14. Special fundraising activities	\$0	\$0
A. Gross special fundraising revenues	\$0	\$0
B. Direct special fundraising expenses	\$0	\$0
15. Passive income	\$0	\$0
A. Interest and dividends (other than on endowment funds)	\$0	\$0
B. Royalties	\$0	\$0
C. PBS or NPR pass-through copyright royalties	\$0	\$0
16. Gains and losses on investments, charitable trusts and gift annuities and sale of other assets (other than endowment funds)	\$0	\$0
A. Gains from sales of property and equipment - do not report losses	\$0	\$0
B. Realized gains/losses on investments (other than endowment funds)	\$0	\$0
C. Unrealized gains/losses on investments and actuarial gains/losses on charitable trusts and gift annuities (other than endowment funds)	\$0	\$0

17. Endowment revenue		\$0	\$0
A. Contributions to endowment principal		\$0	\$0
B. Interest and dividends on endowment funds		\$0	\$0
C. Realized and unrealized net investment gains and losses on endowment funds (if this is a negative amount, add a hyphen - e.g. "-1,765")		\$0	\$0
18. Capital fund contributions		\$0	\$0
A. Facilities and equipment (except funds received from federal or public broadcasting sources)		\$0	\$0
B. Other		\$0	\$0
19. Gifts and bequests from major individual donors		\$0	\$0
	2009 data	2010 data	
19a. Total number of major individual donors	0	0	
20. Other Direct Revenue		\$0	\$0
21. Total Revenue (Sum of lines 1 through 12, 13a, 14a, and 15 through 20).		\$1,580,547	\$1,583,804
Adjustments to Revenue		2009 data	2010 data
22. Federal revenue from line 1.		\$0	\$15,546
23. Public broadcasting revenue from line 2.		\$146,864	\$182,469
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 to be included as NFFS. Click here to view all revenue reported as NFFS X.		\$46,511	\$14,000
26. Other automatic subtractions from total revenue		\$0	\$0
A. Auction expenses – limited to the lesser of lines 13a or 13b		\$0	\$0
B. Special fundraising event expenses – limited to the lesser of lines 14a or 14b		\$0	\$0
C. Gains from sales of property and equipment – line 16a		\$0	\$0
D. Realized gains/losses on investments (other than endowment funds) – line 16b		\$0	\$0
E. Unrealized investment and actuarial gains/losses (other than endowment funds) – line 16c		\$0	\$0
F. Realized and unrealized net investment gains/losses on endowment funds – line 17c		\$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 Support)		\$1,387,172	\$1,371,789

Comments

Comment	Name	Date	Status
All friends revenue included in line 10	Marilyn Lawrence	12/3/2010	Note
INCLUDES CORP MATCHING MONEY \$16,953	Marilyn Lawrence	12/6/2010	Note

Schedule E
KCSM-FM (1314)
San Mateo, CA

EXPENSES

(Operating and non-operating)

PROGRAM SERVICES	2009 data	2010 data
1. Programming and production	\$483,922	\$552,091
2. Broadcasting and engineering	\$267,216	\$328,232
3. Program information and promotion	\$84,277	\$50,259
SUPPORT SERVICES	2009 data	2010 data
4. Management and general	\$418,425	\$356,555
5. Fund raising and membership development	\$500,596	\$309,261
6. Underwriting and grant solicitation	\$42,160	\$37,205
7. Depreciation and amortization (if not allocated to functional categories in lines 1 through 6)	\$30,466	\$38,513
8. Total Expenses (sum of lines 1 to 7) must agree with audited financial statements	\$1,827,062	\$1,672,116

INVESTMENT IN CAPITAL ASSETS

Cost of capital assets purchased or donated

	2009 data	2010 data
9. Total capital assets purchased or donated	\$48,887	\$84,825
9a. Land and buildings	\$0	\$0
9b. Equipment	\$48,887	\$84,825
9c. All other	\$0	\$0
10. Total expenses and investment in capital assets (Sum of lines 8 and 9)	\$1,875,949	\$1,756,941

Additional Information

(Lines 11 + 12 must equal line 8 and Lines 13 + 14 must equal line 9)

	2009 data	2010 data
11. Total expenses (direct only)	\$1,827,062	\$1,672,116
12. Total expenses (indirect and in-kind)	\$0	\$0
13. Investment in capital assets (direct only)	\$48,887	\$84,825
14. Investment in capital assets (indirect and in-kind)	\$0	\$0

Comments

Comment	Name	Date	Status
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Schedule F
 KCSM-FM (1314)
 San Mateo, CA

	2010 data
1. Data from AFR	
a. Schedule A, Line 21	\$1,583,804
b. Schedule B, Line 5	\$309,318
c. Schedule C, Line 6	\$0
d. Schedule D, Line 8	\$0
e. Total from AFR	\$1,893,122

Choose Reporting Model

You must choose one of the three reporting models in order to complete Schedule F. After making your selection, click the "Choose" button below, which will display your reporting model. When changing to a different reporting model all data entered in the current reporting model will be lost.

- FASB
 GASB Model A proprietary enterprise-fund financial statements with business-type activities only
 GASB Model B public broadcasting entity-wide statements with mixed governmental and business-type activities

	2010 data
2. FASB	
a. Total support and revenue - unrestricted	\$1,710,653
b. Total support and revenue - temporarily restricted	\$27,774
c. Total support and revenue - permanently restricted	\$154,695
d. Total from AFS, lines 2a-2c	\$1,893,122

Reconciliation

	2010 data
3. Difference (line 1 minus line 2)	\$0
4. If the amount on line 3 is not equal to \$0, click the "Add" button and list the reconciling items.	\$0

Comments

Comment	Name	Date	Status
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Schedule B WorkSheet
 KCSM-FM (1314)
 San Mateo, CA

	2009	2010
1. Determine Station net direct expenses		
1a. Total station operating expenses and capital outlays (forwards from line 10 of Schedule E)	\$1,875,949	\$1,756,941
Deductions (lines 1b.1. through 1b.7.):		
1b.1. Capital outlays (from Schedule E, line 9 total)	\$48,887	\$84,825
1b.2. Depreciation	\$30,466	\$38,513
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)	\$294,030	\$308,880
1b.6. Donated property and equipment (if not included on line 1b.1)	\$0	\$0
1b.7. Other	\$0	\$0
1b.8. Total deductions	\$373,383	\$432,218
1c. Station net direct expenses	\$1,502,566	\$1,363,236
2. Institutional support rate calculation (Note: Choose one method only - either 2a or 2b)		
2a. Net direct expense method		
2a.1. Station net direct Expenses (forwards from line 1)	\$1,502,566	\$1,363,236
2a.2. Licensee net direct activities	\$75,487,176	\$73,940,741
2a.3. Percentage of allocation (2a.1 divided by 2a.2) (forward to line 2c.5 below)	%1.990492	%1.843687
2b. 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) (forward to line 2c.5 below)	%0	%0
2c. Institutional support calculation		
2c.1. Choose applicable cost groups that benefit the station		
<input type="checkbox"/> Budget and Analysis		
<input type="checkbox"/> Campus Mail Service		
<input type="checkbox"/> Computer Operations		
<input type="checkbox"/> Financial Operations		
<input type="checkbox"/> Human Resources		
<input type="checkbox"/> Insurance		
<input type="checkbox"/> Internal Audit		
<input type="checkbox"/> Legal		
<input type="checkbox"/> Payroll		
<input type="checkbox"/> President's Office		

	2009	2010
<input type="checkbox"/> Purchasing		
<input type="checkbox"/> Other		
<input type="checkbox"/> Not Applicable		
2c.2. Costs per licensee financial statements	\$40,731,698	\$46,084,989
2c.3. LESS: Cost groups that do not benefit the operations of the public broadcast station	\$23,898,101	\$29,307,838
2c.4. Costs benefiting station operations	\$16,833,597	\$16,777,151
2c.5. Percentage of allocation (from line 2a.3 or 2b.3)	%1.990492	%1.843687
2c.6. Total institutional costs benefiting station operations	\$335,071	\$309,318
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) (forward to line 3d.5 below)	%0	%0
3d.1. Choose applicable cost groups that benefit the station		
<input type="checkbox"/> Building Maintenance		
<input type="checkbox"/> Custodial Services		
<input type="checkbox"/> Director of Operations		
<input type="checkbox"/> Elevator Maintenance		
<input type="checkbox"/> Grounds and Landscaping		
<input type="checkbox"/> Motor Pool		
<input type="checkbox"/> Refuse Disposal		
<input type="checkbox"/> Roof Maintenance		
<input type="checkbox"/> Utilities		
<input type="checkbox"/> Security Services		
<input type="checkbox"/> Facilities Planning		
<input type="checkbox"/> Other		
<input type="checkbox"/> Not Applicable		
3d.2. Costs per licensee financial statements	\$0	\$0
3d.3. LESS: Cost groups that do not benefit the operations of the public broadcast station	\$0	\$0
3d.4. Costs benefiting station operations	\$0	\$0
3d.5. Percentage of allocation (from line 3c.)	%0	%0
3d.6. Total physical plant support costs benefiting station operations	\$0	\$0
4. Total costs benefiting station operations (forwards to line1 on tab3)	\$335,071	\$309,318

Comments

Comment	Name	Date	Status
Occupancy List (KCSM-FM , 1314, University)			

Type of Occupancy Location Value

Schedule B Totals
(KCSM-FM , 1314, University)

	2009 data	2010 data
1. Total support activity benefiting station	\$335,071	\$309,318
2. Occupancy value	0	\$0
3. Deductions: Fees paid to the licensee for overhead recovery, assessment, etc.	\$0	\$0
4. Deductions: Support shown on lines 1 and 2 in excess of revenue reported in financial statements.	\$0	\$0
5. Total Indirect Administrative Support (Forwards to Line 2 of the Summary of Nonfederal Financial Support)	\$335,071	\$309,318
6. Please enter an institutional type code for your licensee.	OU	OU

Comments

Comment	Name	Date	Status
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Schedule C
KCSM-FM (1314)
San Mateo, CA

	2009 data	<u>Donor</u> <u>Code</u>	2010 data
1. PROFESSIONAL SERVICES (must be eligible as NFFS)	\$		\$0
A. Legal	\$		\$0
B. Accounting and/or auditing	\$		\$0
C. Engineering	\$		\$0
D. Other professionals (see specific line item instructions in Guidelines before completing)	\$		\$0
2. GENERAL OPERATIONAL SERVICES (must be eligible as NFFS)	\$		\$0
A. Annual rental value of space (studios, offices, or tower facilities)	\$		\$0
B. Annual value of land used for locating a station-owned transmission tower	\$		\$0
C. Station operating expenses	\$		\$0
D. Other (see specific line item instructions in Guidelines before completing)	\$		\$0
3. OTHER SERVICES (must be eligible as NFFS)	\$		\$0
A. ITV or educational radio	\$		\$0
B. State public broadcasting agencies (APBC, FL-DOE, eTech Ohio)	\$		\$0
C. Local advertising	\$		\$0
D. National advertising	\$		\$0
4. Total in-kind contributions - services and other assets eligible as NFFS (sum of lines 1 through 3), forwards to Line 3a. of the Summary of Nonfederal Financial Support	\$		\$0
5. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$		\$0
A. Compact discs, records, tapes and cassettes	\$		\$0
B. Exchange transactions	\$		\$0
C. Federal or public broadcasting sources	\$		\$0
D. Fundraising related activities	\$		\$0
E. ITV or educational radio outside the allowable scope of approved activities	\$		\$0
F. Local productions	\$		\$0
G. Program supplements	\$		\$0
H. Programs that are nationally distributed	\$		\$0
I. Promotional items	\$		\$0
J. Regional organization allocations of program services	\$		\$0
K. State PB agency allocations other than those allowed on line 3(b)	\$		\$0
L. Services that would not need to be purchased if not donated	\$		\$0

	2009 data	<u>Donor Code</u>	2010 data
M. Other	\$		\$0
6. Total in-kind contributions - services and other assets (line 4 plus line 5), forwards to Schedule F, line 1c. Must agree with in-kind contributions recognized as revenue in the AFS.	\$		\$0

Comments

Comment	Name	Date	Status
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Schedule D
 KCSM-FM (1314)
 San Mateo, CA

	2009 data	<u>Donor</u> <u>Code</u>	2010 data
1. Land (must be eligible as NFFS)	\$		\$0
2. Building (must be eligible as NFFS)	\$		\$0
3. Equipment (must be eligible as NFFS)	\$		\$0
4. Vehicle(s) (must be eligible as NFFS)	\$		\$0
5. Other (specify) (must be eligible as NFFS)	\$		\$0
6. Total in-kind contributions - property and equipment eligible as NFFS (sum of lines 1 through 5), forwards to Line 3b. of the Summary of Nonfederal Financial Support	\$		\$0
7. IN-KIND CONTRIBUTIONS INELIGIBLE AS NFFS	\$		\$0
a) Exchange transactions	\$		\$0
b) Federal or public broadcasting sources	\$		\$0
c) TV only—property and equipment that includes new facilities (land and structures), expansion of existing facilities and acquisition of new equipment	\$		\$0
d) Other (specify)	\$		\$0
8. Total in-kind contributions - property and equipment (line 6 plus line 7), forwards to Schedule F, line 1d. Must agree with in-kind contributions recognized as revenue in the AFS.	\$		\$0

Comments

Comment	Name	Date	Status
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BOARD REPORT NO. 11-1-103B

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

**RECEIPT AND ACCEPTANCE OF THE 2009-10
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 audits were based upon the fiscal year ending June 30, 2010. 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. Representatives of the Bond Oversight Committee will receive copies of the audit reports at their next meeting.

RECOMMENDATION

It is recommended that the Board of Trustees receive and accept the 2009-10 audit reports for the General Obligation Bond funds.

**SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY –
BOND FUND 2005 ELECTION
FINANCIAL REPORT**

JUNE 30, 2010

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2005 ELECTION

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JUNE 30, 2010

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Measure A 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 2005 election of the San Mateo County Community College District, as of and for the year ended June 30, 2010 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 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 2005 election 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 2005 election of the San Mateo County Community College District at June 30, 2010, 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
December 3, 2010

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY - BOND FUND 2005 ELECTION
BALANCE SHEET
JUNE 30, 2010**

ASSETS

Investment	\$ 151,645,418
Accounts receivable	582,729
Due from other funds	1,118,895
Prepaid expenses	<u>3,877,682</u>
Total Assets	<u>\$ 157,224,724</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	<u>\$ 9,203,270</u>
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FUND EQUITY

Fund balances	
Unreserved	
Undesignated	<u>148,021,454</u>
Total Liabilities and Fund Equity	<u>\$ 157,224,724</u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

REVENUES	
Interest and investment loss	<u>\$ 3,623,315</u>
EXPENDITURES	
Current	
Payroll and benefits	4,148,949
Books and supplies	6,048,520
Services and operating expenditures	10,055,254
Capital outlay	<u>119,028,651</u>
Total Expenditures	<u>139,281,374</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(135,658,059)
FUND BALANCE, BEGINNING OF YEAR	<u>283,679,513</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 148,021,454</u></u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2005 ELECTION NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the San Mateo County Community College District Capital Outlay - Bond Fund 2005 Election 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 2005 election accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

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 2005 election established to account for the expenditures of the general obligation bonds approved in August 2005. 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.

Fund Accounting

The District accounts for the capital outlay – bond fund 2005 election 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, revenues, and expenditures, 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.

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.

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 2005 ELECTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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.

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 Authorized Under Debt Agreements - The debt agreement limits investments to the San Mateo County Investment Pool. The Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
County Pooled Investment Funds	N/A	None	None

Investment in County Treasury - The Capital Outlay Bond Fund of the District are considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Capital Outlay Bond Fund and the District manages exposure to interest rate risk by depositing substantially all of its funds in the County Treasury Pool. The fair value of deposits at the County Treasury at June 30, 2010 was \$151,645,418 and the weighted average maturity of the pool is 1.0 years.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The Capital Outlay Bond Fund only invests in County Pooled Investment Funds which are not required to be rated.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Custodial Credit Risk – Deposits - This is the risk that in the event of a bank failure, the Capital Outlay Bond Fund or District's deposits may not be returned to it. The Capital Outlay Bond Fund does not have any deposits subject to custodial credit risk.

NOTE #3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010, consists of the following:

Interest	\$ 463,119
Other Local receivables	119,610
Total	<u><u>\$ 582,729</u></u>

NOTE #4 – INTERFUND TRANSACTIONS

Interfund receivables/payables (Due To/Due From)

At June 30, 2010, Bond Fund 2005 Election has \$1,118,895 due from Capital Outlay Fund for bond projects.

NOTE #5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2010, consists of the following:

Vendor payables	<u><u>\$ 9,203,270</u></u>
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NOTE #6 – FUND BALANCES

Fund balance is composed of the following elements:

Unreserved Undesignated	<u><u>\$ 148,021,454</u></u>
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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE #7 – LONG-TERM DEBT

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, 2010, is shown below:

	Balance Beginning of Year	Accretion	Deductions	Balance End of Year
General obligation bonds	<u>\$ 479,277,740</u>	<u>\$ 12,782,282</u>	<u>\$ 5,815,000</u>	<u>\$ 486,245,022</u>

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Beginning of Year	Accretion	Redeemed	Bonds End of Year
4/11/2006	9/1/2030	3.75-5.00%	\$ 135,429,395	\$ 125,552,148	\$ 4,249,827	\$ 5,815,000	\$ 123,986,975
12/12/2006	9/1/2038	3.50-5.00%	\$ 332,570,194	353,725,592	8,532,455	-	362,258,047
				<u>\$479,277,740</u>	<u>\$ 12,782,282</u>	<u>\$ 5,815,000</u>	<u>\$ 486,245,022</u>

The general obligation bonds mature through 2039 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2011	\$ 6,835,000	\$ 9,772,438	\$ 16,607,438
2012	7,935,000	9,501,388	17,436,388
2013	9,150,000	9,154,113	18,304,113
2014	10,420,000	8,802,550	19,222,550
2015	11,830,000	8,351,750	20,181,750
2016-2020	40,365,000	35,657,250	76,022,250
2021-2025	17,590,000	27,395,750	44,985,750
2026-2030	21,600,000	22,596,500	44,196,500
2031-2035	38,940,000	15,874,000	54,814,000
2036-2039	38,175,000	4,818,500	42,993,500
Sub-total	<u>202,840,000</u>	<u>\$ 151,924,239</u>	<u>\$ 354,764,239</u>
Accretions to date	<u>283,405,022</u>		
Total	<u>\$486,245,022</u>		

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE #8 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2010, the building fund had the following commitments with respect to unfinished capital projects:

<u>Description</u>	<u>Amount</u>
District wide projects	\$ 606,716
Skyline projects	15,996,842
CSM projects	19,344,983
Canada projects	4,289,693
	<u>\$ 40,238,234</u>

**SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY –
BOND FUND 2005 ELECTION
PERFORMANCE REPORT**

JUNE 30, 2010



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Measure A 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 A Citizen's Oversight Committee, solely to review at least 25% of the expenditures of the 2005 General Obligation Bond funds for the period of July 1, 2009 through June 30, 2010, 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 and is intended to meet the compliance requirements as outlined in subparagraph (c) of paragraph (3) of subdivision (b) of section 1 of Article XIII of the California Constitution. 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.

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 A Citizen's Fiscal Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 3, 2010

Financial Summary

1. The 2005 general obligation bond funds in the amount of \$468,000,000 were authorized at an election of the registered voters of the District held on August 8, 2005. The first series of the 2005 bonds was issued in April 2006 and in the principal amount of \$135,429. The second series of the 2005 bonds was issued in December 2006 and in the principal amount of \$332,570,194.
2. Total expenditures and encumbrances through June 30, 2010, were \$381,292,426.

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds was 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 bond sales related to the 2005 bond in current year.
3. Our review of the expenditures for the period July 1, 2009, through June 30, 2010, 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 August 9, 2005. We did not request that management of the District consult with legal counsel on any expenditure 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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

2005 BONDS INVOICES SELECTED FOR THE YEAR ENDED JUNE 30, 2010

Invoice Date	Vendor	Exhibit A of Election Doc	Facilities Project List	Amount
3/29/2010	Dell Computers	19	19	\$ 30,023
3/30/2010	Dell Computers	19	19	22,707
5/14/2010	Dell Computers	19	19	23,133
2/4/2010	NetVersant Solutions	18	18	11,744
2/1/2010	NetVersant Solutions	18	18	9,580
11/17/2009	NetVersant Solutions	18	18	7,284
9/2/2009	Parsons Commerce	19	19	17,445
12/11/2009	Parsons Commerce	19	19	16,685
4/13/2010	Parsons Commerce	19	19	14,960
5/18/2010	Salas O'Brien Engineering	14	14	9,268
4/22/2010	Salas O'Brien Engineering	14	14	7,228
4/16/2010	Siemens Enterprise	20	20	17,093
5/14/2010	Dell Computers	19	19	5,692
7/15/2009	Dell Computers	19	19	5,765
9/1/2009	John Plane Construction	8	8	68,401
5/26/2010	Hensel Phelps Construction	14	14	975,380
5/26/2010	Hensel Phelps Construction	33	33	1,185,872
5/26/2010	Hensel Phelps Construction	31	31	140,351
5/26/2010	Hensel Phelps Construction	14	14	191,036
4/19/2010	Hensel Phelps Construction	33	33	1,495,157
4/19/2010	Hensel Phelps Construction	14	14	294,954
5/19/2010	Hensel Phelps Construction	33	33	1,652,921
5/19/2010	Hensel Phelps Construction	14	14	104,009
5/19/2010	Hensel Phelps Construction	31	31	577,815
8/19/2009	Hensel Phelps Construction	33	33	1,697,828
8/19/2009	Hensel Phelps Construction	33	33	103,500
8/19/2009	Hensel Phelps Construction	33	33	555,300
12/15/2009	Hensel Phelps Construction	33	33	900,000
12/15/2009	Hensel Phelps Construction	33	33	1,158,454
12/15/2009	Hensel Phelps Construction	33	33	1,158,454
12/15/2009	Hensel Phelps Construction	33	33	900,000
12/15/2009	Hensel Phelps Construction	33	33	110,411
3/10/2010	Pacific West Sound	20	20	106,547
3/10/2010	Pacific West Sound	20	20	21,958
11/30/2009	Pacific West Sound	20	20	37,953
11/30/2009	Pacific West Sound	20	20	92,803
9/22/2010	Bunton Clifford Associates	29/35	29/35	12,389
9/25/2009	Bunton Clifford Associates	29/35	29/35	9,974
9/25/2009	Bunton Clifford Associates	24	24	1,247
5/4/2010	John Plane Construction	29/35	29/35	137,771
9/22/2009	John Plane Construction	29/35	29/35	3,691

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**2005 BONDS
INVOICES SELECTED
FOR THE YEAR ENDED JUNE 30, 2010 (CONTINUED)**

9/22/2009	John Plane Construction	29/35	29/35	14,824
9/22/2009	John Plane Construction	29/35	29/35	27,117
3/17/2010	Keenan & Associates	24-27	24-27	186,514
3/17/2010	Keenan & Associates	24-27	24-27	5,988
3/16/2010	Performance Abatement Services	24-27	24-27	110,388
2/17/2010	Performance Abatement Services	24-27	24-27	189,237
12/1/2009	David L. Gates & Associates	34	34	13,488
9/29/2009	David L. Gates & Associates	34	34	19,068
12/15/2009	West Coast Arborists, Inc.	13	13	166,040
3/10/2010	West Coast Arborists, Inc.	13	13	30,240
3/10/2010	West Coast Arborists, Inc.	13	13	64,160
12/15/2009	McCarthy Building Companies, Inc.	8	8	278,878
12/15/2009	McCarthy Building Companies, Inc.	8	8	2,097,981
12/15/2009	McCarthy Building Companies, Inc.	35	35	3,503,183
12/15/2009	McCarthy Building Companies, Inc.	35	35	1,546,798
1/20/2010	McCarthy Building Companies, Inc.	8	8	2,389,044
1/20/2010	McCarthy Building Companies, Inc.	35	35	2,039,831
1/20/2010	McCarthy Building Companies, Inc.	35	35	1,778,538
1/20/2010	McCarthy Building Companies, Inc.	35	35	1,675,284
6/11/2010	Computerland	19	19	8,832
3/19/2010	McCarthy Building Companies, Inc.	8	8	270,000
3/19/2010	McCarthy Building Companies, Inc.	35	35	1,760,916
3/19/2010	McCarthy Building Companies, Inc.	8	8	322,691
3/22/2010	Krueger International	21	21	96,946
2/10/2010	Krueger International	23	23	105,792
2/10/2010	Krueger International	21	21	65,127
2/10/2010	Krueger International	21	21	95,488
6/2/1010	Swinerton Management & Consulting	8	8	111,069
10/2/2009	Swinerton Management & Consulting	8	8	193,466
12/16/2009	Swinerton Management & Consulting	8	8	167,745
5/25/2010	McCarthy Building	35	35	1,258,421
4/19/2010	McCarthy Building	35	35	1,117,890
3/19/2010	McCarthy Building	35	35	505,611
3/19/2010	McCarthy Building	35	35	1,760,917
2/17/2010	McCarthy Building	35	35	2,334,588
11/18/2009	McCarthy Building	35	35	4,282,475
11/18/2009	McCarthy Building	8	8	1,659,924
4/28/2010	Xerox Corporation	21	21	12,671
5/13/2010	Barclay Sanitary Supplies	21	21	6,899
	Total Amount of Invoices Tested			<u>\$ 46,166,849</u>
	Salaries Tested			<u>\$ 1,034,872</u>
	Total 2005 Bond Expenditures and Transfers Out			<u>\$ 139,281,374</u>
	Percent Tested			33%

**SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY –
BOND FUND 2001 ELECTION
FINANCIAL REPORT**

JUNE 30, 2010

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2001 ELECTION TABLE OF CONTENTS JUNE 30, 2010

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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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 2001 Election of the San Mateo County Community College District, as of and for the year ended June 30, 2010, 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 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 2001 election 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 2001 election of the San Mateo County Community College District at June 30, 2010, 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
December 3, 2010

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY - BOND FUND 2001 ELECTION
BALANCE SHEET
JUNE 30, 2010**

ASSETS

Investment	\$ 670,397
Accounts receivable	1,793
Prepaid expenses	<u>23,932</u>
Total Assets	<u><u>\$ 696,122</u></u>

FUND EQUITY

Fund balances	
Unreserved	
Undesignated	<u>\$ 696,122</u>
Total Fund Equity	<u>696,122</u>
Total Liabilities and Fund Equity	<u><u>\$ 696,122</u></u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2001 ELECTION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

REVENUES	
Interest and investment earnings (loss)	<u>\$ 12,616</u>
EXPENDITURES	
Current	
Books and supplies	(1,848)
Services and operating expenditures	17,060
Capital outlay	<u>31,650</u>
Total Expenditures	<u>46,862</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(34,246)
FUND BALANCE, BEGINNING OF YEAR	<u>730,368</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 696,122</u></u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2001 ELECTION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the San Mateo County Community College District Capital Outlay - Bond Fund 2001 Election 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 2001 election accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

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 2001 Election established to account for the expenditures of the general obligation bonds approved in 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.

Fund Accounting

The District accounts for the capital outlay – bond fund 2001 election 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, revenues, and expenditures, 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.

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.

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 2001 ELECTION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010**

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.

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 Authorized Under Debt Agreements - The debt agreement limits investments to the San Mateo County Investment Pool. The Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
County Pooled Investment Funds	N/A	None	None

Investment in County Treasury - The Capital Outlay Bond Fund of the District are considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Capital Outlay Bond Fund and the District manages exposure to interest rate risk by depositing substantially all of its funds in the County Treasury Pool. The fair value of deposits at the County Treasury at June 30, 2010 was \$670,397 and the weighted average maturity of the pool is 1.0 years.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2001 ELECTION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010**

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The Capital Outlay Bond Fund only invests in County Pooled Investment Funds which are not required to be rated.

Custodial Credit Risk – Deposits - This is the risk that in the event of a bank failure, the Capital Outlay Bond Fund or District's deposits may not be returned to it. The Capital Outlay Bond Fund does not have any deposits subject to custodial credit risk.

NOTE #3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010, consists of the following:

Interest	<u>\$ 1,793</u>
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NOTE #4 – FUND BALANCES

Fund balance is composed of the following elements:

Undesignated	<u>\$ 696,122</u>
--------------	-------------------

NOTE #5 – LONG-TERM DEBT

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, 2010, is shown below:

	Balance Beginning of Year	<u>Accretion</u>	<u>Deductions</u>	Balance End of Year
General obligation bonds	<u>\$ 208,069,324</u>	<u>\$ 4,412,705</u>	<u>\$ 3,760,000</u>	<u>\$ 208,722,029</u>

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**CAPITAL OUTLAY – BOND FUND 2001 ELECTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

General Obligation Bonds 2001 Election

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Beginning of Year	Accretion	Redeemed	Bonds End of Year
6/4/2002	9/1/2026	5.20-5.74%	\$ 96,875,613	\$ 91,078,492	\$ 1,504,114	\$ 2,175,000	\$ 90,407,606
2/9/2005	9/1/2029	3.00-5.00%	69,995,132	73,267,527	1,398,062	980,000	73,685,589
4/11/2006	3/1/2031	3.50-5.00%	40,124,660	43,723,305	1,510,529	605,000	44,628,834
				<u>\$ 208,069,324</u>	<u>\$ 4,412,705</u>	<u>\$ 3,760,000</u>	<u>\$ 208,722,029</u>

The general obligation bonds mature through 2031 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2011	\$ 4,365,000	\$ 5,522,170	\$ 9,887,170
2012	5,050,000	5,335,312	10,385,312
2013	5,760,000	5,135,370	10,895,370
2014	6,525,000	4,889,544	11,414,544
2015	7,365,000	4,588,932	11,953,932
2016-2020	30,325,000	17,720,890	48,045,890
2021-2025	23,425,000	11,084,238	34,509,238
2026-2030	28,575,000	5,382,450	33,957,450
2031	7,500,000	562,500	8,062,500
Sub-total	<u>118,890,000</u>	<u>\$ 60,221,406</u>	<u>\$ 179,111,406</u>
Accretions to date	<u>89,832,029</u>		
Total	<u>\$208,722,029</u>		

NOTE #6 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2010, the building fund 2001 election has the following commitments with respect to unfinished capital projects:

Description	Amount
District wide other projects	<u>\$ 3,664</u>

**SAN MATEO COUNTY
COMMUNITY
COLLEGE DISTRICT**

**CAPITAL OUTLAY –
BOND FUND 2001 ELECTION
PERFORMANCE REPORT**

JUNE 30, 2010



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

**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, 2009 through June 30, 2010, 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 expenditure 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 and is intended to meet the compliance requirements as outlined in subparagraph (c) of paragraph (3) of subdivision (b) of section 1 of article XIII of the California Constitution. 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.

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, Trine, Day & Co., LLP

Pleasanton, California
December 3, 2010

Financial Summary

1. The 2001 general obligation bonds 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 2001 bonds were issued in three series with principal amounts as follows: \$96,875,613 issued June 4, 2002; \$69,995,032 issued February 9, 2005; and \$40,124,660 issued April 11, 2006.
2. Total expenditures and encumbrances through June 30, 2010, were \$50,526.

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds was 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 bond sales related to the 2001 bond in the current year.
3. Our review of the expenditures for the period July 1, 2009, through June 30, 2010, 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 have requested that management of the District consult with legal counsel on certain expenditures charged to the 2001 bond 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.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**2001 BONDS
INVOICES SELECTED
FOR THE YEAR ENDED JUNE 30, 2010 (CONTINUED)**

<u>Date</u>	<u>Vendor</u>	<u>Facilities Project List</u>	<u>Amount</u>
6/13/2010	Kutak Rock Arbitrage Consulting, LLP	A	\$ 2,000
6/13/2010	Kutak Rock Arbitrage Consulting, LLP	A	2,000
5/4/2010	The Bank of New York Melton Trust Co.	A	325
5/4/2010	The Bank of New York Melton Trust Co.	A	325
5/4/2010	The Bank of New York Melton Trust Co.	A	325
5/4/2010	The Bank of New York Melton Trust Co.	A	325
10/7/2009	Swinerton Management	III D 2	8
10/7/2009	Swinerton Management	III D 2	142
9/23/2009	Swinerton Management	III D 2	34
9/23/2009	Swinerton Management	III D 2	647
8/12/2009	Swinerton Management	III D 2	86
8/12/2009	Swinerton Management	III D 2	1,630
9/8/2009	Maintenance Connection, Inc.	II D	1,519
8/4/2009	Maintenance Connection, Inc.	A	137
9/28/2009	Bid D Pacific Builders	III D 2	35,000
	Total Amount of Invoices Tested		<u>\$ 44,502</u>
	Total 2005 Bond Expenditures and Transfers Out		<u>\$ 46,862</u>
	Percent Tested		94.96%

A = Legal opinion obtained.

BOARD REPORT NO. 11-1-104B

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

**RECEIPT AND ACCEPTANCE OF THE 2009-10 RETIREMENT FUTURIS PUBLIC
ENTITY INVESTMENT TRUST AUDIT REPORT**

Attached is a copy of the audit of the Retirement Futuris Public Entity Investment Trust 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, 2010. A representative of the auditing firm will be present at this meeting to respond to questions about the audit in general and about the firm's findings and recommendations.

RECOMMENDATION

It is recommended that the Board of Trustees receive and accept the 2009-10 audit report for the Retirement Futuris Public Entity Investment Trust.

**SAN MATEO COUNTY COMMUNITY
COLLEGE DISTRICT RETIREMENT
FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**FINANCIAL STATEMENTS
JUNE 30, 2010
WITH
INDEPENDENT AUDITORS' REPORT**

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

JUNE 30, 2010

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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

The Retirement Board of Authority of the
San Mateo County Community College District
Retirement Futuris Public Entity Investment Trust
Retiree Benefit Plan
San Mateo, California

We have audited the accompanying statement of net assets of the San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the Trust) as of June 30, 2010, and the related statement of changes in net assets for the year then ended. These financial statements are the responsibility of the Trust'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 2, the financial statements referred to above present only the Trust and do not purport to, and do not present the financial position of the San Mateo County Community College District as of June 30, 2010, and the changes in its financial position for the year then ended, in conformity with 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 net assets of the Trust as of June 30, 2010 and the changes in trust net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted 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.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 14, 2010

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2010

This section provides an overview and analysis of the financial activities of San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the Trust) for the fiscal year ended June 30, 2010. In July, 2008, the District entered into a contract with RPM Consultant Group to lead the District through a process to learn about the requirements of GASB 45 (the Government Accounting Standards Board pronouncement directing the accounting treatment of post-retirement benefits) and to select a team that would provide trust and investment services for our post-retirement benefit reserve. In July, 2009, the District awarded a contract to Keenan and Associates and Benefit Trust Company to administer the trust and investment services. The trust was created, a board was selected and the Retirement Board of Authority (RBOA) had its first meeting in October 2009. The retirement board meets quarterly at this time. Assets held in the Other Post-Retirement Benefits Reserve Fund were transferred to an irrevocable trust in November 2009. Comparative information will be presented next year when the trust has been funded and in existence for more than one year. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements.

FINANCIAL HIGHLIGHTS

The net assets of the San Mateo Community College District Retirement Futuris Public Entity Investment Trust (Trust) at the close of fiscal year 2010 are \$4,990,358 (net assets held in trust for retiree medical benefits). All of the net assets are available to meet the Trust's ongoing obligations to plan participants and plans eligible expenses.

The Trust's funding objective is to meet long-term benefit obligations through contributions and investment income. The Trust was initially funded by the District by transferring \$5,000,000 from the District Retiree Benefits Reserve Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to the Trust's financial statements, which comprises these components:

1. Statement of Trust Net Assets
2. Statement of Changes in Trust Net Assets
3. Notes to the Basic Financial Statements

Please note, however, that this report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Trust Net Assets is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

The Statement of Changes in Trust Net Assets, on the other hand, provides a view of current year additions to and deductions from the Trust. Both statements are in compliance with GASB (Pronouncements 34, 43 and 45). These pronouncements require certain disclosures and require the state and local governments to report using the full accrual method of accounting. The Trust complies with all material requirements of these pronouncements.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2010**

The Statement of Trust Net Assets and the Statement of Changes in Trust Net Assets report information about the Trust's activities. These statements include all assets and liabilities, using the full accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All investment gains and losses are shown at trade date. In addition, both realized and unrealized gains and losses are shown pertaining to the investments.

These two statements report the Trust's net assets held in irrevocable trust account for retirees' medical benefits. Net assets, the difference between assets and liabilities are one way to measure the Trust's financial position. Over time, increase and decrease in net assets is one indicator of whether its financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring the Trust's overall health.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report presents certain required supplementary information concerning the Trust's progress in funding its obligations to provide retiree medical benefits to members. Supplementary information is presented on page 14.

FINANCIAL ANALYSIS

As previously noted, net assets may serve over time as a useful indication of the Trust's financial position. The Trust had no liabilities as of June, 30 2010.

NET ASSETS	
Cash and investments	\$ 4,990,358
Liabilities	-
Net assets	<u>\$ 4,990,358</u>

The changes to Trust net assets during the fiscal year ended June 30, 2010, is as follows:

CHANGES IN NET ASSETS	
Additions	\$ 5,002,166
Deductions	(11,808)
Beginning balance	-
Net assets	<u>\$ 4,990,358</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2010**

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the Trust's finances and to show the Trust's accountability for the money it receives. If you have any questions about this report or need any additional financial information, please contact Kathy Blackwood at blackwoodk@smccd.edu or (650) 358-6869 with the San Mateo County Community College District.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**STATEMENT OF TRUST NET ASSETS
AS OF JUNE 30, 2010**

ASSETS

Investments	<u>\$ 4,990,358</u>
Total Assets	<u>\$ 4,990,358</u>

NET ASSETS

Net assets held in trust for OPEB	<u>\$ 4,990,358</u>
Total Net Assets	<u>\$ 4,990,358</u>

See the accompanying notes to financial statements.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**STATEMENT OF CHANGES IN TRUST NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010**

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Contributions	
Employer	\$ 5,000,000
Investment income, net of investment expenses	<u>2,166</u>
Total Additions	<u>5,002,166</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Administrative expenses	<u>11,808</u>
Total Deductions	<u>11,808</u>

INCREASE IN NET ASSETS 4,990,358

NET ASSETS HELD IN TRUST FOR OPEB, BEGINNING OF YEAR -

NET ASSETS HELD IN TRUST FOR OPEB, END OF YEAR \$ 4,990,358

See the accompanying notes to financial statements.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE #1 – DESCRIPTION OF TRUST

The following information of the San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the Trust) provides only general information. Readers should refer to the Trust agreement, located in the District's "Substantive Plan" binders, for a more complete description of the Trust's provisions.

General

The Other Postemployment Benefit (OPEB, the Plan) is a contributory single-employer defined benefit healthcare plan trust administered by the San Mateo County Community College District Retirement Board of Accountancy (RBOA). The Plan provides medical insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 712 retirees and beneficiaries currently receiving benefits and 810 active plan members. The Plan is a governmental plan that is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Contributions to the Plan are funded entirely by the employer. The Plan was established and may be amended by the District's bargaining agreements. The District's contribution is based on projected pay-as-you-go amounts for current retirees, with an additional amount to prefund benefits as determined by the District's Board of Trustees. During the year, the District contributed \$6,177,360 to the OPEB to pay for current retirees' medical premiums. Plan members receiving benefits contributed \$36,575, or approximately .006 percent of the total premiums. Contributions made by retirees between \$1 and \$335 per month. In addition to the current premiums, the District contributed \$5,000,000 to the Trust. Premiums were funded from the contribution and interest earnings.

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since this is the first year of the establishment of the Trust, only the current year information is presented.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the Substantive Plan (the Plan as understood by the employer and the Trust members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

In the September 8, 2009, actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative expenses), based on the plan being funded in the Irrevocable Trust Fund. The healthcare trend rate is assumed at 4% per year. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized at a level dollar method. The remaining amortization period at July 1, 2010, was 29 years. The actuarial value of assets was not determined in this actuarial valuation. At July 1, 2010, the Trust held net assets in the amount of \$4,990,358, which consisted of amounts on deposit with the Trust Company.

Investment Options

Benefit Trust Company (BTC), the Asset Custodian, maintains the Trust's investments in various mutual funds, and is the record keeper. BTC contracted with Morgan Stanley Smith Barney as the investment advisor. Funds allocated to the Asset Custodian are invested according to the investment policy statement (IPS) developed and approved by the RBOA in a combination of equity and fixed income investments.

Trust Termination

The San Mateo County Community College District and the Trust will adhere to all applicable laws, guidelines and accounting procedures as the Trust Administrator should be doing under current laws and regulations now understood by the District. In absence of procedures the District will follow all prudent processes that would be considered the best to protect all parties' interest in the Trust assets. In the event that all OPEB liabilities have been fulfilled and the liability is determined to be zero, any remaining Trust assets will be returned to the District.

NOTE #2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying basic financial statements are presented on the accrual basis of accounting. Contributions are recognized as revenue in the period in which employee services are performed, pursuant to formal commitments as well as statutory or contractual commitments. Benefits and refunds of contributions are recognized when due and payable under the provisions of the Trust.

Investment Valuation

Investments are reported at fair market value. Securities traded on a national or international exchange are valued at the last reported sales price on the last business day of the fiscal year at current exchange rates. The fair market value of the investments in mutual funds of \$4,990,358 at June 30, 2010, was valued by the respective mutual fund management firms. Purchases and sales of securities are reflected on the trade date. Investment income is recognized as earned.

Net Appreciation (Depreciation) on Investments

Net appreciation (depreciation) on investments is comprised of unrealized and realized gains and losses. Unrealized appreciation (depreciation) adjusts investment carrying amounts to reflect current market values, based on quoted prices in an active market.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Cash and Cash Equivalents

The Trust'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.

Administrative Expenses

Certain internal costs of administering the Trust are paid by the Trust. Administrative expenses for the year ended June 30, 2010, were \$11,808.

Benefits

Benefits are recognized when paid.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the Trust administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE #3 – TAX STATUS

The Trust had decided to not pursue an IRS Private Letter Ruling (PLR) for the Trust. Section 115 of the Internal Revenue Code (the IRC) exempts governmental entities from federal taxation on any income derived from an “essential governmental function”. The District’s OPEB Trust was established to hold District assets for the purpose of providing irrevocable funding of retiree health and other post-employment benefits to eligible employees and their dependents, and therefore met the definition of “essential governmental function” and is exempt from tax on its income under Section 115 of the Code, and that both the contribution to the Trust and the retiree medical benefits paid there from will not be taxable to retirees or their eligible dependents.

NOTE #4 – INVESTMENTS

The Trust has adopted an internally developed investment policy that is governed by the standards established in the California Constitution. In addition, the Trust has written investment policies regarding the type of investments that may be made specifically for the Trust and the amount, which may be invested in any one financial institution or amounts that may be invested in long-term instruments. Management believes the Trust has complied with the provisions of statutes pertaining to the types of investments held, institutions in which deposits were made, and security requirements.

The fair values of the Trust’s individual investments at June 30, 2010, are as follows:

Common Stocks	\$ 2,221,778
Fixed Income	2,768,580
Total investments	<u>\$ 4,990,358</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

During 2010, the Trust's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated as follows:

Interest income	\$ 4,418
Dividend income	116,162
Realized gains (loss)	(335)
Unrealized gains	<u>(118,079)</u>
Total investment income	<u>\$ 2,166</u>

Trust assets that exceeded 5% of the total assets are as follows:

Investments Exceeding 5% of Trust Assets	
Artio Total Return Bond	\$ 470,263
Delaware Diversified Income	477,080
Oppenheimer International Bond	380,974
Pimco Total Return Fund	475,008
Templeton Global Bond	469,017
Western Asset Core Plus Bond	493,124
	<u>\$ 2,765,466</u>

None of these funds were invested in a single company or corporation.

SUPPLEMENTARY INFORMATION

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2010**

Annual OPEB Cost and Net OPEB Obligation

The District's Annual Required Contribution (ARC) to the Trust is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The adjustment to annual required contribution represents the difference between district's actual pay-as-you-go amounts and the actuarial determined amount.

Annual required contribution	\$ 7,383,929
Interest on net OPEB obligation	46,985
Adjustment to annual required contribution	(730,137)
Annual OPEB cost (expense) - District paid premiums	(6,177,360)
Contributions, (total trust, net of investment expenses and interest)	<u>(4,990,358)</u>
Contributions in excess of ARC	(4,466,941)
Net OPEB obligation, beginning of year	4,350,423
Prepaid OPEB, end of year	<u><u>\$ (116,518)</u></u>

Funded Status and Funding Progress

A schedule of funding progress as of the most recent actuarial valuation is as follow:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age Normal (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
September 8, 2009	\$ -	\$ 108,915,006	\$ 108,915,006	\$ -	\$85,080,018	128.01%

The above schedule was based on the actuarial study performed on September 2009. As of June 30, 2010, the Trust has total assets of \$4,990,358.

BOARD REPORT NO. 11-1-105B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

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

APPROVAL OF NONRESIDENT TUITION FEE, 2011-12

Education Code Section 76140 requires community college districts to establish the nonresident tuition fee for the forthcoming fiscal year no later than February 1 and also prescribes the basis for determining the fee. San Mateo County Community College District's fee for the 2010-11 fiscal year was \$199 per semester unit (Board Report No. 10-109B). For 2011-12, the Administration recommends the fee of \$203 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 2011-12 District capital outlay fee is calculated at \$190 per semester unit. District Administration recommends the fee for 2011-12 remain at the 2010-11 rate of \$9.00.

For comparison purposes, the tentative 2011-12 rates for other local community college districts are shown below:

District	Non Resident FTES	Per State Formula	Proposed Fee Per Unit		Recommended
			Base Fee	Capital Outlay Fee	
Contra Costa CCD	2,013	179	214*	4*	218
Foothill DeAnza CCD	4,068	201	180	24	203
Ohlone CCD	446	203	203	10	213
San Francisco CCD	1,697	210	200	63	263
San Jose/Evergreen CCD	234	191	199	25	224
West Valley/Mission CCD	626	203	204	0	204
San Mateo	418	176	203	9	212
State Average		183			

* 2010-11 fees. 2011-12 proposed fees are not available at the time of preparing the report.

RECOMMENDATION

It is recommended that the Board set the 2011-12 nonresident student tuition fee at \$203 per semester unit. It is recommended further that the Board continue to levy a capital outlay recovery fee of \$9 per semester unit and that no exemptions be made for foreign students enrolled in six units or less, bringing the total nonresident fee to \$212 per semester unit for 2011-12.

BOARD REPORT NO. 11-1-106B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Rick Bennett, Executive Director, Construction Planning, 358-6752

APPROVAL OF CONSTRUCTION CONSULTANTS

To fulfill the requirements of its Capital Improvement Program, the District must retain consulting expertise and various construction consulting services. The professional services required by the District in support of its Capital Improvement Program are temporary or specialized in nature and District employees do not provide such expertise. Services provided include architectural and design, engineering, master scheduling, project management, program information and project controls, building commissioning, construction testing and inspection, environmental testing, construction-related legal services and documentation for construction planning, as required by the State Chancellor's office.

Listed below is one prequalified consultant approval request that was missed at the December 2010 Board meeting. The District will have this firm under contract in support of CIP2 planning, design and construction efforts.

Firm	Board Approval Requested	Activity/Projects
P.A.E. Consulting Engineers, Inc.	\$300,000	Consulting services including, but not limited to: CSM Building 5 Drain Analysis/Peer review CSM Building 5 HVAC Analysis/Peer review Districtwide Boiler NOx Upgrade & Air Quality Project

Funding sources for construction consultant services include general obligation bond funds, State scheduled maintenance funds, State hazardous materials program funds, and State funds approved for capital outlay projects.

RECOMMENDATION

It is recommended that the Board of Trustees approve these construction consultant services, as detailed above, in an amount not to exceed \$300,000.

BOARD REPORT NO. 11-1-107B

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

BOARD MEMBER COMPENSATION

SB 214, which was adopted by the Legislature and signed by the Governor in October 2001, allows the Board to adopt a 5% increase in compensation on an annual basis. Any increase that is approved by the Board is effective as of the date approved by the Board and may not be retroactive.

In January of 2009 and 2010, the Board discussed implementation of the 5% annual compensation increase and unanimously agreed to bypass an increase because of the economic climate.

RECOMMENDATION

Board determined.

BOARD REPORT NO. 11-1-6C

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor
PREPARED BY: Jing Luan, Vice Chancellor, Educational Services and Planning, 358-6880

**2010 ARCC REPORT
THE COLLEGE LEVEL INDICATORS**

In 2004, AB 1417 mandated the creation of a performance measurement system for the California Community Colleges System. In 2007, the System Office (called the Chancellor's Office until 2008) collaborated with the System colleges to develop a comprehensive performance measurement report called Accountability Report for the Community Colleges (ARCC). As required by law, local governing boards should review the annual ARCC report and provide the meeting minutes to the System Office showing such review took place.

Attached is a brief explanation of the ARCC report (Exhibit A). Also attached are the individual reports for Cañada College (Exhibit B), College of San Mateo (Exhibit C) and Skyline College (Exhibit D).

There is an ARCC contact on each college campus and an ARCC contact at the district office in multi-college districts. The contacts are responsible for reviewing ARCC data, interpreting the data, and compiling self-assessments.

The ARCC contacts in our District are:

Gregory Stoup – Cañada College
John Sewart – College of San Mateo
Rob Johnstone – Skyline College
Jing Luan – District Office

The Accountability Reporting for the Community Colleges (ARCC) framework specifies that community college performance data should be aggregated, analyzed, and reported at two levels: the individual college level (college level indicators) and across the community college system (systemwide indicators). Results for the college level indicators for each of the District Colleges are shown in the attached tables. In order to give proper context to the college level indicators, each District College also attaches a one page self assessment report, which is submitted to the System Office by the Colleges on a yearly basis.

The tables present the following data for each College:

1. Student Progress and Achievement Rate (Table 1.1)
2. Percent of Students Who Earned at Least 30 Units (Table 1.1a)
3. Persistence Rate (Table 1.2)
4. Annual Successful Course Completion Rate for Credit Vocational Courses (Table 1.3)
5. Annual Successful Course Completion Rate for Credit Basic Skills Courses (Table 1.4)
6. Improvement Rates for Credit ESL and Credit Basic Skills Courses (Table 1.5)
7. Career Development and College Preparation (CDCP) Progress and Achievement Rate (Table 1.6)
8. College Profile Summaries (e.g., headcounts, percentages of student enrollments by various demographics) (Tables 1.7, 1.8, 1.9, 1.10)
9. Summary of the Colleges' Peer Groups for Each Indicator (Table 1.11)

Tables 1.1 to 1.11 are organized under three main categories: College Performance Indicators, College Profiles, and College Peer Grouping. College Performance Indicators are further categorized as Degree/Certificate/Transfer, Vocations/Occupational/Workforce Development, and Pre-Collegiate Improvement (Basic Skills, ESL, and Enhanced Noncredit).

Because analysts of state level policy often need to know how the entire system has performed on specific indicators, the total system rates on the ARCC college level indicators are reported, and are shown in the table below. The rates in this table use the total number of students in the state that qualified for a specific cohort as the denominator.

The rates in this table should not be used to evaluate the performance of an individual college because these overall rates ignore the local contexts that differentiate the community colleges. Evaluation of individual college performance should focus on the college level information that appears on the separate pages that are attached. On those pages, Tables 1.1 to 1.11 for each college and the college's self-assessment explicitly enable analysts to evaluate a college in an equitable manner.

College Level Performance Indicator	State Rate
1. Student Progress & Achievement (2003-04 to 2008-09)	52.3%
2. Completed 30 or More Units (2003-04 to 2008-09)	72.4%
3. Fall to Fall Persistence (Fall 2007 to Fall 2008)	68.7%
4. Vocational Course Completion (2008-09)	77.5%
5. Basic Skills Course Completion (2008-09)	61.5%
6. Basic Skills Course Improvement (2006-07 to 2008-09)	50.1%
7. ESL Course Improvement (2006-07 to 2008-09)	53.2%

Note that these systemwide indicators are not simply statewide aggregations of the college level indicators presented elsewhere in this report. Some systemwide indicators cannot be broken down to a college level or do not make sense when evaluated on a college level. For example, students may transfer or attend courses across multiple community colleges during their studies and their performance

outcomes must be analyzed using data from several community colleges rather than from an individual college.

The Career Development and College Preparation (CDCP) Progress and Achievement Rate (Table 1.6) is included in each of the individual college reports as a result of legislation (SB 361, Scott, Chapter 631, Statutes of 2006) that increased funding for specific noncredit courses at those community colleges and schools of continuing education that have applied for and received approval for enhanced noncredit programs. None of the District Colleges have CDCP courses.

ARCC 2010 Report: College Level Indicators

Canada College

San Mateo County Community College District

College Performance Indicators

Student Progress and Achievement: Degree/Certificate/Transfer

Table 1.1:
Student Progress and
Achievement Rate

Percentage of first-time students who showed intent to complete and who achieved any of the following outcomes within six years: Transferred to a four-year college; or earned an AA/AS; or earned a Certificate (18 units or more); or achieved "Transfer Directed" status; or achieved "Transfer Prepared" status. (See explanation in Appendix B.)

	2001-2002 to 2006-2007	2002-2003 to 2007-2008	2003-2004 to 2008-2009
Student Progress and Achievement Rate	51.3%	53.1%	49.0%

Table 1.1a:
Percent of Students Who
Earned at Least 30 Units

Percentage of first-time students who showed intent to complete and who earned at least 30 units while in the California Community College System. (See explanation in Appendix B.)

	2001-2002 to 2006-2007	2002-2003 to 2007-2008	2003-2004 to 2008-2009
Percent of Students Who Earned at Least 30 Units	71.5%	72.3%	73.8%

Table 1.2:
Persistence Rate

Percentage of first-time students with a minimum of six units earned in a Fall term and who returned and enrolled in the subsequent Fall term anywhere in the system. (See explanation in Appendix B.)

	Fall 2005 to Fall 2006	Fall 2006 to Fall 2007	Fall 2007 to Fall 2008
Persistence Rate	67.2%	65.1%	67.3%



Canada College

San Mateo County Community College District

College Performance Indicators

Student Progress and Achievement: Vocational/Occupational/Workforce Development

Table 1.3:
Annual Successful Course
Completion Rate for
Credit Vocational Courses

See explanation in Appendix B.

	2006-2007	2007-2008	2008-2009
Annual Successful Course Completion Rate for Vocational Courses	78.2%	77.1%	77.3%

Pre-Collegiate Improvement: Basic Skills, ESL, and Enhanced Noncredit

Table 1.4:
Annual Successful Course
Completion Rate for
Credit Basic Skills Courses

See explanation in Appendix B.

	2006-2007	2007-2008	2008-2009
Annual Successful Course Completion Rate for Basic Skills Courses	59.2%	60.2%	57.3%

Table 1.5:
Improvement Rates for ESL
and Credit Basic Skills Courses

See explanation in Appendix B.

	2004-2005 to 2006-2007	2005-2006 to 2007-2008	2006-2007 to 2008-2009
ESL Improvement Rate	42.4%	40.8%	39.5%
Basic Skills Improvement Rate	48.7%	53.5%	50.4%

Table 1.6:
Career Development and
College Preparation (CDCP)
Progress and Achievement Rate

See explanation in Appendix B.

	2004-2005 to 2006-2007	2005-2006 to 2007-2008	2006-2007 to 2008-2009
CDCP Progress and Achievement Rate	.%	.%	.%



ARCC 2010 Report: College Level Indicators

Canada College

San Mateo County Community College District

College Profile

Table 1.7:
Annual Unduplicated Headcount and Full-Time Equivalent Students (FTES)

	2006-2007	2007-2008	2008-2009
Annual Unduplicated Headcount	10,104	10,355	10,865
Full-Time Equivalent Students (FTES)*	4,551	4,018	4,703

Source: The annual unduplicated headcount data are produced by the Chancellor's Office, Management Information System. The FTES data are produced from the Chancellor's Office, Fiscal Services 320 Report.

*FTES data for 2006-2007 and 2007-2008 are based on the FTES recalculation. FTES data for 2008-2009 are based on the FTES annual data. The 2008-2009 recalculation data were not available at the time of this report.

Table 1.8:
Age of Students at Enrollment

	2006-2007	2007-2008	2008-2009
19 or less	19.6%	20.3%	22.2%
20 - 24	23.4%	22.8%	22.8%
25 - 49	44.3%	43.8%	42.9%
Over 49	12.7%	13.1%	12.0%
Unknown	0.0%	0.0%	0.0%

Source: Chancellor's Office, Management Information System

Table 1.9:
Gender of Students

	2006-2007	2007-2008	2008-2009
Female	63.7%	62.5%	63.1%
Male	34.2%	34.7%	34.7%
Unknown	2.1%	2.7%	2.2%

Source: Chancellor's Office, Management Information System



Canada College

San Mateo County Community College District

College Profile

Table 1.10:
Ethnicity of Students

	2006-2007	2007-2008	2008-2009
African American	3.4%	3.4%	3.4%
American Indian/Alaskan Native	0.4%	0.3%	0.4%
Asian	8.1%	7.8%	7.2%
Filipino	3.7%	3.9%	3.7%
Hispanic	40.6%	40.4%	41.4%
Pacific Islander	1.7%	1.6%	1.7%
Unknown/Non-Respondent	8.6%	9.4%	10.6%
White Non-Hispanic	33.5%	33.1%	31.7%

Source: Chancellor's Office, Management Information System



ARCC 2010 Report: College Level Indicators

Canada College

San Mateo County Community College District

College Peer Grouping

Table 1.11: Peer Grouping

	Indicator	College's Rate	Peer Group Average	Peer Group Low	Peer Group High	Peer Group
A	Student Progress and Achievement Rate	49.0	42.5	26.0	54.1	A6
B	Percent of Students Who Earned at Least 30 Units	73.8	74.6	69.7	77.8	B6
C	Persistence Rate	67.3	71.1	48.0	78.8	C6
D	Annual Successful Course Completion Rate for Credit Vocational Courses	77.3	75.1	63.6	87.3	D1
E	Annual Successful Course Completion Rate for Credit Basic Skills Courses	57.3	63.8	55.0	74.0	E1
F	Improvement Rate for Credit Basic Skills Courses	50.4	55.0	44.0	65.0	F5
G	Improvement Rate for Credit ESL Courses	39.5	33.8	0.0	67.0	G1

Note: Please refer to Appendices A and B for more information on these rates. The technical details of the peer grouping process are available in Appendix D.



ARCC 2010 Report: College Level Indicators

Canada College

San Mateo County Community College District

College Self-Assessment

Students Served

Cañada College is one of the fastest growing community colleges in the San Francisco Bay Area, now serving approximately 11,700 students per year. During this period of accelerated growth Cañada has made similarly impressive gains in operational efficiency while maintaining high levels of student achievement. The college's Silicon Valley service area is expected to fully recover from the current recession next year and experience 5% growth in overall employment over the subsequent five years. The largest job gains are projected to be in the professional and technical services industries. Cañada's portfolio of courses and programs are well positioned to support this growth in our community.

Despite its location in one of the most affluent communities in the state, Cañada serves a diverse and largely underserved student population. Given our service area demographics, Cañada enrolls disproportionately high levels of both Hispanic and Filipino students as well as first generation college students and those from low income households. Cañada supports the needs of these students through high quality, adaptive academic programs and robust service support.

Mission and Programs

Cañada's mission is tightly focused on student learning. The college has established a planning system designed to integrate and align institutional planning process toward the goal of achieving sustained improvements in student learning. Program innovation is a big part of this strategy. Cañada has developed several creative learning community programs designed to leverage unique capabilities in both instruction and student services. In recent years the college has developed a fast growing Honors Program and enjoyed steady growth in transfers to CSUs and UCs. In response to students with developmental needs, Cañada has made innovations to its Basic Skills and ESL curriculum, creating formal linkages to vocational programs as a model to increase student persistence and success.

ARCC Metrics

Cañada's performance in the 2010 ARCC Report highlights steady gains in the year-to-year percentage of students who have earned at least 30 credits and a 2.2% gain in student persistence over last year. Cañada scores well above the peer group average in both metrics. Increasing the persistence rate for first-time students has been a point of emphasis for the college. The college invested significant resources into support systems to help identify warning signs that alert college professionals that students may be facing challenges and to help them respond to those challenges in an effective and timely manner.

One area of concern in the ARCC report is the one year decline in the student progress and achievement rate. In recent years, the college has worked to strengthened its transfer program and improve sequence completion rates for students in basic skills courses. We expect to observe improved performance over the next reporting cycle.

The report also identifies a modest drop in improvement rates for ESL students. While the college's performance still exceeds its peer group average, the college has embarked on efforts to completely revamped its ESL programming and we anticipate a reversal in this trend next year.



ARCC 2010 Report: College Level Indicators

College of San Mateo

San Mateo County Community College District

College Performance Indicators

Student Progress and Achievement: Degree/Certificate/Transfer

Table 1.1:
Student Progress and
Achievement Rate

Percentage of first-time students who showed intent to complete and who achieved any of the following outcomes within six years: Transferred to a four-year college; or earned an AA/AS; or earned a Certificate (18 units or more); or achieved "Transfer Directed" status; or achieved "Transfer Prepared" status. (See explanation in Appendix B.)

	2001-2002 to 2006-2007	2002-2003 to 2007-2008	2003-2004 to 2008-2009
Student Progress and Achievement Rate	61.0%	59.7%	62.5%

Table 1.1a:
Percent of Students Who
Earned at Least 30 Units

Percentage of first-time students who showed intent to complete and who earned at least 30 units while in the California Community College System. (See explanation in Appendix B.)

	2001-2002 to 2006-2007	2002-2003 to 2007-2008	2003-2004 to 2008-2009
Percent of Students Who Earned at Least 30 Units	73.4%	73.3%	74.4%

Table 1.2:
Persistence Rate

Percentage of first-time students with a minimum of six units earned in a Fall term and who returned and enrolled in the subsequent Fall term anywhere in the system. (See explanation in Appendix B.)

	Fall 2005 to Fall 2006	Fall 2006 to Fall 2007	Fall 2007 to Fall 2008
Persistence Rate	74.0%	69.1%	74.9%



College of San Mateo

San Mateo County Community College District

College Performance Indicators

Student Progress and Achievement: Vocational/Occupational/Workforce Development

Table 1.3:
Annual Successful Course
Completion Rate for
Credit Vocational Courses

See explanation in Appendix B.

	2006-2007	2007-2008	2008-2009
Annual Successful Course Completion Rate for Vocational Courses	81.4%	80.4%	80.9%

Pre-Collegiate Improvement: Basic Skills, ESL, and Enhanced Noncredit

Table 1.4:
Annual Successful Course
Completion Rate for
Credit Basic Skills Courses

See explanation in Appendix B.

	2006-2007	2007-2008	2008-2009
Annual Successful Course Completion Rate for Basic Skills Courses	62.1%	58.5%	63.5%

Table 1.5:
Improvement Rates for ESL
and Credit Basic Skills Courses

See explanation in Appendix B.

	2004-2005 to 2006-2007	2005-2006 to 2007-2008	2006-2007 to 2008-2009
ESL Improvement Rate	62.4%	61.4%	58.7%
Basic Skills Improvement Rate	53.3%	50.0%	52.4%

Table 1.6:
Career Development and
College Preparation (CDCP)
Progress and Achievement Rate

See explanation in Appendix B.

	2004-2005 to 2006-2007	2005-2006 to 2007-2008	2006-2007 to 2008-2009
CDCP Progress and Achievement Rate	.%	.%	.%



ARCC 2010 Report: College Level Indicators

College of San Mateo

San Mateo County Community College District

College Profile

Table 1.7:
Annual Unduplicated Headcount and Full-Time Equivalent Students (FTES)

	2006-2007	2007-2008	2008-2009
Annual Unduplicated Headcount	17,725	18,094	18,647
Full-Time Equivalent Students (FTES)*	9,281	7,795	9,071

Source: The annual unduplicated headcount data are produced by the Chancellor's Office, Management Information System. The FTES data are produced from the Chancellor's Office, Fiscal Services 320 Report.

*FTES data for 2006-2007 and 2007-2008 are based on the FTES recalculation. FTES data for 2008-2009 are based on the FTES annual data. The 2008-2009 recalculation data were not available at the time of this report.

Table 1.8:
Age of Students at Enrollment

	2006-2007	2007-2008	2008-2009
19 or less	27.0%	27.8%	27.7%
20 - 24	25.2%	24.7%	24.3%
25 - 49	37.1%	36.8%	36.5%
Over 49	10.6%	10.7%	11.5%
Unknown	0.1%	0.1%	0.0%

Source: Chancellor's Office, Management Information System

Table 1.9:
Gender of Students

	2006-2007	2007-2008	2008-2009
Female	51.6%	50.6%	50.7%
Male	45.9%	46.8%	46.7%
Unknown	2.5%	2.6%	2.5%

Source: Chancellor's Office, Management Information System



College of San Mateo

San Mateo County Community College District

College Profile

Table 1.10:
Ethnicity of Students

	2006-2007	2007-2008	2008-2009
African American	3.5%	3.6%	3.6%
American Indian/Alaskan Native	0.6%	0.5%	0.5%
Asian	19.0%	18.3%	16.9%
Filipino	6.2%	6.4%	6.1%
Hispanic	18.2%	18.4%	18.7%
Pacific Islander	2.1%	2.1%	2.2%
Unknown/Non-Respondent	12.0%	13.5%	15.6%
White Non-Hispanic	38.3%	37.2%	36.5%

Source: Chancellor's Office, Management Information System



ARCC 2010 Report: College Level Indicators

College of San Mateo

San Mateo County Community College District

College Peer Grouping

Table 1.11: Peer Grouping

	Indicator	College's Rate	Peer Group Average	Peer Group Low	Peer Group High	Peer Group
A	Student Progress and Achievement Rate	62.5	55.7	42.3	67.3	A4
B	Percent of Students Who Earned at Least 30 Units	74.4	74.6	69.7	77.8	B6
C	Persistence Rate	74.9	71.1	48.0	78.8	C6
D	Annual Successful Course Completion Rate for Credit Vocational Courses	80.9	75.8	62.2	88.8	D4
E	Annual Successful Course Completion Rate for Credit Basic Skills Courses	63.5	63.8	55.0	74.0	E1
F	Improvement Rate for Credit Basic Skills Courses	52.4	55.0	44.0	65.0	F5
G	Improvement Rate for Credit ESL Courses	58.7	41.5	0.0	100.0	G2

Note: Please refer to Appendices A and B for more information on these rates. The technical details of the peer grouping process are available in Appendix D.



ARCC 2010 Report: College Level Indicators

College of San Mateo

San Mateo County Community College District

College Self-Assessment

College of San Mateo, the oldest of the three colleges in the San Mateo County Community College District, opened in 1922 with only 35 students. Located in a County with modest population growth, College of San Mateo's enrollment has slowly declined over the past few decades. More recently, student enrollments have increased. Between 2006-2007 and 2008-2009, the number of students enrolled (annual unduplicated headcount) increased +5.2%. During the same period of time, the number of Full-Time Equivalent students (FTES) at CSM decreased by -2.3%. These figures indicate that CSM students who enrolled in 2008 -2009 carried slightly lighter unit loads, on average, than their counterparts in 2006-2007. During this time, the demographic profile of CSM students has remained stable.

In terms of student success, CSM's performance on 6 of the 7 ARCC indicators has been noteworthy. Student progress and achievement have increased on the following: (1) First-time student progress and achievement rate; (2) Percent of first-time students who have earned at least 30 units; (3) Fall-to-Fall persistence rate; (4) Annual successful course completion rate for vocational courses; (5) Annual successful course completion rate for credit basic skills courses; and (6) Improvement rate for credit basic skills students. The only ARCC indicator that registered a modest decline was the overall ESL improvement rate. Comparatively speaking, CSM has performed above its peer group on 5 of the 7 ARCC indicators and above the Statewide average on 6 of the 7 ARCC indicators.

Although CSM ranks well above the Statewide average and its peer groups in terms on Fall-to-Fall persistence, the College remains keenly concerned that one-quarter (25.1%) of students are not returning and enrolling the subsequent year. The College has experienced an increasing number of students with skills below college-level and this population is at most risk to drop out. The College is vigorously addressing this issue through a variety of student learning and support efforts associated with its Basic Skills Initiative and Enrollment Management Plan. In addition, the College continues to use a series of external and internal indicators to introduce curricular and pedagogical innovations which will improve student academic achievement in below college-level coursework. As these statistics demonstrate, CSM's performance on has increased on nearly all ARCC accountability metrics. While CSM has a robust ESL curriculum, its progress is not consistently captured in the ESL improvement rate as defined by ARCC. ESL coursework with CSU transferable status is not included in the ARCC calculation.

Beyond the ARCC indicators, CSM is proud of its long tradition of preparing students for transfer. Each year, approximately 1,100 students transfer to the UC and CSU. Since 1995, CSM's transfer and degree/certificate completion rates are consistently equivalent to or above Statewide averages. Overall, CSM is proud of the success rates of its students and the quality of instruction and support provided by its faculty and staff.



ARCC 2010 Report: College Level Indicators

Skyline College

San Mateo County Community College District

College Performance Indicators

Student Progress and Achievement: Degree/Certificate/Transfer

Table 1.1:
Student Progress and
Achievement Rate

Percentage of first-time students who showed intent to complete and who achieved any of the following outcomes within six years: Transferred to a four-year college; or earned an AA/AS; or earned a Certificate (18 units or more); or achieved "Transfer Directed" status; or achieved "Transfer Prepared" status. (See explanation in Appendix B.)

	2001-2002 to 2006-2007	2002-2003 to 2007-2008	2003-2004 to 2008-2009
Student Progress and Achievement Rate	58.9%	56.4%	54.9%

Table 1.1a:
Percent of Students Who
Earned at Least 30 Units

Percentage of first-time students who showed intent to complete and who earned at least 30 units while in the California Community College System. (See explanation in Appendix B.)

	2001-2002 to 2006-2007	2002-2003 to 2007-2008	2003-2004 to 2008-2009
Percent of Students Who Earned at Least 30 Units	69.3%	71.8%	74.2%

Table 1.2:
Persistence Rate

Percentage of first-time students with a minimum of six units earned in a Fall term and who returned and enrolled in the subsequent Fall term anywhere in the system. (See explanation in Appendix B.)

	Fall 2005 to Fall 2006	Fall 2006 to Fall 2007	Fall 2007 to Fall 2008
Persistence Rate	77.0%	74.8%	73.4%



Skyline College

San Mateo County Community College District

College Performance Indicators

Student Progress and Achievement: Vocational/Occupational/Workforce Development

Table 1.3:
Annual Successful Course
Completion Rate for
Credit Vocational Courses

See explanation in Appendix B.

	2006-2007	2007-2008	2008-2009
Annual Successful Course Completion Rate for Vocational Courses	75.0%	73.5%	73.4%

Pre-Collegiate Improvement: Basic Skills, ESL, and Enhanced Noncredit

Table 1.4:
Annual Successful Course
Completion Rate for
Credit Basic Skills Courses

See explanation in Appendix B.

	2006-2007	2007-2008	2008-2009
Annual Successful Course Completion Rate for Basic Skills Courses	65.9%	67.3%	61.6%

Table 1.5:
Improvement Rates for ESL
and Credit Basic Skills Courses

See explanation in Appendix B.

	2004-2005 to 2006-2007	2005-2006 to 2007-2008	2006-2007 to 2008-2009
ESL Improvement Rate	58.2%	50.5%	49.1%
Basic Skills Improvement Rate	55.2%	52.1%	63.3%

Table 1.6:
Career Development and
College Preparation (CDCP)
Progress and Achievement Rate

See explanation in Appendix B.

	2004-2005 to 2006-2007	2005-2006 to 2007-2008	2006-2007 to 2008-2009
CDCP Progress and Achievement Rate	.%	.%	.%



ARCC 2010 Report: College Level Indicators

Skyline College

San Mateo County Community College District

College Profile

Table 1.7:
Annual Unduplicated Headcount and Full-Time Equivalent Students (FTES)

	2006-2007	2007-2008	2008-2009
Annual Unduplicated Headcount	14,235	15,038	16,239
Full-Time Equivalent Students (FTES)*	7,408	6,497	8,076

Source: The annual unduplicated headcount data are produced by the Chancellor's Office, Management Information System. The FTES data are produced from the Chancellor's Office, Fiscal Services 320 Report.

*FTES data for 2006-2007 and 2007-2008 are based on the FTES recalculation. FTES data for 2008-2009 are based on the FTES annual data. The 2008-2009 recalculation data were not available at the time of this report.

Table 1.8:
Age of Students at Enrollment

	2006-2007	2007-2008	2008-2009
19 or less	25.3%	25.8%	26.5%
20 - 24	31.5%	31.1%	31.5%
25 - 49	35.0%	34.8%	34.0%
Over 49	8.2%	8.2%	8.0%
Unknown	0.0%	0.0%	0.0%

Source: Chancellor's Office, Management Information System

Table 1.9:
Gender of Students

	2006-2007	2007-2008	2008-2009
Female	52.6%	53.0%	53.3%
Male	45.8%	45.3%	44.6%
Unknown	1.6%	1.7%	2.1%

Source: Chancellor's Office, Management Information System



Skyline College

San Mateo County Community College District

College Profile

Table 1.10:
Ethnicity of Students

	2006-2007	2007-2008	2008-2009
African American	3.4%	3.6%	3.8%
American Indian/Alaskan Native	0.5%	0.5%	0.4%
Asian	25.4%	24.5%	23.6%
Filipino	17.6%	18.1%	17.9%
Hispanic	18.4%	18.4%	18.6%
Pacific Islander	1.9%	2.1%	2.2%
Unknown/Non-Respondent	9.4%	10.0%	11.4%
White Non-Hispanic	23.5%	22.9%	22.0%

Source: Chancellor's Office, Management Information System



ARCC 2010 Report: College Level Indicators

Skyline College

San Mateo County Community College District

College Peer Grouping

Table 1.11: Peer Grouping

	Indicator	College's Rate	Peer Group Average	Peer Group Low	Peer Group High	Peer Group
A	Student Progress and Achievement Rate	54.9	59.7	52.4	70.5	A2
B	Percent of Students Who Earned at Least 30 Units	74.2	68.3	52.2	77.3	B1
C	Persistence Rate	73.4	66.5	59.0	74.6	C5
D	Annual Successful Course Completion Rate for Credit Vocational Courses	73.4	75.8	62.2	88.8	D4
E	Annual Successful Course Completion Rate for Credit Basic Skills Courses	61.6	63.8	55.0	74.0	E1
F	Improvement Rate for Credit Basic Skills Courses	63.3	55.0	44.0	65.0	F5
G	Improvement Rate for Credit ESL Courses	49.1	41.5	0.0	100.0	G2

Note: Please refer to Appendices A and B for more information on these rates. The technical details of the peer grouping process are available in Appendix D.



ARCC 2010 Report: College Level Indicators

Skyline College

San Mateo County Community College District

College Self-Assessment

Located near San Francisco in San Bruno, Skyline College is one of three colleges in the San Mateo County Community College District (SMCCCD) and primarily serves northern San Mateo County. Skyline College is engaged in essential thinking about its future and its contributions to its service area, the State of California, the nation, and an increasingly global world. Skyline College enjoys a unique ethnic diversity in its student body, with its four main ethnic groups each near or above 20 percent of the student body - 24 percent Asian, 22 percent White, 19 percent Hispanic, and 19 percent Filipino in fall 2008. Skyline's Educational Master Plan suggests that the College will experience even more diversity in its service area in coming years, including growth from the Hispanic, Filipino and Asian/Pacific Islander populations. These populations disproportionately make up the extreme pockets of poverty in the county – and students from these communities who enroll at Skyline are clearly in need of services that would support economic sustainability.

Overall, Skyline's ARCC 2010 data suggest a strong, healthy campus, as evidenced by performance on the seven peer-grouped indicators. On four indicators – Percent of Students Who Earned at least 30 Units, Persistence Rate, Basic Skills Improvement Rate, and ESL Improvement rate, Skyline outperformed its peer average by six, seven, eight and eight percentage points, respectively. On two of the other three indicators - Vocational Course Completion & Basic Skills Improvement Rate - Skyline was within two points of the peer group average. Skyline's SPAR rate was five points below the peer group average, and its additional slight downward trend is discussed below.

The ARCC annual trend data reveal that the college is holding relatively steady on most of its indicators. Noted above is a now two-year downward trend on the SPAR rate, from 59% in the first cohort to 55% in the third. Given its longitudinal nature, the SPAR metric is sometimes hard to unpack; the campus is exploring possible hypotheses to explain the trend.

Our other notable trend for 2008-09 was that Basic Skills course success rates dropped from 67% to 61%. This shift is puzzling, as the Basic Skills improvement rate increased from 52% to 63% in the same time period. Internal campus research has determined that the success rates in the key Basic Skills courses in the English, Math, and ESL sequences actually increased from 2007-08 to 2008-09 – 53% to 59% in English, 57% to 60% in ESL, and 55% to 58% in Math. These course success results are in line with the increase in the Basic Skills improvement rate; we expect that this apparent ARCC drop in Basic skills course success rates is likely explained by the re-coding that has been taking place at the local and state levels.

In sum, Skyline is healthy and eagerly engaged in the process of further improving our student outcomes, and expects the college's innovative programs will continue to help our students meet their goals and drive our ARCC indicators in a positive direction.



BOARD REPORT NO. 11-1-7C

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

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

FIRST QUARTER REPORT OF AUXILIARY OPERATIONS, 2010-11

The following report covers the period July 1, 2010 through September 30, 2010 for Associated Student Bodies, Bookstores and Cafeterias. The District Auxiliary and Commercial Operations including the three campus bookstores, cafeterias, vending operations and the San Mateo Athletic Club at the College of San Mateo are self-sustaining enterprises. All income generated covers the total salaries and expenses generated by these operations. General fund dollars are not used to subsidize District enterprise operations.

ASSOCIATED STUDENTS (Exhibits A,B,C)

Total income and expenditures for the Associated Student Body (ASB) at each College for the first quarter of 2010-11 are listed below:

ASB Total Income	2010-11	2009-10	\$ Change	% Change
Cañada College ASB	\$15,403	\$20,893	(\$5,490)	(26.28)%
College of San Mateo ASB	\$21,634	\$32,554	(\$10,920)	(33.54)%
Skyline College ASB	\$24,772	\$31,271	(\$6,499)	(20.78)%

ASB Total Expenditures	2010-11	2009-10	\$ Change	% Change
Cañada College ASB	\$5,638	\$11,552	(\$5,914)	(51.19)%
College of San Mateo ASB	\$11,733	\$31,160	(\$19,427)	(62.34)%
Skyline College ASB	\$22,262	\$13,586	\$8,677	63.86%

Activity card sales are the major source of income for the Associated Students. Activity card sales at all three campuses decreased due to decline in enrollment in 2010-11 compared to that of 2009-10.

Expenditures of the ASBs include normal operating expenses (office supplies, activity card, student assistant salaries and other miscellaneous expenses) as well as student programs, scholarships and club assistance supporting campus life.

Both Cañada and CSM had decreases in program expenses as well as all other operating expenses. Skyline went the opposite direction; it held more program events this year and has invested \$5,809 in a leadership training conference.

Below is a comparison of the first quarter Net Income (Loss) from ASB Operations:

ASB Net Income	2010-11	2009-10	\$ Change	% Change
Cañada College ASB	\$9,765	\$9,341	\$424	4.54%
College of San Mateo ASB	\$9,901	\$1,394	\$8,506	610.13%
Skyline College ASB	\$2,510	\$17,686	(\$15,176)	(85.81)%

Please also refer to Exhibits A, B, C for detail financial information of this period.

BOOKSTORES (Exhibit D)

The following data reflects Bookstore operations for the fiscal year beginning July 1, 2010 through September 30, 2010. It includes Summer 2010 and the first half of Fall 2010 semester sales.

Bookstore Sales	2010-11	2009-10	\$ Change	% Change
Regular Merchandise Sales	\$ 2,995,774	\$ 3,380,569	(\$384,795)	(11.38)%
Computer Products Sales	57,440	144,777	(87,338)	(60.33)%
Total Merchandise Sales	\$ 3,053,214	\$ 3,525,346	(\$472,133)	(13.39)%

Regular merchandise sales have decreased this year compared to last year, with computer product sales decreasing substantially due to the elimination of the relationship with Apple Computer after Apple's determination to effectively pull out of small to mid-size college partnerships. Textbook sales are down significantly over last year due to a number of factors, including the decline in enrollment, the reduction of sections offered (particularly in the summer session) and the loss of power on the first day of fall classes at College of San Mateo. Textbook rental fees increased moderately as the program grows and is operational at all three colleges.

Comparative figures are shown below:

Bookstore Recap	2010-11	2009-10	\$ Change	%Change
Total Merchandise Sales	\$ 3,053,214	\$ 3,525,346	(\$472,133)	(13.39)%
Total Textbook Rental Fees	101,395	86,486	14,909	17.24%
Cost of Goods Sold	2,035,691	2,384,989	(349,299)	(14.65)%
Gross profit	\$ 1,118,918	\$ 1,226,844	(\$107,925)	(8.80)%
Total Operating Expenses	\$ 726,337	\$ 717,323	\$ 9,014	1.26%
Net Income from Operations	\$ 392,581	\$ 509,521	(\$116,939)	(22.95)%
Interest and Other Income	\$ 53,171	\$ 61,589	(\$8,418)	(13.67)%
Net Income Before Other Expenses	\$ 445,752	\$ 571,110	(\$125,357)	(21.95)%
District Support				
Other Expense: Admin Salary/Benefits	29,547	28,428	1,119	3.94%
Other Expense: District Support	46,064	22,647	23,417	103.40%
Net Change in Fund Balance	\$ 370,141	\$ 520,034	(\$149,893)	(28.82)%

Cost of goods sold decreased as expected with lower computer product sales. Total direct operating expenses increased slightly by 1.26% over this same period in 2009-10 due to increased staffing costs and some increase in freight charges.

Interest and other income decreased due to lower computer product sales commission payments as well as reduced interest income on our investments.

It is expected that this will be a very challenging year for the Bookstores as the state of the budget continues to require enrollment reductions at some campuses. This reduction, coupled with the added competition from now numerous outside organizations, will put added pressure on the Bookstores' overall financial performance. All District Auxiliary and Commercial Operations are dependent on a strong, stable enrollment for continued success. We will continue our commitment to focus on all efforts to improve service, offer more used textbooks, continue to grow the rental program, further integrate digital textbooks at all three Colleges, increase the amount of custom and institutionally adopted textbooks Districtwide and further maximize the interest and other income potential of all the campus Bookstores. In so doing, we will remain well positioned for future growth as we serve the students of the San Mateo County Community College District.

CAFETERIAS (Exhibit E)

Beverage, Snack and Food Service Vendors –

- The District's beverage vending service partner is Pepsi Bottling Group. The contract was awarded effective July 1, 2007, ending on June 30, 2012.
- The District's snack vending partner is Action Vending. The contract was awarded on January 1, 2007, ending on June 30, 2011.
- The District has a contract with KJ's Café to operate the coffee concession stands at both Skyline College, operating as El Capitan Espresso, and College of San Mateo, operating as Drip Coffee. The contract was awarded on August 16, 2006 and expires on August 16, 2011.
- The District's food service partner is Pacific Dining Services. The contract was awarded on July 1, 2007, ending on June 30, 2010 with an option for two one year renewals thereafter. The District has renewed the contract for the 2010-11 year as per the option to renew in the contract.

Pacific Dining, under the leadership of Rick and Sonia McMahon, Hugo Ramos and Octavio Amezcua, operates the food service at the three District campuses after being awarded the contract in June 2007. College of San Mateo operates a mobile kitchen procured to augment operations with the demolition of Building 5 (where the CSM cafeteria was previously housed). The satellite food operation (kiosk) was demolished in early June 2010 to begin the landscaping work around the Campus Center Building (B10N). The campus is served by the mobile kitchen and the newly opened Le Bulldog (located in the Health and Wellness Building (B5) for the 2010-11 academic year. The cafeteria at Cañada College, located in B5, was closed after classes in December 2009 to renovate that building. Cañada College is now being served by a mobile kitchen located adjacent to B9 as well as the Bookstore and the Pony Espresso operated by the Bookstore. The Skyline College cafeteria, located in Building 6, is the only fully operational food service enterprise in the District and is running very well under the leadership of Hugo Ramos.

First quarter comparisons are noted below:

CAFETERIA FUND	2010-11	2009-10	\$ Change	% Change
Food Service Income	\$28,614	\$26,249	\$2,365	9.01%
Vending Income	15,899	14,885	\$1,014	6.81%
Interest Income	832	0	\$832	100.00%
Other Income	20,000	0	\$20,000	100.00%
Expenditures	44,483	48,199	(\$3,716)	(7.71)%
Net Change in Fund Balance	\$20,861	(\$7,064)	\$27,926	395.30%

Compared to the first quarter 2009-10, food service income has increased by 9.01%. Despite the challenges presented by the construction at two of the three campuses, Pacific Dining has done an excellent job of providing service to our community. Since assuming the contract in June 2007, Pacific Dining has made numerous operational improvements, including upgrades in the cafeteria menu, catering and the overall customer service focus of the company. Vending income has increased by 6.81% (income from Pepsi and Action Vending) as a direct result of adding back some vending machines throughout the District after construction related issues and building closures forced us to remove machines.

Expenditures decreased over the prior year due to the selection of a new equipment maintenance contract. The total change in fund balance shows a significant increase over last year. The District is very excited for the anticipated April 11, 2011 opening of the new, state of the art café and dining space at College Center on the College of San Mateo campus as well as the restoration of full service at Cañada College later in 2011.

Vending income is used primarily for Associated Students activities for all three colleges. While income from the food service and vending contracts enables the District to provide services to students and staff, the program must be self-supporting. The Cafeteria fund provides for the long-term maintenance and upgrade of aging facilities and equipment, as well as expenses relating to the ongoing operational requirements under the food service and vending contracts.

SAN MATEO ATHLETIC CLUB AND THE SAN MATEO AQUATIC CENTER (Exhibit F)

In spring 2010, the District opened a state-of-the art fitness and aquatic center on the campus of College of San Mateo in the newly constructed Health and Wellness Building. This incredible new building provides classrooms and labs for career and technical programs including nursing, dental assisting, cosmetology, health fitness, and dental hygiene (when state funding permits).

The San Mateo Athletic Club is a professionally managed enterprise program sharing the state-of-the-art fitness facility. The San Mateo Athletic Club shares the instructional and training space on two levels of the Health and Wellness building that includes a large main floor along with four exercise studios on the second level and an aquatics complex with a 50 meter Olympic size competition pool along with a 25 meter instructional pool for Adaptive Fitness and other group exercise classes. The San Mateo Athletic Club and its members enjoy this multi-use College of San Mateo facility that provides credit classes, non-credit classes, community education and adaptive fitness.

Operating as an enterprise, the San Mateo Athletic Club is a community-centered, fee-based operation offering numerous service options to the San Mateo campus community and the community-at-large. The concept of a multi-use space enables the District to maximize the use of facility resources and create a revenue stream that will supplement the College budgetary needs including equipment maintenance and replacement. The San Mateo Athletic Club provides the community broader access to College of San Mateo and demonstrates in a very real way that the District is a community-based organization serving a broad spectrum of educational and training

opportunities. The concept of multi-use facilities has gained much attention from other community colleges up and down the state.

Operating as an enterprise through District Auxiliary Services and Commercial Operations, the San Mateo Athletic Club is self-sustaining with no contribution from the General Fund. Like the other enterprise operations in the District (bookstores, food services and campus vending), the San Mateo Athletic Club is expected to generate revenue sufficient to meet all of its operational expense needs and, as we mature, develop a surplus that will aid the District and College in other mutually agreeable endeavors. As part of the San Mateo Athletic Club budget, we have allocated 4% of net revenue to a sinking fund so that equipment can be replaced as it ages with no impact on the General Fund. This is a critically important benefit to the College. The sinking fund will allow us to replace instructional equipment when needed without impacting the over-burdened instructional equipment budget. It is expected that the seed money from the District's Redevelopment Funds used to fund this start-up operation will be completely repaid within the first three years of operation, if not sooner. As of August 2010, the San Mateo Athletic Club membership has climbed to 2,034 memberships and 2,495 members, leading us to believe that, not only is the value and the need for this facility continuing to grow at a rapid rate, but also that we will meet and achieve our financial and operational goals.

Through September 30, 2010, key accomplishments include:

- 1,793 memberships (already above 2010-11 projected levels)
- 2,532 members
- More than \$62/month average dues (avg. dues originally projected at \$51.10)
- 400+ visits per day with a peak of nearly 1000 visits per day
- 46% of SMAC staff are College students, staff or faculty
- More than 50 group exercise classes per week
- More than 3,000 group exercise attendees per month
- More than 170 Master Swim program enrollees
- Successful pool rental program for local schools and community-based swim programs
- 100% of SMAC staff are AED and CPR certified
- 100% of SMAC staff meet or exceed MediFit/District employment standards and criteria
- High level of customer satisfaction as witnessed by lower than projected levels of membership attrition and high levels of membership referral:
 - April Referral = 74
 - May Referral = 77
 - June Referral = 83
 - July Referral = 115
 - August Referral=106
 - September Referral=66

CSM Fitness Center financial summary:

CSM Fitness Center	2010-11	2009-10
Operation		
Revenues		
Registration & Membership	\$ 297,423	\$ 0
Personal Training	20,390	0
Aquatics	65,727	0
Parking	11,260	0
Miscellaneous Fees	9,446	0
Total Revenue	\$ 404,246	\$ 0
Expenditures	\$ 412,031	\$ 0
Income/(Loss) from Operation	(\$7,785)	\$ 0
District Admin Expenses	11,380	0
Interest from Investment	1,711	0
Net change in Fund Balance	(\$17,454)	\$ 0

Although the financial summary shows a net loss, we are well ahead of financial projections. The District and MediFit are in the process of analyzing the allocation of costs currently being charged to the SMAC operating budget that should rightfully be shared costs with the District. There are also costs being absorbed by the SMAC budget for increased staffing to manage not only the SMAC members but the numerous students that use the facility every day. Likewise, there are costs that will need to be allocated back to SMAC. It is expected that the financial summary for the second quarter ending December 31, 2010 should accurately reflect these allocations.

Membership income continues to increase well ahead of expectations. SMAC has introduced the sale of merchandise and healthy snacks and drinks to serve the membership and help support the bottom line. Key areas of focus for District and SMAC leadership in the months ahead are to increase the growth of the Personal Training revenue as well as the Aquatics revenue. Aquatics revenue growth does present some challenges as the pools are shared space with the college academic and athletic programs. That said, the SMAC management team is working hard to increase use of the aquatics facility.

ASB - CANADA
BALANCE SHEET

	<u>Sep 30, 10</u>	<u>Sep 30, 09</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1000 - CASH AND BANK	373,591.61	324,492.56	49,099.05	15.13%
Total Checking/Savings	<u>373,591.61</u>	<u>324,492.56</u>	<u>49,099.05</u>	<u>15.13%</u>
Accounts Receivable				
1210.5 - ALLOWANCE FOR BAD DEBTS	-7,157.13	-5,276.67	-1,880.46	35.64%
Total Accounts Receivable	<u>-7,157.13</u>	<u>-5,276.67</u>	<u>-1,880.46</u>	<u>35.64%</u>
Other Current Assets				
1210.1 - ACCOUNTS RECEIVABLE CANADA	76,859.68	72,419.69	4,439.99	6.13%
1220 - EMERGENCY LOANS RECEIVABLE	7,890.41	11,499.28	-3,608.87	-31.38%
Total Other Current Assets	<u>84,750.09</u>	<u>83,918.97</u>	<u>831.12</u>	<u>0.99%</u>
Total Current Assets	451,184.57	403,134.86	48,049.71	11.92%
Fixed Assets				
1500 - FIXED ASSETS	0.00	942.69	-942.69	-100.0%
Total Fixed Assets	<u>0.00</u>	<u>942.69</u>	<u>-942.69</u>	<u>-100.0%</u>
TOTAL ASSETS	<u><u>451,184.57</u></u>	<u><u>404,077.55</u></u>	<u><u>47,107.02</u></u>	<u><u>11.66%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
2020 - EMERGENCY LOANS PAYABLE	9,565.00	9,565.00	0.00	0.0%
2030 - OTHER LOANS PAYABLE	8,480.23	8,480.23	0.00	0.0%
2040 - OTHER FUNDS PAYABLE	72.00	72.00	0.00	0.0%
2050 - CLUBS	22,282.83	22,036.58	246.25	1.12%
2060 - TRUSTS	196,845.49	187,057.93	9,787.56	5.23%
Total Other Current Liabilities	<u>237,245.55</u>	<u>227,211.74</u>	<u>10,033.81</u>	<u>4.42%</u>
Total Current Liabilities	<u>237,245.55</u>	<u>227,211.74</u>	<u>10,033.81</u>	<u>4.42%</u>
Total Liabilities	237,245.55	227,211.74	10,033.81	4.42%
Equity				
3010 - Opening Bal Equity	141,753.44	141,753.44	0.00	0.0%
3020 - Retained Earnings	62,420.99	25,771.72	36,649.27	142.21%
Net Income	9,764.59	9,340.65	423.94	4.54%
Total Equity	<u>213,939.02</u>	<u>176,865.81</u>	<u>37,073.21</u>	<u>20.96%</u>
TOTAL LIABILITIES & EQUITY	<u><u>451,184.57</u></u>	<u><u>404,077.55</u></u>	<u><u>47,107.02</u></u>	<u><u>11.66%</u></u>

ASB - CANADA
INCOME STATEMENT

	<u>Jul - Sep 10</u>	<u>Jul - Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4000 · INCOME				
4020 · ATM	42.50	92.50	-50.00	-54.05%
4050 · MISCELLANEOUS	20.00	56.00	-36.00	-64.29%
4080 · STUDENT BODY CARD	14,689.00	18,980.00	-4,291.00	-22.61%
4090 · VENDING-ACTION	339.10	512.90	-173.80	-33.89%
4091 · VENDING-PEPSI	0.00	1,103.94	-1,103.94	-100.0%
Total 4000 · INCOME	<u>15,090.60</u>	<u>20,745.34</u>	<u>-5,654.74</u>	<u>-27.26%</u>
Total Income	15,090.60	20,745.34	-5,654.74	-27.26%
Expense				
5000 · EXPENSES				
5021 · BANK SERVICE CHARGE	-20.00	29.88	-49.88	-166.93%
5031 · CLUB ASSISTANCE/ICC	0.00	26.76	-26.76	-100.0%
5032 · COLLEGE PROGRAM ASSISTANCE	0.00	293.79	-293.79	-100.0%
5040 · DEPRECIATION	0.00	312.00	-312.00	-100.0%
5050 · ETHNIC CULTURAL AFFAIRS	0.00	300.00	-300.00	-100.0%
5080 · HOSPITALITY	18.60	0.00	18.60	100.0%
5140 · OFFICE SUPPLIES	1,199.70	371.26	828.44	223.14%
5150 · PROGRAMS	4,011.71	7,945.51	-3,933.80	-49.51%
5151 · PUBLICITY	0.00	1,683.64	-1,683.64	-100.0%
5182 · STUDENT ACTIVITY CARD	428.23	560.75	-132.52	-23.63%
5190 · TELEPHONE	0.00	28.65	-28.65	-100.0%
Total 5000 · EXPENSES	<u>5,638.24</u>	<u>11,552.24</u>	<u>-5,914.00</u>	<u>-51.19%</u>
Total Expense	<u>5,638.24</u>	<u>11,552.24</u>	<u>-5,914.00</u>	<u>-51.19%</u>
Net Ordinary Income	9,452.36	9,193.10	259.26	2.82%
Other Income/Expense				
Other Income				
6000 · OTHER INCOMES				
6010 · INTEREST	312.23	147.55	164.68	111.61%
Total 6000 · OTHER INCOMES	<u>312.23</u>	<u>147.55</u>	<u>164.68</u>	<u>111.61%</u>
Total Other Income	<u>312.23</u>	<u>147.55</u>	<u>164.68</u>	<u>111.61%</u>
Net Other Income	<u>312.23</u>	<u>147.55</u>	<u>164.68</u>	<u>111.61%</u>
Net Income	<u><u>9,764.59</u></u>	<u><u>9,340.65</u></u>	<u><u>423.94</u></u>	<u><u>4.54%</u></u>

**Associated Students of Cañada College
Report for the First Quarter 2010-2011
Summary of Programs and Activities**

The following is a summary highlighting the current projects, events, activities and goals of this quarter.

Shared Governance: The students continue to serve on the following committees at Cañada College and the District:

- College Planning Council (CPC) – Darnell Spellman and Jonathon Werden
- Student Services Planning Council (SSPC) – Katie McKee
- Curriculum Committee – Chris Rodriguez
- Safety Committee – Dennis Jung
- District Student Council – Darnell Spellman
- Region 3 Meetings – Maxwell Webster
- District Shared Governance – Darnell Spellman
- District Auxiliary Services Advisory Committee – Karla Barajas and Jonathan Werden
- ASCC Elections Appointment Committee – Katie McKee
- Instructional Planning Council – OPEN
- District Committee on Budget & Finance – OPEN
- Measure G Oversight Bond Committee – OPEN

Current Projects

Mapping out a vision and timeline for the next phase of Student Life at Cañada College

Status: meeting has been set for December 15 with College President, Vice President of Student Services and Instruction and Interim Director of Student Life and TriO.

Student Handbook and Academic Planners: At Cañada College, EOPS and TRiO programs provide students with free Academic Planners. As for a Student Handbook that focuses on College Policies and Procedures, it is only available online at http://canadacollege.edu/student/student_life/policies.html. Recently, the Vice Presidents of Student Services and Coordinators from all three campuses are meeting to see if a District Student Handbook would be possible.

Status: Was unable to attend last planning meeting. Waiting on status update and next steps.

Updating District Policies: ASCC met and provided feedback on updating District Board Policies 7.60, 7.62.1, 7.61, and Student Trustee-1.05

Status: Feedback was sent to the District. District now has a final draft of the Student Trustee policy and most likely will submit it for approval at the next District Board meeting.

Updating Student Learning Outcomes: Working on updating SLO's for the Student Life Department. I am also a team leader for developing Service Area Objective (SAO) for Student Support projects such as Student Life, Academic Support and Wellness.

Status: Still need to review Student Life SLO and Assessment plan. For SAO-Will be setting up planning meeting in December.

Joint 3 day/2 night Leadership Retreat and Training for ASCC board members- Cañada College ASCC will be teaming up with other student leaders from Skyline and CSM for mid-year leadership training. I will be presenting a Strengths Based Leadership Workshop.

Status: Retreat site has been booked. Coordinators are meeting in December to develop agenda, ice breakers, and workshops.

Recruitment of Students: The ASSC has gained and lost board members. They started the semester out with 7. Were up to 13 and now have 11. We are trying to recruit new members by using Facebook, brochures and flyers.

Status: 11 out of 22 Board positions are filled.

Executive Board

- President-Darnell Spellman
- Vice President-Jonathan Werden
- Secretary-Katie McKee
- Treasurer-Stephanie Hinckley
- Commissioner of Publicity-Ada Alexander

Senators

- Chris Rodriguez
- Alvaro Argote
- Karla Barajas
- Dennis DooYoung Jung
- Max Webster
- Nchinda Ngeche

Student Identification Cards: The Student Activities Office continues to work with the Cashier Window to provide Student ID Cards for the student body with assistance from the ASSC. We are in need of updating the ID card machine and software; however, there is talk among the District to consider use of SMART Cards.

Status: No discussions have taken place at this time.

Recruiting, Coordinating and Training Cañada College Student Clubs and Organizations.

Status: Still need to update the Club Handbook for the 2010-2011 school year. Also would like to create a requisition separate from ASSC for clubs to use. I also need to develop an advisor newsletter to build better communication to advisors.

As of Nov. 29 there are 21 groups:

- Trio Student Advisory Council
- Society of Hispanic Professional Engineers
- Latino Empowerment Alliance
- Photon Masters
- EOPS Student Club
- Cañada College Cards Club
- Young Latino Leaders
- Phi Theta Kappa Honors Society
- The Science Outreach Club
- Christian Club
- Black Student Union
- Success Strategies Club
- WISE
- Robotics Club
- Creative Civics Club
- The Spectrum Alliance
- SHAPE Society
- The Political Awareness Club
- People of the Pacific
- Cañada Strikes Back
- Pre-Med Club

ASCC Conference and Retreat Attendance**July**

-Sent 2 ASCC board member students to the National Association of Campus Activities Student Government Summer Institute, Washington, D.C.

August

-5 ASCC board members joined College of San Mateo for Fall Leadership Retreat.

October

-Sent 6 ASCC board members to the California Community College Student Affairs Association Student Leadership Conference: Leadership 2010 A Call to Action.

-Sent 1 Cañada student to the Student Senate General Assembly.

Programs and Events:**August**

-ASCC sponsored Welcome Week: Ask Me booths, ASCC and Administrative Council Ice Cream Social, Movie Night: "freedom writers", club welcome party, and Spirit Thursday

September

-ASCC Raised \$1000.00 for San Bruno Disaster Relief

-Sponsored by ASCC, hosted by young Latino leaders and SHPE, Ritmo Latino, Celebration of Latin American Culture

-Black Student Union hosted Open Mic

-ASCC Welcome party for new Coordinator of Student Activities

October

-ASCC hosted Club Mixer

-Spectrum Alliance and Office of Student Activities hosted October 20-Noontime Vigil for victims of suicide

-ASCC hosted Halloween Week: Games, Arts and Crafts and Spirit Thursday

-Spectrum Alliance sponsored movie night: Rocky Horror Picture Show

November

-Student music group Tribal Sons noontime concert

-Spectrum Alliance sponsored "Marriage for Equality" lecture

-Phi Theta Kappa sponsored noontime concert "Natalie Wills"

-Cañada Strikes Back hosted "Fight the Right" author Allan Maass, book tour

-ASCC teamed up with Men's Basketball team to host Spirit Thursday

-BSU Open Mic "What are you thankful for?"

Upcoming events in December

-ASCC hosted club Mixer, December 2

-ASCC teamed up with Women's Golf team to host Spirit Thursday, December 9

-Phi Theta Kappa hosted toy drive for 50 young children-Throughout December

-EOPS club hosted clothes drive November-December

ASCC Goals 2010-2011 academic year

- Improve ASCC communication among each other and the campus.
- To have more than one candidate for the Student Trustee position.
- To have a smooth transition in to our new facility.
- To have a well planned and eventful Spring semester.

Staff /Professional Development

-Victoria Worch, Coordinator of Student Activities is currently serving as the Past President of the 2010-2011 Board of Directors, California Community College Student Affairs Association.

Victoria Estrella Worch M.Ed.
Coordinator of Student Activities, ASCC Advisor
Cañada College

ASB - CSM
BALANCE SHEET, continued

	<u>Sep 30, 10</u>	<u>Sep 30, 09</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1000 · CASH AND BANK	57,303.31	120,017.82	-62,714.51	-52.25%
Total Checking/Savings	<u>57,303.31</u>	<u>120,017.82</u>	<u>-62,714.51</u>	<u>-52.25%</u>
Accounts Receivable				
1210.1 · ACCOUNTS RECEIVABLE	113,409.04	116,828.00	-3,418.96	-2.93%
1210.2 · ALLOWANCE FOR BAD DEBTS-SBCF	-1,954.41	-1,952.51	-1.90	0.1%
1220 · EMERGENCY LOANS RECEIVABLE	3,200.00	2,490.00	710.00	28.51%
1230 · OTHER LOANS RECEIVABLE	1,075.27	991.48	83.79	8.45%
Total Accounts Receivable	<u>115,729.90</u>	<u>118,356.97</u>	<u>-2,627.07</u>	<u>-2.22%</u>
Other Current Assets				
1310.1 · COUNTY INVESTMENT POOL	699,134.76	536,433.26	162,701.50	30.33%
1310.2 · INVEST. MARKET TO MARKET ADJ.	2,405.41	-1,639.14	4,044.55	-246.75%
Total Other Current Assets	<u>701,540.17</u>	<u>534,794.12</u>	<u>166,746.05</u>	<u>31.18%</u>
Total Current Assets	874,573.38	773,168.91	101,404.47	13.12%
Fixed Assets				
1500 · FIXED ASSETS	4,699.60	6,518.80	-1,819.20	-27.91%
Total Fixed Assets	<u>4,699.60</u>	<u>6,518.80</u>	<u>-1,819.20</u>	<u>-27.91%</u>
TOTAL ASSETS	<u><u>879,272.98</u></u>	<u><u>779,687.71</u></u>	<u><u>99,585.27</u></u>	<u><u>12.77%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2010 · ACCOUNTS PAYABLE	3,798.33	16,288.18	-12,489.85	-76.68%
Total Accounts Payable	<u>3,798.33</u>	<u>16,288.18</u>	<u>-12,489.85</u>	<u>-76.68%</u>
Other Current Liabilities				
2020 · EMERGENCY LOAN FUND	9,998.95	9,748.95	250.00	2.56%
2030 · OTHER LOANS	6,124.00	6,124.00	0.00	0.0%
2040 · OTHER FUNDS PAYABLE	3,687.06	3,874.13	-187.07	-4.83%
2050 · CLUBS	131,574.64	119,017.97	12,556.67	10.55%
2060 · TRUSTS	391,565.28	352,439.20	39,126.08	11.1%
Total Other Current Liabilities	<u>542,949.93</u>	<u>491,204.25</u>	<u>51,745.68</u>	<u>10.53%</u>
Total Current Liabilities	<u>546,748.26</u>	<u>507,492.43</u>	<u>39,255.83</u>	<u>7.74%</u>
Total Liabilities	546,748.26	507,492.43	39,255.83	7.74%

ASB - CSM
BALANCE SHEET, continued

Equity				
3010 - OPENING BALANCE EQUITY	262,285.95	262,285.95	0.00	0.0%
3020 - RETAINED EARNINGS	60,338.12	8,515.13	51,822.99	608.6%
Net Income	<u>9,900.65</u>	<u>1,394.20</u>	<u>8,506.45</u>	<u>610.13%</u>
Total Equity	<u>332,524.72</u>	<u>272,195.28</u>	<u>60,329.44</u>	<u>22.16%</u>
TOTAL LIABILITIES & EQUITY	<u><u>879,272.98</u></u>	<u><u>779,687.71</u></u>	<u><u>99,585.27</u></u>	<u><u>12.77%</u></u>

ASB - CSM
INCOME STATEMENT

	<u>Jul - Sep 10</u>	<u>Jul - Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4000 · INCOME				
4020 · ATM	24.00	23.50	0.50	2.13%
4030 · CAFE COMMISSION	848.16	1,419.11	-570.95	-40.23%
4050 · MISCELLANEOUS	20.00	0.00	20.00	100.0%
4060 · PROGRAMS	0.00	81.00	-81.00	-100.0%
4065 · RECREATION/GAMES	220.75	0.00	220.75	100.0%
4070 · SPACE RENTAL-VENDOR	550.00	590.00	-40.00	-6.78%
4080 · STUDENT BODY CARD	16,256.00	24,392.00	-8,136.00	-33.36%
4090 · VENDING-ACTION	1,260.43	1,875.29	-614.86	-32.79%
4091 · VENDING-PEPSI	91.98	2,963.78	-2,871.80	-96.9%
Total 4000 · INCOME	<u>19,271.32</u>	<u>31,344.68</u>	<u>-12,073.36</u>	<u>-38.52%</u>
Total Income	19,271.32	31,344.68	-12,073.36	-38.52%
Expense				
5000 · EXPENSES				
5010 · AWARDS & SCHOLARSHIPS	0.00	500.00	-500.00	-100.0%
5020 · BAD DEBTS	-70.57	91.16	-161.73	-177.41%
5021 · BANK SERVICE CHARGE	-20.00	0.00	-20.00	-100.0%
5031 · CLUB ASSISTANCE/ICC	0.00	546.25	-546.25	-100.0%
5040 · DEPRECIATION	454.80	454.80	0.00	0.0%
5080 · HOSPITALITY	17.46	8.96	8.50	94.87%
5140 · OFFICE SUPPLIES	1,220.73	343.37	877.36	255.51%
5145 · OPERATION	277.85	107.08	170.77	159.48%
5150 · PROGRAMS	917.06	2,065.17	-1,148.11	-55.59%
5151 · PUBLICITY	1,406.72	3,878.15	-2,471.43	-63.73%
5182 · STUDENT ACTIVITY CARD	1,668.83	180.98	1,487.85	822.11%
5183 · STUDENT ASSISTANT-SALARY	3,588.00	12,049.07	-8,461.07	-70.22%
5184 · STUDENT ASSISTANT-BENEFITS	71.76	4,571.52	-4,499.76	-98.43%
5190 · TELEPHONE	0.00	105.07	-105.07	-100.0%
Total 5000 · EXPENSES	<u>9,532.64</u>	<u>24,901.58</u>	<u>-15,368.94</u>	<u>-61.72%</u>
Total Expense	<u>9,532.64</u>	<u>24,901.58</u>	<u>-15,368.94</u>	<u>-61.72%</u>
Net Ordinary Income	9,738.68	6,443.10	3,295.58	51.15%
Other Income/Expense				
Other Income				
6000 · OTHER INCOMES				
6010 · INTEREST	<u>2,362.54</u>	<u>1,209.28</u>	<u>1,153.26</u>	<u>95.37%</u>
Total 6000 · OTHER INCOMES	<u>2,362.54</u>	<u>1,209.28</u>	<u>1,153.26</u>	<u>95.37%</u>
Total Other Income	2,362.54	1,209.28	1,153.26	95.37%

ASB - CSM
INCOME STATEMENT, continued

Other Expense				
7000 · OTHER EXPENSES				
7020 · VENDING INC. EXP TO V.P. TRUST	<u>2,200.57</u>	<u>6,258.18</u>	<u>-4,057.61</u>	<u>-64.84%</u>
Total 7000 · OTHER EXPENSES	<u>2,200.57</u>	<u>6,258.18</u>	<u>-4,057.61</u>	<u>-64.84%</u>
Total Other Expense	<u>2,200.57</u>	<u>6,258.18</u>	<u>-4,057.61</u>	<u>-64.84%</u>
Net Other Income	<u>161.97</u>	<u>-5,048.90</u>	<u>5,210.87</u>	<u>-103.21%</u>
Net Income	<u>9,900.65</u>	<u>1,394.20</u>	<u>8,506.45</u>	<u>610.13%</u>

**Associated Students of College of San Mateo
Report for the First Quarter 2010-2011
Summary of Programs and Activities**

The Associated Students of College of San Mateo (ASCSM) has had a very productive first quarter. Although this continues to be a time of transition in Student Activities and at CSM, the ASCSM has been able to successfully continue to participate in College governance and to create a lively and entertaining campus atmosphere for CSM students, faculty, staff, and administrators. Some of the highlights from the first quarter of the school year are:

Ongoing Activities

In addition to participating in their weekly Student Senate meetings, the members of the ASCSM have also been actively involved with each of their standing committees, including the Academic Enhancement Committee, the Finance & Administration Committee, the Programs & Services Committee, the Public Relations Committee, the Inter Club Council, and the Legislative & Governmental Affairs Committee.

Members of the ASCSM Student Senate continued to participate in College and District governance committees. At the College level, student leaders are attending numerous committee meetings, including the College Council, Faculty Academic Senate, Committee on Instruction, Enrollment Management Committee, Diversity in Action Group, College Auxiliary Services Advisory Committee and the College Assessment Committee. At the District level, students are also involved in the District Shared Governance Council, the District Committee on Budget & Finance, the District Auxiliary Services Advisory Committee and the District Student Council. Additionally, representatives of the Student Senate have been involved with the College's planning process for new construction.

The ASCSM, in cooperation with the Student Activities Office, continued to issue credit card style Student and Staff ID Cards to the College community. To date, the AS has issued thousands of ID Cards to students, faculty, staff and administrators.

To further increase the value of the CSM ID Card, the ASCSM has continued to expand and sponsor the Merchant Discount Program. This program provides a list of discount opportunities available to students, faculty, staff and administrators at on-campus AS-sponsored events, club events, local merchants, national chains and on the Internet, and includes movie theaters, restaurants, museums, art galleries, travel agencies and cultural centers.

The AS has continued to support the CSM Ambassadors Program, which coordinates and provides tours of the campus for individuals and groups interested in attending College of San Mateo.

Events and Activities:

July/August/September 2010: During the month of July, the Student Senate began to meet as a group to plan goals and events for the upcoming semester. During July the AS also participated in the Summer Leadership Retreat. The weekend retreat provided leadership and communication training. The retreat was conducted jointly with Cañada College. During August the Student Senate helped plan and implement CSM's "Welcome Day" for new students. Over the course of the day Student Senate officers gave tours, helped students get ID cards, and set up for a Student Services Fair. More than 350 students with friends and family attended this event. Additionally, in conjunction with "Operation Welcome Mat," the Student Senate hosted a "Welcome Week." Over the course of the week the Senate gave out food, had music in the quad, and hosted a variety of activities for students to engage in.

Aaron Schaefer
Coordinator of Student Activities, College of San Mateo

ASB - SKYLINE
BALANCE SHEET

	<u>Sep 30, 10</u>	<u>Sep 30, 09</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1000 · CASH AND BANK	52,188.09	222,474.48	-170,286.39	-76.54%
Total Checking/Savings	<u>52,188.09</u>	<u>222,474.48</u>	<u>-170,286.39</u>	<u>-76.54%</u>
Accounts Receivable				
1210.2 · ALLOWANCE FOR BAD DEBTS	-3,977.14	-3,977.14	0.00	0.0%
1220 · EMERGENCY LOANS RECEIVABLE	-153.00	-153.00	0.00	0.0%
Total Accounts Receivable	<u>-4,130.14</u>	<u>-4,130.14</u>	<u>0.00</u>	<u>0.0%</u>
Other Current Assets				
1210.1 · ACCOUNT RECEIVABLE SKYLINE	816,714.89	726,230.22	90,484.67	12.46%
1310 · COUNTY INVESTMENT CONTROL	703,238.36	453,306.25	249,932.11	55.14%
1310.2 · MARK TO MARKET	1,976.80	-1,385.15	3,361.95	-242.71%
Total Other Current Assets	<u>1,521,930.05</u>	<u>1,178,151.32</u>	<u>343,778.73</u>	<u>29.18%</u>
Total Current Assets	<u>1,569,988.00</u>	<u>1,396,495.66</u>	<u>173,492.34</u>	<u>12.42%</u>
Fixed Assets				
1500 · FIXED ASSETS	0.00	2,700.55	-2,700.55	-100.0%
Total Fixed Assets	<u>0.00</u>	<u>2,700.55</u>	<u>-2,700.55</u>	<u>-100.0%</u>
TOTAL ASSETS	<u><u>1,569,988.00</u></u>	<u><u>1,399,196.21</u></u>	<u><u>170,791.79</u></u>	<u><u>12.21%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2010 · ACCOUNTS PAYABLE	1,099.28	1,099.28	0.00	0.0%
Total Accounts Payable	<u>1,099.28</u>	<u>1,099.28</u>	<u>0.00</u>	<u>0.0%</u>
Other Current Liabilities				
2030 · OTHER LOANS PAYABLE	3,182.66	3,182.66	0.00	0.0%
2050 · CLUBS	128,890.79	113,076.23	15,814.56	13.99%
2060 · TRUSTS	936,413.55	859,416.02	76,997.53	8.96%
Total Other Current Liabilities	<u>1,068,487.00</u>	<u>975,674.91</u>	<u>92,812.09</u>	<u>9.51%</u>
Total Current Liabilities	<u>1,069,586.28</u>	<u>976,774.19</u>	<u>92,812.09</u>	<u>9.5%</u>
Total Liabilities	<u>1,069,586.28</u>	<u>976,774.19</u>	<u>92,812.09</u>	<u>9.5%</u>
Equity				
3010 · Opening Bal Equity	339,659.55	339,659.55	0.00	0.0%
3020 · Retained Earnings	158,232.17	65,076.94	93,155.23	143.15%
Net Income	2,510.00	17,685.53	-15,175.53	-85.81%
Total Equity	<u>500,401.72</u>	<u>422,422.02</u>	<u>77,979.70</u>	<u>18.46%</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,569,988.00</u></u>	<u><u>1,399,196.21</u></u>	<u><u>170,791.79</u></u>	<u><u>12.21%</u></u>

ASB - SKYLINE
INCOME STATEMENT

	<u>Jul - Sep 10</u>	<u>Jul - Sep 09</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4000 · INCOME				
4065 · RETURNED CHECK FEE - UNION BANK	20.00	0.00	20.00	100.0%
4070 · SPACE RENTAL-VENDOR	475.00	0.00	475.00	100.0%
4080 · STUDENT BODY CARD	16,916.00	25,992.00	-9,076.00	-34.92%
4090 · VENDING-ACTION	1,017.00	2,628.21	-1,611.21	-61.3%
4091 · VENDING-PEPSI	993.56	1,579.33	-585.77	-37.09%
Total 4000 · INCOME	<u>19,421.56</u>	<u>30,199.54</u>	<u>-10,777.98</u>	<u>-35.69%</u>
Total Income	19,421.56	30,199.54	-10,777.98	-35.69%
Expense				
5000 · EXPENSES				
5010 · AWARDS & SCHOLARSHIPS	0.00	3,000.00	-3,000.00	-100.0%
5021 · BANK SERVICE CHARGE	48.12	0.00	48.12	100.0%
5031 · CLUB ASSISTANCE/ICC	675.98	0.00	675.98	100.0%
5032 · COLLEGE PROGRAM ASSISTANCE	250.00	0.00	250.00	100.0%
5033 · CONFERENCE/TRAVEL	5,809.14	0.00	5,809.14	100.0%
5040 · DEPRECIATION	2,700.55	0.00	2,700.55	100.0%
5080 · HOSPITALITY	0.00	7,000.00	-7,000.00	-100.0%
5140 · OFFICE SUPPLIES	1,600.14	1,643.46	-43.32	-2.64%
5145 · OPERATION	161.42	0.00	161.42	100.0%
5150 · PROGRAMS	8,172.26	130.44	8,041.82	6,165.15%
5183 · STUDENT ASSISTANT-SALARY	4,147.00	1,774.13	2,372.87	133.75%
5184 · STUDENT ASSISTANT-BENEFITS	82.94	37.86	45.08	119.07%
Total 5000 · EXPENSES	<u>23,647.55</u>	<u>13,585.89</u>	<u>10,061.66</u>	<u>74.06%</u>
Total Expense	<u>23,647.55</u>	<u>13,585.89</u>	<u>10,061.66</u>	<u>74.06%</u>
Net Ordinary Income	-4,225.99	16,613.65	-20,839.64	-125.44%
Other Income/Expense				
Other Income				
6000 · OTHER INCOMES				
6010 · INTEREST	3,374.04	1,021.88	2,352.16	230.18%
6011 · INVESTMENT GAIN-UNREALIZED	1,976.80	0.00	1,976.80	100.0%
6020 · OTHERS	0.00	50.00	-50.00	-100.0%
Total 6000 · OTHER INCOMES	<u>5,350.84</u>	<u>1,071.88</u>	<u>4,278.96</u>	<u>399.2%</u>
Total Other Income	5,350.84	1,071.88	4,278.96	399.2%
Other Expense				
7000 · OTHER EXPENSES				
7011 · INVESTMENT LOSS-UNREALIZED	-1,385.15	0.00	-1,385.15	-100.0%
Total 7000 · OTHER EXPENSES	<u>-1,385.15</u>	<u>0.00</u>	<u>-1,385.15</u>	<u>-100.0%</u>
Total Other Expense	<u>-1,385.15</u>	<u>0.00</u>	<u>-1,385.15</u>	<u>-100.0%</u>
Net Other Income	<u>6,735.99</u>	<u>1,071.88</u>	<u>5,664.11</u>	<u>528.43%</u>
Net Income	<u><u>2,510.00</u></u>	<u><u>17,685.53</u></u>	<u><u>-15,175.53</u></u>	<u><u>-85.81%</u></u>

**Associated Students of Skyline College
Report for the First Quarter 2010-2011
Summary of Programs and Activities**

The following is a summary highlighting the events and activities of this quarter.

Shared Governance: The students continue to serve on the following committees at Skyline College and the District:

- Art on Campus
- Campus Auxiliary Services Advisory Committee
- College Budget
- College Council
- Commencement Committee
- Curriculum Committee
- District Auxiliary Services Advisory Committee
- District Strategic Planning
- District Students Council
- District Budget Committee
- District Shared Governance Council
- Ed Policy Committee
- Fresh Look / Webpage Advisory Committee
- Health and Safety Committee
- Institutional Planning
- Program Improvement Viability Committee
- Skyline College Presidential Search Committee
- Student Recognition and Awards Program Committee
- Technology Advisory Committee

Student Handbook and Academic Planners: Due to budget cuts the Student Handbook is only available online in a downloadable format. However, the Coordinators from all three campuses are meeting to see if a District Student Handbook would be possible.

Recruitment of Students: The ASSC continues to encourage student participation in activities, events and student government, using handouts, flyers and giveaways to increase participation and attendance.

Student Identification Cards: The Student Activities Office continues to produce Student ID Cards for the student body with assistance from the ASSC. The ASSC is delaying purchasing another ID machine and encouraging Districtwide discussion of the use of SMART Cards.

Skyline Organizations and Club SOCC: The ASSC members always encourage other students to become active on campus by their work through SOCC. They also encourage students who do not find a club that interests them to start their own. This Fall, S.O.C.C. has two (2) new clubs: SACNAS and Surgical Tech.

Program and Events:**Welcome Week****August 18, 2010 – August 25, 2010**

<i>Day Information Booth</i> Distributed information about Skyline College and the A.S.S.C. Approximately 200 students attended.	<i>Wednesday, 8/18/2010</i>	<i>9:00AM – 1:00PM</i>
<i>Day Information Booth</i> Distributed information about Skyline College and the A.S.S.C. Approximately 200 students attended.	<i>Thursday, 8/19/2010</i>	<i>9:00AM – 1:00PM</i>
<i>Welcome BBQ</i> A.S.S.C. catered a BBQ for 600 people.	<i>Friday, 8/20/2010</i>	<i>11:00AM – 1:00PM</i>
<i>Day & Evening Information Booth</i> Distributed information about Skyline College and the A.S.S.C. Approximately 200 students attended.	<i>Monday, 8/23/2010</i>	<i>9:00AM – 1:00PM</i>
<i>Club & Volunteer Fair</i> Members of the 36 student groups and community volunteer organizations distributed material about their organizations and recruited new members and volunteers. Things went well despite the power outage. The volunteer organizations were: Pacifica Chamber of Commerce, Vista Center, San Francisco Suicide Prevention, Mickaboo Companion Bird Rescue, Golden Gate Parks Conservancy, Breathe California, Housing Leadership Council and the Asian American Donor Program	<i>Monday, 8/23/2010</i>	<i>10:00AM – 1:00PM</i>
<i>Evening Information Booth</i> Distributed information about Skyline College and the A.S.S.C. Approximately 200 students attended.	<i>Tuesday, 8/24/2010</i>	<i>5:00PM – 7:00PM</i>
<i>College Service Fair</i> Departments and Programs handed out material on the Quad	<i>Tuesday, 8/24/2010</i>	<i>10:00 – 1:00PM</i>
<i>Pancake Breakfast</i> Administrators, faculty and staff assisted in serving breakfast to the students. Catering provided by Pacific Dining. 600 people attended.	<i>Wednesday, 8/25/2010</i>	<i>7:30AM – 10:30AM</i>
<i>Evening Information Booth</i> Distributed information about Skyline College and the A.S.S.C. Approximately 200 students attended.	<i>Wednesday, 8/25/2010</i>	<i>5:00PM – 7:00PM</i>
<i>Movie Night</i> The ASSC put together a movie night in Skyline's Theater. The movie was "Kick-Ass." Approximately 20 students attended.	<i>Wednesday, 8/25/2010</i>	<i>7:00PM – 11:00PM</i>

San Bruno Fire Relief Taskforce

September 23, 2010 6:15PM

Members of the Associated Students of Skyline College, Academic Senate, Classified Council and Management Council came together to form the San Bruno Fire Relief Taskforce. The goal of the taskforce was to raise money for the Glenview Fire Recovery Fund. Special thank you to Tom Bauer and Kevin Chak of the District Bookstore, and Stephani Scott from the SMCCCD Foundation for assisting with the replacement of books and computers for the students who had these items destroyed in the San Bruno Fire.

ASSC Retreat:

ASSC Leadership Training Retreat

Friday, September 17 – Sunday September 19

Members of the ASSC participated in leadership and team building exercises at the Asilomar Conference Center in Pacific Grove, California.

Amory Nan Cariadus
Coordinator of Student Activities
Skyline College

San Mateo County Community College District

January 26, 2011

BOARD REPORT NO. 11-1-8C

DISCUSSION OF TOPICS FOR BOARD RETREAT OF FEBRUARY 12, 2011

There is no printed report for this agenda item.