

**AGENDA**  
**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**January 28, 2015**  
**District Office Board Room, 3401 CSM Drive, San Mateo, CA 94402**

**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.*

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**6:00 p.m.      ROLL CALL**

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

**MINUTES**

15-1-2            [Approval of the Minutes of the Study Session of January 14, 2015](#)

**STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES**

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

15-1-5C            [CSM Cares – A Program Designed To Address the Mental Health Needs of Students](#)

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

**NEW BUSINESS**

15-1-2A            [Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel](#)

15-1-3A            [Approval of Recommendation for the Dissolution of Locally-Adopted Minimum Qualifications in Psychology and Reading and Use of California Community Colleges Minimum Qualifications for Faculty in these Disciplines](#)

## **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.*

- 15-1-1CA      Ratification of September and October 2014 District Warrants
- 15-1-2CA      Approval of Nonresident Tuition Fee, 2015-16
- 15-1-3CA      Approval of 2015-16 Integrated District Budget Planning Calendar
- 15-1-4CA      Approval of District Organizational Memberships, 2014-15
- 15-1-5CA      Approval of Curricular Additions – Cañada College and Skyline College
- 15-1-6CA      Acceptance of Grant Funds from the Bay Area Workforce Funding Collaborative to the Career Advancement Academy at Skyline College and Authorization to Execute Grant Agreement
- 15-1-7CA      Acceptance of Grant Funds from the Bay Area Workforce Funding Collaborative to the Bay Region Retail, Hospitality, and Tourism Deputy Sector Navigator and Authorization to Execute Grant Agreement

## **Other Recommendations**

- 15-1-1B      Nominations for Membership on the California Community College Trustees (CCCT) Board, 2015
- 15-1-100B      Receipt and Acceptance of the 2013-14 District Audit Report
- 15-1-101B      Receipt and Acceptance of the 2013-14 KCSM Audit Report
- 15-1-102B      Receipt and Acceptance of the 2013-14 General Obligation Bond Financial and Performance Audits
- 15-1-103B      Receipt and Acceptance of the 2013-14 Retirement Futuris Public Entity Investment Trust Audit Report
- 15-1-104B      Approval of the 2015 Amendment to the 2011 Facilities Master Plan
- 15-1-105B      Appointment of Director for the San Mateo County Colleges Educational Housing Corporation
- 15-1-106B      Authorization for Executive Vice Chancellor to Execute or Renew Contract with an Energy Service Provider for Purchase of Electricity
- 15-1-107B      Board Member Compensation

## **INFORMATION REPORTS**

- 15-1-6C      2015 Contractor Prequalification Update
- 15-1-7C      Report on 2014 Winter Storm Community Evacuation Center Activation at College of San Mateo

## **COMMUNICATIONS**

## **STATEMENTS FROM BOARD MEMBERS**

## **RECESS TO CLOSED SESSION**

1. Conference with Labor Negotiator  
Agency Negotiator: Eugene Whitlock  
Employee Organization: AFT
2. Conference with Legal Counsel regarding one case of potential litigation

## **CLOSED SESSION ACTIONS TAKEN**

## **ADJOURNMENT**

**Minutes of the Study Session of the Board of Trustees  
San Mateo County Community College District  
January 14, 2015, San Mateo, CA**

**The meeting was called to order at 6:02 p.m.**

**Board Members Present:** President Patricia Miljanich, Vice President Dave Mandelkern, Trustees Richard Holober, Tom Mohr and Karen Schwarz

**Others Present:** Chancellor Ron Galatolo, Executive Vice Chancellor Kathy Blackwood, College of San Mateo President Michael Claire, Cañada College President Larry Buckley

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

None

**MINUTES**

It was moved by Trustee Schwarz and seconded by Trustee Holober to approve the minutes of the meeting of December 10, 2014. President Miljanich asked that the minutes be amended to include her request that the discussion regarding rotation of Board officers include the opportunity for newer members of the Board to serve as president. 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 (15-1-1A)**

It was moved by Trustee Holober and seconded by Vice President Mandelkern to approve the actions in Board Report No. 15-1-1A. The motion carried, all members voting "Aye."

**STUDY SESSION**

**DRAFT FACILITIES MASTER PLAN UPDATE (15-1-1C)**

Chancellor Galatolo said the draft Facilities Master Plan provides the early stages of plans for the next phase of the Capital Improvement Program (CIP3) and seeks Board input to be included in the final Facilities Master Plan. José Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations, said Facilities Master Plans were completed in 2001, 2005 and 2011. He said construction is now 75% to 80% complete on the three campuses; the intent of this document is to show how the work will be finished.

Trustee Schwarz said she understands that this document is an update of the 2011 Facilities Master Plan. She said it would be helpful to learn what changes have been made since the 2011 Plan was presented. Vice Chancellor Nuñez presented and discussed with the Board the projects that are included in the 2015 Master Plan Amendment at each College.

**Skyline College**

*New Construction:* Building 1, Social Science/Creative Arts Programs – demolition and reconstruction; Environmental Sciences Building – new; Energy Management Programs – new; Boiler Plant – new

*Future New Construction:* Kinesiology/Wellness Building (not included in current construction program)

*Modernization/Renovation of Existing Facilities:* Building 2, Workforce/Economic Development Center – to be state funded; Building 5, Library/Learning Resource Center; Building 14, Early Childhood Education (Loma Chica); Utilities Plant

*Demolition of Existing Facilities:* Building 19, Pacific Heights; Portable Buildings 3A through 3E

*Proposed Site Development:* South Pedestrian Gateway; Parking Expansion; Renewable/Energy Efficiency Improvements

*Potential Building Sites:* Housing Development

#### College of San Mateo

*New Construction* – Building 5, Workforce/Allied Health Programs – expansion; Building 8, Kinesiology/Wellness – demolition and reconstruction; Buildings 12 & 19, Center for Innovation and Emerging Technologies – demolition and reconstruction

*Modernization/Renovation of Existing Facilities:* Building 1, Public Safety/Multi-Disciplinary; Building 3, Humanities/Arts; Building 7, Facilities Maintenance Center (discussing moving facilities management function out of this building and into Building 34, making work in Building 7 minimal); Building 9, Library/Information Technology Services; Building 17, Student Support Services; Building 34, Fire Science/Facilities Management (ITS will move out of Building 34 and portions of Building 34 will be reconfigured to house facilities management and planning functions)

It was noted that the modernization/renovation of Buildings 7, 17 and 34 are low budget projects.

*Demolition of Existing Buildings:* Building 20, Horticulture and Building 20A, Greenhouse – will address after ruling from Superior Court on pending litigation, including CEQA process

#### Cañada College

*New Construction:* Math/Science/Engineering Building – new; Building 1, Kinesiology/Wellness – demolition and reconstruction (staff has discussed other funding sources; not bond funded presently)

*Modernization/Renovation of Existing Facilities:* Building 3, Performing Arts Center; Building 9, Library/Student Resource Center (funding to be determined); Building 13, Multi-Disciplinary Instructional Center; Building 16 and 18, Instructional Buildings (secondary effect buildings; low cost)

*Proposed Site Development:* North Quad Development; Parking Expansion

In response to questions from Donna Bischoff, a member of the public, the Board and staff discussed the concept for the proposed Kinesiology/Wellness Building at Cañada College, along with the operation of the San Mateo Athletic Club located in Building 5 at College of San Mateo.

The Board discussed the importance of having the projects listed in the Facilities Master Plan aligned with the project list for the bond measure (Measure H). They also discussed bond funding vs. other sources. Chancellor Galatolo said projects are estimated to cost approximately \$65 million more than the \$388 million provided by the bond; he said he is confident that this money can be found through other sources.

The Board discussed the impact that the projects will have on teaching and learning. It was noted that the planning process was participatory, involving representatives from the Colleges, and that the 2015 Amendment is grounded in each of the College's Educational Master Plans.

Vice Chancellor Nuñez asked the Board to address questions and comments to himself or Barbara Christensen. He said the intent is to ask for Board approval so that staff can begin the CEQA process. Maxine Terner, a member of the public, asked when the Board will take action. Vice Chancellor said the Board will be asked to take action at a future meeting, after they have had time to submit questions and comments.

**PRESENTATION ON LEASE-LEASEBACK DELIVERY METHOD FOR CAPITAL PROJECTS (15-1-2C)**

Chancellor Galatolo said the design-build method, in which the owner, general contractor and architect work together to develop a building, has worked well for the District. He said tonight staff will introduce the Lease-Leaseback (LLB) delivery method. He said the advantage of this method is that the owner has more control over the design and greater budget control throughout the design phase.

Karen Powell, Director of Facilities Maintenance and Operations, provided an overview of LLB. She said it is an alternative project delivery method in which the District leases a property site to an entity for \$1.00 minimum; the lease requires the entity to construct a building on the subject property for a specified price; and the title to the subject property and buildings vest in the District at the expiration of the lease. Ms. Powell said LLB was originally intended as a financing vehicle, but need not be used as such. She said it allows the owner to select a contractor through the Best Value evaluation process based on qualifications and pricing. She added that LLB requires prevailing wages to be paid on the project.

Ms. Powell said that with the LLB method, in contrast to Design-Build, the owner holds the design contract; Gross Maximum Price (GMP) can be negotiated after subcontractor bids are secured and reviewed by the owner; the owner has input into the subcontractor bid packaging process; the owner reviews the actual subcontractor bids; and the owner may direct the contractor to re-bid subcontracts.

Ms. Powell said GMP is the amount that the contractor guarantees that the cost of the work will not exceed. It is the sum of the cost of the work, including subcontractor bids, contractor costs, and contingency (negotiated). The GMP is subject to additions and deductions due to changes in the scope of work and can include errors and omissions that were not reasonably inferable, owner scope changes, and unforeseen conditions including force majeure.

Ms. Powell said LLB involves specific contractual documents: a pre-construction services agreement, a construction services agreement, a site lease, and a facilities lease. Vice President Mandelkern asked if the contractor is generally the same in the pre-construction and construction phases. Ms. Powell said they most often are the same. Trustee Holober asked if there generally will be competition, allowing the District to choose a more economical option. Chancellor Galatolo said three or four general contractors will typically come with open book proposals.

In summary, Ms. Powell said that with the LLB process:

- Owner issues Request for Qualifications for contractors for pre-construction and construction services
- Owner establishes an interview panel to review the submitted Statements of Qualification and develop short list of contractors
- Once approved by the Board, owner enters into a pre-construction services agreement with the selected contractor
- Either as part of pre-construction or construction services, the contractor conducts open book process to competitively bid each trade with multiple subcontractors
- When GMP has been agreed upon, owner enters into a construction services agreement with the contractor to construct the project
- Owner enters into a site lease and a facility lease with the contractor
- Project team proceeds to manage construction using standard project management protocols and relationships among owner, architect and contractor

Ms. Powell described LLB best practices which are recommended by owners with successful LLB experience. It was noted that the Foothill-De Anza Community College District uses LLB exclusively and SMCCCD staff have talked with them at length about their experience.

Trustee Holober asked if the GMP is locked in or if there is the possibility for escalation. Ms. Powell said there can be escalation during the process but the GMP is locked in once the construction services agreement is completed.

Vice President Mandelkern asked for which projects the District would consider use of LLB. Chancellor Galatolo said LLB would be used for projects in which the District would like greater control over design, such as the

Environmental Sciences Building at Skyline College. He said Design-Build might be used for projects with more straightforward structure.

Vice President Mandelkern asked if there is a difference in the way plans get changed during the process due to input from the Colleges. Vice Chancellor Nuñez said District staff seeks involvement from administration and faculty by conducting meetings with the Presidents' Cabinets at each of the Colleges. Trustee Mohr said faculty are asked to help staff understand what their needs are within cost constraints. Trustee Holober said that the dialogue needs to include the cost starting point and ending point in order to be able to discuss where cuts can be made.

Trustee Mohr asked if a Project Labor Agreement (PLA) can be used in conjunction with LLB. Ms. Powell said it can.

Trustee Schwarz said she is impressed with LLB and is pleased to have additional options. She asked if a new PLA is needed. Vice Chancellor Nuñez said an amendment to the current PLA is needed.

Vice President Mandelkern said the presentation was very interesting and he likes the fact that the District has greater control over the selection of subcontractors. He said he has some concerns regarding LLB, including:

- What would happen if a contractor fails financially before the lease terminates. Eugene Whitlock, Vice Chancellor of Human Resources and Employee Relations, said language would be built into the contracts specifying that failure to perform or bankruptcy cannot legally encumber the property.
- Whether future staff/Board members would use the method as a financing mechanism. Chancellor Galatolo said the Board approves projects one at a time.
- Whether the process potentially could be exclusionary, rewarding those contractors with whom the District has an existing relationship. Chancellor Galatolo said it is incumbent on the District to be open and inviting. He said the District would like to develop relationships with other contractors, such as Level 10 Construction and Bloch Construction, both of which have done work for other districts using LLB.

Trustee Mohr, noting that LLB is being used by 80% of school districts, including 95-98% of K-12 districts, said he believes that abuse would have been detected had it been occurring.

Vice President Mandelkern suggested that the District might use LLB for one project and monitor its success. President Miljanich recommended that staff continue to connect with other districts who have used LLB.

#### **DISCUSSION OF AGENDA ITEMS FOR BOARD OF TRUSTEES RETREAT (15-1-3C)**

Chancellor Galatolo said staff has some proposed items for the agenda for the Board Retreat to be held on January 31 at the Cañada Vista clubhouse, including:

- Review of Progress on 2014 Board Goals
- Strategic Plan
- Budget update/Resource Allocation Model
- Pre-apprenticeship Initiative

Trustee Holober said he would like to have the Board work through details on the pre-apprenticeship initiative before bids are solicited. He said discussions with the building trades are important but are not the only factor. He said discussions should include methods to leverage the money spent on construction to open jobs to populations in the County who could benefit from these avenues. Trustee Holober said he will bring information on what one other entity has required and will also do additional research.

Trustee Mohr said discussion of the Strategic Plan should include the content of the Plan, how it is laid out, the role of the Board, how data will be used, and the goals and actions of the Colleges. Vice President Mandelkern agreed and said adequate time should be allotted so that the Board can be well-informed.

Trustee Holober said he would like to have a review of the MediFit contract on a future agenda. Tom Bauer, Vice Chancellor of Auxiliary Services and Enterprise Operations, said he will present an information report at a Board meeting in February or March.

Ms. Turner asked if the public is allowed to attend the Retreat. She was told that this is a public meeting and was given information on the time and location of the meeting.

Trustee Holober said he will be out of town on March 11 and will try to participate in the scheduled study session via telephone. Vice President Mandelkern said he has a conflict the week of April 29; staff will examine changing the date of the April 29 regular meeting.

**RECESS TO CLOSED SESSION**

President Miljanich said that during Closed Session, the Board will hold a conference with Agency Labor Negotiator Eugene Whitlock; the bargaining unit is AFT.

The Board recessed to Closed Session at 9:05 p.m.  
The Board reconvened to Open Session at 9:30 p.m.

**CLOSED SESSION ACTIONS TAKEN**

President Miljanich announced that at the Closed Session just concluded, the Board took no actions.

**INFORMATION ITEM**

**DISCUSSION OF BOARD OF TRUSTEES ANNUAL ROTATION OF OFFICERS (15-1-4C)**

The Board discussed rotation of officers as conducted at the annual reorganization of the Board each December. Discussion included allowing newer members of the Board a chance to serve as President.

**ADJOURNMENT**

It was moved by Vice President Mandelkern and seconded by Trustee Mohr to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 10:16 p.m.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the January 28, 2015 meeting.

Dave Mandelkern, Vice President-Clerk



# President's Report to the Board of Trustees

**Dr. Regina Stanback Stroud**

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Bécalos students at Google  
Photo Credit: Salvador Martinez and Pyceta Stroud

# SKYLINE COLLEGE BOARD REPORT

## JANUARY 28, 2015

### SKYLINE COLLEGE TO DEVELOP BACHELOR'S DEGREE IN RESPIRATORY THERAPY



The California Community Colleges Board of Governors gave initial approval to 15 colleges, including Skyline College, to develop

bachelor's degree programs in fields such as respiratory therapy, dental hygiene, automotive technology and aerospace manufacturing technology as part of a pilot program approved by the Legislature and Gov. Jerry Brown.

Skyline College received initial approval to develop a Bachelors of Applied Science Degree in Respiratory Therapy. The program will undergo additional review by the California Community Colleges Chancellor's Office as well as further consultation with the California State University and University of California before final approval is considered by the Board of Governors at its March meeting.

"These colleges are embarking on a new mission for the California Community Colleges that will expand opportunities in public higher education," said California Community Colleges Chancellor Brice W. Harris. "Students will have a range of programs from which to choose to earn high quality, affordable and in-demand degrees. California employers win too, as they will have improved access to highly qualified candidates in these fields."

In its current form, Skyline College's Respiratory Therapy program is an advanced practice two-year program that prepares students to administer respiratory care and life support to patients with breathing disorder and cardiopulmonary abnormalities through classroom instruction and clinical practice.

Why it is important for Skyline College to offer this new program:

- Demand for respiratory therapists is significant and growing. Increasingly, respiratory therapists are taking on tasks formerly conducted by physicians, requiring a greater level of critical thinking and analytical skill and expertise than ever before
- The American Association for Respiratory Care and CA Society for Respiratory Care have recommended the baccalaureate degree as the minimum standard for licensing in CA, to meet evolving health care demands
- There is only one other accredited Baccalaureate-degree granting program in Respiratory Care in California, at a private college

in Southern California. (vs. 53 accredited programs on the East Coast and Midwest).

- The 4-year program offers a greater ability for students to advance to management/ leadership roles within the profession, advanced care-giving roles, and higher education

#### Program Timeline

Pending final approval of the Respiratory Therapy Bachelor's Degree program, Skyline College will spend the remainder of this year, and early 2016 collaborating with other pilot groups to develop coursework at the state level. The first new classes would begin in Fall 2016, with the first graduates matriculating in Spring 2018.

Article by Connor Fitzpatrick. Photo by Bryan Kingston.

### NEW SEMESTER BEGINS WITH "STATE OF THE COLLEGE" ADDRESS



Skyline College President Dr. Regina Stanback Stroud welcomed faculty and staff back to a new semester at a brief welcome ceremony on Wednesday, January 21. Faculty and staff gathered together for coffee and

pastries before settling down in the theater to listen to remarks by Dr. Stroud.

Giving an address on the state of the college, Dr. Stroud highlighted her goals for the college in the coming months along with some major recent milestones.

Touching on changes to campus facilities, Dr. Stroud noted that seven computer labs were upgraded over the winter holiday which translates to access to more efficient and effective technologies for our students. Additionally, thanks to the passage of a recent bond measure, Building One, including the theater, will be completely rebuilt creating a more open and inviting entrance to the campus. And a new sustainability

## SKYLINE COLLEGE BOARD REPORT

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building will be added at the overlook where Pacific Heights currently stands. These are hard-won improvements that will help bolster Skyline College's offerings for all its students.

Dr. Stroud also noted a few things she'd like to concentrate on in the new semester. The current placement test system suffers from self-imposed rules that often prevent students from retaking tests. This can mean students get locked into a course track that they might have been able to test out of had they been allowed to retake a placement test after completing the first course on their track – this can add semesters to a student's educational track.

Education plans are another top priority. The plans, currently in development, are intended as helpful roadmaps for students who have an educational goal in mind, like earning an Associate Degree in Mathematics, but might need some help planning the steps they need to take to get there. By mapping out which classes students should take, during which semesters, education plans can create a framework from which a student can develop their own unique pathway to graduation.

Additionally, Dr. Stroud stressed the need to award degrees automatically to students who have completed the requisite coursework. Instead of requiring students to "opt-in" to a degree once they've completed their courses, students will automatically get awarded a degree once they complete the requisites unless they actively "opt-out" for other reasons. This will help prevent students from missing out on degrees they've earned through their own hard work.

Finally, Dr. Stroud congratulated the Skyline College family on its landmark preliminary approval for the development of a Bachelor's Degree in Respiratory Therapy. As one of just 15 programs selected across the State, this is a huge achievement that will allow Skyline College to help fill a serious workforce gap in California.

Dr. Stroud concluded by echoing President Obama's State of the Union address from the night before, stating "The state of the College is strong!"

Article by Connor Fitzpatrick. Photo by Maryam Hadi.

### CLOSINGS AND GRATITUDE - BÉCALOS PROGRAM



The Bécalsos Program Closing Reception and Ceremony took place on Tuesday, December 16, 2014. Each Bécalsos student was individually recognized for

their efforts this semester and the event featured an address by Skyline College President, Dr. Regina Stanback Stroud, and a heartfelt thank you from Vice President of Instruction, Dr. Sarah Perkins. The event also featured student musical performances, a video of memorable events and student addresses. Several students were personally recognized for their endeavors in business as well as other notable achievements, including perfect attendance. The event was a success, and we are proud to have shared the gathering with many key members of our Skyline College community.

As the Bécalsos Program came to a close, our visiting students from Mexico also had the exciting privilege to take part in guided tours of the Google campus in Mountain View on Monday, December 8 and Monday, December 15, 2014. The students personally witnessed typical working days at the dynamic campus. They had the opportunity to view and interact with Google technology and ask questions regarding Google employment, benefits, and the history of the world-renowned company.

The Global Learning Programs and Services Division (GLPS) would like to extend our heartfelt gratitude to all members of the Skyline College community who assisted in any and all capacities with the Bécalsos Program. For the past five months, members of our college and the surrounding community have worked tirelessly and diligently to ensure the program's success during its inaugural year. As the program has come to a close, we are indebted to Skyline College President Dr. Regina Stanback Stroud, Vice President of Instruction, Dr. Sarah Perkins and Vice President of Administrative Services Eloisa Briones for their unwavering support. We would also like to thank the Classified Senate, Auxiliary Services, faculty and staff members who hosted and assisted with the student job shadow program, and all faculty, staff, and student volunteers who have so eagerly

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given their time and expertise to assist both the GLPS Division and our Bécalos students. We believe this has been a tremendous opportunity for the GLPS Division and the College. Felicidades a todos!

Article by Alessandra Zanassi. Photos by Salvador Martinez and Pcyeta Stroud.

### NEW SKYLINE COLLEGE MOBILE APP LAUNCHES



We are pleased to announce the launch of Skyline College's new, free mobile application. This application (app) will allow us to better serve our student community and make important information like grades, course schedules, news and event calendars more

easily accessible to students on their mobile devices.

The campus community is invited to download the app on your smartphone, spend some time with it, and let us know what you think. You can download the app by following the steps below:

- Search for "Ellucian Go" in your App Store.
- Download the free Ellucian Go app
- Once downloaded, open the app
- Search for "Skyline College"
- Select Skyline College

Once you do this, you will have access to the Skyline College Mobile App. In the future, simply select the "Ellucian Go" app on your phone, and it will automatically take you to the Skyline College App. No additional login is required to view most of the app's features.

As with any new app launch, we expect to adapt and improve as we receive feedback from a larger pool of users. Your feedback is incredibly important, and it will help us to make this app as useful as possible for every user.

Article and photo submitted by Connor Fitzpatrick.

### WELCOME CARSBIA ANDERSON AS INTERIM VICE PRESIDENT OF STUDENT SERVICES



We are pleased to welcome Mr. Carsbia Anderson to Skyline College as the Interim Vice President of Student Services.

Mr. Anderson comes to us with 39 years of experience at Monterey Peninsula College. He has served as a Counseling faculty member and Director of EOPS/CARE. As the Dean of

Student Services he was responsible for EOPS/CARE, DSPS, Child Development Center, Health Services, TRiO, Athletics, Financial Aid, Tutorial Services, Student Activities and Student Discipline. He went on to serve as the Vice President of Student Services. Mr. Anderson has served as the lead for the Student Success Initiative, Student Equity, Student Services Program Review and a successful Self-Study Accreditation. Mr. Anderson has also served on the statewide CSSO Executive Board and as the CSSO representative on the CCC/CSU SB1440 Implementation Oversight Committee, as well as other statewide task forces/groups.

Finally, Mr. Anderson is a founding editorial board chair of the iJournal, an electronic newsletter that publishes articles on student services issues in the California Community Colleges.

Please do extend a warm Skyline College welcome to him. His office is on the third floor of Building 4 in the President's suite of offices. Do feel free to come by to welcome him to Skyline College.

Many thanks to the faculty and staff who provided input and advice to me during the appointment process – Nate Nevado, Michelle Haggart, Angelica Garcia, John Mosby, Sarah Perkins, Golda Margate, Aaron McVean and Eloisa Briones.

Article by Regina Stanback Stroud. Photo by Maryam Hadi.

# SKYLINE COLLEGE BOARD REPORT

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### WELCOME WILL MINNICH AS INTERIM DEAN OF ENROLLMENT



We also extend a warm welcome to Mr. Will Minnich who will serve as the Interim Dean of Enrollment services during the spring semester while we undergo a full search process.

Mr. Minnich comes with great recommendations from Dr. John Mosby. He has dedicated years of service to Skyline College serving on the Skyline College Accounting Advisory Committee and on the President's Council where

he voluntarily worked to raise money to support the faculty and staff's ability to "dream out loud" with the President's Innovation Fund.

Will Minnich joined DeVry University in May 2008. As Center Dean, he was responsible for opening and managing the Daly City campus. Prior to joining DeVry University, Will worked with several institutions of higher education –including managing retention and admission coaching services at eight locations for the University of Redlands. Mr. Minnich shares our passion for serving students. He and Dr. Mosby, along with the Admissions and Records staff, have worked together to ensure a smooth transition.

Article by Regina Stanback Stroud. Photo by Will Minnich.

### SMCCD STRATEGY SESSION/PUBLIC FORUM SCHEDULED FOR FEBRUARY 12

Please join us for the San Mateo Community College District's next strategy session/ public forum at Skyline College:

**Thursday, February 12, 2:00 – 4:00 p.m.**  
**Building 6, Rooms 6202-6206, Skyline College**

This session, rescheduled from December, will focus on a discussion of the draft Goals of the District's Strategic Plan and the process that was used in their development.

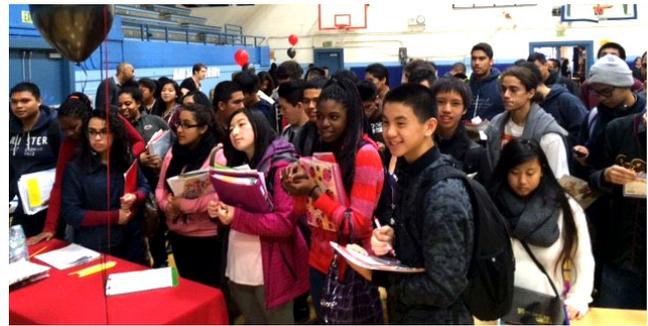
Given the innovative programs, services and big ideas we have at Skyline College, participants will be asked to help identify any gaps that exist between the District's draft goals, what the College is currently doing, and what we dream of doing in the future. Your participation is welcome and encouraged!

In advance of the session, please feel free to review the resource information and data that have been collected during this process over the last few months.

If you have any questions, or would like additional information, please contact Aaron McVean, Dean of Planning, Research and Institutional Effectiveness (PRIE) at (650) 738-4454 or mcveana@smccd.edu.

Article by Aaron McVean.

### OUTREACH HOSTS SKYLINE COLLEGE PROGRAM FAIR AT JEFFERSON HIGH SCHOOL



On Wednesday, December 10, 2014, the Outreach Department hosted the first annual Skyline College Program Fair at Jefferson High School in Daly City. Sparkpoint, Financial Aid, Automotive, Massage Therapy, and the African-American Success Through Excellence and Persistence (ASTEP) were just some of the programs from Skyline College that attended.



The students of Jefferson High School showed a vast amount of interest in the various programs that Skyline College had to offer. Over 200 students attended the event, which led to over 1,000 impressions made

by the various Skyline College programs in attendance. The Outreach department also held a free drawing for the students who attended. The prizes included Skyline College sweaters and t-shirts, and the grand prize was a tablet donated by the Skyline College Bookstore. The event was an overall success that benefited the students and staff of Jefferson High School.

Article and photos submitted by Florentino Ubungen.

# SKYLINE COLLEGE BOARD REPORT

## JANUARY 28, 2015

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### REFLECTIONS ON THE FALL 2014 UMOJA X CONFERENCE



As we enter into the year 2015, some are under the impression that we exist within a “post-race” society. The 10th annual Umoja X Conference took place from Thursday, November 20, 2014 through Saturday, November 22, 2014 and served as a momentous force for somber reflections on the past, ethnic celebration, and progressive thought. The Umoja Conference reminded us that race and race matters are especially relevant now, more than ever before. The San Diego Community College District hosted this special event, but noteworthy colleges like San Diego Mesa College and universities such as the University of California, Davis and San Diego State University also sponsored the event. In addition, several Historical Black Colleges and Universities came to support Umoja X, even extending the opportunity for on-site admittance to qualifying students.

A central highlight of this conference was the opening lecture led by the keynote speaker, highly revered and world-renowned educator Dr. Joy DeGruy, author of *Post-Traumatic Slave Syndrome*, who spoke on how fear created by ignorance can be the catalyst for so much destruction. Dr. DeGruy’s presentation exposed evidence of racism and racial injustices being hidden in plain sight, even down to our present day. Though this evidence was startling, DeGruy emphasized the urgency of exposing the pain in order to truly begin the healing process in our society. She also encouraged elders in the community to make sure that the youth, especially young African American males who are an endangered demographic in America, know how much they are loved and that they are a source of pride. It is vital that they receive these acknowledgments, so that they can feel empowered to progress academically, ultimately ensuring their holistic success and healing.

The remainder of the conference included various workshops led by educators and students that addressed different layers of De Gruy’s presentation. Participants were encouraged to reflect on the ways they use words and social media to make meaning, whether that

meaning is a source of damage to those in the African American community, or a source of liberation to the community. All present were reinvigorated to apply the topics and mindsets discussed as they returned to their perspective colleges and universities; we were motivated to pass on the knowledge and love received in all aspects of our lives, not just academically.

Article and photo submitted by Chanel Daniels.

### TRiO’S ARASH DANESHZADEH SPEAKS ON SCHOOL-TO-PRISON PIPELINE AT CLAREMONT COLLEGES



On Saturday, December 13, 2014, Arash Daneshzadeh, Interim Director of Skyline College’s TRiO SS Program, was keynote speaker at a conference on Race, Gender and Equity at the Claremont Colleges. This two-day program was hosted by Pitzer

College. Over 175 students participated in Arash’s workshop on community cultural wealth, presentation on hip hop and critical pedagogy and brown bag seminars highlighting his career investment with historically marginalized communities of color, particularly in the wake of public scrutiny over police brutality.

Arash’s keynote presentation was conceptually grounded in his doctoral research on issues germane to the school-to-prison pandemic—such as restorative justice, black male identity theory, cultural mistrust, and zero tolerance policies. This event was sponsored by the governance bodies representing the Associated Students and Black Student Union of the Five Claremont College Consortium.

Student leadership at both Pitzer College and Pomona College will continue to utilize Arash’s seminal work on integrating cultural wealth and restorative justice into the judiciary practices on their own campuses.

Article and photo submitted by Arash Daneshzadeh.

# SKYLINE COLLEGE BOARD REPORT

## JANUARY 28, 2015

### HOSPITALITY SUMMIT UNDERSCORES REGIONAL IMPORTANCE OF HOSPITALITY & TOURISM



On Saturday, December 5, 2014 the hospitality SUMMIT was held at the Marriott SFO Waterfront Hotel. Dr. Stanback Stroud, President of Skyline College welcomed close to 130 participants and was joined by Anne LeClair, President and CEO of San Mateo/Silicon Valley CVB, who spoke about the importance the hospitality and tourism industry plays on our local and regional economy and the many exciting career opportunities that exist here.

Andrea Vizenor, Deputy Sector Navigator, facilitated the event which provided engaging and interactive training for participants from three major industry leaders.



The morning session was led by Lynn Carpenter, VP of Marketing for Visit California, where she shared the array of marketing strategies used to position California as a top choice destination among business travelers and tourists throughout the world. She spoke about the importance of international tourism and the many

opportunities that exist in growing international markets.

Second to take the stage was Clif Clark, General Manager with Marriott. He discussed major plans within the company to take the brand to the next level. Topics included: major room design modifications, loyalty guest program changes, strategies to attract the millennial travelers, and the utilization of smartphone key access to guest rooms. Alexandra Valentin, a trainer from The Ritz Carlton Leadership Series led, the afternoon session where she taught attendees the necessary skills needed to deliver “Memorable Customer Service,” showcasing strategies utilized by the luxury brand.

Among the attendees were community college and CSU faculty, high school teachers in culinary and hospitality and community college and CSU students. Over 30 Skyline College students were in attendance. Professor Nathan Jones accompanied a group of the African-American Success Through Excellence and Persistence (ASTEP) students who are interested in the Hospitality and Tourism Program as well as students from Professor Dupre’s Counseling 100 classes.

This event provided an exciting opportunity for educators to gain skills they can utilize to advance programs and ensure they have relevant knowledge necessary in the industry to integrate into course content. Students equipped themselves with a variety of skills and knowledge that will be valuable as they progress through their educational programs, prepare for work-based learning experiences and enter the workforce.

It was also a fabulous opportunity to promote Skyline College’s new Hospitality and Tourism Management Program.

Article by Elizabeth Tablan. Photos by Nicole Ruggiero.

### PATIENT NAVIGATION SYMPOSIUM INTRODUCES STUDENTS TO VOLUNTEER OPPORTUNITIES AROUND BAY AREA



On Wednesday, December 3, 2014, the Career Services Center and Patient Navigator Program hosted

a panel of 10 Volunteer Coordinators and Patient Navigator volunteers to share what it means to be a Patient Navigator in their unique healthcare environments.

Patient Navigator students—about to embark on a cooperative externship course—had the chance to ask questions and mingle with the volunteer coordinators and volunteers to learn what it is like to do Patient Navigation in an array of healthcare environments. Not only did students get a chance to rub shoulders with possible internship site leaders, they got to hear about the

# SKYLINE COLLEGE BOARD REPORT

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real difference patient navigators make in the field. From making phone calls to help patients follow up with appointments to guiding undocumented patients through the process of receiving a liver transplant, it was evident that patient navigators are already making a difference in the lives and health outcomes of patients.



As an Emergency Department Resident from Highland Hospital stated, “When a patient comes to the ER who’s suicidal because he’s tired of being homeless, I don’t have a treatment for homelessness. That’s when (the patient navigators) can help patients work through those problems that we can’t solve in the ED.”

The panel represented a diverse range of Bay Area healthcare providers including:

- Bay Area Regional Help Desk Consortium in San Francisco
- Highland Hospital in Oakland
- San Francisco General Hospital
- Asian Americans for Community Involvement in San Jose
- California Pacific Medical Center
- St. Luke’s Hospital in San Francisco
- El Concilio of San Mateo County

Article and photos submitted by Lezra Chenportillo and Paul Rueckhaus.

### TRiO PARTICIPATES IN “PROJECT CONNECT” TRANSFER DAY AT SAN FRANCISCO STATE



On Wednesday, November 5, 2014, TRiO Student Support Services took 25 students for a campus visit to San Francisco State University during the 9th Annual Bay Area Community College Transfer Day.

The event was kicked off by signature events, courtesy of the Project Connect Associated Student Initiative that serves historically marginalized communities from first-generation, low-income backgrounds. TRiO SSS students enjoyed a comprehensive tour of the campus led by admission representatives and student liaisons. Additionally, Kenneth Monteiro, Dean of the College of Ethnic Studies, delivered a keynote address underscoring the correlation between social justice and historical relays of power discussed in Ethnic Studies courses.

The event was a pivotal opportunity for students to learn about other additional resources beyond the classroom during breakout sessions. The SFSU Study Abroad office, scholarship liaisons, Liberal Arts and Creative Arts Departments, and the Colleges of Health, Business, Engineering and Teacher Education all hosted workshops. Jasari X, community organizer and hip hop artist, facilitated a special spoken word presentation and interactive dialectic on the school-to-prison pipeline.

The Bay Area Transfer Day program closed with a session led by current undergraduates at San Francisco State who shared their personal experiences and provided a glimpse into navigating the nuanced milieu of higher education as a first-generation student.

Article and photo submitted by Arash Daneshzadeh.

### HOSPITALITY ADVANCE HELPS HOTEL INDUSTRY WORKFORCE SUCCEED THROUGH LANGUAGE DEVELOPMENT



The Hospitality and Tourism Management Program at Skyline College joined forces with the Language Arts Division to develop hospitality-specific language development training. As part of the Retail, Hospitality, and Tourism Initiative, Andrea Vizenor, Deputy Sector Navigator, worked with hotel industry leaders to identify specific training needs within their companies to advance the sector’s workforce in San Mateo County. Through

## SKYLINE COLLEGE BOARD REPORT

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a series of collaborative sessions, it was evident that a need existed to increase the English language skills of incumbent workers in major hotels such as the Hilton, Hyatt, Marriott and Best Western.

Industry leaders were excited to join a session led by Vizenor to outline the essential skills and competencies that would be important to include in this type of training. English for Speakers of Other Languages (ESOL) Professor Serena Chu-Mraz also joined the session and provided great insight and interest in the project.

As a result, Hospitality ADVANCE, a 12-module training program for Hotel and Hospitality incumbent workers was created. It is a dynamic training program that integrates English language development competencies with a set of essential hotel operations skills and competencies.

Professor Chu-Mraz and the Hospitality and Tourism Management Program team partnered to develop the curriculum and training materials. The program also imbeds skills essential to prepare trainees to take the exam needed to earn the Certified Guest Service Professional, industry-recognized credential offered through the American Hotel and Lodging Association.

Through the interest and added funding provided by the Allies Grant project awarded to the SMWIB, Professor Chu-Mraz was able to pilot the training program at the Best Western El Rancho Inn and Executive Suites in Millbrae for nine of their employees and two adult school students interested in pursuing a career in hotels. Upon completion of the training, 11 individuals earned a certificate of completion and a celebration was held to recognize everyone's efforts.

The leadership of the Best Western El Rancho Inn and Executive Suites are very impressed with the increased confidence of their team, outcomes of this project, increased communication skills and the added cohesiveness of their team members this experience provided.

Professor Chu-Mraz's enthusiasm, commitment and talent invested in this project and its delivery have been invaluable to its success.

Hospitality ADVANCE will also provide valuable training that will be able to be offered at Adult Schools as a bridge component to the new Hospitality and Tourism Management Program at Skyline College.

Article and photo submitted by Elizabeth Tablan.

#### EVENTS

##### **BLACK HISTORY MONTH KICK OFF EVENT**

Wednesday, February 4, 2015

2:00 p.m.

Fireside Dining Hall

##### ***IF THESE HALLS COULD TALK*** **WITH DIRECTOR LEE MUN WAH**

Tuesday, February 10, 2015

1:00 p.m.

Building 1, Theater

##### **THE AFRICAN AMERICAN EXPERIENCE:**

##### **A DIALOG ON SOCIAL JUSTICE**

Thursday, February 19, 2015

1:00 p.m.

Building 6, Room 6202

##### **NATIONAL TRIO DAY**

Saturday, February 21, 2015

9:00 a.m. - 2:00 p.m.

Cañada College

##### **WOW! VOICES NOW**

Saturday, February 21, 2015

9:30 a.m. - 12:30 p.m.

Building 6, Room 6202

##### **AFRICAN DRUM DJAM CIRCLE WITH** **AFIA WALKING TREE**

Wednesday, February 25, 2015

12:00 p.m.

Building 6, Room 6202

##### **15TH ANNUAL PRESIDENT'S BREAKFAST**

Thursday, March 19, 2015

7:00 a.m. - 8:30 a.m.

South San Francisco Conference Center



# President’s Report to the SMCCCD Board of Trustees

President Michael Claire ~ January 28, 2015

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## CSM Provides Shelter for Storm Victims



Photo courtesy of Michele Rudosky

More than 100 people who were displaced from their homes by the December storm found a temporary shelter at CSM while County services worked to find alternate housing. CSM’s Building 8, including all three gyms and locker rooms, was transformed into a safe, clean and secure space by facilities and public safety personnel who worked closely with the San Mateo County Office of Emergency Services and Red Cross. In addition, departments throughout the college contributed support to make the evacuees stay as pleasant as possible: athletics shared not only their facilities but towels and sports equipment; cosmetology provided complimentary services; ITS arranged for Internet connections as well as TVs and DVDs; the Child Development Center offered toys and activities for the children; the Theatre held movies nights; and the Library’s Makerspace in conjunction with the Architecture Club hosted a gingerbread house building activity. The Public Safety and Facilities team put in long hours to provide support and deploy resources and did outstanding work to serve the individuals and families in need. The shelter remained in place from December 11–18. ■

## CSM Students Excel in Math League Competition

A team of 22 CSM math students placed 6<sup>th</sup> out of 189 colleges in a nationwide Math League competition held this past fall. In addition, CSM's team placed 4<sup>th</sup> out of 49 participating colleges within the Western region which covers California and Nevada. The annual Math League competition is hosted by the American Mathematical Association of Two-Year Colleges. Several thousand students participated in the fall round.

Two CSM students placed very high in the individual competition—**Sammy Zhang** was 13<sup>th</sup> overall and 6<sup>th</sup> in the West and **Tong Zhu** placed 19<sup>th</sup> overall and 8<sup>th</sup> in the West. Zhang is a 14-year old from Carlmont High School who is concurrently enrolled in math classes at CSM.

Math League competition is held at each participating college and, at CSM, is coordinated by math professors **Robert Hasson**, **Mel Hom** and **Jay Lehman**. The college has hosted the exam for CSM students every year since 2000. Professor Emeritus of Mathematics **Rosalie O'Mahoney** provides monetary prizes for three students who achieve the highest scores, which is administered through the SMCCC Foundation. CSM will continue to compete in the spring 2015 round of Math League. ■

## Middle College Begins Semester with Journey to Angel Island

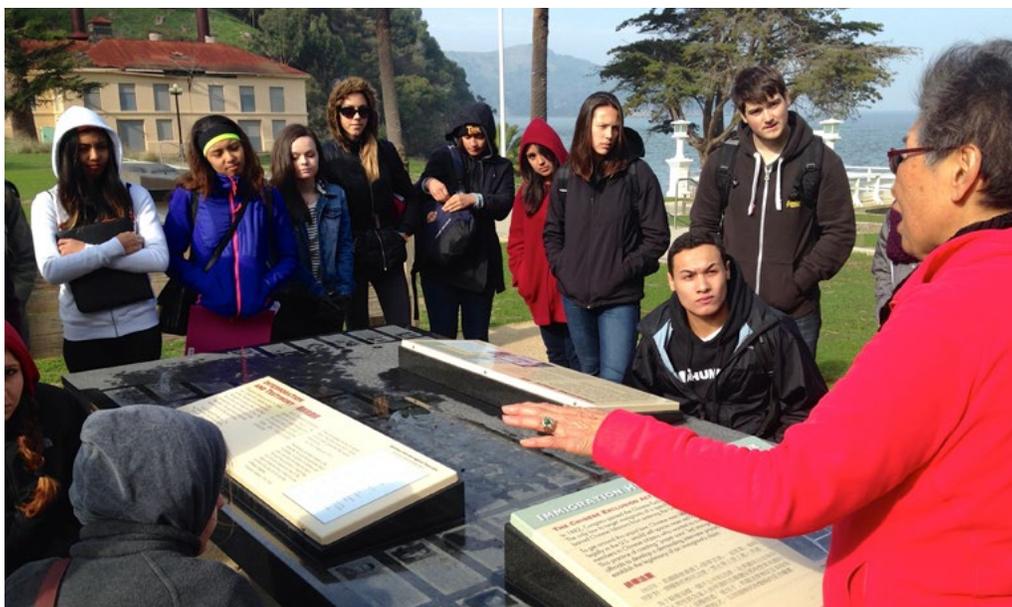


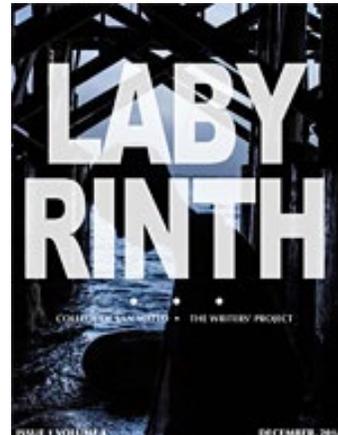
Photo courtesy of Greg Quigley

Fifty Middle College students and staff traveled to Angel Island in San Francisco Bay on January 15 as part of the opening week's focus on immigration and personal journeys. Students read *Enrique's Journey*, by Sonia Nazario, and used that as springboard for discussion about immigration issues and the internal and external journeys they have been on themselves. Students toured the immigration station at Angel Island, where, from 1910 to 1940, one million people were processed, including Chinese paper sons,

Japanese picture brides, Korean refugee students, South Asian political activists, Russian and Jewish refugees, Mexican families, Filipino repatriates, and many others from around the world. The students wrote reflective narratives about their own journeys in culmination of their learning experiences in the opening week. (Article contributed by Greg Quigley) ■

## The Labyrinth Evolves into Districtwide Journal

CSM’s Writers’ Project (formerly the Honors Club) has recreated its publication, *The Labyrinth*, into an academic journal featuring a collection of scholarly and artistic work from students at CSM, Cañada and Skyline. The original version of *The Labyrinth* was awarded First Place by the National Collegiate Honors Council in 2014 for the category of “Best Printed Honors Newsletter.” However, the editorial staff chose not to rest on its laurels and ambitiously redesigned the publication so that it could provide a platform for a broader community of contributors. The December 2014 publication presents a sample of the type of work to be featured in future issues. The full content can be viewed at [collegeofsanmateo.edu/honorsproject/docs/newsletters/TheLabyrinthEdition04.pdf](http://collegeofsanmateo.edu/honorsproject/docs/newsletters/TheLabyrinthEdition04.pdf). ■



Cover design by Jina Lee.  
Photo by Precilla del Rosario.

## Athletics Hall of Fame Inducts 17 New Members

On January 23, CSM’s Athletic Department honored 17 inductees into the CSM Athletic Hall of Fame. The ceremony included an unveiling of the inductee plaques at the Hall of Fame Plaza followed by dinner and induction ceremony in College Center’s Bayview Dining Room. The 2015 class included the following former athletes, faculty and other supporters of the athletic program:



Scott Feldman	Baseball student-athlete; MLB pitcher Houston Astros (current)
Daniel Nava	Baseball student-athlete; MLB player Boston Red Sox (current)
Mike Solari	Football student-athlete; Offensive line coach 49ers
Milt Axt	Football and baseball student-athlete; High school coach (45 consecutive wins); CA State Coach of the Year
Al Terremere	Principal, Carlmont HS; Football student-athlete; All-American, Santa Clara; NFL Official
Randy Gomez	Football and baseball student-athlete; Played professionally with the SF Giants.
Stella Edwinson	Track student-athlete; 1984 Olympic trials; State champion in hurdles
Perry Parmalee	Football student-athlete; Played professionally with the New York Jets

Dr. Marcel Hetu	Track student-athlete; State mile champion; College Administrator
Bob Peterson	Basketball student-athlete; First from CSM to make it to the NBA
Bob McClure	Baseball student-athlete; Professional player and coach
Doug Scovil	Football coach; Professional coach (Eagles, 49ers)
Jerry Scattini	Football student-athlete; Played at UC Berkeley
Bea Goodoy	Softball and basketball student-athlete
Julio Bortolazzo	Former president, College of San Mateo
Caroline Silva	Academic advisor to student-athletes
Ron Galatolo	Chancellor, San Mateo County Community College District (current)

Photos of the event will be in the February Executive Report to the Board of Trustees and can be viewed by visiting [collegeofsanmateo.edu/halloffame](http://collegeofsanmateo.edu/halloffame). ■

## Update on New Programs: Umoja and Project Change

In fall 2014, CSM launched the **Umoja Program**, a new learning community aimed at supporting African, African American, and other at-risk students. The learning community



pairs ethnic studies and English courses, which include Afro-centric curricula that highlight African American culture, identity, literature, and history. An important component of the CSM Umoja Program is a professional development program called “Indaba,” a Zulu term for “a tribal gathering, consultation, or council meeting” where elders discuss matters important to the community. CSM’s Indaba brings together faculty from across the disciplines, staff, and administrators to address the obstacles that many of our students, particularly African American students, face at CSM and in higher education. In fact, the purpose of Indaba is to both promote culturally relevant pedagogy and to also discuss actions that the institution can take to promote equity and diversity. The Indaba meets monthly in the Puente/Umoja Village. Assistant Professor of English **Jeremy Wallace** and Professor of Ethnic Studies **Frederick Gaines** are faculty coordinators for Umoja.

**Project Change**, also established last fall, is the first program of its kind in California to provide wrap-around social service support and offer direct assistance for postsecondary access to incarcerated youth. The project provides students with a clear pathway to resources and programs on campus from which they benefit including Pathway to College, student support services, counseling, financial aid, and cohort learning communities such as Puente and Umoja. Furthermore,

COLLEGE OF SAN MATEO



Photo by CSM Community Relations and Marketing

Project Change provides a supportive network of volunteer faculty and staff mentors, as well as a project director, to assist students navigating their first year in college. This program unites the college and San Mateo County organizations in a joint effort to help underrepresented populations of students make the transition to community college. The next stage of the project will provide instruction on-site at the San Mateo County juvenile justice facilities. **Katie Bliss**, assistant professor of English, is serving as project director. *(Content contributed by Jennifer Taylor-Mendoza)* ■

## CSM Student Art Exhibited at Belmont Art Center

Artwork by members of CSM's **Fine Arts Club** is currently on display through January 29 at Twin Pines Art Center's Manor House in Belmont. The exhibit displays a wide variety of genres, with works from beginning to advanced student artists. It includes everything from still life and landscapes to portraits and large gallery pieces, most of which are available for sale. The gallery is open to the public Wednesdays through Sundays, 12 to 4 pm.



*Painting by Gary Crispino*

CSM's Fine Arts Club is run by students with the help of faculty advisor/Professor of Art **Rebecca Alex** and is open to all CSM students. Members of the club plan and host critique groups, exhibitions, workshops and lectures; other activities include painting murals, creating websites and designing promotional materials. In addition, the artists offer their work for sale and/or rental to members of the community. ■

## Library Hosts College Educators from Japan

On Nov. 19, the College of San Mateo Library welcomed a team of educators from colleges in Japan to learn how CSM provides instruction and resources via digital formats. The team was led by Faustino Hernandez of the National Federation of University Co-operative Associations who has brought several Japanese educators to the CSM Library in the past. In addition to presentations by CSM librarians **Lisa Velarde** and **Stephanie Roach**, the visitors learned about CSM's Extra Large Online Project (XLO) from **Peter Bruni**, manager of distance education and instructional design, and about issues related to the adoption of e-books and online texts from **James Peacock**, CSM's bookstore manager.



*Photo courtesy of Lorrita Ford*

The guests were very impressed by the work that is going on at CSM while the panelists from CSM enjoyed learning about the status of digital teaching and

learning in Japan. Following the presentations, the Library hosted a reception that included representatives from the International Student Center including Japanese international students and several CSM faculty and staff of Japanese ancestry.

*(Content contributed by Lorrita Ford) ■*

## Kudos

~ CSM's **Jazz Ensemble** captured first place honors in the collegiate category at the San Joaquin Delta College Jazz Festival. The Jazz Ensemble, led by Professor of Music **Mike Galisatus** topped former Reno Jazz Festival winner Fresno City College to win the big band event.

~ New England Patriots wide receiver **Julian Edelman**, a CSM alum, threw the first touchdown pass of his six-year NFL career to help secure a New England win over the Baltimore Ravens 35-31 in the divisional round game on January 10. The opportunity for Edelman arose on a double-pass trick play from quarterback Tom Brady that Edelman threw downfield to wide receiver Danny Amendola for a 51-yard touchdown. The last time Edelman threw a touchdown pass was when he played quarterback for Kent State University. It was the first time in more than ten years that a Patriots' player, other than a quarterback, threw for a touchdown.



Photo source: ESPN.com

(In following week's AFC championship game, the Patriots routed the Indianapolis Colts 45-7 sending the Patriots (and Edelman) to face Seattle Seahawks in the Super Bowl on February 1.)

~ Four College of San Mateo football players were honored by California's community college coaches in All-State voting. Offensive lineman **Benji Palu** (6-1, 275, Soph.), kicker **Justin Watts** (5-10, 170, Fr.), linebacker **Mosa Likio** (5-11, 230, Soph.) and defensive back **Taylor Mashack** (5-11, 185, Soph.), from Menlo-Atherton High School, were named First-Team All-Region I.

~ Perfect Enuf, an exhibit of 21 paintings by Emeritus Professor of Art **Jude Pittman** is currently on display at the Galleries in the Milton Marks Conference Center on 445 Golden Gate Avenue in San Francisco. The exhibit runs until January 31 and the gallery is open Monday through Friday, 9 am – 5:30 pm. ■

A poster for an art exhibit titled "PERFECT ENUF" by Jude Pittman. The poster features a red silhouette of a person in a dynamic pose, with a blue arrow or line extending from their hand. The text on the poster includes the title "PERFECT ENUF", the artist's name "21 Paintings by Jude Pittman", the dates "November 14 - January 31", and the location "Galleries in the Milton Marks Conference Center San Francisco State Building 455 Golden Gate Avenue, San Francisco". It also provides parking information and gallery hours: "Gallery Hours: M-F 9am-5:30pm (no weekends or evenings)".

# UPCOMING EVENTS

## **Healthcare 411: Information & Advice about the Affordable Care Act**

**Saturday, January 31, 9:30 am — 12:30  
pm, College Center Building**

Sponsored by Congresswoman Jackie Speier

## **ASCSM Reboot Week**

**February 3–5, 11 am – 2 pm**

The Associated Students of CSM kick off the spring semester with fun, games, music, free food, and giveaways!

## **Middle College Spring Back-to-School Night**

*An event for parents and students*

**Wednesday, February 4, 6:00–8:00 pm**

A presentation by Middle College staff for current parents and students, detailing specific activities, curriculum and special requirements for the Middle College students.

## **Cosmic Microwave Background Polarization and Life at the South Pole**

**Friday, February 6, 7:30–9:00 pm  
Building 36, Room 110**

San Mateo County Astronomical Society speaker meeting featuring Dr. Sarah Stokes Kernasovskiy, Kavli Institute for Particle Astrophysics & Cosmology

## **VITA - Free Income Tax Preparation**

**Every Saturday, 2/7 – 4/11 (except 2/14  
and 3/28), 9:00 am – 1:00 pm, Building  
14, Room 104**

## Student Success Story: Jenna Finegold

**UC San Diego, B.A., Sociology**

**UC Hastings College of the Law**

As a senior at Mills High School, Jenna Finegold received acceptances to a number of universities. With graduation looming, she wasn't ready to narrow her choices to a single university or decide on a specific major. "Like so many students, I got caught up in the pressure of attending a university right out of high school. I needed time to figure out a major before I made a commitment to a university for four years. As an 18-year-old, I just wasn't ready, Jenna says."

Jenna chose the community college path to a university, a path that provided both time and resources to help her make those all-important college decisions. Once she enrolled at CSM, Jenna says, "I focused on creating a meaningful community college experience."



*Photo by CSM Community Relations and Marketing*

In addition to taking a full load of classes each semester, she became actively involved in college life. She joined student government of which she says, "It was significant because I was surrounded by some of the most driven people I had ever met. They were my peers but they were also role models. We pushed each other to succeed and became lasting friends in the process. Being involved in student government gave me many wonderful opportunities – I was able to travel to Washington D.C. to participate in a lobbying conference at the U.S. Capitol and student leadership conferences in Los Angeles and Lake Tahoe. Our advisors Aaron Schaefer and Fauzi Hamadeh helped to build my confidence and gave me opportunities to grow."

Poised to take on additional challenges, Jenna became a CSM student ambassador, a position that allowed her to advocate for the college by speaking with high school students about the college. "Being an ambassador taught me how to speak on matters that are important to me– such as the value of a community college education. I think community colleges are misrepresented, they are seen as a default or fall-back, and as an ambassador, I was able to help to dispel that rumor."

Jenna's participation in college activities provided a good balance with her academics. While satisfying university general education and transfer requirements, she was able

to delve into different subjects, which eventually helped her to choose a major. Her decision was made when she enrolled in a sociology class taught by Professor Minu Mather. “I loved the class and the subject. I was able to see how sociology relates to so much in our daily lives.”

Jenna credits CSM with giving her the time and space to grow. After two years at CSM, Jenna transferred to UC San Diego as a sociology major. She found transferring from community college to a major university an easy transition. “When I got to UCSD, I felt as close to 100% prepared academically and emotionally as I could. At CSM, I learned to work hard and that helped me be a successful student.” In 2014, she graduated in the top 14 percent of her class, earning a bachelor’s degree in sociology.

To further build on the foundation she received at CSM, Jenna is currently working on a law degree at UC Hastings College of the Law. By choosing a career in law, she intends to pay forward all the good fortune and opportunities that she received by serving as an advocate for others. When asked if she succeeded in creating that meaningful community college experience, she states, “I had an amazing experience at CSM and one that I will carry with me through the rest of my endeavors.” ■



# Cañada College

report to the  
SMCCCD Board of Trustees

January 23, 2015

Edited by Larry G. Buckley, PhD



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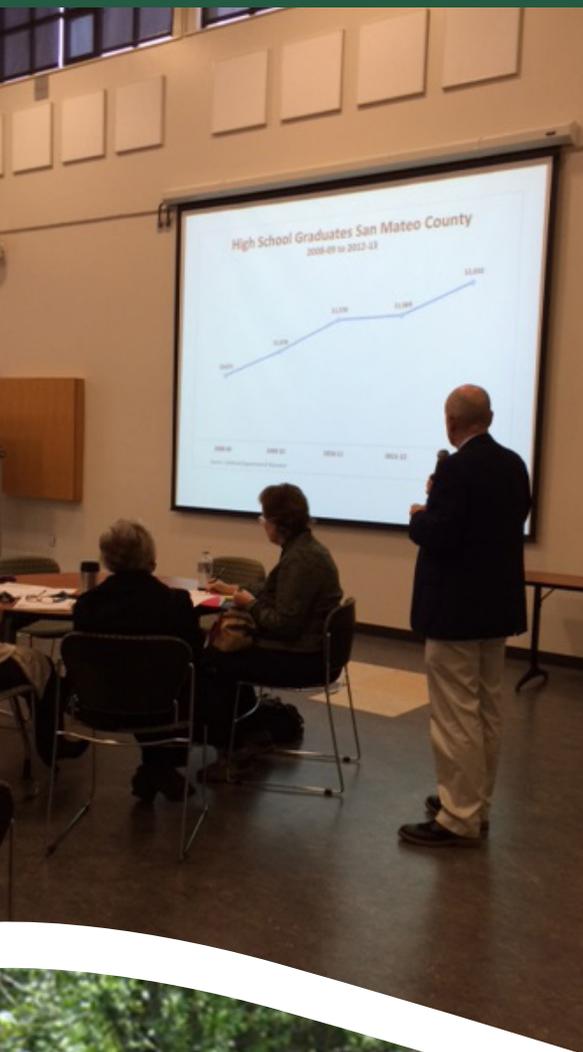
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- Phi Theta Kappa Forum pg. 12



pg. 5



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## SMCCC District Strategy Session Came to Cañada on December 9

Faculty and staff were invited to participate in a strategy session on internal data and gain additional insight on our students, programs, and their experiences within the District's Colleges. Topics included: changing demographics, student retention, and student success.

Additionally, the session provided an overview of instructional program trends and their potential connections to labor markets, overall enrollment scenarios, and the District's competitor analysis. Participants had the opportunity to discuss the San Mateo County Community College District student experience and provided input on how the District, and its Colleges, can improve that experience.

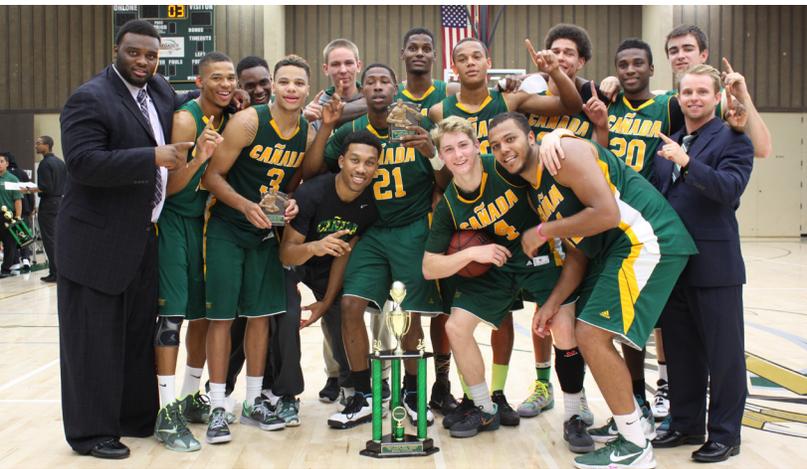
## Ramzel to Join ECE Faculty

Melinda Ramzel has been chosen as the College's new ECE professor. Melinda brings over 15 years of early education experience as a former preschool teacher, manager and professional development trainer in a variety of non-profit and for-profit organizations centered on working with children, families, and youth. She has a Bachelor's degree in Child Development from Tufts University and a Master's in Public Health with a concentration in Maternal and Child Health from the University of Illinois-Chicago (UIC). Additionally, she is All But Dissertation (ABD) at Syracuse University, working towards a degree in Child and Family Studies.

Melinda has teaching experience at a variety of colleges and universities around the country. As faculty, she has taught courses in child development, public health and developmental psychology. Recently, she was program coordinator of the Promoting Achievement Through Higher Education (PATH) program at San Francisco State University. PATH is a program that provides classes in a cohort format, on nights and weekends for the early childhood education workforce to help them complete the last two years of their BA in Child and Adolescent Development. The goal of the program is to help raise the qualifications and degree attainment of early educators by removing some of the barriers facing the workforce.

She also serves as a consultant trainer with Teaching Strategies, Inc. where she develops workshops, provides program evaluation, and coaching for early childhood programs implementing The Creative Curriculum® for Preschool and Infant, Toddlers, and Twos.





## Cañada Men's Basketball team wins Tournament

The Cañada Men's Basketball team went to the annual Monterey Tournament the weekend of December 6 and beat American River College by a score of 85-74 to take home the Championship trophy.

Crisshawn Clark (freshman) was named to the All-Tournament Team and Israel Hakim (sophomore) was named MVP of the Tournament.

## Bond Measure Passage Leads to Campus Construction Planning

In the wake of the recent passage of Measure M, District Vice Chancellor of Facilities, José Nuñez, has begun to lay out a planning schedule for the major projects at Cañada. His macro plans, at present, are as follows:

- **Building 1 – New Kinesiology:** Finalize programming with end users. Secure COP funding pending selling of Bonds in Spring 2015. Demolition and start construction Summer 2015.
- **New Math/Science Building:** Complete programming, start design, permitting and construction Spring 2016 or earlier.
- **Lot 6 Expansion:** to coincide with completion of the Kinesiology Building Fall 2017.
- **Lot 10 Expansion:** to coincide with completion of the New Math/Science Bldg. Fall 2017.
- **Secondary Effects Post New Math/ Science Building – Buildings 16 and 18 (Biology and Chemistry Moves):** Start Fall 2017.
- **Building 3 Humanities –Modernization:** TBD this project may have secondary effects and will need swing space. Begin planning in 2016.
- **Building 9 Expansion:** New west-facing entrance. This project can have secondary effects and may require swing space.
- **Building 13:** May follow New Math/Science project. Full gut and modernization.

The District and College will still need to complete detailed space planning and the selection of final architects for design and build phases of construction projects.



## Hiring Priorities Update

After an extensive review of the discussions and documentation provided in the comprehensive process for faculty and staff hiring priorities, conducted in our shared governance committees and both the Faculty and Classified Senates, President Buckley shared his hiring plans with the PBC on December 17, 2014.

New faculty positions that may be filled as early as Fall, 2015, include Engineering, Learning Disability Specialist/Counselor, Transfer Center/Transfer Honors Counselor, and ESL. The Engineering position was the number one priority recommendation of the Faculty Senate and reflects the need to address the ever-growing nature of our Engineering program. The LD Specialist position is needed because the College has not had learning disability evaluation services for over five years. This individual will work with students to assess and diagnose learning disabilities, and then provide strategies for their success.

The Transfer Center/Honors Transfer Program Counselor position is in support of three programs: Transfer Center, Honors Transfer Program, and Counseling Department. To meet the requirements of SB 1440, Cañada College has 20 ADT programs and the number of applicants has been significantly increasing. This position will provide increased support for the changing nature of our transfer curriculum.

The ESL position is a full-time one meant to fill that which was vacated when Anniqua Rana became Dean of Athletics, Library, and Learning Support earlier this semester. In addition to these faculty positions, we will also be adding a Classified Director position in our new SparkPoint Center. This position has already been advertised and the search process is currently underway. The director will conduct the day-to-day management that includes hiring, training and evaluation of all Center staff and oversight of the budget and grant reporting needs. We will also increase to full-time status, the Student Life and Leadership Development Assistant, which is currently half-time. The program has grown significantly over the past four years and one full-time staff member for the entire center is not adequate to meet its needs. The increase will allow the office to expand service hours and support the management of the SparkPoint Food Pantry.

Finally, it should be noted that the addition of the Transfer Counselor position will allow the Department to address internal assignments I support of our new Puente Program beginning in Fall, 2015. There will also be reassignment time provided to faculty to oversee and support that program. These hiring priorities ensure support for our instructional programs, student services programs, and emerging “social services” programs in a manner that serves the comprehensive needs of our students and more fully supports their success. A special thanks to all who contributed to the prioritization process. Their hard work has led to a meaningful plan for staff service expansion.

## Interior Design Faculty and Students Acknowledged

Cañada College is one of the oldest NKBA Accredited programs in the country, holding that status since 1988.

Interior Design faculty and students gathered on December 16, 2014 to celebrate achieving the renewal of the Program's NKBA Accreditation for the next seven years. Cañada students consistently win the NKBA Excellence Award and we are proud of their contribution to this prestigious honor.



## Colts Win Foothill Tournament

The Cañada Men's Basketball Team went into the Foothill Tournament, trying to capture their third tournament championship of the year. They were successful in doing so, although the Colts were tested in each of these games. They proved to be a team that can come together and win the tough gritty games, as well.

To open the tournament, they faced off against a very good College of the Sequoias team and captured the lead in the last 59 seconds when Rohndell Goodwin hit a lay-up to give the Colts a 2-point lead, and then the Sophomore sealed the deal 91-87. In the semi-finals, the Colts had a rematch with DeAnza College, a team they had played once before. DeAnza came out fighting from the start, but the Colts kept them at a safe distance most of the game and won 78- 67 with Sophomore Israel Hakim and Rohndell Goodwin scoring 21 a piece, and Manny Martin grabbing 18 rebounds.

In the finals, the Colts again matched up with an opponent they had beat before, Delta College. The Colts came out tired and lack luster in the first half, and were down by 13 points, but a spark from (Freshman) Thomas Alexandre was all the Colts needed to get going. They cut the deficit to 6 at half, and the second half played with renewed intensity and focus and battled the entire second half to win a tight one and bring home the hardware once again by a score of 71-67.





## Jessica Boyle Joins SparkPoint

SparkPoint, EOPS, and CalWORKs would like to introduce Jessica Boyle, the new Retention Specialist for SparkPoint & EOPS/CalWORKs. Jessica began her education at Cañada College and worked as a Placement Testing Student Assistant. After benefiting from the many resources available on campus and in the community, Jessica earned her B.A. in Criminal Justice from San Francisco State University and has continued working in the nonprofit sector working with families and youth at risk. In 2013, she returned to Cañada College to where she worked for one and a half years as the Career Center Career Counseling Aide.

When asked why she joined SparkPoint & EOPS/CalWORKs, she stated, “I look forward to working in collaboration with campus and off campus partners to empower our students to reach their goals”. Jessica’s duties will include tracking student success, measuring outcomes and connecting students to both internal and external resources designed to foster student success.

## Noe Ronen Joins SparkPoint

We are excited to welcome Noe Ronen to the SparkPoint at Cañada College Team! Noe, originally from Riverside, CA, earned a B.S in Public Policy from USC and a MPA from Cornell University. After serving two years in the Peace Corps, teaching Civics, Healthy Lifestyles and leading workshops on U.S. education in the Ukraine, he later studied Telecom Security at Hawaii Pacific University. Realizing that his passion was in community service, Noe joined AmeriCorps VISTA (Volunteers in Service to America) because he wanted to give back to the country that had provided him with so many valuable opportunities.



In his own words: “Coming out of the foster care system many people did not expect me to overcome the socioeconomic challenges I faced. However, due to the many support systems that assisted me along the way, I am now in a position to share my knowledge and give back to a diverse community who can learn from my vast experiences abroad and in the foster care system. I am excited about joining SparkPoint and the Cañada College Community!” During his one-year term with SparkPoint, Noe will be working on capacity building and service integration.



## Meet Katie Osborne Our New Women's Soccer Coach

Katie Osborne joins the Colts Family after three years as an Assistant Coach under Cheryl Owiesny at De Anza College in Cupertino. In addition to her coaching duties, Katie also taught classes in the Division of Physical Education and Athletics. Katie also brings experience from club coaching for San Jose FC, where she coached multiple youth teams in both outdoor soccer and Futsal.

A Bay Area native, Katie is from San Jose. She attended Loyola Marymount University (LMU), where she graduated with a Bachelor's degree in Biology. At LMU she was a member of the Division I soccer team for all four years, and was awarded WCC Player of the Week, and is still listed in the "All-time" awards under games played and game winning goals. As a two-year team captain, Katie also earned a number of academic Honors including NSCAA Scholar Athlete all West Region Team, and WCC Commissioners Honor Roll.

After graduating from LMU, Katie earned both her teaching credential and Master's Degree in Exercise Physiology from San Jose State University. While attending graduate school, Katie gained experience teaching high school physical education and middle school math. After graduating from San Jose State she became a lecturer for the university, teaching Kinesiology classes such as "Diversity, Stress and Health" and "Physical Fitness and Nutrition."



## David Hamilton Named Interim Dean

David Hamilton has been appointed to the post of Interim Dean of Business, Design, and Workforce Development. He is an experienced professional educator who spent 19 years as a tenured faculty member and Director of Theatre at Lake Tahoe Community College (LTCC). There, he produced and directed over 75 productions and helped design and equip the construction of a new theatre. In his tenure at LTCC, Dave also served as Academic Senate President and Faculty Union President, as well as Interim Dean of Instruction. He was chosen for a teaching Excellence award from the National Institute for Staff and Organizational Development and received the Teacher of the Year Award from the Northern California Educational Theatre Association.

From LTCC, Dave was selected as the inaugural Dean of Visual and Performing Arts at Folsom Lake College. His principle responsibility at Folsom Lake was to integrate the Visual and performing arts departments into the new \$46 million Harris Performing Arts Center. This included developing new and innovative programs in Career Technical Education serving Music and Theatre students. Dave earned his MFA at UC Davis, and lived and worked in the Bay Area prior to his graduate studies.

## ASCC's Los Posadas

For the first time in five years, ASCC brought the Cañada tradition of Las Posadas back to campus on December 10-11, 2014. Las Posadas means shelter, and despite the historic storm, ASCC provided Cañadians with their version of shelter—warm food, good company, free printing for finals, and a place to connect, de-stress, and study. The two-day event included horchata, pozole, tamales, hot chocolate, churros, papel picado crafts with the Classified Senate, an Open Mic, an interactive snowflake activity on winter traditions, and traditional aguinaldos.



## Dr. Tracy Huang Joins Research Office

Dr. Tracy Huang is joining the Office of Planning, Research, and Institutional Effectiveness as a research analyst in January. You may find her familiar because Dr. Huang was the research analyst for STEM and the A2B grants. For the past 10 years, she has been a research analyst at SRI International – conducting research in early childhood and K-12 education, including school readiness, early childhood program evaluation, services for young children with disabilities, and educational assessment. She has also provided evaluation consultation and services to a variety of agencies, including recipients of the U.S. Department of Education’s Investing in Innovation Fund (i3); San Francisco Unified School District; and county mental health service agencies in California. In addition, she has worked at the City University of New York’s assessment and institutional research department. She holds an Ed.D. from Teachers College, Columbia University.



## Barbara Bucton, New President’s Executive Assistant

Barbara Bucton has recently begun serving as the Executive Assistant to the President. Barbara is an experienced professional who, prior to joining Cañada College, served as the Executive Secretary to the Director at San Francisco International Airport. Her administrative and chief executive support experience reflects varied industries including healthcare, tourism, and finance. Barbara earned her Associate of Arts degree at the College of San Mateo and her Bachelor of Public Administration degree at the University of San Francisco. She is a Certified Administrative Professional with an Organizational Management specialty (CAP-OM). She is a native Californian, raised in San Luis Obispo County, where she visits her family and longtime friends as often as possible. Barbara is an avid baseball fan and enthusiastic home chef. Her interests include yoga, California history, and the Great American Songbook – feel free to tell her all about your favorite classic musical piece or Gershwin tune!



## James Bragg, New Women’s Asst. Tennis Coach

James Bragg joins us as Assistant Coach of the newly revived Women’s Tennis team. With a successful competitive college and tournament-playing career of his own, Coach Bragg was ranked nation-wide for all four years of his undergraduate eligibility, including as Top 10 in Doubles in California Junior Colleges, while playing at Mount San Jacinto Junior College. He finished his college tennis career at Bethany College in Kansas ranked as high as Top 15 in the nation in Doubles and Top 25 in Singles, leading the team to two national championship appearances. He has also been ranked in the Top 10 Southern California Open division in Doubles and still competes in local 5.0+ and 5.5 league matches in the Bay Area. He is excited to coach tennis at Cañada College and hopes to add to the tradition of championship tennis!



## Cañada’s Water Efficiency Update

With California facing the most severe drought in recorded state history, Governor Brown proclaimed a state of emergency in January 2014 and directed state officials to take all necessary actions to prepare for drought conditions. The Governor called on Californians to voluntarily reduce their water use by 20% and warned that mandatory restrictions could be forthcoming.

Chancellor Galatolo responded to this proclamation by establishing a 25% water use reduction goal for our District. As we begin 2015, the District as a whole has reduced usage by 22.7%, and we are still striving to do more!

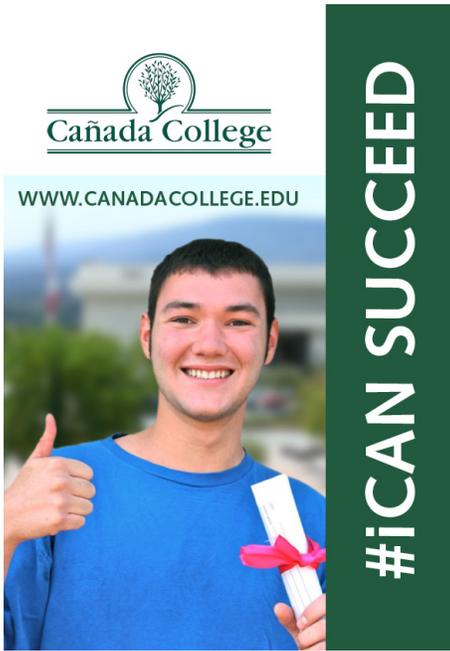
Cañada has exemplified water efficiency in its operations even before Governor Brown’s proclamation. However over the last year Facilities, the largest user of water on campus, has taken important steps to further reduce their consumption. Custodial and grounds staff began using alternative cleaning techniques and materials to save water. Fleet vehicles no longer received regular washings, excessive irrigation was identified and addressed, and watering schedules reduced. A water conservation awareness campaign began District-wide in January 2014 and our staff and students responded positively by promoting awareness amongst themselves as well as actively reduced their personal consumption and asked how they can contribute and make a difference. As a display of commitment to the effort library staff installed the awareness poster as wallpaper on all the computer monitor screens in the library.

The chart below shows our water usage reduction between 2013 and 2014. Due to our existing efficiencies, our reduction lags the District average as we already had in place major conservation practices.

<b>Cañada Water Usage Reduction between Calendar Years 2013-2014</b>		
<b>Total Gallons Used in 2014</b>	<b>Reduction from 2013 total</b>	<b>% Decrease</b>
<b>12,908,236.0</b>	<b>2,185,656</b>	<b>14.4%</b>

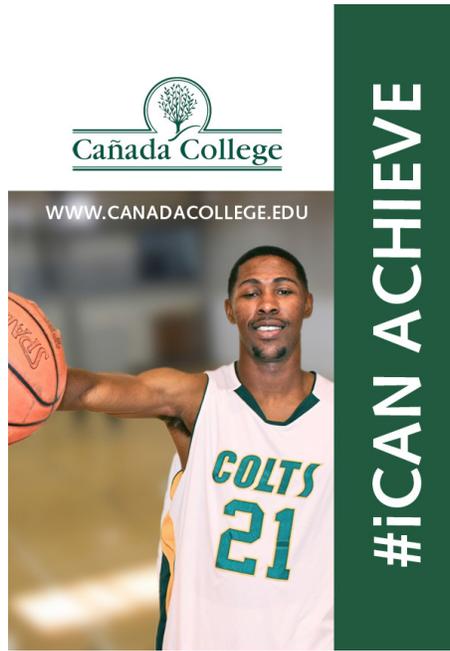
Cañada is committed to being a responsible member of the community and doing our part to conserve resources. Efficiency efforts will continue and we are always seeking ideas on ways we can do more. If you have an idea you’d like to share, wish to get more involved in resource conservation and management on campus, or knows someone who does, please contact Facilities Manager John Hashizume at [hashizumej@smccd.edu](mailto:hashizumej@smccd.edu).

## New iCAN Banners Grace our Campus



Cañada College  
WWW.CANADACOLLEGE.EDU

#iCAN SUCCEED



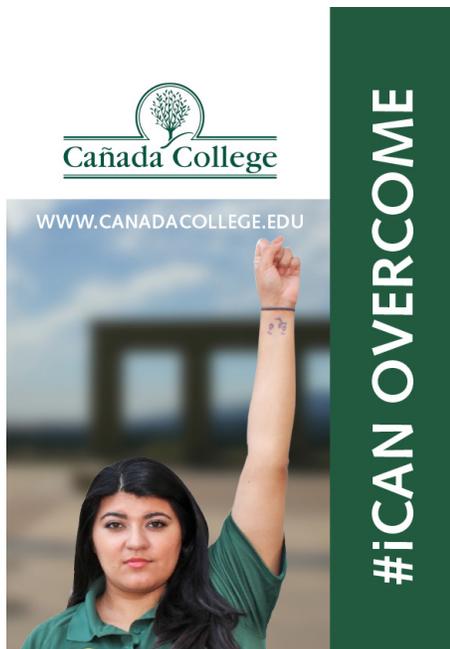
Cañada College  
WWW.CANADACOLLEGE.EDU

#iCAN ACHIEVE



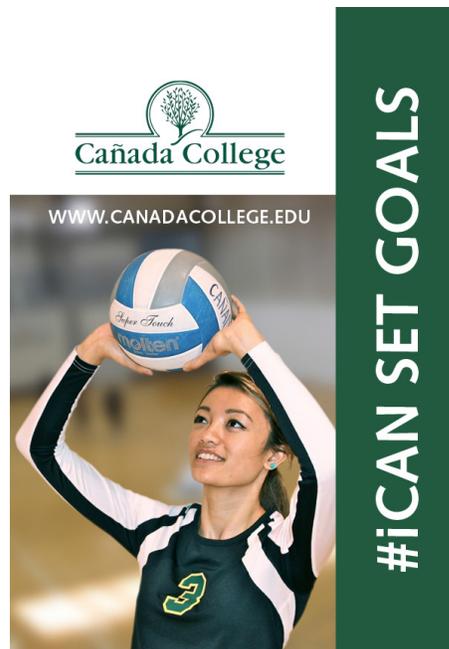
Cañada College  
WWW.CANADACOLLEGE.EDU

#iCAN TRIUMPH



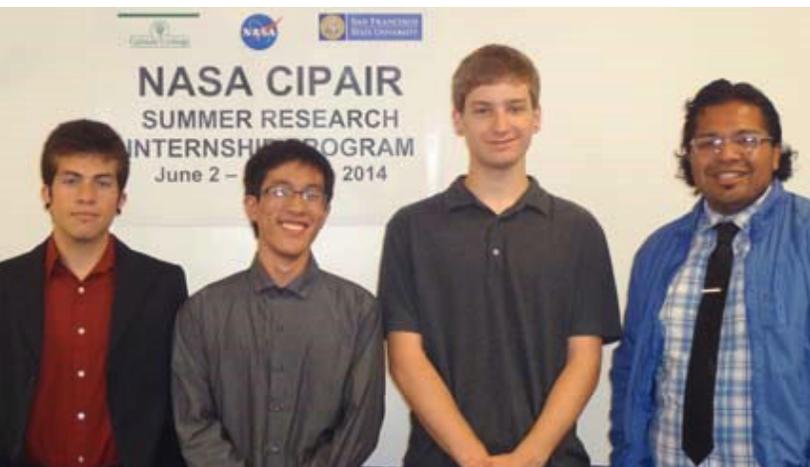
Cañada College  
WWW.CANADACOLLEGE.EDU

#iCAN OVERCOME



Cañada College  
WWW.CANADACOLLEGE.EDU

#iCAN SET GOALS



## STEM Students Present at SACNAS

We love sharing success stories about our students. STEM students William Berrios, Giovani Rodriguez, and Colin McGill recently delivered a superb research presentation at the 2014 SACNAS (Society for Advancement of Hispanics/Chicanos & Native Americans in Science) National Conference in Los Angeles. While at the conference, judges recognized the team's work, titled "Closed-Loop Feedback Temperature Controlled Encasement to Test Optimal Temperature for Poly Lactic Acid (PLA) and Acrylonitrile Butadiene

Styrene (ABS) Polymers for the Punctec Connect XL 3D Printer," as a standout among the student presentations, and have selected the team to receive one of the 2014 SACNAS Student Presentation Awards. Cañada College Engineering student Jeremy Chow was also a part of the internship project team.

SACNAS was founded more than 40 years ago by career academics and research scientists committed to unifying their voice and offering guidance to Hispanics/Chicanos & Native Americans in the STEM fields. Today, the National Conference gathers nearly 4,000 students and professionals. Taking place over three days, the conference showcases both undergraduate and graduate student presentations, and offers scientific symposia, keynote addresses, professional development sessions, and a grand exhibit hall in which students can interact with over 600 program representatives from colleges and universities across the nation. The Cañada College team's presentation was part of a 2014 internship project in which they participated at the "Creating Opportunities for Minorities in Engineering, Technology, and Science" (COMETS) program, a collaboration between Cañada College's Engineering Department and San Francisco State University School of Engineering. This program is sponsored by the National Aeronautics and Space Administration (NASA) Office of Education through Curriculum Improvement Partnership Award for the Integration of Research into the Undergraduate Curriculum (CIPAIR).

We are very proud of William, Giovani, Colin, and Jeremy -- congratulations!

## Welcoming New International Students

Cañada College welcomes 28 new international students this spring semester, bringing our total international student population to 85. This semester's new international students come from 13 different countries including: Brazil, China, Colombia, Germany, Ireland, Jordan, Kazakhstan, Portugal, Nepal, Malaysia, Spain, Sri Lanka, and Vietnam.

At the International Student Welcome Reception, sponsored by ISP Homestays, the students were welcomed by President Larry Buckley, Vice Presidents Robin Richards and Gregory Anderson and Dean David Johnson. All of the students, with the help of the Welcome Center staff and counselors, are enrolled full-time. The International Student Orientation included presentations from Professor Jeanne Gross of the ESL Department and Krystal Martinez of the Health Center.

Thanks to Carlos Luna, Jonathan MacSwain, Kassandra Fekir, and Fiona Lee for providing a tour of campus, the Library and Learning Center; the students also had a tour of Downtown Redwood City.



## Lipe and Cabrera Honored

Each year, the League for Innovation in the Community College allows member colleges to nominate faculty and staff for the John and Suanne Roeuche Innovation Award. This year, college faculty and staff were invited to join in the process by nominating their colleagues. Members of the President's Cabinet and the Presidents of the Academic and Classified Senates met to review the nominations and select awardees. This year's awards are being presented to Professors Cathy Lipe and Leonor Cabrera. In their nominations, their colleagues noted that Leonor and Cathy both brought a unique and innovative energy to their efforts and provided

students with exceptional learning opportunities. They were both recognized for their unique approaches that have led to unparalleled success among STEM and Accounting program students. Cathy and Leonor have been invited to receive their awards at the League for Innovation annual conference this spring in Boston, Massachusetts.

## Phi Theta Kappa Forum

How old should a child be before we introduce them to technology in the classroom? That was the question the Beta Zeta Nu of Phi Theta Kappa attempted to answer when it brought three Experts in Early Childhood Education to Cañada College on December 3, 2014 to take part in a discussion entitled "Growing Up Tech Savvy."

Organized in collaboration with A2B and the Cañada College ECE Department, the discussion was part of our 2014 Honors in Action Project. Part research paper and part community service project, we chose to focus on children and technology after discovering a photo at the San Mateo County History Museum of a group of toddlers sitting at laptops. Upon reviewing the scholarly research, we found that a lot of uncertainty exists among parents, educators, and researchers as to the benefits or drawbacks of using technology in the classroom.

Our experts for the discussion included Dr. Peter Mangione, Co-Director of the Center for Child and Family Studies; Gregory Spencer, Director of Educational Partnerships & Equity Access Initiatives for Footsteps2Brilliance.com; and Professor Sharon Keplinger of the Cañada College ECE Department. The event was enormously successful as it drew a large audience of ECE students and faculty. The students engaged fully throughout the entire event and when the floor was opened to them, they asked thoughtful and intelligent questions. Our speakers enjoyed themselves and acknowledged afterwards how impressed they were by the students' curiosity and engagement.



San Mateo County Community College District

January 28, 2015

**BOARD REPORT NO. 15-1-5C**

***CSM CARES* – A PROGRAM DESIGNED TO ADDRESS THE  
MENTAL HEALTH NEEDS OF STUDENTS**

**There is no printed board report for this agenda item.**

**BOARD REPORT NO. 15-1-2A**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Eugene Whitlock, Vice Chancellor, Human Resources and Employee Relations  
(650) 358-6883

**APPROVAL OF PERSONNEL ITEMS**

New employment; changes in assignment, compensation, and placement; leaves of absence; changes in staff allocation and classification of academic and classified personnel; retirements, phase-in retirements, and resignations; equivalence of minimum qualifications for academic positions; and short-term temporary classified positions.

**A. ADMINISTRATIVE APPOINTMENT, REAPPOINTMENT, ASSIGNMENT AND REASSIGNMENT**

None

**B. PUBLIC EMPLOYMENT**

**Cañada College**

**Marcella Grant** Assistant Project Director (Grant funded by CalSTEP) Science/Technology

Correction to January 14, 2015 Board Report: New full-time, 12-month temporary classified employment, effective January 5, 2015.

**College of San Mateo**

**Dianne Fernandez** Financial Aid Assistant Admissions & Records

New full-time, 12-month classified employment, effective February 2, 2015.

**District Office**

**Amanda Bortoli** Bookstore Operations Assistant Auxiliary Services

New full-time, 12-month classified employment, effective January 26, 2015.

**Skyline College**

**Roger Marcelo** Multimedia Services Coordinator Academic Support & Learning Technology

New full-time, 12-month classified employment, effective January 28, 2015.

**C. REASSIGNMENT**

None

**D. TRANSFER**

None

**E. CHANGES IN STAFF ALLOCATION**

**Cañada College**

1. Recommend a change in staff allocation to add one full-time academic Learning Disabilities Specialist/Counselor position (Faculty Salary Schedule 80), effective July 1, 2015.
2. Recommend a change in staff allocation to add one full-time academic Counselor position (Faculty Salary Schedule 80), effective July 1, 2015.
3. Recommend an increase in staff allocation to add one temporary full-time, 12-month Staff Assistant (Grant-Funded) position (Grade 21 of Salary Schedule 60) in the Science & Technology Division, effective January 29, 2015. The position is a temporary, grant-funded position and will end at the expiration of the funding.

**College of San Mateo**

1. Recommend a change in staff allocation to increase one part-time Lab Technician position (4C0021) from 40% of full-time, 10 months per year to 100% of full-time, 12 months per year, effective February 2, 2015. Accordingly, recommend an increase in assignment for the incumbent, Leslie Anne Punzalan.

**F. LEAVE OF ABSENCE**

None

**G. PUBLIC EMPLOYEE RETIREMENT AND RESIGNATION**

None

**H. ESTABLISHMENT OF EQUIVALENCY TO MINIMUM QUALIFICATIONS**

None

**I. 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>
Cañada	University Ctr & Student Support Services	1	01/29/2015	06/30/2015	<b>Office Assistant I:</b> Clerical tasks and public relations tasks using creativity to support and promote services available to students, faculty and staff in Learning Center such as A2B, TRIO, ESO and BTO.
Skyline	Business, Education and Professional Programs/ Early Childhood Education	1	02/02/2015	06/30/2015	<b>Retention Specialist:</b> Work directly with groups of students enrolled in a career pathway. Assist students with support services to assist them in post-secondary success by dealing with transportation, child care, housing, academic assistance, coaching, employment, and time management.

**BOARD REPORT NO. 15-1-3A**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Diana Bennett, District Academic Senate President, 358-6769  
Eugene Whitlock, Vice Chancellor, Human Resources & Employee Relations,  
358-6767

**APPROVAL OF RECOMMENDATION FOR THE DISSOLUTION OF  
LOCALLY-ADOPTED MINIMUM QUALIFICATIONS IN PSYCHOLOGY AND  
READING AND USE OF THE CALIFORNIA COMMUNITY COLLEGES MINIMUM  
QUALIFICATIONS FOR FACULTY IN THESE DISCIPLINES**

On June 27, 1990, the Board of Trustees approved the San Mateo County Community College District Academic Senate's recommendation to establish local minimum qualifications for the disciplines of Psychology and Reading. AB 1725 permits the establishment of local minimum qualifications provided that the local qualifications are not lower than those approved by the Board of Governors.

On December 8, 2014, the District Academic Senate unanimously approved the recommendation to dissolve the local minimum qualifications in both Psychology and Reading, which have been in effect since July 1, 1990, and to require the minimum qualifications for faculty established for all California Community Colleges as is required with all other disciplines. Faculty from all three campuses in the Psychology and Reading disciplines were recently involved in discussions which resulted in the decision to recommend dissolution of the locally-adopted minimum qualifications. The recommendation includes the following:

District Academic Senate is recommending the dissolution of the local minimum qualifications for the disciplines of Psychology and Reading and use of the California Community College Minimum Qualifications.

**RECOMMENDATION**

It is recommended that the locally-adopted minimum qualifications in Psychology and Reading be dissolved at SMCCCD, effective January 1, 2015, and that the California Community Colleges Minimum Qualifications for Faculty in these disciplines be used.

San Mateo County Community College District

January 28, 2015

**BOARD REPORT NO. 15-1-1CA**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Kathryn Blackwood, Executive Vice Chancellor, 358-6869

**RATIFICATION OF SEPTEMBER AND OCTOBER 2014 DISTRICT WARRANTS**

Attached as Exhibits A and B are the warrants in excess of \$10,000 that were issued in the months of September and October 2014 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 September 1, 2014 through October 31, 2014 and ratify the contracts entered into leading to such payments.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SEPTEMBER 1-30, 2014  
 WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
<u>District Accounts Payable</u>				
051797	09/02/14	U.S. Bank National Association ND	303,988.95	Districtwide Procurement Card Payment
051865	09/04/14	Associated Std-Skyline	100,000.00	Interbank Transfer
051866	09/04/14	Computerland	61,490.29	Districtwide Computer Purchases
051872	09/04/14	Krueger International	29,780.35	Districtwide Furniture Purchases
051874	09/04/14	Netronix Integration, Inc.	12,017.84	Districtwide ACAMS Maintenance Services
051875	09/04/14	School Project for Utility Rate Reduction (SPURR)	44,126.98	Utilities
051877	09/04/14	SMC College Ed Housing Corp - Canada Vista	74,673.00	Cañada Vista Monthly Rent Payment
051878	09/04/14	SMC College Ed Housing Corp - College Vista	43,590.00	College Vista Monthly Rent Payment
051885	09/04/14	Swinerton Management & Consulting	98,303.63	Program Management Service
051886	09/04/14	VALIC Retirement Services Company	190,552.16	Tax Shelter Annuities
051943	09/08/14	Schneider Electric Buildings Americas, Inc.	23,329.00	Districtwide Maintenance of Building Management Systems
053994	09/18/14	Computerland	15,208.65	Districtwide Computer Purchases
053995	09/18/14	Constellation NewEnergy, Inc.	76,236.61	Utilities
053997	09/18/14	Coulter Construction Inc.	27,339.00	Cañada & Skyline Construction Projects
054001	09/18/14	Sino-US Education Consulting Limited to Beijing	20,733.78	International Student Recruitment Services
054005	09/18/14	Krueger International	40,032.64	CSM & Community Ed. Furniture Purchases
054010	09/18/14	Siemens Industry, Inc.	12,981.83	Cañada Fire Alarm System Service Fees
054011	09/18/14	SM County Community College District	26,184.90	Replenish Flex Spending Account
054284	09/25/14	Advance Soil Technology Inc.	30,191.00	Cañada & CSM Geotechnical Inspection & Testing Service
054286	09/25/14	Computerland	59,612.44	Districtwide Computer Purchases
054289	09/25/14	Coulter Construction Inc.	28,862.60	Cañada Construction Project
054293	09/25/14	Interline Brands Inc.	18,494.09	Districtwide Facilities Janitorial Supplies
054297	09/25/14	San Mateo County Schools Insurance Group	182,540.64	Dental & Vision Premium
054299	09/25/14	SMCCCD Bookstore	23,830.16	Skyline & Cañada Students Textbook Rental Program
470746	09/02/14	Comm College League/Calif	21,301.00	Cañada eBook Annual Subscription Fees
470797	09/02/14	Strata Information Group	54,000.00	Districtwide Professional & Management Services
470894	09/04/14	Pac Gas & Elec Co	13,688.97	Utilities
470932	09/04/14	American Federation of Teachers	37,267.61	Union Dues
470935	09/04/14	CalPERS	541,261.45	Monthly PERS Classic Members Contribution
470936	09/04/14	CalPERS	52,050.93	Monthly PERS New Members Contribution
470960	09/04/14	Hartford Life & Accident Insurance Co.	38,038.41	Monthly Life Insurance
470964	09/04/14	MassMutual Retirement Service	36,708.15	Tax Shelter Annuities
470992	09/08/14	City of San Bruno	14,769.59	Utilities
471029	09/08/14	Public Empl Ret Sys	1,360,822.85	Monthly Health Insurance Premium
471030	09/08/14	Renaissance Insurance Agency, Inc.	40,200.00	Cañada International Students Health Insurance Premium
471031	09/08/14	Renaissance Insurance Agency, Inc.	64,200.00	Skyline International Students Health Insurance Premium

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SEPTEMBER 1-30, 2014  
 WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
471032	09/08/14	Renaissance Insurance Agency, Inc.	172,200.00	CSM International Students Health Insurance Premium
471070	09/12/14	City of Redwood City	15,156.08	Utilities
471098	09/12/14	Horizon	13,171.28	CSM Ground Supplies Purchases
471124	09/12/14	Pac Gas & Elec Co	40,855.86	Utilities
471132	09/12/14	Pro Automated Inc.	16,520.56	CSM Quantum System Purchase
471140	09/12/14	San Francisco State University	19,296.37	Cañada CalSTEP Grant Related Services
471146	09/12/14	Sierra School Equipment Company	38,071.44	CSM Mobile Flip Top Tables Purchase
471235	09/18/14	Ahlborn Fence & Steel, Inc.	51,464.00	Cañada Soccer Field Maintenance Services
471282	09/18/14	John Deere Company	12,276.27	Cañada Soccer Field Tractor Purchase
471302	09/18/14	Newcomb Anderson McCormick, Inc.	13,806.75	Cañada Solar Photovoltaic System Consulting Services
471309	09/18/14	Pac Gas & Elec Co	26,910.03	Utilities
471334	09/18/14	Sheldrake & Mumford Inc.	28,815.00	Cañada Tennis Court Maintenance Services
471351	09/18/14	Wyatt Irrigation Co.	10,441.55	Skyline Soccer Field Maintenance Services
471355	09/18/14	Calif Water Service Co	27,618.61	Utilities
471376	09/18/14	U.S. Postal Services	18,000.00	CSM Postal Services
471390	09/25/14	Athletics Unlimited	23,810.92	CSM Athletics Uniforms
471417	09/25/14	El Camino Charter Lines	25,694.66	Skyline Transportation For Becalos Program
471419	09/25/14	Eternal Construction, Inc.	33,186.40	CSM Ceramics Upgrades Project
471423	09/25/14	FieldTurf USA	252,366.65	Districtwide Baseball Fields Replacement
471441	09/25/14	Hellas Construction, Inc.	23,080.07	CSM Football Field Replacement
471443	09/25/14	Janus Corporation	16,413.00	Cañada Theater Lobby Project
471482	09/25/14	STV Incorporated	19,216.40	Districtwide Facilities Database Service
471487	09/25/14	Verde Design Inc.	12,342.50	Districtwide Consulting & Design Services
471504	09/25/14	FieldTurf USA	13,282.46	Districtwide Baseball Fields Replacement Project
471508	09/25/14	SMCCC Foundation	50,000.00	Grant Award Matching Program
471511	09/25/14	Strata Information Group	54,000.00	Districtwide Professional & Management Services
471519	09/25/14	Voorhees Group, LLC	17,340.00	Districtwide Consulting Services
471520	09/25/14	Westlake Village Apartments	49,120.00	Skyline Becalos Grant Students Apartments Rent
<u>District Payroll Disbursement (excluding Salary Warrants)</u>				
J1500408	09/02/14	US Treasury - Federal Payroll Tax	1,370,928.62	Federal Payroll Tax
J1500408	09/02/14	EDD - State Payroll Tax	258,117.30	State Payroll Tax
J1500463	09/04/14	State Teacher Retirement - Defined Benefit	27,141.54	STRS Retirement - Defined Benefit 95%
J1500489	09/08/14	State Teacher Retirement - Cash Balance	29,949.52	STRS Retirement - Cash Balance
J1500743	09/19/14	US Treasury - Federal Payroll Tax	76,273.58	Federal Payroll Tax

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SEPTEMBER 1-30, 2014  
 WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
<u>SMCCCD Bookstores</u>				
113397	09/02/14	Cengage learning	136,322.32	Purchase of Inventory
113412	09/02/14	Elsevier Publishing Co.	37,026.04	Purchase of Inventory
113413	09/02/14	FedExpress	10,433.42	Purchase of Inventory
113438	09/02/14	Lippincott Williams	30,739.20	Purchase of Inventory
113442	09/02/14	MBS Textbook Exchange	164,551.05	Purchase of Inventory
113445	09/02/14	McGraw-Hill Companies	70,893.56	Purchase of Inventory
113449	09/02/14	MPS	47,180.89	Purchase of Inventory
113453	09/02/14	NACSCorp	17,334.61	Purchase of Inventory
113455	09/02/14	Nebraska Book Company	18,027.67	Purchase of Inventory
113459	09/02/14	Partnership	17,331.64	Purchase of Inventory
113461	09/02/14	Pearson Education Inc.	286,025.84	Purchase of Inventory
113474	09/02/14	Skyline Bookstore GAP	19,881.93	Purchase of Inventory
113476	09/02/14	SMCC College District	200,922.08	Salaries & Benefits Reimbursement For July 2014
113491	09/02/14	W.W. Norton & Company	19,272.27	Purchase of Inventory
113499	09/17/14	Pearson Education Inc.	90,084.40	Purchase of Inventory
113501	09/18/14	Cengage learning	46,854.80	Purchase of Inventory
113515	09/23/14	Cengage learning	21,432.90	Purchase of Inventory
113531	09/23/14	Elsevier Publishing Co.	12,200.27	Purchase of Inventory
113563	09/23/14	McGraw-Hill Companies	91,771.89	Purchase of Inventory
113566	09/23/14	MPS	30,668.12	Purchase of Inventory
113576	09/23/14	Pearson Education Inc.	76,989.08	Purchase of Inventory
113579	09/23/14	Pepsi-Cola	10,652.30	Purchase of Inventory
113592	09/23/14	SMCC College District	232,564.43	Salaries & Benefits Reimbursement For August 2014
113599	09/23/14	SYSCO Food Company of SF	14,288.71	Purchase of Inventory
EFT24423	09/24/14	Board of Equalization	150,141.04	Sales Tax Prepayment For August 2014
Subtotal			8,528,867.38	59%
Warrants Issued ≤ \$10,000			6,003,735.56	41%
Total Non-Salary Warrants Issued			<u>14,532,602.94</u>	100%
District Accounts Payable	Ck#470735-471521, #937514-939226, DD51607-54304		10,575,764.68	
District Payroll	Ck#101157-101896, DD50077856-50079460		8,057,357.75	
SMCCCD Bookstores	Ck#113383-113609, EFT24423		<u>2,177,569.71</u>	
Total Warrants Including Salaries - September 2014			<u><u>20,810,692.14</u></u>	

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
OCTOBER 1-31, 2014  
WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
<u>District Accounts Payable</u>				
054434	10/02/14	U.S. Bank National Association ND, .	350,431.61	Districtwide Procurement Card Payment
054459	10/03/14	Romero-Arias, Debora A.	10,880.00	CSM Interpreting Services
054461	10/03/14	Computerland	111,179.51	Districtwide Computer Purchases
054462	10/03/14	Constellation NewEnergy, Inc.	21,499.89	Utilities
054468	10/03/14	Krueger International	92,574.89	Districtwide Furniture Purchases
054473	10/03/14	School Project for Utility Rate Reduction (SPURR)	29,382.41	Utilities
054475	10/03/14	SMC College Ed Housing Corp - Canada Vista	76,313.00	Cañada Vista Monthly Rent Payment
054476	10/03/14	SMC College Ed Housing Corp - College Vista	46,590.44	College Vista Monthly Rent Payment
054480	10/03/14	Sutro Tower Inc.	18,846.00	KCSM TV Broadcast Site Lease at Sutro Tower
054481	10/03/14	VALIC Retirement Services Company	250,991.16	Tax Shelter Annuities
054643	10/09/14	Kimbia Inc.	10,763.64	KCSM Credit Card Processing Services
054645	10/09/14	Noll & Tam	42,026.38	CSM Construction Administration Services
054650	10/09/14	SMCCCD Bookstore	22,326.97	Cañada Student Special Programs Books Purchase
054759	10/16/14	Luan, Jing	10,386.00	International Students Recruitment Trip Advance
054766	10/16/14	Bunton Clifford Associates, Inc.	19,431.85	Districtwide Architectural Services
054768	10/16/14	Computerland	38,135.21	Districtwide Computer Purchases
054777	10/16/14	Netronix Integration, Inc.	36,008.92	Districtwide ACAMS Maintenance and Training Services
054779	10/16/14	Oracle America, Inc.	13,434.90	Districtwide Software License and Support Services
054782	10/16/14	Purple Communications Inc.	14,100.00	CSM Interpreting Services
054783	10/16/14	Schneider Electric Buildings Americas, Inc.	11,664.50	Districtwide Building Management System Maintenance
054785	10/16/14	Siemens Industry, Inc.	40,856.75	Districtwide Fire Alarm System Monitoring Services
054786	10/16/14	SM County Community College District	15,324.61	Replenish Flex Spending Account
054789	10/16/14	Sutro Tower Inc.	18,846.00	KCSM TV Broadcast Site Lease at Sutro Tower
054791	10/16/14	Turbo Data Systems, Inc.	16,112.92	TicketPRO Magic Hardware & Accessories Purchase & Support Services
054907	10/23/14	Casey Printing, Inc.	39,775.07	Skyline Spring 2015 Schedules Printing Services
054908	10/23/14	Computerland	10,651.64	Districtwide Computer Purchases
054909	10/23/14	Constellation NewEnergy, Inc.	71,458.26	Utilities
054911	10/23/14	Interline Brands Inc.	19,753.53	Districtwide Facilities Custodial Supplies Purchase
054912	10/23/14	Krueger International	19,233.61	Districtwide Furniture Purchases
054915	10/23/14	San Mateo County Schools Insurance Group	184,003.17	Dental & Vision Premium Payment
054917	10/23/14	SMCCCD Bookstore	35,173.35	Skyline Special Program Books Purchase & Central Duplicating Services
054994	10/30/14	Machado, Scott J.	48,000.00	Districtwide Online Orientation & Matriculation Services
055000	10/30/14	Advance Soil Technology Inc.	13,070.00	Cañada Geotechnical Inspections
055001	10/30/14	Computerland	39,358.35	Districtwide Computer Purchases
055002	10/30/14	Constellation NewEnergy, Inc.	23,782.45	Utilities
055003	10/30/14	Coulter Construction Inc.	17,267.00	Skyline & Cañada Construction Projects

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
OCTOBER 1-31, 2014  
WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
471524	10/03/14	AEDIS Inc.	15,810.55	Districtwide Construction Projects
471529	10/03/14	Allana Buick & Bers, Inc.	219,913.13	Cañada Construction Projects
471576	10/03/14	HMC Architects	12,265.00	Districtwide Construction Projects
471600	10/03/14	National Public Radio	12,600.00	KCSM NPR Membership Services
471601	10/03/14	Newcomb Anderson McCormick, Inc.	38,867.52	Cañada Construction Projects
471605	10/03/14	Pac Gas & Elec Co	24,979.20	Utilities
471607	10/03/14	Pac Gas & Elec Co	13,565.01	Utilities
471627	10/03/14	Simon Wiesenthal Center, Inc.	13,500.00	Museum of Tolerance Staff Training Services
471632	10/03/14	STV Incorporated	15,252.20	Districtwide Onuma Database Services
471643	10/03/14	American Federation of Teachers	61,547.60	Monthly Union Dues
471646	10/03/14	C S E A	13,970.64	Monthly Union Dues
471647	10/03/14	CalPERS	554,147.06	Monthly PERS Classic Members Contribution Advance Payment
471648	10/03/14	CalPERS	54,457.44	Monthly PERS New Members Contribution Advance Payment
471676	10/03/14	Hartford Life & Accident Insurance Co.	39,230.94	Life Insurance For September 2014
471680	10/03/14	MassMutual Retirement Service	48,364.43	Tax Shelter Annuities
471685	10/03/14	Public Empl Ret Sys	1,402,705.24	Monthly Health Insurance Premium
471691	10/03/14	Allana Buick & Bers, Inc.	11,551.11	Cañada Construction Projects
471692	10/03/14	Sedgwick Claims Management Services. Inc.	23,406.25	Districtwide Annual Worker's Compensation TPA Service Fees
471718	10/09/14	Bayside Stripe & Seal, Inc.	44,567.00	Districtwide Striping Services
471727	10/09/14	City of San Bruno	22,710.53	Utilities
471729	10/09/14	CORT Business Services	12,015.24	Skyline Becalos Grant Students Furniture Rental
471731	10/09/14	Cutting Edge Audio Group	10,886.49	CSM Audio Software Upgrade
471742	10/09/14	Goombah's Embroidery	22,442.29	Districtwide Facilities Uniform Purchase
471769	10/09/14	TXL Holding Corporation	24,233.84	Skyline Equipment Purchase
471846	10/16/14	City of Redwood City	14,925.04	Utilities
471873	10/16/14	Griffin Painting, Inc.	42,570.00	Skyline and Cañada Painting Services
471886	10/16/14	LPAS, Inc.	11,778.20	DW Master Planning Services
471893	10/16/14	Moodlerooms, Inc.	113,000.00	eCourses Power Hosting Package
471926	10/16/14	ThyssenKrupp Elevator Corporation	14,713.13	Districtwide Elevators Maintenance Services
471936	10/16/14	Associated Std -Canada	29,742.85	Quarterly Student Fees Reimbursement
471937	10/16/14	Associated Std-CSM	43,779.44	Quarterly Student Fees Reimbursement
471938	10/16/14	Associated Std-Skyline	47,586.04	Quarterly Student Fees Reimbursement
471940	10/16/14	Burke, Williams & Sorensen, LLP	42,476.50	CSM Construction Legal Services
471967	10/16/14	Vavrinek, Trine, Day & Co.	13,000.00	Districtwide Audit Services
471971	10/16/14	Burke, Williams & Sorensen, LLP	21,351.00	CSM Construction Legal Services
471989	10/22/14	Emmett W. MacCorkle Inc. Insurance Svcs	14,433.00	Workers Comp Voluntary Premium Audit Results
472014	10/23/14	Calif Water Service Co	23,602.57	Utilities
472017	10/23/14	Comm College League/Calif	14,148.00	Cañada Library Database Subscriptions

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
OCTOBER 1-31, 2014  
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Check Number	Check Date	Vendor Name	Check Amount	Description
472044	10/23/14	Pac Gas & Elec Co	29,555.30	Utilities
472045	10/23/14	Pac Gas & Elec Co	26,218.41	Utilities
472068	10/23/14	Westlake Village Apartments	49,120.00	Skyline Becalos Grant Students Apartments Rent
472093	10/30/14	Board of Governors	11,700.00	Student-Right-to-Know Act Reporting Compliance Services
472123	10/30/14	Goodwill Industries of San Francisco	23,533.00	Skyline Grant related Services
472126	10/30/14	High Quality Speakers Bureau	15,500.00	Skyline Fall 2014 Lecture Series
472128	10/30/14	Interface Engineering Inc.	12,449.50	Districtwide Construction Project
472144	10/30/14	Pac Gas & Elec Co	13,718.93	Utilities
472179	10/30/14	Allana Buick & Bers, Inc.	327,732.20	Cañada Construction Project
472196	10/30/14	Hartford Life & Accident Insurance Co.	39,152.58	Life Insurance For October 2014
472203	10/30/14	Newcomb Anderson McCormick, Inc.	10,821.74	Cañada Construction Project
472206	10/30/14	Allana Buick & Bers, Inc.	17,249.06	Cañada Construction Project
<u>District Payroll Disbursement (excluding salary Warrants)</u>				
J1500899	10/01/14	US Treasury - Federal Payroll Tax	1,730,526.77	Federal Payroll Tax
J1500899	10/01/14	EDD - State Payroll Tax	343,731.19	State Payroll Tax
J1500899	10/01/14	EDD - State Payroll Tax	19,567.34	State Tax - Disability Insurance
J1500898	10/03/14	State Teacher Retirement - Defined Benefit	700,532.51	STRS Retirement - Defined Benefit 95%
J1500968	10/08/14	State Teacher Retirement - Defined Benefit	36,870.14	STRS Retirement - Defined Benefit Balance
J1500996	10/10/14	State Teacher Retirement - Cash Balance	69,112.78	STRS Retirement - Cash Balance
J1501005	10/20/14	EDD - State Payroll Tax	11,877.26	State Unemployment Payroll Tax
J1501215	10/22/14	US Treasury - Federal Payroll Tax	74,828.75	Federal Payroll Tax
<u>SMCCCD Bookstores</u>				
113720	10/29/14	MTC Distributing	11,001.44	Purchase of Inventory
113651	10/15/14	McGraw-Hill Companies	13,393.10	Purchase of Inventory
113676	10/15/14	SYSCO Food Company of SF	14,040.51	Purchase of Inventory
113671	10/15/14	Starbuck Coffee Company	14,449.91	Purchase of Inventory
113653	10/15/14	MPS	17,094.64	Purchase of Inventory
113654	10/15/14	MTC Distributing	17,523.54	Purchase of Inventory
113645	10/15/14	Jostens	21,418.07	Purchase of Inventory
113662	10/15/14	Pepsi-Cola	22,413.87	Purchase of Inventory
113618	10/15/14	Cengage Learning	25,867.50	Purchase of Inventory
113657	10/15/14	Nebraska Book Company	33,711.79	Purchase of Inventory
113738	10/29/14	SM CC College District	206,263.83	Salaries & Benefits Reimbursement For September 2014
EFT 92432	10/31/14	Board of Equalization	44,240.00	Sales Tax Payment For September 2014

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 OCTOBER 1-31, 2014  
 WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
		Subtotal	9,004,944.13	79%
		Warrants Issued ≤ \$10,000	2,407,278.59	21%
		Total Non-Salary Warrants Issued	<u>11,412,222.72</u>	100%
District Accounts Payable		Ck#471522-472217,939227-939670, DD54345-DD55014	7,774,348.92	
District Payroll		Ck#101897-102657, DD50079461-50081123	9,411,383.42	
SMCCCD Bookstores		Ck#113610-113748 & EFT92432	<u>637,615.22</u>	
		Total Warrants Including Salaries - October 2014	<u>17,823,347.56</u>	

**BOARD REPORT NO. 15-1-2CA**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6869

**APPROVAL OF NONRESIDENT TUITION FEE, 2015-16**

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 2014-15 fiscal year was \$219 per semester unit (Board Report No. 14-1-4CA). For 2015-16, the Administration recommended the total Nonresident Tuition Fee of \$221 per semester unit. Based on the State Cola proposed 1.58%, District Administration recommends the fee of \$213 for 2015-16.

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 2015-16 District capital outlay fee is calculated at \$8 per semester unit. District Administration recommends the fee for 2015-16 of \$8.00.

For comparison purposes, the tentative 2015-16 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	
Chabot/Las Positas CCD	381	206	226	17	243
Contra Costa CCD	2924	180	205	18	223
Foothill DeAnza CCD*	4591	202	202	26	228
Ohlone CCD	695	193	228	4	232
San Francisco CCD	1209	231	211	7	218
San Jose/Evergreen CCD	247	232	200	4	204
West Valley/Mission CCD	388	205	205	0	205
<b>San Mateo</b>	<b>671</b>	<b>236</b>	<b>213</b>	<b>8</b>	<b>221</b>
State Average		200			
Comparable 12 state average		380			

\*Foothill DeAnza CCD quarter rate converted to semester rate relative to other district rates on chart

**RECOMMENDATION**

It is recommended that the Board set the 2015-16 nonresident student tuition fee at \$213 per semester unit. It is recommended further that the Board continue to levy a capital outlay recovery fee of \$8 per semester unit and that no exemptions be made for foreign students enrolled in six units or less, bringing the total nonresident fee to \$221 per semester unit for 2015-16.

**BOARD REPORT NO. 15-1-3CA**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6869

**APPROVAL OF 2015-16 INTEGRATED DISTRICT BUDGET PLANNING CALENDAR**

The budget development process for 2015-16 requires formulation of a budget calendar. Included in the 2015-16 calendar is consultation with the District Committee for Budget and Finance, which is a subcommittee of the District Participatory 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 2015-16 on September 9, 2015.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the attached 2015-16 Integrated District Budget Planning Calendar.

## Integrated District Budget Planning Calendar, 2015-16

<u>Date</u>	<u>Campus &amp; District Review/Action</u>	<u>Committee for Budget and Finance Consultation</u>	<u>Board Review/Action</u>
September 2014	Colleges Finalize Spring 2015 Schedule of Classes		
September	College Budget and Planning committees convene <ul style="list-style-type: none"> <li>• Review priorities, budget goals for current year and accomplishments from past year</li> </ul>	District Committee on Budget and Finance convenes	
September - October	Develop program plans and discuss strategies for 15-16 Review external audit reports and audit findings	Discuss and refine new Resource allocation model	
October - November	College Budget and Planning committees <ul style="list-style-type: none"> <li>• Develop college budget goals for 2015-2016</li> <li>• Review District prelim resource allocation Faculty Obligation Number report due to the State</li> </ul>	Discuss and approve new Resource allocation model  College/site presentations of allocation model	
October – December	College Budget and Planning committees <ul style="list-style-type: none"> <li>• Submit hiring priorities</li> <li>• Committees submit tentative recommendation for 2015-16 that includes number of positions to be funded</li> </ul>	Review of Budget Calendar, discussion of budget strategies, new resource allocation, and budget development process	
January 9	Governor's 2015-16 Budget Proposal		
January – February	College Budget and Planning committees <ul style="list-style-type: none"> <li>• Review 2014-15 expenditures</li> </ul>	Review/revise draft of Budget and Planning Calendar Review and reassess estimates of 2015-16 Governor's Budget proposal and discussion of District revenue and expenditure implications (inform DPGC at its next meeting)	Approval of 2015-16 Budget Calendar, review of Governor's Budget, review of State and District revenue and expenditure implications, and discussion of program and operational priorities  Presentation of prior year external audit reports and audit findings
January – February	Chancellor's Council <ul style="list-style-type: none"> <li>• Discussions of budget strategies and allocations</li> </ul>	Continuing discussion of District revenue and expenditure options	Board retreat – Review of preliminary District revenue assumptions and expenditure plans Board is updated on new resource allocation model discussions and presentations

<u>Date</u>	<u>Campus &amp; District Review/Action</u>	<u>Committee for Budget and Finance Consultation</u>	<u>Board Review/Action</u>
January/ February	Ongoing State budget hearings Legislative Analyst's Office Review of Governor's Proposed Budget		
February	Colleges Finalize Summer Session 2015 Schedule of Classes	Review of preliminary District revenue assumptions and expenditure plans	District Participatory Governance Council approves new resource allocation. Board policy discussions/decision regarding budget adjustments
February	"P1" First Principal Apportionment	Review apportionment and District Controller certifies to State Controller	
February/ March	Discussion of budget priorities at Colleges and with Chancellor's Cabinet	Review of 2014-15 Mid-Year Budget Report	Approval of 2014-15 Mid-Year Budget Report
March - May	Departments submit budget requests for 2015-16 to College Budget Committees College Budget committees review requests		
March	Colleges Finalize Fall 2015 Schedule of Classes	Review of Board budget priorities and Districtwide allocations	Review/approval of 2015-16 budget priorities and Districtwide allocations.
Mid-March - April	Run preliminary position control worksheets for 2015-16 Colleges ongoing review of position control		
March – April	College Budget and Planning committees <ul style="list-style-type: none"> <li>Preliminary current year 2014-15 ending balance estimates</li> </ul> Colleges prepare for current year external audit		Budget updates with Board; review budget assumptions for Tentative budget  Board Goals for 2015-2016
Mid-May	Governor's May Revise		
May	Review of Governor's May Revise	Review of Governor's May Revise (inform DPGC at its next meeting).	Governor's May Revise; budget priorities, goals and objectives.
May	Site Tentative Budgets completed. Work resumes developing final budget after tentative budget is loaded.	Review of Fiscal Management Self-Assessment Checklist	
June	District Office completes budget input and prepares Tentative Budget document	Review of 2015-16 Tentative Budget	
June 24			Adoption of 2015-16 Tentative Budget and 2015-16 Gann Limit
June	"P2" Second Principal Apportionment	Review apportionment and District Controller certifies to State Controller	

<u>Date</u>	<u>Campus &amp; District Review/Action</u>	<u>Committee for Budget and Finance Consultation</u>	<u>Board Review/Action</u>
June-August	Final adjustments to budget are made.	Committee is updated throughout the summer on major budget changes	
June-July	Enactment of 2015-16 State Budget		
July	County finalizes tax increases for 2015-16		
August	Legislative Trailer Bills		
August	State Budget Workshop (held after Advance)		
August	2014-15 books are closed. District Office completes budget input and prepares Final Budget document		
September 2015			Public hearing and Adoption of 2015-16 Final Budget

**BOARD REPORT NO. 15-1-4CA**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6790

**APPROVAL OF DISTRICT ORGANIZATIONAL MEMBERSHIPS, 2014-15**

In Board policy 8.54, the District encourages, to the extent possible within financial restraints, college and staff affiliations with professional and educational organizations and associations to provide quality education to students and for the effectiveness and efficiency of the District and College operations.

The policy also states that all applications for membership shall be submitted to the Chancellor or his designee, and a list of all organizational memberships shall be submitted to the Board for approval. Attached is the list of all organizational memberships which the Executive Vice Chancellor has received as of December 31, 2014. Memberships requested since the last report to the Board are highlighted on the attachment.

**RECOMMENDATION**

It is recommended that the Board approve and accept all organizational memberships listed on the attached.

**SMCCCD Organizational Memberships as of 2015 (New Memberships highlighted in Blue)**

AAA Northern California, Nevada and Utah	Association of America's Public Television Stations (KCSM)
Academic Senate for California Community Colleges	Association of Chief Human Resources Officers/Affirmative Action Officers
Access Text Network	Association of College and University Telecommunications Administrators
Accreditation Council of Business Programs	Association of College Business Officers
Accrediting Commission for Community and Junior Colleges	Association of Collegiate Schools of Architecture
Adult Learning Satellite Service (PBS) (KCSM)	Association of Community and Continuing Education (ACCE)
AIGA	Association of Community College Trustees
Alliance for Community College Innovation (formerly Comm. Coll. Leadership Inst./Leag. for Innovation in the Comm. College)	Association of Departments of English
Alliance for Mentally Ill of San Mateo County	Association of Instructional Administrators (AIA)
American Association for Higher Education	Association of Physical Plant Administrators
American Association for Women in Community Colleges (AAWCC)	Auxiliary Organizations Association (Bookstore)
American Association of Community and Junior Colleges	Bay Area Faculty Diversity Internship Project (BAFDIP)
American Association of Community Colleges	Bay Area Shared Information Consortium (BASIC)
American Association of Colleges & Universities (AAC&U)	Bay Area World Trade Center
American Association of University Women (AAUW)	Bay Association of College Stores (Bookstore)
American College Health Association	Belmont Chamber of Commerce
American Council on Education	Board of Registered Nursing
American Council on Teaching of Foreign Language	Brisbane Chamber of Commerce
American Design Drafting Association	Burlingame Chamber of Commerce
American International Recruitment Council (AIRC)	California Association for Alcohol/Drug Educators
American Payroll Association	California Association for Counseling and Development
American Political Science Association	California Association for Institutional Research
American Public Television (formerly American Program Service) (KCSM)	California Association of College Stores (Bookstore)
American Society for Training and Development	California Association of Nurserymen
American Society for Travel Agents	California Association of School Business Officials (CASBO)
American Theatre Association	California Association of Student Financial Aid Administrators (CASFAA)
Art Hazards	California Association on Postsecondary Education and Disability
Asian American Manufacturer's Association	California Colleges for International Education
Asian Business Association	California Community College Admin. of Occupational Education
Asian Pacific Islander Council	California Community College Athletic Directors' Association
Associated Bodywork & Massage Professionals (ABMP)	California Community College Baseball Coaches Association
Association for Education Communications and Technology (KCSM)	California Community College Council for Staff and Organizational Development (4C/SD)
Association of American Colleges & Universities	

**SMCCCD Organizational Memberships as of 2015 (New Memberships highlighted in Blue)**

California Community College Fastpitch Coaches Association (3CFCA)	Center for International Trade Development
California Community College Chief Information Systems Officers' Association	Chief Instructional Officers of the CCC
California Community College Football Coaches Association	Childcare Coordinating Council
California Community College Internal Auditors	Coast Conference
California Community College Men's Basketball Coaches Association	College and University Personnel Association
California Community College Women's Basketball Coaches Association	College Art Association
California Community College Mental Health and Wellness Association	Collegiate Stores Corporation (CSC) (Bookstore)
California Community College Police Chiefs' Association	Commission on Dental Accreditation American Dental Association (ADA)
California Community College Soccer Coaches Association	Committee on Allied Health Education and Accreditation
California Community College Softball Coaches Association	Committee on Chemistry in the Two-year Colleges
California Community College Tennis Coaches Association	Committee on the Accreditation for Respiratory Care
California Community College Track and Field Association	Community College Alliance of MESA Directors (CCAMD)
California Community College Women's' Basketball Coaches Association	Community College Baccalaureate Association
California Community College Women's' Volleyball Coaches Association	Community College Business Officers (CCBO)
California Community College Wrestling Coaches Association	Community College Consortium - Computers, Reading and Language Arts
California Community Colleges Chief Instructional Officers	Community College Facility Coalition (CCFC)
California Community Colleges Chief Student Services Administrators Association (CCCCSSAA)	Community College Humanities Association
California Community Colleges EOPS Association	Community College Leadership Development Initiative Foundation
California Community Colleges Matriculation Professionals Association	Comprehensive College Baccalaureate Association (CCBA)
California Cooperative Education Association	Community Colleges Public Relations Organization
California Corporate College	Council for Higher Education Accreditation
California Landscape Contractors' Association	Council for Opportunity in Education (COE)
California Library Association	Council for Research Development
California Media & Library Educators' Association	Council for the Arts - Palo Alto and Mid-Peninsula
California Newspaper Publishers Association	Council of Chief Librarians - California Community Colleges
California Organization of Associate Degree Nursing Program Directors	Daly City/Colma Chamber of Commerce
California State Employees' Charitable Campaign (KCSM)	<b>Daly City Partnership</b>
	Downtown Business Group of Redwood City
	EDUCOM National Learning Infrastructure Initiative
	English Council of California Two-year Colleges
	Forum on Education Abroad
	Foundation for California Community Colleges - UMOJA Consortium
	Foster City Chamber of Commerce
	Higher Education Recruitment Consortium

**SMCCCD Organizational Memberships as of 2015 (New Memberships highlighted in Blue)**

Hire-Ed
Hispanic Association of Colleges & Universities
Honors Transfer Council of California
Housing Leadership Council of San Mateo County
Health Services Association California Community College (HSACCC)
IIE Network
Institute of International Education
Instructional Technology Council
Intercollegiate Tennis Coaches' Association
International Accounts Payable Professionals, Inc.
International Consortium for Educational Economic Development
Joint Review Committee for Respiratory Therapy
Joint Review Committee on Education in Radiology Technology
Journalism Association of Community Colleges
League for Innovation
Learning Assessment Retention Consortium
Learning Resources Network
LOEX (Library Orientation Exchange), Eastern Michigan University
Menlo Park Chamber of Commerce
Middle College High School Consortium
Modern Language Association of America
Multimedia Development Group
Music Association, California Community Colleges
NAFSA: Association of International Educators
National Alliance of Business
National Association of Basketball Coaches
National Association of College Auxiliary Services (Bookstore)
National Association of College Stores (Bookstore)
National Association of Colleges and Employers (NACE)
National Association of Foreign Student Affairs
National Association of Minority Engineering Program Administrators
National Association of Public Television Stations
National Association of Student Financial Aid Administrators (NASFAA)
National Association of Student Personnel Administrations

National Collegiate Honors Council
National Commission for Cooperative Education
National Community College Council for Research and Planning
National Community Colleges Hispanic Council
National Council for Continuing Education & Training
National Council for Marketing & Public Relations
National Council for Occupational Education
National Council of Teachers of English
National Council on Student Development
National Fire Protection Association
National Institute for Staff and Organizational Development
National Kitchen & Bath Association
National Public Radio (KCSM)
National Soccer Coaches Association of America
Non-Profit Gallery Association
North American Council for Staff Program and Organizational Development, NCSPOD
Northern California Chief Business Officials
Northern California Community College Computer Consortium
Northern California Community College Consortium - Affirmative Action
Northern California Football Alliance
Northern California Intersegmental Articulation
Northern California Track & Cross Country Coaches Association
Overseas Association for College Admission Counseling
Pacific Association College Registrars & Admissions Officers (PACRAO)
Pacific Coast College Health Association (for District Health Council)
Pacifica Chamber of Commerce
Palo Alto Chamber of Commerce
President's Round Table
Public Agency Risk Managers Association (PARMA)
Public Radio Program Directors Association (KCSM)
Public Television Programmer's Association (KCSM)
Radio Research Consortium (KCSM)
Recording for the Blind and Dyslexic

**SMCCCD Organizational Memberships as of 2015 (New Memberships highlighted in Blue)**

Redwood City Chamber of Commerce
Redwood City Downtown Business Group
SACNAS
San Bruno Chamber of Commerce
San Bruno Rotary Club
San Carlos Chamber of Commerce
San Francisco African American Chamber of Commerce
San Francisco Black Chamber of Commerce
San Francisco Chamber of Commerce
San Francisco Hispanic Chamber of Commerce
San Francisco Legal Assistant Association
San Mateo Chamber of Commerce
San Mateo Consortium of Quality Programs
San Mateo Council of Non Profits
San Mateo County Economic Development Association (SAMCEDA)
San Mateo County Employer Advisory Council
San Mateo County Fire Training Officers' Association
San Mateo County School Boards Association
School Employers' Association of Northern California
School Project for Utility Rate Reduction (SPURR) - dues are built into gas costs.
Silicon Valley Leadership Group
Society for College and University Planning (SCUP)
Society for Advancement of Chicanos and Native Americans in Science (SACNAS)
Society of Hispanic Professional Engineers
South San Francisco Chamber of Commerce
State Association of Fire Educators
StudyCalifornia
Teachers of English to Speakers of Other Languages
The Democracy Commitment
Transfer Center Directors Association of California Community Colleges
Tutor Tutor
U.S. Green Building Council
Western Association for College Admission Counseling
Western Intercollegiate Consortium on Education in Radiologic Technology
Western Regional Honors Council

WESTOP
Women in International Trade (Northern California Chapter)
Workforce Alliance
World Affairs Council of Northern California

**BOARD REPORT NO. 15-1-5CA**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Jing Luan, Ph.D., Vice Chancellor, Educational Services and Planning, 358-6880

**APPROVAL OF CURRICULAR ADDITIONS  
CAÑADA COLLEGE AND SKYLINE COLLEGE**

The addition of twenty-two courses to the Cañada College and Skyline College catalogs is proposed at this time. Additionally, nine courses are proposed to be offered in the distance education mode. The addition of two Certificates of Achievement and two Career/Skills certificates is also proposed.

Each of the proposed courses and programs has been reviewed by the appropriate Division Dean and approved by the College Curriculum Committee, acting on behalf of the local Academic Senate. In addition, the Academic Senate Presidents provide oversight with respect to the necessary role of the local Senates in the review and approval process. The rigor of the approval process assures that each new course has substance and integrity in relation to its discipline and that it fills a clear student need not being served by existing course offerings.

**RECOMMENDATION**

It is recommended that the Board approve the attached curricular additions for the Cañada College and Skyline College catalogs.

San Mateo County Community College District

January 28, 2015

PREPARED BY: Gregory Anderson, Vice President, Instruction  
Cañada College

APPROVED BY: Danielle Behonick, Curriculum Committee Chair  
Cañada College

Douglas Hirzel, Academic Senate President  
Cañada College

Lawrence Buckley, President  
Cañada College

## **PROPOSED CURRICULAR ADDITIONS – CAÑADA COLLEGE**

### **COURSE DESCRIPTIONS AND JUSTIFICATIONS**

#### **DIGITAL ART AND ANIMATION**

416 DRAWING FOR ANIMATION (3.0) (day or evening)

Justification: Students who have drawing skills are better equipped to enter and be successful in the animation field. Even basic drawing skills give students an advantage over others without those skills. Course fills a need in the curriculum for students to become conversant and comfortable with the creation and use of drawn graphics, and develop skills that will serve them in other classes in the curriculum, such as Principles of Animation, Storyboard Development, and Flash I. Skills developed in this class will be applicable in all other areas in the MART department, such as 3D animation and photography.

Prerequisite: None.

Recommended Preparation: Eligibility for READ 836 and ENGL 836; or ENGL 847 or ESL 400; ECE. 201 and 260.

Description: Techniques and concepts of drawing for animation. Topics include 2- and 3-point perspective, anatomy (human, animal, and comparative), gesture, quick sketch, and sequential drawing. Emphasis on capturing movement and pose using line.

Classification: AA/AS Degree; Certificate; CSU transferable.

#### **EARLY CHILDHOOD EDUCATION/CHILD DEVELOPMENT**

263 CURRICULUM AND STRATEGIES FOR CHILDREN WITH SPECIAL NEEDS (3.0) (day or evening)

Justification: This course is being added to the Cañada Early Childhood Education program so that we can align with the Curriculum Alignment Project expansion, and so that students taking the Special Needs specialization have an application class (263) that compliments their theory class (260).

Prerequisite: None.

Recommended Preparation: Eligibility for READ 836 and ENGL 836; or ENGL 847 or ESL 400; ECE. 201 and 260.

Description: Focuses on practical applications of best practices in Early Childhood Special Education. Topics covered include curriculum modification strategies to facilitate the development of cognitive, motor, social, emotional and language skills in young children with special needs (preschool, transitional kindergarten, and kindergarten age). Specific course foci include developing positive behavior management plans, collaborative teaching, integrative lesson planning that embed intervention strategies across routines and activities in both inclusive and self-contained classrooms, and methods for working with and parents of young children with special needs.

Classification: AA/AS Degree; CSU transferable.

## **INTERIOR DESIGN**

272 KITCHEN AND BATH DESIGN (3.0) (day or evening)

Justification: This new course is part of the Kitchen and Bath Certificate of Achievement, accredited by the National Kitchen and Bath Association (NKBA), and is replacing the existing INTD 270, Kitchen Design, and INTD 271, Bath Design courses. This change is being made due to low enrollments in the last few semesters and the need to better serve our students. The new course combines two topics (kitchen and bath) into one single class with the goal of increasing efficiency, time saving as well as certificate completion and retention without compromising course content, quality of education, and requirements to maintain the standards set by NKBA. The Advisory Committee is reviewing all our courses to suggest appropriate changes.

Prerequisite: ARCH 110 and INTD 175.

Recommended Preparation: Eligibility for READ 836 and ENGL 836; or ENGL 847 or ESL 400.

Description: Overview of the basic principles of kitchen and bath design and space layout, including drawing floor plans and elevations to scale using hand drafting and/or Computer-aided Design (CAD) software. Selection and evaluation of current product and materials are made based on client survey. Cabinetry, appliances, finish materials, barrier free design, and changing family patterns as applicable to today's kitchens and baths are covered.

Classification: AA/AS Degree; Certificate; CSU transferable.

357 KITCHEN AND BATH SYSTEMS (3.0) (day or evening)

Justification: This course is being added in order to streamline the Kitchen and Bath Certificate, and better serve the students' needs. INTD 357 is part of the major requirements of the Kitchen and Bath Design Certificate of Achievement.

Prerequisite: INTD 272, 276 AND 360.

Recommended Preparation: Eligibility for READ 836 and ENGL 836; or ENGL 847 or ESL 400.

Description: Overview of the household systems that support kitchen and bath design such as: plumbing, HVAC, and lighting. Codes and Title 24 related to building systems are reviewed. Drawings include typical installation details specifying current products and systems based on code and green building initiatives.

Classification: AA/AS Degree; Certificate; CSU transferable.

367 3D MODELING SKETCHUP FOR INTERIOR DESIGNERS (3.0) (day or evening)

Justification: This new course is part of the Interior Design Certificate of Achievement and Associate in Science Degree, and the Kitchen and Bath Certificate of Achievement. The current demand in the industry is high as has been pointed out by potential employers. This new course will provide students with the necessary skills to produce drawings that show 3D models of structures, interiors, and construction details for residential and commercial spaces.

Prerequisite: INTD 360.

Recommended Preparation: Eligibility for READ 836 and ENGL 836; or ENGL 847 or ESL 400.

Description: Learn how to produce a set of drawings that show 3D models of structures, interiors, and construction details for residential and commercial spaces. Portfolio preparation is included.

Classification: AA/AS Degree; Certificate; CSU transferable.

368 2020 FOR DESIGNERS (1.0) (day or evening)

Justification: This course prepares students with the computer skills needed for success in a competitive market with high demand for kitchen and bath designers. It is also suitable for industry professionals that need to brush up their CAD (Computer Aided Drafting) skills. The main application of this software is to plan for kitchen and bathroom cabinetry.

Prerequisite: INTD 360.

Recommended Preparation: Eligibility for READ 836 and ENGL 836; or ENGL 847 or ESL 400.

Description: Overview of the 2020 Design Software tools and techniques for planning and visualizing kitchens and bathrooms. 3D renderings including the use of catalogs from manufacturers to select cutting-edge features, hardware, and appliances. Emphasis is on designing kitchens and bathrooms based on new or existing plans and following NKBA (National Kitchen & Bath Association) and industry standards.

Classification: AA/AS Degree; Certificate; CSU transferable.

## **SPANISH**

145 SPANISH CONVERSATION THROUGH FILM (3.0) (day or evening)

Justification: A conversation course is listed as an option for the TMC in Spanish. Students at the intermediate college level of Spanish often need additional practice and development of oral/aural abilities in preparation for more advanced courses in Spanish. This course will count as a selective for the Spanish AA Degree. It will also be added to the Spanish AA-T sometime in the near future.

Prerequisite: SPAN 130 or 132.

Recommended Preparation: None.

Description: Thought-provoking films expose students to authentic Spanish language as well as the culture and history of different regions in the Spanish-speaking world. Analysis and discussion of films with the goal of improving accuracy and fluency in Spanish.

Classification: AA/AS Degree; CSU transferable.

## **PROPOSED TO BE OFFERED AS DISTANCE EDUCATION – CAÑADA COLLEGE**

### **BUSINESS**

101 Human Relations in the Workplace

### **EARLY CHILDHOOD EDUCATION/CHILD DEVELOPMENT**

240 Administration I: Business/Legal

241 Administration II: Personnel and Leadership

242 Adult Supervision and Mentoring in Early Childhood Education

333 Observation and Assessment of Young Children

### **ENGINEERING**

210 Engineering Graphics

261 Circuits and Devices Laboratory

## **PROPOSED PROGRAM ADDITIONS – CAÑADA COLLEGE**

Cañada College proposes to offer two Certificates of Achievement in the following program:

### **BUSINESS**

**Human Relations in the Workplace – Certificate of Achievement – (18 units)**

**Marketing – Certificate of Achievement – (18 units)**

San Mateo County Community College District

January 28, 2015

PREPARED BY: Sarah F. Perkins, Vice President, Instruction  
Skyline College

APPROVED BY: Dennis Wolbers, Curriculum Committee Chair  
Skyline College

Kathryn Browne, Academic Senate President  
Skyline College

Regina Stanback Stroud, President  
Skyline College

## **PROPOSED CURRICULAR ADDITIONS – SKYLINE COLLEGE**

### COURSE DESCRIPTIONS AND JUSTIFICATIONS

#### **BIOTECHNOLOGY**

880SA BIOTECHNOLOGY BOOT CAMP (2.0) (day or evening)

Justification: This Career Technical Education course is intended to be a bridge that will generate interest for high school students and others to experience and survey STEM careers – specifically biotechnology – and college.

Prerequisite: None.

Recommended Preparation: Eligibility for ENGL 846 or ESOL 400, or equivalent.

Description: An introduction to topics in biotechnology and STEM careers. Modules will explore how the scientific method is used to discover biologicals for use in pharmacology, agriculture, energy and manufacturing, and how potential products are selected and eventually manufactured in these industry sectors. Students will also study Bay Area biotechnology entrepreneurs and how local biotechnology companies were started. Students will survey STEM careers and companies in the general Bay Area.

Classification: AA/AS Degree; not transferable.

#### **EARLY CHILDHOOD EDUCATION**

331 THE ROLE OF THE TEACHER (1.0) (day or evening; and/or distance education)

Justification: The course will be part of a revised Career Advancement Academy Certificate in Fundamentals in Early Childhood Education.

Prerequisite: None.

Recommended Preparation: Eligibility for ENGL 846 or ESOL 400, or equivalent.

Description: Overview of the factors that contribute to success and satisfaction in teaching. Topics include personal characteristics of teachers, stages of teacher development, teaching responsibilities, career opportunities, professional development, and the benefits of professional affiliations.

Classification: AA/AS Degree; Certificate; CSU transferable.

## **ENERGY SYSTEMS TECHNOLOGY MANAGEMENT**

491 CLIMATE PROTECTION PROFESSIONAL I (3.0) (day or evening)

Justification: The ESTM/ENVS 491 and 492 courses provide the content basis for the proposed Climate Protection Professional Career Certificate. These core courses provide an overview of climate science, relevant policies, investment areas in climate change mitigation, and professional training in leadership and project management.

Prerequisite: ESTM 400 or ENVS 100, or equivalent.

Recommended Preparation: None.

Description: Foundation for emerging leaders working in climate change mitigation and adaptation fields. Overview of climate change science (the greenhouse effect, emissions factors, and sources), current climate protection policies in California, including emerging regulations, and analytic tools, including mitigation and adaptation inventories and action plans. Includes professional training in project management, workplace effectiveness, communication, and fundraising. Also listed as ENVS 491.

Classification: AA/AS Degree; Certificate; CSU transferable.

492 CLIMATE PROTECTION PROFESSIONAL II (3.0) (day or evening)

Justification: The ESTM/ENVS 492 and 491 courses provide the content basis for the proposed Climate Protection Professional Career Certificate. These core courses provide an overview of climate science, relevant policies, investment areas in climate change mitigation, and professional training in leadership and project management.

Prerequisite: ESTM/ENVS 491 or equivalent.

Recommended Preparation: None.

Description: Expansion on fundamentals of climate change concepts: science and expected impacts; mitigation and adaptation strategies; metrics for analyzing current impacts, forecasts and results from solution scenarios. Expansion of project management practices, career pathways, leadership, and career development skills, within the context of client site projects in preparation for final report and/or presentation. Also listed as ENVS 492.

Classification: AA/AS Degree; Certificate; CSU transferable.

## **ENGINEERING**

100 INTRODUCTION TO ENGINEERING (3.0) (day or evening)

Justification: Skyline College has performed extensive internal data-gathering that clearly indicates there is a sizable population of engineering students who consider Skyline their home institution, and who face a severe hardship (if even possible) to splitting their course loads concurrently across Skyline and her sister colleges where ENGR courses are currently offered. As a result, these students often group all engineering coursework into their last few semesters prior to transfer (if they are not lost from the District entirely). "Introduction to Engineering", as implied in the title, uniquely needs to be taken much earlier for maximum impact – building tools for success early on before any other engineering coursework. This course should be taken concurrently with Physics, Chemistry, Math and Computer Science, and therefore should be offered at Skyline along with them as part of a core "Pre-Engineering" track.

Prerequisite: MATH 130 or equivalent.

Recommended Preparation: Eligibility for ENGL 846 or ESOL 400, or equivalent.

Description: An introduction to the engineering profession and its different sub-disciplines, intended to provide a foundation for further study in engineering. The course explains the engineering education pathways and explores effective strategies for students to reach their full academic potential. It also provides an understanding of engineering processes and tools including experimentation, data analysis, and computer and communication skills. Emphasis is given to technical communications, ethical considerations, engineering design and analysis skills applied to illustrative projects and problems drawn from various engineering fields. A spreadsheet program (Microsoft Excel) and a computer language (MATLAB or equivalent) are introduced and used in the course.

Classification: AA/AS Degree; CSU transferable.

## **ENVIRONMENTAL SCIENCE AND TECHNOLOGY**

### 491 CLIMATE PROTECTION PROFESSIONAL I (3.0) (day or evening)

Justification: The ENVS/ESTM 491 and 492 courses provide the content basis for the proposed Climate Protection Professional Career Certificate. These core courses provide an overview of climate science, relevant policies, investment areas in climate change mitigation, and professional training in leadership and project management.

Prerequisite: ESTM 400 or ENVS 100, or equivalent.

Recommended Preparation: None.

Description: Foundation for emerging leaders working in climate change mitigation and adaptation fields. Overview of climate change science (the greenhouse effect, emissions factors, and sources), current climate protection policies in California, including emerging regulations, and analytic tools, including mitigation and adaptation inventories and action plans. Includes professional training in project management, workplace effectiveness, communication, and fundraising. Also listed as ESTM 491.

Classification: AA/AS Degree; Certificate; CSU transferable.

### 492 CLIMATE PROTECTION PROFESSIONAL II (3.0) (day or evening)

Justification: The ENVS/ESTM 492 and 491 courses provide the content basis for the proposed Climate Protection Professional Career Certificate. These core courses provide an overview of climate science,

relevant policies, investment areas in climate change mitigation, and professional training in leadership and project management.

Prerequisite: ENV5/ESTM 491 or equivalent.

Recommended Preparation: None.

Description: Expansion on fundamentals of climate change concepts: science and expected impacts; mitigation and adaptation strategies; metrics for analyzing current impacts, forecasts and results from solution scenarios. Expansion of project management practices, career pathways, leadership, and career development skills, within the context of client site projects in preparation for final report and/or presentation. Also listed as ESTM 492.

Classification: AA/AS Degree; Certificate; CSU transferable.

## **KINESIOLOGY**

510 SPORT, MOVEMENT AND FILM (3.0) (day or evening; and/or distance education)

Justification: KINE 510 is intended to be CSU/UC transferable. Will apply to the Associate Degree in Physical Education and to the Associate Degree in Interdisciplinary Studies – Health and Physical Education emphasis. The course is also intended to be applicable to CSU General Education Area C and Area D requirements. While the course is offered at SFSU, it is heavily impacted as a result of budget constraints.

Prerequisite: None.

Recommended Preparation: Eligibility for ENGL 846 or ESOL 400, or equivalent.

Description: Examination of how the cultural, political, psychological and historical dimensions of sport and other forms of movement are portrayed in feature films and documentaries. Representations of identity, power, performance, social justice, and the body are also analyzed. Note: This course is not activity-based and is not applicable to the specific area requirement in Physical Education for the Associate Degree.

Classification: AA/AS Degree; CSU transferable.

## **KINESIOLOGY – COMBATIVE SPORTS**

680SA MUAY THAI (.5 or 1.0) (day or evening)

Justification: Muay Thai is a popular and growing sport in local gyms. Other local colleges aren't currently offering the sport even though demand is high for training. Intended to be CSU/UC transferable. Will apply to the Associate Degree in Physical Education and to the Associate Degree in Interdisciplinary Studies – Health and Physical Education emphasis.

Prerequisite: None.

Recommended Preparation: None.

Description: Training in the skills and strategies of Muay Thai. Improvement of fitness and cardiovascular conditioning achieved through participating in Muay Thai. Introduces effective self-defense techniques developed from Muay Thai skills. Structured as a martial arts class. Note: Students should expect to spend approximately \$50 for required gloves and wraps.

Classification: AA/AS Degree; CSU transferable.

## **WELLNESS**

665SQ INTEGRATED EASTERN PERSPECTIVE OF FACE AND DECOLLETE MASSAGE (2.0)  
(day or evening)

Justification: This course provides hours/credits for advanced level certification in esthetics and massage therapy.

Prerequisite: COSM 745 or COSM 776 or WELL 701, or equivalent.

Recommended Preparation: None.

Description: Explore an integration of various massage techniques from both Western/Eastern perspectives to enhance esthetics massage, spa technician and/or massage therapy skills associated with face, chest, and upper arms. Topics include the integration of various conditions and comparative assessments and applications. Examination of the therapeutic value of massage and the anatomy of the face, chest and upper arms. Students will integrate various combinations of spa services and massage techniques to be implemented specifically for client needs. Proper posture, body mechanics and centeredness for the practitioner and career longevity will be addressed.

Classification: AA/AS Degree; not transferable.

725 INTRODUCTION TO CONSCIOUSNESS, INTENT AND MEDITATION (3.0) (day or evening)

Justification: This course will apply to advanced massage therapy certification at levels beyond 500 hours through the Holistic Health Practitioner (HHP) program, currently in development. This is one of many components addressed within Complementary and Alternative Medicine (CAM) and is an integral part of massage education and professional development.

Prerequisite: None.

Recommended Preparation: Eligibility for ENGL 100 or equivalent.

Description: Exploration of consciousness from global ancient traditions of healing and how levels of consciousness are nurtured and cultivated through dynamic relationships between mind, body, and spirit. The focus is to understand consciousness and its dynamic relationship with intent and meditation from multiple perspectives and integrate these methods into our personal and professional lives to promote individual wellness, health and healing.

Classification: AA/AS Degree; not transferable.

730 GLOBAL PERSPECTIVES OF MEDITATION (3.0) (day or evening)

Justification: This course will apply to advanced massage therapy certification at levels beyond 500 hours through the Holistic Health Practitioner (HHP) program, currently in development.

Prerequisite: None.

Recommended Preparation: Eligibility for ENGL 846 or ESOL 400, or equivalent.

Description: Exploration of different global perspectives of meditation that fosters self-discovery and expands personal awareness of the health and healing benefits. Designed for the beginning meditator to the healing professional, various meditation approaches will be implemented from which one can choose to practice what fits their lifestyle needs for overall health and healing.

Classification: AA/AS Degree; not transferable.

#### 880SI SPORTS MEDICINE AND MANUAL THERAPY (3.0) (day or evening)

Justification: This is an advanced level course for massage therapists and/or other academic disciplines that are interested in sports medicine and manual therapy. These disciplines would include students pursuing advanced certification in massage therapy through Holistic Health Practitioner (HHP) certification, currently in development. This also includes students pursuing other disciplines, such as Traditional Chinese Medicine (TCM), Naturopathic Medicine, Holistic Health Studies, Holistic Health Sciences and/or Applied Sciences. Other disciplines interested that fall under the sports medicine umbrella would be physical therapy assistants, occupational therapy assistants, physical therapy aids, fitness consulting/training, physical medicine assistants, kinesiology, nutrition, physical therapy, occupational therapy, athletic training, nursing, etc.

Prerequisite: WELL 702 or equivalent; or BIOL 250 or equivalent; or certified massage therapist, or massage therapy student with anatomy and kinesiology background, or any allied and/or holistic health care practitioner/professional.

Recommended Preparation: None.

Description: Designed to refine, develop and apply manual therapy techniques, assessment strategies and critical thinking in how to adapt various massage techniques within the sports medicine arena. Students will expand on anatomy, kinesiology and applied biomechanical components involved with sports medicine assessment/s and manual therapy implementation. In addition, current perspectives within the massage/manual therapy field and differentiation between different techniques such as deep tissue, myofascial release, orthopedic, clinical, neuromuscular, PNF/MET, strain/counterstrain techniques, trigger point, integrative manual therapy along with various other techniques and manual therapy modalities will be addressed. Development of knowledge within the multi-disciplined field of sports medicine as well as collaboration among diverse allied health care practitioners.

Classification: AA/AS Degree; not transferable.

#### 880SM INTRODUCTION TO SOUND HEALING (3.0) (day or evening)

Justification: This course will apply to advanced massage therapy certification at levels beyond 500 hours through the Holistic Health Practitioner (HHP) program, currently in development.

Prerequisite: None.

Recommended Preparation: None.

Description: A journey into sound and healing from comparative global perspectives fostering self-discovery and expanding awareness of traditional knowledge identifying sound as an integral part of healing. Transmit experiential techniques and insights to implement and understand sound and its dynamic relationship with our overall health and wellness.

Classification: AA/AS Degree; not transferable.

880SN INTRODUCTION TO REFLEXOLOGY (2.0) (day or evening)

Justification: This course will apply to the advanced standing massage therapy certification and the advanced standing esthetician certification, both currently in development.

Prerequisite: COSM 730 or COSM 745 or COSM 776 or WELL 701, or equivalent; or certified massage therapist, previous massage therapy training, or other allied holistic health care practitioners/professionals assessed on an individual basis.

Recommended Preparation: None.

Description: Explore reflexology history, theory, techniques and sequences. Take a journey into understanding and interpretation of how reflex points relate to the body. Learn to navigate individualized assessment criteria and associated techniques with various sequences of reflexology in conjunction with hand and foot massage.

Classification: AA/AS Degree; not transferable.

## **PROPOSED TO BE OFFERED AS DISTANCE EDUCATION – SKYLINE COLLEGE**

### **EARLY CHILDHOOD EDUCATION**

331 The Role of the Teacher

### **KINESIOLOGY**

510 Sport, Movement and Film

## **PROPOSED PROGRAM ADDITIONS – SKYLINE COLLEGE**

Skyline College proposes to offer two Career/Skills Certificates (fewer than 12 units) in the following programs:

### **ACCOUNTING**

**Individual Tax Preparer – Career Certificate** (11 units)

### **ENERGY SYSTEMS TECHNOLOGY MANAGEMENT**

**Climate Protection Professional – Skills Certificate** (10 units)

**BOARD REPORT NO. 15-1-6CA**

To: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Dr. Sarah Perkins, Vice President of Instruction, Skyline College, 738-4321

**ACCEPTANCE OF GRANT FUNDS FROM THE BAY AREA WORKFORCE FUNDING COLLABORATIVE TO THE CAREER ADVANCEMENT ACADEMY AT SKYLINE COLLEGE AND AUTHORIZATION TO EXECUTE GRANT AGREEMENT**

The Bay Area Workforce Funding Collaborative (BAWFC) will award (pending final Board approval) \$150,000 to The Career Advancement Academy (CAA) at Skyline College to further expand and help institutionalize the Career Advancement Academy Model. This additional funding is for the period of January 1, 2015 – December 30, 2015. This CAA project expands the course BUS 269, Domestic Warehousing and Logistics, into a year-long certificate, which will be packaged as a Career Advancement Academy (CAA). Specifically, the project is designed to fill a gap in the existing workforce training system by developing strategies and partnerships to engage at-risk young adults, ages 18 to 24, in career-oriented workforce training in high-demand industries: Domestic Warehousing and Logistics.

Leveraging the best practices of the CAA, both at Skyline College and across the state, this domestic trade and logistics program will embed integral student support services, work-based learning, and employer engagement features into a two-semester program. Much of this work will build on the foundational elements established through the CAAs' existing programs; we will also leverage the momentum transportation, trade, and logistics garnered through its previous grant work, particularly in the area of employer engagement. Goodwill Industries will continue to be a key partner in these efforts.

**RECOMMENDATION**

It is recommended that the Board of Trustees authorize acceptance of the grant funds in the amount of \$150,000 and authorize the Chancellor or the Executive Vice Chancellor, or their designees, to execute an agreement with The Bay Area Workforce Funding Collaborative for this funding.

**BOARD REPORT NO. 15-1-7CA**

To: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Dr. Sarah Perkins, Vice President of Instruction, Skyline College, 738-4321

**ACCEPTANCE OF GRANT FUNDS FROM THE BAY AREA WORKFORCE FUNDING COLLABORATIVE TO THE BAY REGION RETAIL, HOSPITALITY, AND TOURISM DEPUTY SECTOR NAVIGATOR AND AUTHORIZATION TO EXECUTE GRANT AGREEMENT**

The Retail, Hospitality and Tourism State Sector Navigator housed at El Camino College will award (pending final board approval) \$96,160 to The Bay Region Retail, Hospitality and Tourism Deputy Sector Navigator to further expand work-based learning opportunities within Skyline College and Bay Region Community Colleges. The funds will be used to provide a wide range of real-world experiences – from mentoring and job shadowing to internships – that expose students to possible career paths and placement into viable careers. This additional funding is for the period of January 1, 2015 – June 30, 2015. The funding will be used to prepare community college and high school students for work-based learning opportunities and build pathways into educational programs in Retail, Hospitality and Tourism.

**RECOMMENDATION**

It is recommended that the Board of Trustees authorize acceptance of the grant funds as described and authorize the Chancellor or the Executive Vice Chancellor, or their designees, to execute an agreement with The Bay Area Workforce Funding Collaborative for this funding.

**BOARD REPORT NO. 15-1-1B**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Barbara Christensen, Director of Community/Government Relations, 574-6510

**NOMINATIONS FOR MEMBERSHIP ON THE CALIFORNIA COMMUNITY COLLEGE TRUSTEES (CCCT) BOARD, 2015**

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. 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.

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. CCCT board members are elected by the institutional member governing boards for three-year terms. No CCCT board member shall serve more than three terms consecutively, once they have been elected to the board.

Seven persons will be elected to the board this year. Of those seven, five are incumbents; one seat is open due to a member who opted to not run for re-election to CCCT; and one is a seat vacated by a member who did not win re-election at the district level in November. All seven seats will be for a three-year term.

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 3, 2015.

**RECOMMENDATION**

It is recommended that the Board determine interest of any Board member to be nominated to serve on the CCCT board for 2015. If any Board member consents to be nominated, it is recommended that the Board approve the nomination.

# CCCT BOARD NOMINATION FORM 2015

Must be returned to the League office **postmarked no later than February 15, 2015**, along with the statement of candidacy and biographic sketch form. **Faxed material will not be accepted.**

Mail to:  
CCCT Board Nominations  
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.

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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, 2015**, along with the nomination form 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.*): \_\_\_\_\_

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**CIVIC AND COMMUNITY ACTIVITIES**

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**OTHER**

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# CCCT BOARD STATEMENT OF CANDIDACY

Must be returned to the League office **postmarked no later than February 15, 2015** along with the nomination form 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.)**

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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.)**

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**CCCT Term Schedule**

<u>Election</u>	<u>Group</u>	<u>Seat</u>	<u>First Elected</u>	<u>Next Election</u>	<u>Terms Left for Incumbent</u>
<b>2015</b>	I.	Chaniot	2009	2015	1
	I.	Jones	2009	2015	1
	I.	Ontiveros	2009	2015	1
	I.	Otto	2009	2015	1
	I.	Ransford	2012	2015	2
	I.	Zableckis	2009	2015	1
	I.	Vacancy	n/a	2015	3
	II.	Wah	2013	2016	2
	II.	Biggin	2013	2016	2
<b>2016</b>	II.	Gulassa	2010	2016	1
	II.	Hart	2010	2016	1
	II.	Jaffe	2010	2016	1
	II.	Keith	2013	2016	2
	III.	Blum	2014	2017	2
	III.	Casas	2011	2017	1
	III.	Castellanos	2011	2017	1
<b>2017</b>	III.	Chadwick	2011	2017	1
	III.	Gomez	2011	2017	1
	III.	Grey	2014	2017	2
	III.	Haynes	2014	2017	2
	III.	Moreno	2011	2017	1
<i>approved by the CCCT board 12.29.14</i>					



**CALIFORNIA COMMUNITY COLLEGE TRUSTEES  
2014-15 BOARD ROSTER**

**SALLY BIGGIN**  
Redwoods CCD

**STEPHEN BLUM**  
Ventura County CCD

**LAURA CASAS**  
Foothill DeAnza CCD

**STEPHAN CASTELLANOS**  
San Joaquin Delta CCD

**NANCY CHADWICK**  
Palomar CCD

**JANET CHANIOT**  
**1<sup>st</sup> Vice President**  
Mendocino-Lake CCD

**PAUL GOMEZ**  
**2<sup>nd</sup> Vice President**  
Chaffey CCD

**ADRIENNE GREY**  
West Valley-Mission CCD

**CY GULASSA**  
Peralta CCD

**JERRY HART**  
Imperial CCD

**PAMELA HAYNES**  
Los Rios CCD

**LOUISE JAFFE**  
**President**  
Santa Monica CCD

**BERNARD “BEE JAY” JONES**  
Allan Hancock Joint CCD

**SUSAN KEITH**  
Citrus CCD

**JIM MORENO**  
Coast CCD

**JOANNA NAVARRO**  
Compton CCD

**MANNY ONTIVEROS**  
**Immediate Past-President**  
North Orange County CCD

**DOUGLAS OTTO**  
Long Beach CCD

**ANN RANSFORD**  
Glendale CA

**LINDA WAH**  
Pasadena CCD

**MARCIA ZABLECKIS**  
Barstow CCD

**VACANCY**

San Mateo County Community College District

January 28, 2015

**BOARD REPORT NO. 15-1-100B**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6869

**RECEIPT AND ACCEPTANCE OF THE 2013-14 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, 2014. 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 2013-14 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, 2014 due date.

**SAN MATEO COUNTY  
COMMUNITY COLLEGE DISTRICT**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2014 AND 2013**

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

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***FINANCIAL SECTION***

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

VALUE THE DIFFERENCE

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit, the Education Housing Corporation of San Mateo County Community College District (the District) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the District as of June 30, 2014 and 2013, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principles**

As discussed in Note 16 to the financial statements, the District has adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require 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 audits 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.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget (OMB) 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.

The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, 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, 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* in considering the District's internal control over financial reporting and compliance.

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

Pleasanton, California  
December 11, 2014

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2014**

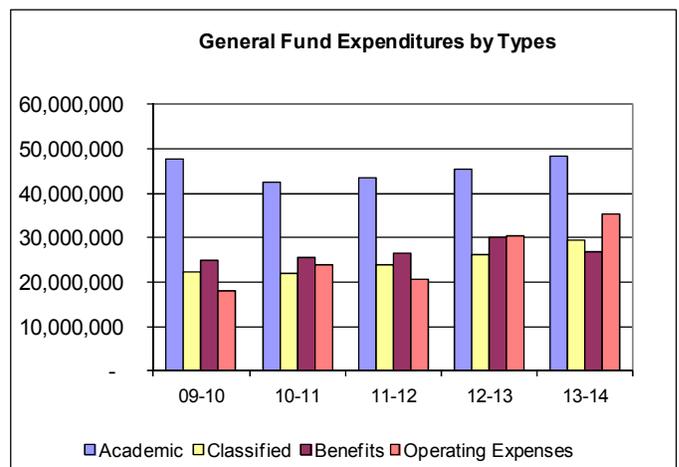
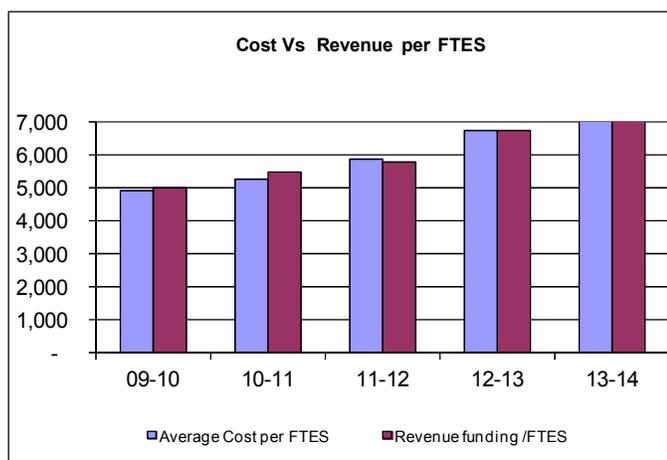
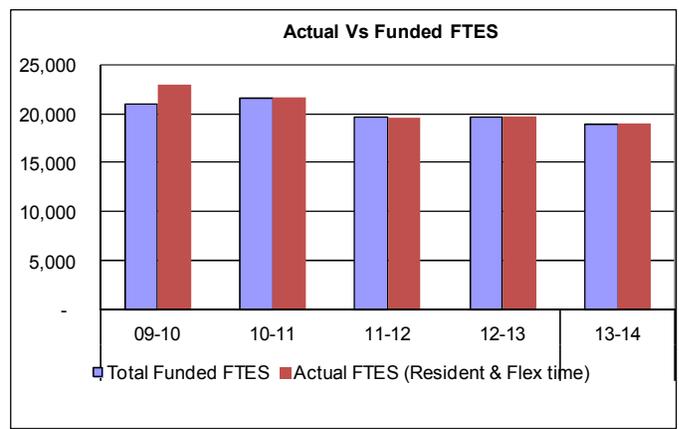
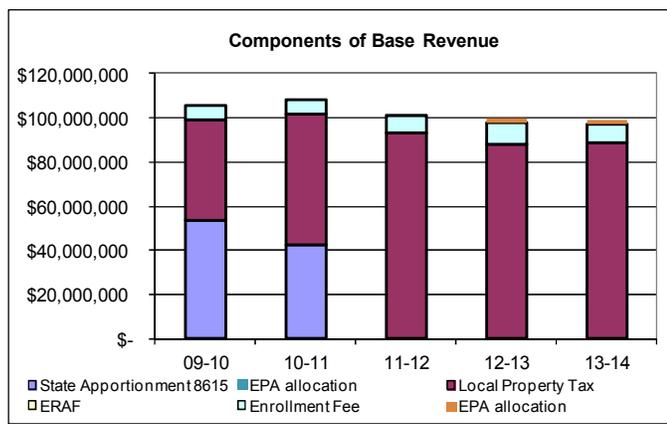
### **Introduction**

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, 2014, June 30, 2013, and June 30, 2012. 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 Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

### **Financial Highlights of 2013-14**



# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Financial Overview Summary**

Total net position with a decrease of \$ 9 million over the prior fiscal year and ended at \$120 million at June 30, 2014.

- Assets exceeded liabilities by \$120 million, and total asset decreased \$10.7 million over last year mainly due to an decrease in depreciable capital asset.
- Net noncurrent assets decreased by \$13 million.
- Net operating loss was \$191 million, increased by \$3 million from last year.
- Net non-operating revenue increased \$18.6 million primarily due to Lehman Brother reimbursement and increased in property tax.

### **Reporting for the District as a Whole**

- Economic position of the District with the State

Fiscal Year 2013/14 is the third year that the District has been community supported. Community supported means that when the State sets the District's revenue limit (determining how many students we are funded to serve) and deducts from that revenue limit the local property taxes and student fees, there is no need for State apportionment to sum to our revenue limit. This means that the District has somewhat more resources and is no longer subject to the state borrowing funds by delaying apportionment payments. In addition to an increase in property taxes, the District is receiving funds from the dissolution of Redevelopment Agencies (RDAs). As less of the property taxes are being diverted to RDAs, more of them come to SMCCCD. The former RDAs are also slowly beginning the process of selling off their property, which brings some one-time funds to District Office. Fiscal Year 2013/14 is also the last year for receiving funds from the parcel tax (Measure G). This funding, approximately \$7 million per year, has allowed the District to cut significantly fewer sections than would have been cut and also maintain some services to students. The District has not spent all of the Measure G funds, but they will be fully expended in 2014/15. All in all, the District's revenues have increased and, with a steady real estate market, show every sign of continuing increase.

### **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 has not received a revenue COLA from the State since 2007- 08. Since becoming community supported and benefitting from redevelopment funds, fiscal year 2014-15 reflects a modest salary adjustment (3.69%) for all employee groups. The budget includes January 1, 2015 increases (on average, the rates went up 7.78% across plans) in non-capped health premium rates for employees and retirees. Dental insurance and vision premiums remained unchanged. The PERS rate increased from 11.417% to 11.771% and based on legislative action, the STRS rate increased from 8.25% to 8.88%. The District's Unemployment Insurance Contribution Rate is 0.055%. Due to its favorable insured loss experience and current insurance market conditions, the District expects minimal changes to insurance rates for 2014-15. Workers' compensation costs remained at 1% of salaries. To comply with GASB 45, in 2009-10, the District began charging itself an amount to cover the future medical benefit costs for current employees. These charges appear as part of the benefit expenses in all funds.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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- Bond construction

As of June 30, 2014, \$470 million of the \$501 million Measure A November 2005 general obligation (GO) bond (with interest) have been spent or encumbered by contract. The projects planned under the 2005 GO bond are substantially completed with students and staff occupying the new and renovated buildings at CSM, Skyline and Cañada College.



Cañada College Bookstore



Cañada College outside food court



# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2014**

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Various small and medium size projects were completed throughout the year including: Building 3/17 Access Security Upgrades, Soccer Field Replacement, Building 5/6/8/9 Water Intrusion, Building 3 Theater Carpet Replacement, Building 5/6 Classroom Wireless Access Point Enhancements, and Baseball Field Upgrades.

College of San Mateo

College of San Mateo Health & Wellness



College of San Mateo Building 10 College Center



# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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Various small projects were completed throughout the year including: Football Field Upgrade, Light Pole Banner and Signage, Exterior Wayfinding Signage, Building 19 Hazardous Materials Abatement, Beethoven Lot and Building 5 Wellness Center Path of Travel, Building 10 Exterior Stair, Diagonal Path Extension, East Perimeter Road Sidewalk Addition, Building 9 Exterior Light Fixture Replacement, and Building 4A Ceramics Upgrades.



Skyline College Building 11



Skyline College Building 1 and 2



Various small and medium size projects were completed throughout the year including: Upper Soccer Field Replacement, Exterior Wayfinding Signage, and Building 14 Child Development Center Security and ECE Improvement.

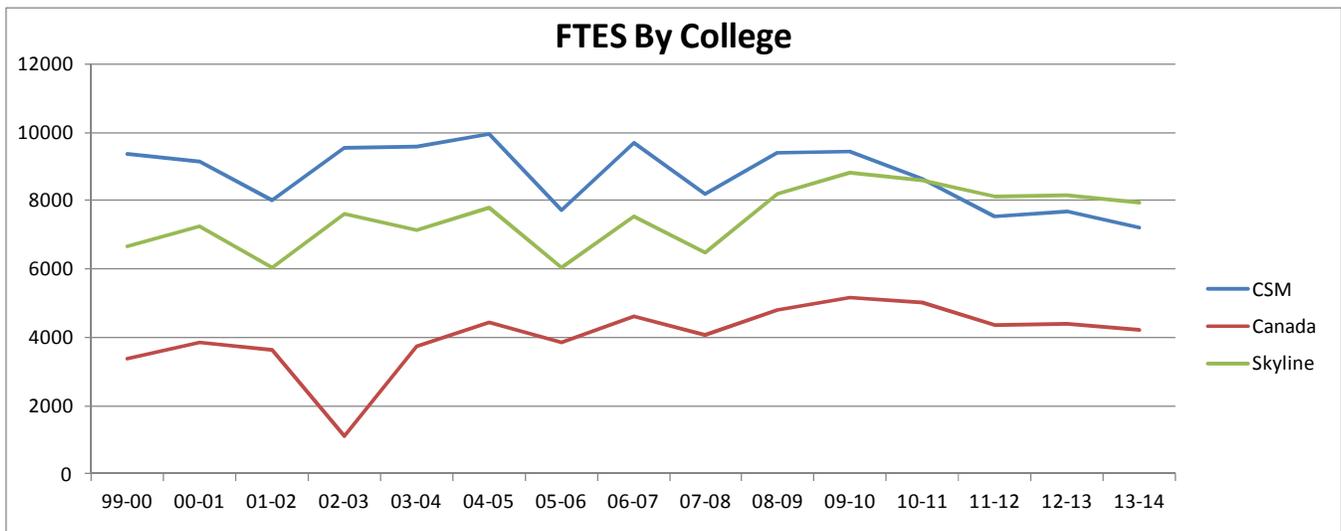
# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

- Enrollment

For SMCCCD, enrollment no longer drives funding, since property taxes and fees primarily determine funding. Historically, the District's enrollment goes up when unemployment goes up and goes down when the economy recovers. The District's enrollment declined with the recession, however, because the state cut the funds provided for enrollment. In 2013/14, the District's enrollment declined as was anticipated. The chart below shows the history of FTES in the District.



# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### Net Position

The Statement of Net Position 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 Position, 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, Institutional Investment Pool and certificates of deposit with various banks.
- Accounts receivable primarily consists of revenues from local, state, and federal sources from which the District had earnings but which were not received as of the fiscal year's closing date.
- Inventories and other assets include prepaid expenses and bookstore inventories.
- Capital assets, net of depreciation, are the net historical value of land, buildings, construction in progress and equipment less accumulated depreciation.
- Accounts payable and accrued liabilities consist of payables to the state, and federal governments for grants, as well as benefits, salaries and amounts owed to local vendors which the District incurred but for which payments were not issued as of the end of the fiscal year.
- Unearned revenues represent cash received during the fiscal year from state, federal grants, 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 payable.
- According to GASB Statements, equity is reported as Net Position, rather than Fund Balance. The District's Net Position is classified as follows:
  - Net Investment in capital assets, represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
  - Restricted Net Position consists of expendable and nonexpendable portions. Restricted expendable Net Position includes resources which the District is contractually obligated to expend in accordance with restrictions imposed by external third parties.
  - Unrestricted Net Position represents resources used for transactions relating to the educational and general operations of the District.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

**Analysis of Net Position – June 30, 2014**

**Table 1 Statement of Net Position**

	(In Thousand) <b>2014</b>	(In Thousand) <b>2013</b>	(In Thousand) <b>2012</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 202,972	\$ 203,484	\$ 205,551
Restricted cash and investments	28,873	26,437	23,588
Accounts receivable, net	10,863	10,578	11,375
Prepaid expenses	520	238	121
Deferred charges	-	305	341
Stores inventories	2,722	2,612	2,423
<b>Total Current Assets</b>	<b>245,950</b>	<b>243,654</b>	<b>243,399</b>
<b>Noncurrent Assets</b>			
Deferred charges	-	4,880	5,149
Nondepreciable capital assets	47,819	32,558	93,069
Depreciable capital assets, net of depreciation	602,153	625,598	548,492
<b>Total Noncurrent Assets</b>	<b>649,972</b>	<b>663,036</b>	<b>646,710</b>
<b>TOTAL ASSETS</b>	<b>895,922</b>	<b>906,690</b>	<b>890,109</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	16,792	17,030	14,098
Interest payable, restricted	3,935	5,866	13,221
Unearned revenue	10,084	11,921	11,493
Bonds and notes payable - current portion	17,290	17,290	14,910
Bond premium - current portion	2,000	2,000	2,000
<b>Total Current Liabilities</b>	<b>50,101</b>	<b>54,107</b>	<b>55,722</b>
<b>Noncurrent Liabilities</b>			
Compensated absences payable - noncurrent portion	4,191	3,848	3,766
Bonds and notes payable - noncurrent portion	693,285	689,807	687,265
Other long-term liabilities - noncurrent portion	28,444	30,444	32,444
<b>Total Noncurrent Liabilities</b>	<b>725,920</b>	<b>724,099</b>	<b>723,475</b>
<b>TOTAL LIABILITIES</b>	<b>776,021</b>	<b>778,206</b>	<b>779,197</b>
<b>NET ASSETS</b>			
Net Investment in capital assets	(64,293)	(49,609)	(59,125)
Restricted for:			
Debt service	28,911	26,472	23,633
Capital projects	79,595	80,805	73,503
Educational programs	14,936	13,899	13,421
Other activities	27,362	22,441	25,406
Unrestricted	33,390	34,476	34,075
<b>TOTAL NET POSITION</b>	<b>\$ 119,901</b>	<b>\$ 128,484</b>	<b>\$ 110,913</b>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

**Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position shown below consists of operating and non-operating results for the District. Operating revenues represent all revenues from exchange transactions, in which each party gives and receives essentially equal value. Non-operating revenues include State apportionments, property tax revenues, investment earnings, certain Federal and State grants, entitlements, and donations.

**Table 2 – Statement of Operating Revenues**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUES</b>			
Student Tuition and Fees	\$ 15,128	\$ 14,786	\$ 13,429
Auxiliary Enterprise Sales and Charges	7,796	7,003	6,139
Internal Service Sales and Charges	957	917	1,764
<b>TOTAL OPERATING REVENUES</b>	<u>23,881</u>	<u>22,706</u>	<u>21,332</u>
<b>OPERATING EXPENSES</b>			
Salaries	98,860	92,004	90,672
Employee benefits	33,756	37,376	32,932
Supplies, materials, and other operating expenses and services	32,456	30,009	29,565
Equipment, maintenance, and repairs	2,050	1,117	1,365
Student financial aid	22,429	23,113	22,969
Depreciation	25,690	27,595	21,408
<b>TOTAL OPERATING EXPENSES</b>	<u>215,241</u>	<u>211,214</u>	<u>198,911</u>
<b>OPERATING LOSS</b>	<u>(191,360)</u>	<u>(188,508)</u>	<u>(177,579)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State apportionments, noncapital	938	932	849
Local property taxes, levied for general purposes	108,803	103,865	93,120
Local property taxes, levied for special purposes	31,263	28,977	28,859
Parcel tax	7,080	6,986	7,132
Federal grants	25,022	26,669	26,407
State grants	13,400	9,522	10,510
Local grants	2,896	2,425	2,519
State taxes and other revenues	3,028	3,536	3,696
Investment income (loss), net	10,126	2,540	3,832
Interest expense on capital related debt	(25,293)	(22,086)	(31,722)
Interest income on capital asset-related debt, net	416	204	202
Other nonoperating revenues (expenses)	4,802	333	(14,211)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>182,481</u>	<u>163,903</u>	<u>131,193</u>
<b>LOSS BEFORE OTHER REVENUES AND EXPENSES</b>	<u>(8,879)</u>	<u>(24,605)</u>	<u>(46,386)</u>
State revenues, capital	5,020	1,465	4,277
Local revenues, capital	461	2,534	2,094
<b>TOTAL OTHER REVENUES AND EXPENSES</b>	<u>5,481</u>	<u>3,999</u>	<u>6,371</u>
<b>CHANGE IN NET POSITION</b>	<u>(3,398)</u>	<u>(20,606)</u>	<u>(40,015)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	123,299	149,090	150,928
<b>NET POSITION, END OF YEAR</b>	<u>\$ 119,901</u>	<u>\$ 128,484</u>	<u>\$ 110,913</u>

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

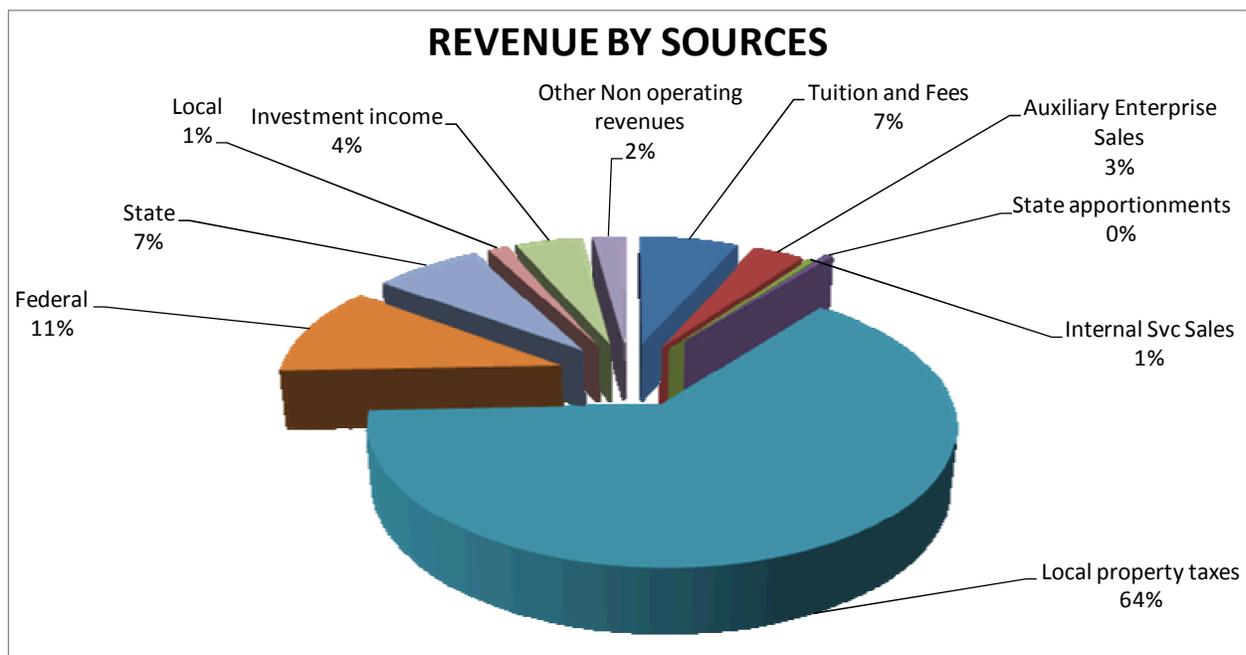
## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Explanatory information for the statement is as follows:

- Tuition and Fees include enrollment, health, non-resident tuition, other student fees, less scholarship discount and allowance as defined by GASB statement No. 35.
- Auxiliary Enterprise Sales and Charges consist of bookstore and cafeteria sales and fitness center income, less discount allowances.
- Internal Services include self-insurance for General Liability and Workers Compensation.
- State apportionments, non-capital includes state apportionment, apprenticeship, and child 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 maintenance funding and issuance of the General Bond. These revenues relate mainly to construction activities.

Below is an illustration of District revenues by source:



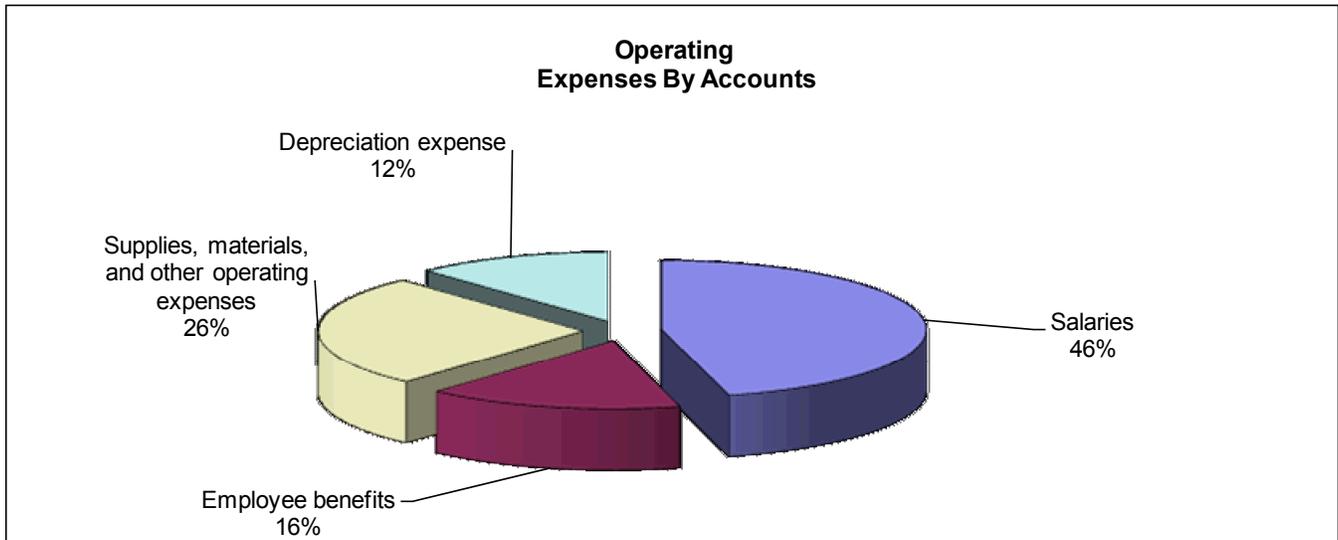
# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Revenues and expenses changed mainly due to the following:

- Net Operating Revenue experienced an increase due to an increase in tuition and fees.
- Net Non-operating Revenue increased mainly due to an increase in local property tax and Lehman Brother reimbursements.



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

- Salaries and benefits expenses represent the largest percentage of the District operating expense.
- 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 using the straight-line method. The District maintains a capitalization threshold of \$5,000 for equipment and \$100,000 for building improvements. Useful lives of the assets are estimated as follows:
  - 5 to 10 years for equipment
  - 25 to 50 years for improvements
  - 25 to 50 years for buildings

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

### 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 and 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, Institutional Investment Pool, Certificates of Deposits, Bond and Local Agency Investment Fund (LAIF).

**Table 3 – Statement of Cash Flows**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	in thousands	in thousands	in thousands
<b>CASH FLOWS PROVIDED BY (USED IN):</b>			
Operating activities	\$ (165,957)	\$ (157,930)	\$ (152,794)
Noncapital financing activities	195,108	184,237	164,787
Capital financing activities	(37,369)	(28,267)	(36,906)
Investing activities	10,146	2,741	3,981
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,925	782	(20,932)
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	229,921	229,139	250,071
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 231,846</u>	<u>\$ 229,921</u>	<u>\$ 229,139</u>

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Economic Factors and the 2014-15 Budget**

Being community supported, the District's revenues primarily consist of property tax revenues and student fees and are relatively predictable. The County Assessor's Office has stated that the property tax base went up 5.82% county-wide in 2013-14, which means our projected revenues in 2014/15 are 5.82% higher. In addition, the District received over \$5 million of one-time and ongoing reallocated redevelopment funds in 2013/14 due to the demise of redevelopment agencies in 2011/12. The ongoing portion of these funds will continue to grow as property taxes grow, and also as the former redevelopment agencies pay off their debt. This puts the District on very solid financial footing. The District continues to build multi-year financial plans and has planned balanced budgets through 2016/17.

### **C.I.P. Planning 2014-15 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. However, the District has experienced a decline in State Capital Outlay funds for projects on all three campuses due to the fact that the State failed to approve an educational facilities bond in 2006, 2008, 2010, and 2012.

Compilations of site-specific activities, which are currently in design or construction phase, are listed below:

#### **Cañada College:**

- Solar Photovoltaic System Installation
  - Anticipated Completion date: Fall 2014
- Building 3 House Lighting
  - Anticipated Completion date: Fall 2014
- Parking Lot and Roadway Light Upgrade (LED)
  - Anticipated Completion date: Winter 2014
- New Team House for Baseball and Soccer
  - Anticipated Completion date: Winter 2014

#### **College of San Mateo:**

- North Gateway Project, Phase 2: Demolition of Buildings 21-29, Landscape and Hardscape
  - Anticipated Completion date: Fall 2014
- Baseball Field Upgrades
  - Anticipated Completion date: Fall 2014
- Building 9 Library Carpet replacement
  - Anticipated Completion date: Winter 2014
- Parking Lot and Street Light Upgrade (LED)
  - Anticipated Completion date: Spring 2014
- Building 3 House Lighting
  - Anticipated Completion date: Winter 2014
- Aquatics Center, Existing Pool System Upgrade
  - Anticipated Completion date: Spring 2015
- Building 36 Chemistry Ventilation Upgrades
  - Anticipated Completion date: Fall 2014

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Skyline College:**

- Baseball Field Upgrade
  - Anticipated Completion date: Fall 2014

### **District Wide**

- Districtwide Utility Consumption Measurement & Verification
  - Anticipated Completion date: Fall 2014
- District Office Parking Lot Soil Investigation and Improvements
  - Anticipated Completion date: Spring 2015
- Districtwide Design Standards Upgrades
  - Anticipated Completion date: Fall 2014

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**

In response to the very high cost of housing in San Mateo County, the College District built two apartment projects for faculty and staff, namely College Vista and Cañada Vista. The College District has a total of 104 units—60 at Cañada Vista and 44 at College Vista. Rents for these units are significantly below market, which allows residents to save for a down payment on a home. To date, 26 residents have moved out of the faculty and staff housing and purchased their own home.

### **College Vista:**



# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### Cañada Vista:



Opened in August, 2010 and College Vista has been open for more than 8 ½ years. Interior amenities at both projects include 9 foot ceilings, wood entryways, individual patios or decks; individual garages, large windows and sliding glass doors. The College District believes that provision of this housing has helped the District increase its retention of employees.

### **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 Kathy Blackwood, Executive Vice Chancellor, by phone at 650-358-6869 or by e-mail at [blackwoodk@smccd.edu](mailto:blackwoodk@smccd.edu).

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF NET POSITION - PRIMARY GOVERNMENT  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 202,972,467	\$ 203,484,355
Restricted cash and investments	28,873,380	26,436,848
Accounts receivable, net	10,863,274	10,577,768
Prepaid expenses	519,644	238,778
Deferred charges	-	305,198
Inventories	2,721,741	2,611,806
<b>Total Current Assets</b>	<u>245,950,506</u>	<u>243,654,753</u>
<b>Noncurrent Assets</b>		
Deferred charges	-	4,880,152
Nondepreciable capital assets	47,818,819	32,557,758
Depreciable capital assets, net of depreciation	602,153,169	625,597,908
<b>Total Noncurrent Assets</b>	<u>649,971,988</u>	<u>663,035,818</u>
<b>TOTAL ASSETS</b>	<u>895,922,494</u>	<u>906,690,571</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	16,791,999	17,030,000
Interest payable	3,935,426	5,866,377
Unearned revenue	10,083,671	11,920,829
Bonds and notes payable - current portion	17,290,000	17,290,000
Bond premium - current portion	2,000,003	2,000,003
<b>Total Current Liabilities</b>	<u>50,101,099</u>	<u>54,107,209</u>
<b>Noncurrent Liabilities</b>		
Compensated absences payable - noncurrent portion	4,191,399	3,848,333
Bonds and notes payable - noncurrent portion	693,284,017	689,805,787
Other long-term liabilities - noncurrent portion	28,444,333	30,444,336
<b>Total Noncurrent Liabilities</b>	<u>725,919,749</u>	<u>724,098,456</u>
<b>TOTAL LIABILITIES</b>	<u>776,020,848</u>	<u>778,205,665</u>
<b>NET POSITION</b>		
Net investment in capital assets	(64,292,833)	(49,608,514)
Restricted for:		
Debt service	28,911,155	26,472,082
Capital projects	79,595,373	80,805,152
Educational programs	14,936,401	13,899,287
Other activities	27,361,985	22,440,761
Unrestricted	33,389,565	34,476,138
<b>TOTAL NET POSITION</b>	<u>\$ 119,901,646</u>	<u>\$ 128,484,906</u>

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

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>OPERATING REVENUES</b>		
Student Tuition and Fees	\$ 27,149,929	\$ 26,372,479
Less: Fee waivers and allowance	(11,555,108)	(10,794,843)
Less: Bad debt	(466,483)	(791,217)
Net tuition and fees	<u>15,128,338</u>	<u>14,786,419</u>
Auxiliary Enterprise Sales and Charges		
Bookstore	3,246,113	3,229,619
Cafeteria	314,286	227,745
Fitness Center	4,234,859	3,545,269
Internal Service Sales and Charges	956,991	916,587
<b>TOTAL OPERATING REVENUES</b>	<u>23,880,587</u>	<u>22,705,639</u>
<b>OPERATING EXPENSES</b>		
Salaries	98,860,058	92,003,826
Employee benefits	33,755,593	37,376,039
Supplies, materials, and other operating expenses and services	32,457,261	30,008,587
Equipment, maintenance, and repairs	2,049,761	1,117,105
Student financial aid	22,428,448	23,112,911
Depreciation	25,689,851	27,594,568
<b>TOTAL OPERATING EXPENSES</b>	<u>215,240,972</u>	<u>211,213,036</u>
<b>OPERATING LOSS</b>	<u>(191,360,385)</u>	<u>(188,507,397)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State apportionments, noncapital	938,181	932,292
Local property taxes, levied for general purposes	108,803,544	103,864,700
Local property taxes, levied for special purposes	31,262,943	28,977,091
Parcel tax	7,080,146	6,986,474
Federal grants	25,021,878	26,669,123
State grants	13,399,657	9,521,575
Local grants	2,895,554	2,425,034
State taxes and other revenues	3,027,935	3,536,258
Investment income (loss), net	10,125,576	2,539,589
Interest expense on capital related debt	(25,292,690)	(22,085,926)
Interest income on capital asset-related debt, net	415,740	203,812
Other nonoperating revenues (expenses)	4,802,418	333,118
<b>TOTAL NONOPERATING REVENUES</b>	<u>182,480,882</u>	<u>163,903,140</u>
<b>LOSS BEFORE OTHER REVENUES AND EXPENSES</b>	<u>(8,879,503)</u>	<u>(24,604,257)</u>
State revenues, capital	5,020,579	1,465,128
Local revenues, capital	461,014	2,533,773
<b>TOTAL OTHER REVENUES AND EXPENSES</b>	<u>5,481,593</u>	<u>3,998,901</u>
<b>CHANGE IN NET POSITION</b>	(3,397,910)	(20,605,356)
<b>NET POSITION, BEGINNING OF YEAR, RESTATED</b>	123,299,556	149,090,262
<b>NET POSITION, END OF YEAR</b>	<u>\$ 119,901,646</u>	<u>\$ 128,484,906</u>

The accompanying notes are in 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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 15,290,977	\$ 13,980,272
Local grants and contracts	(24,078)	1,777,554
Payments to vendors for supplies and services	(31,575,910)	(31,981,264)
Payments to or on behalf of employees	(135,832,865)	(126,844,868)
Payments to students for scholarships and grants	(22,428,448)	(23,112,911)
Auxiliary sales	8,612,642	8,251,920
<b>Net Cash Flows Used In Operating Activities</b>	<u>(165,957,682)</u>	<u>(157,929,297)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State apportionments	(755,484)	2,600,257
Property taxes, levied for general purposes	108,803,544	103,864,700
Property taxes, levied for special purposes	31,262,943	28,977,091
Grant and contracts	39,887,299	37,696,378
State taxes and other apportionments	3,799,831	3,089,337
Other receipts and disbursements	12,108,920	8,009,978
<b>Net Cash Flows From Noncapital Financing Activities</b>	<u>195,107,053</u>	<u>184,237,741</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchase of capital assets	(16,928,759)	(7,444,228)
Loss on disposal of capital assets	1,540	1,188,995
State revenue, capital projects	5,020,579	1,465,128
Local revenue, capital projects	461,014	2,533,773
Principal paid on capital debt	(19,290,003)	(16,910,003)
Interest paid on capital debt	(7,050,443)	(9,304,519)
Interest received on capital asset-related debt	415,740	203,812
<b>Net Cash Flows Used In Capital Financing Activities</b>	<u>(37,370,332)</u>	<u>(28,267,042)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received from investments	10,145,605	2,740,852
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,924,644	782,254
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>229,921,203</u>	<u>229,138,949</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 231,845,847</u>	<u>\$ 229,921,203</u>

The accompanying notes are in 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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Loss	\$ (191,360,385)	\$ (188,507,397)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense	25,689,851	27,594,568
Changes in Assets and Liabilities:		
Receivables, net	(475,502)	543,399
Inventories	(109,935)	(188,739)
Prepaid and other current assets	(280,866)	(117,961)
Student loans receivable, net	(24,078)	499,586
Accounts payable and accrued liabilities	(105,213)	3,175,120
Unearned revenue	708,446	(320,344)
Total Adjustments	<u>25,402,703</u>	<u>31,185,629</u>
<b>Net Cash Flows Provided For Operating Activities</b>	<u>\$ (165,957,682)</u>	<u>\$ (157,321,768)</u>
 <b>CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:</b>		
Cash and investments	\$ 202,972,467	\$ 203,484,355
Restricted cash and investments	<u>28,873,380</u>	<u>26,436,848</u>
<b>Total Cash and Cash Equivalents</b>	<u>\$ 231,845,847</u>	<u>\$ 229,921,203</u>
 <b>NON CASH TRANSACTIONS</b>		
On behalf payments for benefits	<u>\$ 2,132,102</u>	<u>\$ 1,903,158</u>
BOG Waivers	<u>\$ 11,555,108</u>	<u>\$ 10,794,843</u>

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

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2014 AND 2013**

	2014		2013	
	Agency Fund		Agency Fund	
	Associated Students Trust	Student Representation Fee	Associated Students Trust	Student Representation Fee
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,865,386	\$ 138,859	\$ 1,865,138	\$ 127,956
Accounts receivable	287,807	-	311,694	-
Fixed assets	4,917	-	6,392	-
<b>Total Assets</b>	<b>\$ 2,158,110</b>	<b>\$ 138,859</b>	<b>\$ 2,183,224</b>	<b>\$ 127,956</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,051,485	\$ -	\$ 934,533	\$ -
Due to student groups and other	1,106,625	138,859	1,248,691	127,956
<b>Total Liabilities</b>	<b>\$ 2,158,110</b>	<b>\$ 138,859</b>	<b>\$ 2,183,224</b>	<b>\$ 127,956</b>

The accompanying notes are in 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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 161,212	\$ 151,324
<b>Total Assets</b>	<u>\$ 161,212</u>	<u>\$ 151,324</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Rent security deposits	\$ 143,985	\$ 135,300
<b>Total Liabilities</b>	<u>143,985</u>	<u>135,300</u>
<b>NET ASSETS</b>		
Unrestricted	17,227	16,024
<b>Total Net Assets</b>	<u>17,227</u>	<u>16,024</u>
<b>Total Liabilities and         Net Assets</b>	<u>\$ 161,212</u>	<u>\$ 151,324</u>

The accompanying notes are in 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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Rental income	\$ 1,516,903	\$ 1,461,947
Interest and dividends	1,414	1,131
Water reimbursement	12,511	12,101
Other local income	143,618	3,375
<b>Total Revenues</b>	<u>1,674,446</u>	<u>1,478,554</u>
<b>EXPENSES</b>		
Operating expenses	456,243	316,120
<b>Total Expenses</b>	<u>456,243</u>	<u>316,120</u>
<b>OTHER SOURCES AND USES</b>		
Transfer out to SMCCCD	(1,217,000)	(1,160,757)
<b>Total Other Uses</b>	<u>(1,217,000)</u>	<u>(1,160,757)</u>
<b>CHANGE IN NET ASSETS</b>	1,203	1,677
<b>NET ASSETS, BEGINNING OF YEAR</b>	16,024	14,347
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 17,227</u>	<u>\$ 16,024</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 CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,203	\$ 1,677
Changes in Assets and Liabilities		
Accounts receivable	-	44
Rent security deposits	8,685	3,282
<b>Net Cash Flows Provided For Operating Activities</b>	<u>9,888</u>	<u>5,003</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	9,888	5,003
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>151,324</u>	<u>146,321</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 161,212</u>	<u>\$ 151,324</u>

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

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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### 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 is a comprehensive, public, two-year institution offering 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. 61.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

The District has adopted GASB Statement No. 61, *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  
San Mateo County Community Colleges Foundation

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 accounted for in the District’s COP Payment Fund and COP Construction Fund. Individually-prepared financial statements are not prepared for the Corporation.

The *San Mateo County Community Colleges Educational Housing Corporation* (the Housing Corp.) is a non-profit organization under IRS Code Section 510(c)(3). The Board of the Housing Corp. is the same as the District’s. The Housing Corp. meets the criteria of the governing authority’s ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the District’s reporting entity. Its purpose is to operate staff and faculty housing. The financial activity of the Housing Corp. is reported as a separate discretely presented component unit. Individually-prepared financial statements are not prepared for the Housing Corp.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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The *San Mateo County Community Colleges Foundation* (the Foundation) is a non-profit organization under IRS Code Section 501(c)(3). The District has determined that the Foundation does not meet the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the District's report entity. It is dedicated to providing assistance to the students, teachers, and programs of the Colleges. The financial activity of the Foundation is not included in this report. Individually-prepared financial statements can be obtained from the District Business Office.

### **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. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. 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, cafeteria, and fitness center.

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

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 District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements. The District has elected not to apply FASB pronouncements issued after November 30, 1989.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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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 Position – Primary Government
  - Statement of Revenues, Expenses, and Changes in Net Position – Primary Government
  - Statement of Cash Flows – Primary Government
  - Financial Statements for the Fiduciary Funds including:
    - Statements of Fiduciary Net Position
- 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

In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. Investments held at June 30, 2014 and 2013, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

### Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

### 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 \$2,799,463 and \$2,846,671 for the years ended June 30, 2014 and 2013, respectively.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### **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.

### **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 routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. 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.

### **Debt Issuance Costs, Premiums, and Discounts**

Bond premiums and discounts, as well as issuance costs related to prepaid insurance cost, are 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.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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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, retirement 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. Retirement credit for unused sick leave is applicable to all academic 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.

### **Unearned Revenue**

Unearned 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 unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue 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.

### **Noncurrent Liabilities**

Noncurrent liabilities include bonds payable and compensated absences with maturities greater than one year.

### **Net Position**

GASB Statements No. 34 and No. 35 report equity as "Net Position." and represent the difference between assets and liabilities. The net position are classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net position categories:

**Net Investments in Capital Assets:** consist of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such are not included as a component invested in capital assets – net of related debt.

**Restricted:** Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

None of the District's restricted net position has resulted from enabling legislation adopted by the District.

**Unrestricted:** Net position that is not subject to externally imposed constraints. Unrestricted net position 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 position is designated for educational and general operations of the District.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### **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 are generated.

### **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 certain District property. 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.

The voters of the District passed a 4-year Parcel Tax in 2010 for the general revenue of the District. The parcel tax levy \$34 per parcel for four years to provide for core academic programs, training, and education of students attending the District and transferring to universities. The taxes are assessed, billed, and collected as noted above and remitted to the District when collected.

### **Board of Governors Grants (BOGG) and Fee Waivers**

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Governors through BOGG fee waivers in the Statement of Revenues, Expenditures, and Changes in Net Position. 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*.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### **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) and the California Public Employees' Retirement System (CalPERS) on behalf of all community colleges in California. The California Department of Education has issued a fiscal advisory instructing districts not to record the revenue and expenditures for the on behalf payments within the funds and accounts of a district. The amount of the on behalf payments made for the District of the year ended June 30, 2014, was \$2,132,102 for CalSTRS and \$0 for CalPERS. These amounts are reflected in the District's audited financial statements.

### **Estimates**

The preparation of the financial statement 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.

### **Interfund Activity**

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

### **Component Unit - Educational Housing Corporation Financial Statement Presentation**

The Educational Housing Corporation (the Housing Corp.) presents its financial statements in accordance with Statement of Financial Accounting Codifications. Under these reporting requirements, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the codification, the Housing Corp. does not use fund accounting.

The assets, liabilities, and fund balance of the Housing Corp. are reported as unrestricted funds, which represent the portion of resources that are available for general purpose of the Housing Corp.'s operations.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions.

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

Investments are reported at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*.

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 related California Franchise Tax Codes.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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### Change in Accounting Principles

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The District has implemented the provisions of this Statement for the year ended June 30, 2014.

As the result of implementing GASB Statement No. 65, the District has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2013, by \$5,185,350. The decrease results from no longer deferring and amortizing bond issuance costs.

### New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a State or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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Statement No. 68 requires a State or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a State or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a State or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

### **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.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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**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 (ECS) 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.

**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	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 Corporate 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

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### Summary of Deposits and Investments

Deposits and investments of the Primarily Government as of June 30, 2014 and 2013, consist of the following:

	<u>2014</u>	<u>2013</u>
Cash on hand and in banks	\$ 784,522	\$ 1,454,186
Cash in revolving	77,000	77,000
Investments	230,984,325	228,390,017
Total Deposits and Investments	<u>\$ 231,845,847</u>	<u>\$ 229,921,203</u>

Deposits and investments of the Fiduciary Funds as of June 30, 2014 and 2013, consist of the following:

	<u>2014</u>	<u>2013</u>
Cash on hand and in banks	\$ 283,435	\$ 483,108
Investments	1,720,810	1,509,986
Total Deposits and Investments	<u>\$ 2,004,245</u>	<u>\$ 1,993,094</u>

Deposits and investments of the Educational Housing Corporation as of June 30, 2014 and 2013, consist of the following:

	<u>2014</u>	<u>2013</u>
Cash on hand and in banks	\$ 105,325	\$ 96,191
Investments	55,887	55,134
Total Deposits and Investments	<u>\$ 161,212</u>	<u>\$ 151,325</u>

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County pool and local agency investment fund (LAIF) and/or having a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

### 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

Investment Type	Fair Value	Weighted Average Maturity
Corporate fixed income	\$ 9,015,661	2.35 years *
Government securities	11,376,846	2.49 years *
County Pool	189,304,214	1.71 years
Money Market Mutual Funds	237,764	1.00
State Investment Pool	146,581	232 days
Certificates of deposit	22,679,956	1.00
Total	\$ 232,761,022	

\* = Duration

### 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, 2014.

Investment Type	Fair Value	Not Required To Be Rated	Rating as of Year End		
			AAA*	A*	Unrated
Corporate fixed income	\$ 9,015,661	\$ -	\$ -	\$ 9,015,661	\$ -
Government securities	11,376,846	-	11,376,846	-	-
County Pool	189,304,214	189,304,214	-	-	189,304,214
Money Market Mutual Funds	237,764	-	237,764	-	-
State Investment Pool	146,581	146,581	-	-	146,581
Certificates of deposit	22,679,956	22,679,956	-	-	22,679,956
Total	\$ 232,761,022	\$ 212,130,751	\$ 11,614,610	\$ 9,015,661	\$ 212,130,751

\* Moody's

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**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, 2014 and 2013, the District's bank balances of approximately \$688,000 and \$1,096,000, 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.

**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 uncollectible accounts receivable to total revenue ratio. The accounts receivable are as follows:

	Primary Governmnet	
	2014	2013
Federal Government		
Categorical aid	\$ 711,673	\$ 787,292
State Government		
Categorical aid	484,057	443,166
Lottery	489,372	1,819,792
Other State sources	1,443,879	850,627
Local Sources		
Interest	99,275	119,304
Student loans	682,626	658,548
Student receivables	7,147,853	6,649,254
Other local sources	2,604,002	2,096,456
Less allowance for bad debt	(2,799,463)	(2,846,671)
Total Accounts Receivable, net	\$ 10,863,274	\$ 10,577,768

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

Other Local Receivables at June 30, 2014 and 2013 include \$947,127 and \$850,747 for loans made to 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 \$50,000 per employee. Repayment terms and interest rates are: no payments due in years 1 through 5, payments of principal and interest in years 6-10, with final payment of any remaining balance in year 10. 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, 2014, 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.

	Fiduciary Funds	
	2014	2013
Local Sources		
Interest	\$ 2,991	\$ 2,251
Other local sources	284,410	309,443
Total	<u>\$ 287,401</u>	<u>\$ 311,694</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the District for the fiscal year ended June 30, 2014, 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	11,929,466	19,589,807	4,328,746	27,190,527
Total Capital Assets Not Being Depreciated	<u>32,557,758</u>	<u>19,589,807</u>	<u>4,328,746</u>	<u>47,818,819</u>
Capital Assets Being Depreciated				
Land improvements	101,605,703	612,117	517,845	101,699,975
Buildings and improvements	652,028,669	3,539,456	2,994,349	652,573,776
Furniture, equipment, and vehicles	28,572,048	1,606,502	155,300	30,023,250
Total Capital Assets Being Depreciated	<u>782,206,420</u>	<u>5,758,075</u>	<u>3,667,494</u>	<u>784,297,001</u>
Land improvements	15,470,551	4,699,209	-	20,169,760
Buildings and improvements	121,555,526	18,952,123	-	140,507,649
Furniture, equipment, and vehicles	19,582,435	2,038,519	154,531	21,466,423
Total Accumulated Depreciation	<u>156,608,512</u>	<u>25,689,851</u>	<u>154,531</u>	<u>182,143,832</u>
Net Capital Assets	<u>\$ 658,155,666</u>	<u>\$ (341,969)</u>	<u>\$ 7,841,709</u>	<u>\$ 649,971,988</u>

Depreciation expense for the year was \$25,689,851.

Interest expense on capital related debt for the year ended June 30, 2014, was \$25,292,690. Of this amount, \$2,040,250 was capitalized.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

Capital asset activity for the District for the fiscal year ended June 30, 2013, was as follows:

	Balance Beginning of Year (Restated)	Additions	Deductions	Balance End of Year
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 20,628,292	\$ -	\$ -	\$ 20,628,292
Construction in progress	72,440,248	4,731,203	65,241,985	11,929,466
<b>Total Capital Assets Not Being Depreciated</b>	<b>93,068,540</b>	<b>4,731,203</b>	<b>65,241,985</b>	<b>32,557,758</b>
<b>Capital Assets Being Depreciated</b>				
Land improvements	47,992,911	54,710,729	1,097,937	101,605,703
Buildings and improvements	639,659,946	12,368,723	-	652,028,669
Furniture, equipment, and vehicles	28,048,323	632,125	108,400	28,572,048
Vehicles	-	-	-	-
<b>Less Accumulated Depreciation</b>				
Land improvements	12,223,743	3,246,808	-	15,470,551
Buildings and improvements	99,609,328	21,946,198	-	121,555,526
Furniture, equipment, and vehicles	17,198,215	2,401,562	17,342	19,582,435
Vehicles	-	-	-	-
<b>Net Capital Assets Being Depreciated</b>	<b>586,669,894</b>	<b>40,117,009</b>	<b>1,188,995</b>	<b>625,597,908</b>
<b>Net Capital Assets</b>	<b>\$ 679,738,434</b>	<b>\$ 44,848,212</b>	<b>\$ 66,430,980</b>	<b>\$ 658,155,666</b>

Depreciation expense for the year was \$27,594,568.

Interest expense on capital related debt for the year ended June 30, 2013, was \$22,085,926. Of this amount, \$2,550,267 was capitalized.

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable for the District consisted of the following:

	Primary Government	
	2014	2013
Payroll related liabilities	\$ 2,548,229	\$ 6,108,509
Mandated cost	729,738	1,090,686
Construction	2,939,432	889,305
Vendor and other	8,489,600	7,039,500
Workers' compensation	2,085,000	1,902,000
<b>Total</b>	<b>\$ 16,791,999</b>	<b>\$ 17,030,000</b>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**Fiduciary Funds**

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

**Discretely Presented Component Unit**

The accounts payable of the Educational Housing Corporation consists of only the rent security deposits.

**NOTE 7 - UNEARNED REVENUE**

Unearned revenue at June 30, 2014 and 2013 consisted of the following:

	Primary Government	
	2014	2013
Federal financial assistance	\$ 26,745	\$ 22,461
State categorical aid	1,163,693	919,191
Enrollment fees	7,398,213	6,689,767
Education Protection Act	-	1,948,221
Other local	1,495,020	2,341,189
Total	\$ 10,083,671	\$ 11,920,829

**NOTE 8 - TAX AND REVENUE ANTICIPATION NOTES**

On July 15, 2013, the District issued \$20,000,000 Tax and Revenue Anticipation Notes bearing interest at 2 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on April 30, 2014. By April 30, 2014, 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.

	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year
2014 2.00% TRANS	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -
Total	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**NOTE 9 – INTERFUND TRANSACTIONS**

**Interfund Receivables and Payable (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements.

**Interfund 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. Operating transfers within the funds of the District have been eliminated in the consolidated process.

**NOTE 10 - LONG-TERM OBLIGATIONS**

**Summary**

The changes in the District's long-term obligations during the 2014 fiscal year consisted of the following:

	Beginning of Year	Additions/ Accretions	Deductions	End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	\$ 707,095,787	\$ 20,768,230	\$ 17,290,000	\$ 710,574,017	\$ 17,290,000
Other Liabilities					
Compensated absences	3,848,333	343,066	-	4,191,399	-
Bond premiums, net of amortization	32,444,339	-	2,000,003	30,444,336	2,000,003
Total Long-term Liabilities	<u>\$ 743,388,459</u>	<u>\$ 21,111,296</u>	<u>\$ 19,290,003</u>	<u>\$ 745,209,752</u>	<u>\$ 19,290,003</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

The changes in the District's long-term obligations during the 2013 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	\$ 702,175,138	\$ 19,830,649	\$ 14,910,000	\$ 707,095,787	\$ 17,290,000
Other Liabilities					
Compensated absences	3,765,476	82,857	-	3,848,333	-
Total Other Liabilities	705,940,614	19,913,506	14,910,000	710,944,120	17,290,000
Bond premiums, net of amortization	34,444,342	-	2,000,003	32,444,339	2,000,003
Total Long-term Liabilities	<u>\$ 740,384,956</u>	<u>\$ 19,913,506</u>	<u>\$ 16,910,003</u>	<u>\$ 743,388,459</u>	<u>\$ 19,290,003</u>

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

**Description of Debt**

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, 2014, the outstanding balances for the 2001 and 2005 bonds were \$138,922,725 and \$571,651,292, respectively.

**Debt Maturity**

**General Obligation Bonds**

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2013	Additions/ Accretions	Redeemed	Bonds Outstanding June 30, 2014
6/4/2002	9/1/2026	3.00-5.74%	\$ 96,875,613	\$ 33,297,221	\$ 1,872,202	\$ -	\$ 35,169,423
2/9/2005	9/1/2029	3.00-5.00%	69,995,132	55,642,643	1,690,705	1,750,000	55,583,348
4/11/2006	3/1/2031	3.50-5.00%	40,124,660	47,302,781	1,837,173	970,000	48,169,954
4/11/2006	9/1/2030	3.75-5.00%	135,429,395	118,938,310	5,148,393	6,800,000	117,286,703
12/12/2006	9/1/2038	3.50-5.00%	332,570,194	344,319,832	10,219,757	3,620,000	350,919,589
4/26/2012	9/1/2026	0.33-5.00%	107,595,000	107,595,000	-	4,150,000	103,445,000
				<u>\$ 707,095,787</u>	<u>\$ 20,768,230</u>	<u>\$ 17,290,000</u>	<u>\$ 710,574,017</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

The bonds mature through 2039 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2015	\$ 19,475,000	\$ 11,458,220	\$ 30,933,220
2016	19,200,967	13,379,371	32,580,338
2017	18,921,029	15,410,608	34,331,637
2018	20,468,929	15,636,634	36,105,563
2019	108,721,448	102,041,040	210,762,488
2020-2024	110,172,008	146,242,742	256,414,750
2025-2029	135,640,637	188,651,094	324,291,731
2030-2034	107,617,834	172,908,666	280,526,500
2035-2039	22,852,143	41,963,358	64,815,501
Subtotal	<u>563,069,995</u>	<u>\$ 707,691,733</u>	<u>\$ 1,270,761,728</u>
Accreted Interest To Date	<u>147,504,022</u>		
Total	<u><u>\$ 710,574,017</u></u>		

**Other Postemployment Benefits (OPEB) Asset**

The District’s actuarially determined annual required contribution (ARC) for the year ended June 30, 2014, was \$8,642,396. The District made a contribution of \$6,912,318 for premiums for current retirees. In addition, the District contributed \$10,000,000 to the San Mateo County Community College District Public Entity Investment Trust during the year. See Note 11 for additional information regarding the OPEB asset and the postemployment benefits plan.

**NOTE 11 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (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 1008 retirees and beneficiaries currently receiving benefits and 854 active plan members. Separate financial statements are prepared for the Plan and may be obtained by contacting the San Mateo County Community College District.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**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 \$6,912,318 for the current retirees' medical premiums. Plan members receiving benefits contributed \$29,000, or approximately .4 percent of the total premiums. Contributions made by retirees, range between \$3 to \$893 per month. In addition to the current year premium, the District contributed \$10,000,000 to the San Mateo County Community College District Public Entity Investment Trust.

**Annual OPEB Cost and Net OPEB Asset**

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 asset to the Plan:

Annual required contribution (ARC)	\$ 8,642,396
Less : annual OPEB cost (expense) - District paid premiums	6,912,318
Less: current year contribution to the OPEB Trust	10,000,000
Contributions in excess of ARC	<u>8,269,922</u>
OPEB asset, beginning of year	<u>27,470,277</u>
OPEB asset, end of year	<u><u>\$ 35,740,199</u></u>

**Trend Information**

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

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Assets
2012	\$ 7,702,017	\$ 17,196,992	223%	\$ 19,009,630
2013	8,642,396	17,103,043	198%	27,470,277
2014	8,642,396	16,912,318	196%	35,740,199

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### Funding Status and Funding Progress

The funded status of the OPEB Plan as of June 30, 2014, is as follows:

Actuarial Accrued Liability (AAL)	\$ 125,352,953
Actuarial Value of Plan Assets	<u>(34,870,628)</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 90,482,325</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	28%
Covered Payroll	<u>\$ 97,167,462</u>
UAAL as Percentage of Covered Payroll	<u>93%</u>

The above noted actuarial accrued liability was based on the February 1, 2013, actuarial valuation. 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.

In the February 1, 2013 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 an irrevocable employee benefit trust 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 percentage of payroll method. The remaining amortization period at February 1, 2013, was 30 years. The actuarial value of assets of \$34,870,628 was determined in this actuarial valuation. At June 30, 2014, the Trust held net assets in the amount of \$55,459,915 in investments with Benefit Trust.

### NOTE 12 - RISK MANAGEMENT

#### Insurance Coverage

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, 2014, 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.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### 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 CalPERS 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 CalPERS and CalSTRS 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 88 retirees that fall under this categorical and the District's share for the fiscal year was \$512,684.

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

### Claim Liabilities

The District 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, 2012 to June 30, 2014:

	Workers' Compensation	Property and Liability
Liability Balance, July 1, 2012	\$ 2,102,691	\$ 150,000
Claims and changes in estimates	-	-
Claims payments	(350,691)	-
Liability Balance, June 30, 2013	1,752,000	150,000
Claims and changes in estimates	2,085,000	-
Claims payments	(1,752,000)	(150,000)
Liability Balance, June 30, 2014	\$ 2,085,000	\$ -
Assets available to pay claims at June 30, 2014	\$ 6,622,977	\$ 150,000

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### **NOTE 13 - 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. As a result of the Public Employee Pension Reform Act of 2013 (PEPRA), changes have been made to the defined benefit pension plan effective January 1, 2013. 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, 100 Waterfront Place, West Sacramento, CA 95605.

##### **Funding Policy**

Due to the implementation of the Public Employee Pension Reform Act of 2013 (PEPRA), new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2013-14, the required contribution rate for new members is 8.0 percent. "Classic" plan members are also required to contribute 8.0 percent of their salary. 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 2013-2014 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, 2014, 2013, and 2012, were \$3,469,338, \$3,292,883, and \$3,185,617, respectively, and equal 100 percent of the required contributions for each year.

#### **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. As a result of the Public Employee Pension Reform Act of 2013 (PEPRA), changes have been made to the defined benefit pension plan effective January 1, 2013. 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.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### **Funding Policy**

As a result of the implementation of the Public Employee Pension Reform Act of 2013 (PEPRA), new members must pay at least 50 percent of the normal costs of the plan, which can fluctuate from year to year. For 2013-2014, the normal cost is 11.85 percent, which rounds to a 6.0 percent contribution rate. "Classic" plan members continue to contribute 7.0 percent. 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 2013-2014 was 11.442 percent of covered payroll. The District's contributions to CalPERS for fiscal years ending June 30, 2014, 2013, and 2012, were \$4,296,931, \$4,035,956, and \$3,693,915, 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, 2014, 2013, and 2012 amounted to \$2,132,102, \$1,903,158, and \$1,821,547, respectively, and equaled 5.541 percent of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. 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 a 457 and 403 (b) tax deferred compensation plan. Currently, the District has 39 employees participating in the 457 plan and 277 employees in the 403(b) plan. The plan permits participants 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 six of its employees, otherwise, these plans are strictly for employee contributions only.

## **NOTE 14 - 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, 2014.

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.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### 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, 2014.

### Operating leases

The District has entered into various operating leases for equipment with no lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date.

### Construction Commitments

As of June 30, 2014, 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	\$ 3,569,279	within 1 year
State funded capital outlay projects	7,049	within 1 year
2005 G.O. Bond (Measure A) construction projects	3,697,525	within 1 year
	<u>\$ 7,273,853</u>	

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

### NOTE 15 - 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, 2014, the District made total payment of \$967,614 to MacCorkle Inc. for insurance premiums and the insurance related services. The District also paid \$43,660 and \$240,829 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. No payments were made to South Bay Regional Public Safety Training Consortium JPA during the year.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**NOTE 16 - RESTATEMENT OF PRIOR YEAR FUND BALANCES**

The District's prior year beginning net position has been restated as of June 30, 2014.

Effective in fiscal year 2013-2014, the District was required to adopt GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by \$5,185,350.

**Statement of Net Position**

Net Position - Beginning	\$	128,484,906
Restatement/cost of issuance		(5,185,350)
Net Position - Beginning as Restated	\$	<u>123,299,556</u>

**NOTE 17 - SUBSEQUENT EVENTS**

The District issued \$18,655,000 of Tax and Revenue Anticipation Notes dated July 03, 2014. The notes mature on June 30, 2015, and yield 0.200 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, 2015, until 100 percent of principal and interest due is on account on April 30, 2015.

The voters of the District passed the General Obligation Bonds (Measure H) in the amount of \$388 million in November 2014 for the acquisition, construction, and remodeling of certain District property.

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***REQUIRED SUPPLEMENTARY  
INFORMATION***

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**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING  
PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

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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)
February 1, 2009	\$ -	\$ 108,915,006	\$ 108,915,006	0%	\$85,080,018	128%
February 1, 2011	15,643,762	118,923,929	103,280,167	13%	90,671,696	114%
February 1, 2013	34,870,628	125,352,953	90,482,325	28%	97,167,462	93%

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***SUPPLEMENTARY INFORMATION***

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# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## DISTRICT ORGANIZATION

**JUNE 30, 2014**

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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>
Karen Schwarz	President	2015
Patricia Miljanich	Vice President- Clerk	2015
Richard Holober	Trustee	2017
Dave Mandelkern	Trustee	2015
Thomas Mohr	Trustee	2017
Rupinder Bajwa	Student Trustee	2015

### ADMINISTRATION

Ron Galatolo	Chancellor - Superintendent
Jim Keller	Deputy Chancellor
Kathy Blackwood	Executive Vice Chancellor
Michael Claire	President – College of San Mateo
Lawrence Buckley	President – Canada College
Regina Stanback-Stroud	President – Skyline College

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Student Financial Aid Cluster			
Federal Work Study Program	84.033	none	\$ 447,995
Pell Grant	84.063	none	18,283,889
Supplemental Educational Opportunity Grant (SEOG)	84.007	none	436,699
Direct Student Loans	84.268	none	1,867,363
Postsecondary Education			
TRIO Cluster			
Student Support Services	84.042A	none	660,463
Upward Bound	84.047A	none	248,930
Institutional Service			
Higher Education -Institutional Aid HSI STEM	84.031C	none	1,114,496
Higher Education -Institutional Aid HSI Cooperative	84.031S	none	526,290
Vocational Education			
Passed through California Community Colleges Chancellor's Office:			
CTEA I-C Basic Grants to States	84.048	13-C01-052	511,001
CTEA I-C Basic Grants to States - CTE Transitions	84.048	13-112-370	132,075
Elementary and Secondary Education			
Passed through Sequoia Union High School District:			
Twenty-First Century Community Learning Centers	84.287	Not available	907
Special Education and Rehabilitation Services			
Passed through California Department of Rehabilitation:			
Vocational Rehabilitation-Workability	84.126A	28851	149,214
Total U.S. Department of Education			<u>24,379,322</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Administration for Children and Families			
Passed through California Community Colleges Chancellor's Office:			
Temporary Assistance for Needy Families (TANF)	93.558	Not available	77,835
Passed through California Department of Education/CDTC:			
		13-14-3939	
		CCTR3264,	
Child Care and Development Block Grant	93.575	CSPP3514,	51,595
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR3264,	
		CSPP3514	62,396
Passed through Asian Americans for Community Involvement:			
Health Care Innovation Awards (HCIA)	93.610	ICICM5331035-01-00	73,869
Total U.S. Department of Health and Human Services			<u>265,695</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, 2014**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	1754-0A	50,967
Total U.S. Department of Agriculture			<u>50,967</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Passed through The San Francisco Foundation:			
Social Innovation Fund	94.019	Not available	110,139
NATIONAL SCIENCE FOUNDATION			
Education and Human Resources	47.076	none	95,920
Engineering Grants	47.041	none	28,581
Total National Science Foundation			<u>124,501</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Minority University Research and Education Program	43.008	none	79,802
US DEPARTMENT OF COMMERCE			
Passed through Foundation for California Community Colleges:			
ARRA - NTIA-Broadband Technology Opportunities Program	11.557	06-43-B10541	3,214
SMALL BUSINESS ADMINISTRATION			
Passed through Humboldt State University Sponsored Programs Foundation:			
Small Business Development Centers	59.037	SBAHQ-13-B-0066	2,009
Total Expenditures of Federal Awards			<u>\$ 25,015,649</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, 2014**

Program	Program Entitlements			Program Revenues				Total Program Expenditures
	Current Year	Prior Year	Total Entitlement	Cash Received <sup>[1]</sup>	Accounts Receivable	Unearned Revenue	Total Revenue	
<b>GENERAL FUND</b>								
Disabled Students Programs & Services	\$ 1,197,010	\$ -	\$ 1,197,010	\$ 1,197,010	\$ -	\$ -	\$ 1,197,010	\$ 1,197,010
Extended Opportunity Programs & Services	1,340,251	-	1,340,251	1,340,251	-	-	1,340,251	1,340,251
CARE/EOPS	82,487	-	82,487	82,487	-	-	82,487	82,487
Matriculation	1,351,610	-	1,351,610	1,351,610	-	165,950	1,185,660	1,185,660
Foster Parent Training	81,505	-	81,505	40,752	40,753	-	81,505	81,505
FA Administrative Allowance	876,031	-	876,031	876,031	-	-	876,031	876,031
Block Grant - Instructional Equipment	-	25,920	25,920	25,922	-	23,456	2,466	2,466
T-Com and Technology (TTIP)	-	41,154	41,154	41,154	-	40,673	481	481
CalWORKs	441,055	-	441,055	439,405	1,650	-	441,055	441,055
Staff Development	-	39,180	39,180	39,180	-	25,259	13,921	13,921
MESA/CCCP Funds for Student Success	101,000	14,220	115,220	68,144	35,525	-	103,669	103,669
RCS D CBET Program	50,000	-	50,000	2,686	47,314	-	50,000	50,000
Lottery-Prop 20-Instructional Materials	689,550	1,624,573	2,314,123	328,078	304,073	-	632,151	419,873
Nursing-Enrollment Growth	209,600	-	209,600	176,064	33,536	-	209,600	209,600
Rancho Santiago CCD-YEP Grant	-	35,969	35,969	35,969	-	-	35,969	35,969
Basic Skills 12-13 appropriation	-	243,038	243,038	243,038	-	31,232	211,806	211,806
Basic Skills 11-12 appropriation	-	49,986	49,986	49,986	-	-	49,986	49,986
Basic Skills 13-14 appropriation	270,995	-	270,995	270,995	-	143,255	127,740	127,740
CCCCO-CTE-CAA Grant	-	85,948	85,948	39,948	46,000	-	85,948	85,948
CTE Pathways Initiative	-	19,924	19,924	19,924	-	-	19,924	19,924
YEP 01/10/12 - 03/31/14	-	7,016	7,016	(7,984)	15,000	-	7,016	7,016
CTE Pathways 11/01/12 - 11/30/14	-	215,161	215,161	128,161	85,341	-	213,502	213,502
CCCCO-CTE-CAA 11/01/12 - 11/30/14	-	460,000	460,000	345,000	16,716	-	361,716	361,716
Instructional Equipment and Library	212,542	-	212,542	212,542	-	183,804	28,738	28,738
Scheduled Maintenance	212,545	-	212,545	212,545	-	-	212,545	38,451
Deputy Navigator - Global	300,000	-	300,000	120,000	23,668	-	143,668	143,668
Deputy Navigator - Retail	300,000	-	300,000	120,000	79,028	-	199,028	199,028
FHDACCD - DSN Energy	19,700	-	19,700	-	7,571	-	7,571	7,571
CCCCO - CEP CAA	1,450,000	-	1,450,000	580,000	-	542,853	37,147	37,147
FCCC-CSM Cares Program	(75,056)	194,587	119,531	89,548	13,718	-	103,266	103,266
UC Regents Puente Program	35,000	-	35,000	35,000	-	-	35,000	35,000
SMUHSD - AB 86 Adult Ed Consortium	17,309	-	17,309	-	2,204	-	2,204	2,204
State Library	-	40	40	40	-	-	40	40
SMC HSA CalFresh	20,000	10,000	30,000	10,000	11,706	-	21,706	21,706
EI Cam - Sect Navigator - Retail	10,000	-	10,000	-	10,000	-	10,000	10,000
CDE Child Development	243,089	-	243,089	216,904	348	7,211	210,041	210,041
Cal Grant	929,217	-	929,217	915,238	13,979	-	929,217	929,217
<b>Total State Programs</b>	<b>\$ 10,365,440</b>	<b>\$ 3,066,716</b>	<b>\$ 13,432,156</b>	<b>\$ 9,645,628</b>	<b>\$ 788,130</b>	<b>\$ 1,163,693</b>	<b>\$ 9,270,065</b>	<b>\$ 8,883,693</b>

[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, 2014**

CATEGORIES	<u>*Revised/ Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
<b>A. Summer Intersession (Summer 2013 only)</b>			
1. Noncredit	13	-	13
2. Credit	2,246	-	2,246
<b>B. Summer Intersession (Summer 2014 - Prior to July 1, 2014)</b>			
1. Noncredit	-	-	-
2. Credit	-	-	-
<b>C. Primary Terms (Exclusive of Summer Intersession)</b>			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	13,105	-	13,105
(b) Daily Census Contact Hours	890	-	890
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	63	-	63
(b) Credit	421	-	421
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	1,608	-	1,608
(b) Daily Census Procedure Courses	148	-	148
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
<b>D. Total FTES</b>	<u>18,493</u>	<u>-</u>	<u>18,493</u>
<b>SUPPLEMENTAL INFORMATION (Subset of Above Information)</b>			
<b>E. In-Service Training Courses (FTES)</b>	-	-	-
<b>F. Basic Skills courses and Immigrant Education (FTES)</b>			
1. Noncredit	75	-	75
2. Credit	1,689	-	1,689
	<u>1,764</u>	<u>-</u>	<u>1,764</u>

\* Annual report revised as of October 2014.

See accompanying note to supplementary information.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW)  
CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2014**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<b>Academic Salaries</b>							
<b>Instructional Salaries</b>							
Contract or Regular	1100	\$ 21,161,103	\$ -	\$ 21,161,103	\$ 21,161,103	\$ -	\$ 21,161,103
Other	1300	17,863,681	-	17,863,681	17,808,898	-	17,808,898
<b>Total Instructional Salaries</b>		<b>39,024,784</b>	<b>-</b>	<b>39,024,784</b>	<b>38,970,001</b>	<b>-</b>	<b>38,970,001</b>
<b>Noninstructional Salaries</b>							
Contract or Regular	1200	-	-	-	7,035,730	-	7,035,730
Other	1400	-	-	-	1,659,281	-	1,659,281
<b>Total Noninstructional Salaries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>8,695,011</b>	<b>-</b>	<b>8,695,011</b>
<b>Total Academic Salaries</b>		<b>39,024,784</b>	<b>-</b>	<b>39,024,784</b>	<b>47,665,012</b>	<b>-</b>	<b>47,665,012</b>
<b>Classified Salaries</b>							
<b>Noninstructional Salaries</b>							
Regular Status	2100	-	-	-	23,687,346	-	23,687,346
Other	2300	-	-	-	2,661,669	-	2,661,669
<b>Total Noninstructional Salaries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>26,349,015</b>	<b>-</b>	<b>26,349,015</b>
<b>Instructional Aides</b>							
Regular Status	2200	1,616,852	-	1,616,852	1,398,008	-	1,398,008
Other	2400	191,355	-	191,355	283,855	-	283,855
<b>Total Instructional Aides</b>		<b>1,808,207</b>	<b>-</b>	<b>1,808,207</b>	<b>1,681,863</b>	<b>-</b>	<b>1,681,863</b>
<b>Total Classified Salaries</b>		<b>1,808,207</b>	<b>-</b>	<b>1,808,207</b>	<b>28,030,878</b>	<b>-</b>	<b>28,030,878</b>
Employee Benefits	3000	15,308,633	-	15,308,633	26,575,502	-	26,575,502
Supplies and Material	4000	-	-	-	2,147,294	-	2,147,294
Other Operating Expenses	5000	12,605	-	12,605	11,310,914	-	11,310,914
Equipment Replacement	6420	-	-	-	-	-	-
<b>Total Expenditures Prior to Exclusions</b>		<b>56,154,229</b>	<b>-</b>	<b>56,154,229</b>	<b>115,729,600</b>	<b>-</b>	<b>115,729,600</b>

See accompanying note to supplementary information.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW)  
CALCULATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<b><u>Exclusions</u></b>							
<b>Activities to Exclude</b>							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Health Services Above Amount Collected	6441	-	-	-	177,750	-	177,750
Student Transportation	6491	-	-	-	1,024,055	-	1,024,055
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	969,339	-	969,339
<b>Objects to Exclude</b>							
Rents and Leases	5060	-	-	-	550	-	550
Lottery Expenditures							
Academic Salaries	1000	-	-	-	2,417,250	-	2,417,250
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
<b>Total Supplies and Materials</b>		-	-	-	-	-	-

See accompanying note to supplementary information.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW)  
CALCULATION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
<b>Total Equipment</b>		-	-	-	-	-	-
<b>Total Capital Outlay</b>							
Other Outgo	7000	-	-	-	-	-	-
<b>Total Exclusions</b>		-	-	-	4,588,944	-	4,588,944
<b>Total for ECS 84362, 50 Percent Law</b>		\$ 56,154,229	\$ -	\$ 56,154,229	\$ 111,140,656	\$ -	\$ 111,140,656
<b>Percent of CEE (Instructional Salary Cost/Total CEE)</b>		50.53%		50.53%	100.00%		100.00%
<b>50% of Current Expense of Education</b>					\$ 55,570,328		\$ 55,570,328

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, 2014**

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There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2014.

See accompanying note to supplementary information.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPOSITION 30 EDUCATION PROTECTION ACT (EPA)  
EXPENDITURE REPORT  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Activity Classification</b>	<b>Object Code</b>				<b>Unrestricted</b>
EPA Proceeds:	8630				\$ 3,815,801
<b>Activity Classification</b>	<b>Activity Code</b>	<b>Salaries and Benefits (Obj 1000-3000)</b>	<b>Operating Expenses (Obj 4000-5000)</b>	<b>Capital Outlay (Obj 6000)</b>	<b>Total</b>
Instructional Activities	1000-5900	\$ 3,148,746			\$ 3,148,746
Course and Curriculum Development	6020	30,708			30,708
Media	6130	196,709			196,709
Counseling and Guidance	6310	94,853			94,853
Custodial Services	6530	78,053			78,053
Grounds Maintenance and Repairs	6550	134,707			134,707
Planning, Policy making and Coordination	6600	132,025			132,025
<b>Total Expenditures for EPA</b>		\$ 3,815,801	-	-	\$ 3,815,801
<b>Revenues Less Expenditures</b>					\$ -

See accompanying note to supplementary information.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2014

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### 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 Position - Primary Government 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:		\$ 25,015,649
Unrestricted federal - other	none	6,229
Total Expenditures of Federal Awards		<u>\$ 25,021,878</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. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

#### 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, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

#### Reconciliation of Education Code Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

# **SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

## **NOTE TO SUPPLEMENTARY INFORMATION**

**JUNE 30, 2014**

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### **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.

### **Proposition 30 Education Protection Act (EPA) Expenditure Report**

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

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***INDEPENDENT AUDITOR'S  
REPORTS***

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**INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the business-type activities of San Mateo County Community College District (the District) and its discretely presented component unit as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2014.

**Change in Accounting Principles**

As discussed in Note 16 to the financial statements, the District has adopted the provisions of the GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pleasanton, California  
December 11, 2014



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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited San Mateo County Community College District's (the District) compliance with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2014. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. 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 State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

## Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2014.

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program 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 the 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 a 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Pleasanton, California  
December 11, 2014



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

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## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

### Report on State Compliance

We have audited San Mateo County Community College District's (the District) compliance with the types of compliance requirements as identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in December 2013 that could have a direct and material effect on each of the District's programs as noted below for the year ended June 30, 2014.

### Management's Responsibility

Management is responsible for compliance with the requirements identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in December 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit 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 the standards and procedures identified in the California Community Colleges Chancellor's Office *District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider 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 the District's compliance with those requirements.

### Unmodified Opinion for Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2014.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

- Section 421 Salaries of Classroom Instructors (50 Percent Law)
- Section 423 Apportionment for Instructional Service Agreements/Contracts
- Section 424 State General Apportionment Funding System
- Section 425 Residency Determination for Credit Courses
- Section 426 Students Actively Enrolled
- Section 427 Concurrent Enrollment of K-12 Students in Community College Credit Courses
- Section 430 Schedule Maintenance Program
- Section 431 Gann Limit Calculation
- Section 435 Open Enrollment
- Section 438 Student Fees – Health Fees and Use of Health Fee Funds
- Section 439 Proposition 39 Clean Energy
- Section 474 Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
- Section 475 Disabled Student Programs and Services (DSPS)
- Section 479 To Be Arranged (TBA) Hours
- Section 490 Proposition 1D State Bond Funded Projects
- Section 491 Proposition 30 Education Protection Account Funds

The District reports no Instructional Service Agreements/Contracts for Apportionment Funding; therefore, the compliance tests within this section were not applicable.

*Vavrinek, Time Day & Co., LLP*

Pleasanton, California  
December 11, 2014

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***SCHEDULE OF FINDINGS  
AND  
QUESTIONED COSTS***

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**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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**FINANCIAL STATEMENTS**

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major Federal programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>No</u>

Identification of major Federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.033, 84.063, 84.007, 84.268	<u>Student Financial Aid Cluster</u>
84.031S, 84.031C	<u>Higher Education Act Hispanic Serving Institution</u>
84.048	<u>Career and Technical Education - Basic Grants to States (Perkins IV)</u>

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?	<u>None reported</u>
Type of auditor's report issued on compliance for State programs:	<u>Unmodified</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

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None reported.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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None reported.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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None reported.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

**JUNE 30, 2014**

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Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

### **2013-1 Finding - To Be Arranged Hours (TBA)**

#### **Criteria or Specific Requirement**

Legal Advisory 08-02

To Be Arranged (TBA) Definition: Some courses with regular scheduled hours of instruction have "hours to be arranged" (TBA) as part of the total contact hours for the course. The TBA portion of the course uses an alternate method for regularly scheduling a credit course for purposes of applying either the Weekly or Daily Census Attendance Accounting Procedures. In other words, TBA hours are only an option for credit courses that apply the Weekly or Daily Attendance Accounting Procedures and not to those that apply the Alternative Attendance Accounting Procedure pursuant to CCR, title 5, section 58003.1(f).

Section 58102 Course Description states that the description of each course shall be clear and understandable to the prospective student. All enrolled students must be informed of TBA instructional activities and expectations for completion in the class syllabus or other document.

Legal Advisory 08-02 To Be Arranged (TBA) Hour Compliance Advice indicates that documentation is required to substantial that each student has completed the TBA requirements as appropriate for either the Weekly or Daily census attendance accounting procedures.

#### **Condition**

During our audit of the compliance requirements for the TBA programs, we noted the following:

- 7 of the 60 courses tested had TBA hours generated from Independent Study courses
- 14 of the 60 courses tested did not have documentation required to substantiate that each student has completed the TBA requirements. In addition, 11 of the 14 courses noted did not have description informing enrolled students about the TBA instructional activities and the expectations for completion in the class syllabus.

#### **Questioned Costs**

39.68 FTES were overstated. Extrapolated FTES would be 229.

#### **Effect**

The District is not in compliance with requirements for TBA courses.

#### **Cause**

Unknown.

#### **Recommendation**

We recommend the District review the State compliance requirements for TBA courses and provide necessary trainings to the individuals having these responsibilities to ensure that the District is in compliance with the State requirements.

#### **Current Status**

Implemented.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS JUNE 30, 2014

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### 2013-2 Finding - General Apportionment Funding System

#### **Criteria or Specific Requirement**

Title 5, Section 58003.1 requires that the District use the appropriate attendance accounting procedure to calculate the contact hours and FTES for each type of the courses and properly classifying the courses in the attendance reports.

According to Student Attendance Accounting Manual, attendance is based on an actual count of enrolled students present at each class meeting. In other words, the total student contact hours reported for each class should be the sum of the individual attendance hour totals for each student in the class as reported by the instructor.

Title 5, Section 55002 states that the course outline of record shall specify the number of contact hours for the course as a whole. Contact hours claimed for apportionment must be consistent with the number of contact hours specified in the course outline of record. (55002(a)(3), 55002(b)(3), 58050(a)(5).)

#### **Condition**

During our audit of the State General Apportionment Funding System, we noted the following:

#### Actual Hours of Attendance (Commonly referred to as Positive Attendance)

- 2 out of 60 courses tested, we were not able to determine the accuracy of the classification of these courses in accordance with Title 5, Section 58003.1 because these courses were not listed in the Schedule of Classes.
- Of the 60 courses tested, 20 of them had FTES discrepancies between the Annual 320 report and the supporting course detail.

#### Weekly Contact Hours

- 5 out of 60 courses, the total contact hour per session does not agree with the total contact hour reported on the 320 report.

#### **Questioned Costs**

17.61 FTES were overstated for Actual Hours of Attendance (extrapolated FTES would be 19.74) and 0.85 FTES were overstated for the Weekly Contact Hours (extrapolated FTES would be 50.66).

#### **Effect**

FTES reported on the Annual 320 report may be overstated.

#### **Cause**

Unknown.

#### **Recommendation**

We recommend the District review the State compliance requirements for General Apportionment funding System and provide necessary trainings to the individuals having these responsibilities to ensure that the District is in compliance with the State requirements.

#### **Current Status**

Implemented.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**JUNE 30, 2014**

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San Mateo County Community College District

January 28, 2015

**BOARD REPORT NO. 15-1-101B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6869

**RECEIPT AND ACCEPTANCE OF THE 2013-14 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, 2014. 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 2013-14 audit reports for KCSM-FM and KCSM-TV, which were filed with the Corporation for Public Broadcasting prior to the January 31, 2015 due date.

**KCSM-FM**

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

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**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

---

**JUNE 30, 2014**

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

**JUNE 30, 2014**

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

VALUE THE DIFFERENCE

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
KCSM-FM

### Report on the Financial Statements

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 and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the KCSM-FM's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the KCSM-FM's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the KCSM-FM's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of KCSM-FM, as of June 30, 2014, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2014, on our consideration of the KCSM-FM'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCSM-FM's internal control over financial reporting and compliance.

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

Pleasanton, California  
November 17, 2014

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Introduction**

The San Mateo County Community College District's (the District) Annual Financial Report presents management's discussion and analysis of KCSM-FM financial activities during the fiscal years ended June 30, 2014 and June 30, 2013. 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 KCSM-FM's financial activities as a whole. These statements are:

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

### **Financial Overview Summary**

Total net position had a slight increase of \$213 thousand compared with prior year and ended at \$1.5 million at June 30, 2014.

- Assets exceeded liabilities by \$1.5 million, and total assets increased \$207 thousand over last year mainly due to an increase in cash and cash equivalents.
- Net noncurrent assets increased by \$4 thousand.
- Net operating profit was \$213 thousand.

### **Reporting for the District and KCSM-FM as a Whole**

#### Economic position of the District with the State

Fiscal Year 2013/14 is the third year that the District has been community supported. Community supported means that when the State sets the District's revenue limit (determining how many students we are funded to serve) and deducts from that revenue limit the local property taxes and student fees, there is no need for State apportionment to sum to our revenue limit. This means that the District has somewhat more resources and is no longer subject to the state borrowing funds by delaying apportionment payments. In addition to an increase in property taxes, the District is receiving funds from the dissolution of Redevelopment Agencies (RDAs). As less of the property taxes are being diverted to RDAs, more of them come to SMCCCD. The former RDAs are also slowly beginning the process of selling off their property, which brings some one-time funds to District Offices. Fiscal Year 2013/14 is also the last year for receiving funds from the parcel tax (Measure G). This funding, approximately \$7 million per year, has allowed the District to cut significantly fewer sections than would have been cut and also maintain some services to students. The District has not spent all of the Measure G funds, but they will be fully expended in 2014/15. All in all, the District's revenues have increased and, with a steady real estate market, show every sign of continuing increase.

KCSM-FM is one of the few all Jazz stations left in the country. The station is funded mostly by listener contributions - 72%. In 2014 the station continued its growth in Major Donor giving and increasing the number of on-going monthly contributions (sustainers). This effort allowed us to reduce the number days needed for pledge drives from 54 to 42. Corporate revenue was sought and obtained to produce an annual thank you concert for our listeners (Jazz on the Hill) in 2014. KCSM-FM has also engaged College of San Mateo's Music School students and its director to become active participants in 2015's Jazz on the Hill concert. This year we developed a partnership with the San Jose Jazz to broadcast both their Summer Fest and Winter Fest, delivering live jazz performances to our listeners worldwide. Additionally, we are in conversations with the Internet Archives for them to host our extensive music library.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

**Table 1 - Statement of Net Position**

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Cash equivalents	\$ 1,309,273	\$ 1,137,484
Accounts receivable	47,774	16,883
<b>Total Current Assets</b>	1,357,047	1,154,367
<b>Noncurrent Assets</b>		
Capital assets	568,235	519,402
Accumulated depreciation	(399,635)	(355,574)
<b>Total Noncurrent Assets</b>	168,600	163,828
<b>TOTAL ASSETS</b>	1,525,647	1,318,195
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	9,809	15,677
<b>TOTAL LIABILITIES</b>	9,809	15,677
<b>Net POSITION</b>		
Invested in capital assets	168,600	163,828
Unrestricted	1,347,238	1,138,690
<b>TOTAL NET POSITION</b>	\$ 1,515,838	\$ 1,302,518

**Net Position**

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

- Cash and cash equivalents consist of cash in the Treasury and San Mateo County Pool Investment.
- Accounts receivable primarily consists of revenues from local sources from which KCSM-FM had earnings but which were not received as of the fiscal year's closing date.
- Capital assets, net of depreciation, are the net historical value of equipment less accumulated depreciation.
- Accounts payable consist of payables to the local vendors which KCSM-FM incurred but for which payments were not issued as of the end of the fiscal year.
- According to GASB Statements, equity is reported as — Net Position rather than –Fund Balance. KCSM-FM's net position is classified as follows:

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

- Invested in capital assets, net of related debt, represents KCSM-FM’s total investment in capital assets and net of outstanding debt obligations related to those capital assets.
- Unrestricted net assets represent resources used for transactions relating to the educational and general operations of KCSM-FM.

**Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position shown below consist of operating and non-operating results of KCSM-FM. Operating revenues represent all revenues from exchange transactions, in which each party gives and receives essentially equal value. Other Income includes a transfer from the District.

**Table 2 – Statement of Operating Revenue**

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
<b>District Income</b>		
CPB community service grants	\$ 171,537	\$ 163,415
Business and industry	109,512	81,528
Subscription and membership	1,587,616	1,527,519
Facilities use	2,872	8,833
Other Income	14,655	459
<b>Indirect Support</b>		
San Mateo County Community College District	320,468	344,297
<b>TOTAL OPERATING REVENUES</b>	<u>2,206,660</u>	<u>2,126,051</u>
<b>OPERATING EXPENSES</b>		
Programming and production	687,510	565,564
Broadcasting	212,595	267,863
Program information and promotion	192,078	123,712
Management and general	659,155	633,765
Fundraising support	131,663	254,646
Underwriting and grant solicitation	110,339	65,128
<b>TOTAL OPERATING EXPENSES</b>	<u>1,993,340</u>	<u>1,910,678</u>
<b>OPERATING GAIN</b>	<u>213,320</u>	<u>215,373</u>
<b>CHANGE IN NET POSITION</b>	213,320	215,373
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,302,518</u>	<u>1,087,145</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,515,838</u>	<u>\$ 1,302,518</u>

Explanatory information for the statement is as follows:

- CPB community service grants: Payment from Corporation for Public Broadcasting designated to help provide a non-commercial, educational program stream to our community.
- Other income: Income that does not fit in other categories
- Business and industry: Financial support from companies and corporations to support the station’s operations.

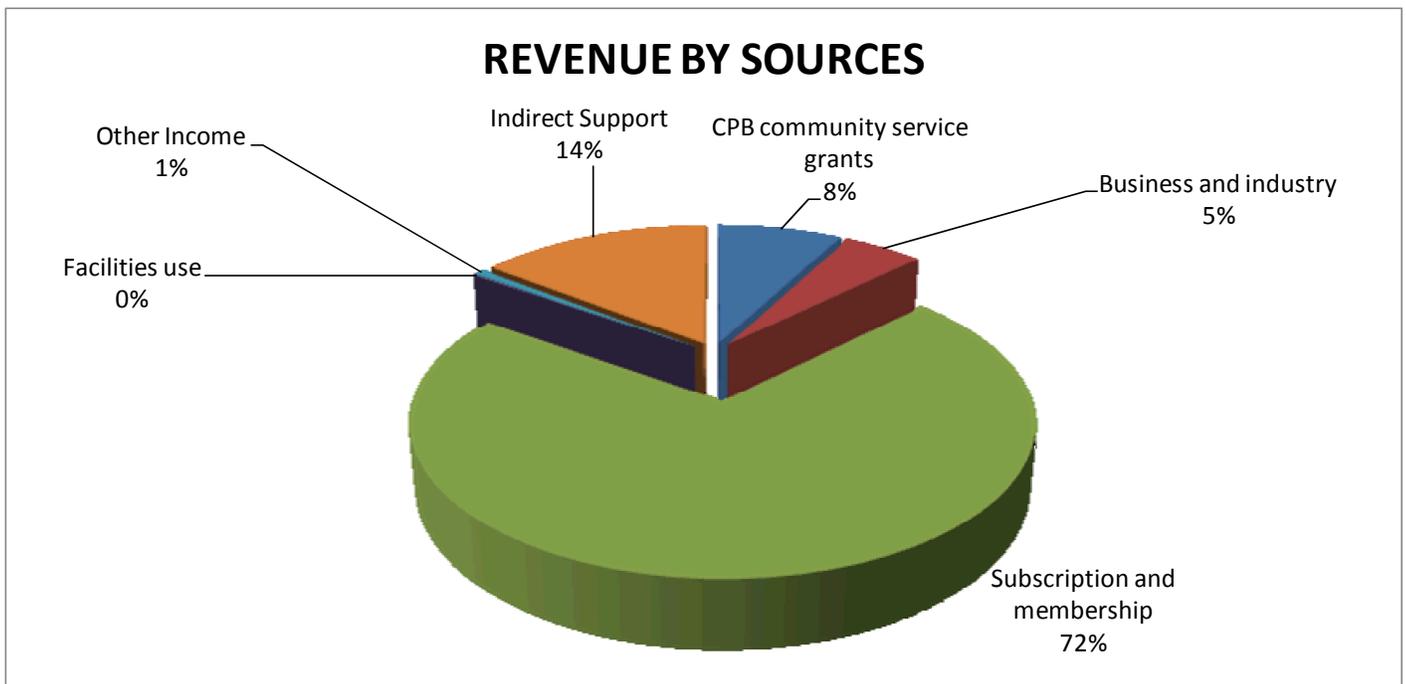
# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

- Subscriptions and membership: Financial support from individuals to support the operations of the station.
- Royalties: Payment from PBS and other entities to KCSM-FM based upon number of times a program made by KCSM-FM is aired by entities other than KCSM.
- Facilities use: Payment for services provided by KCSM, such as facility rental.
- Indirect support: Expenses or facilities paid by the San Mateo County Community College District.

Below is an illustration of District revenues by source:



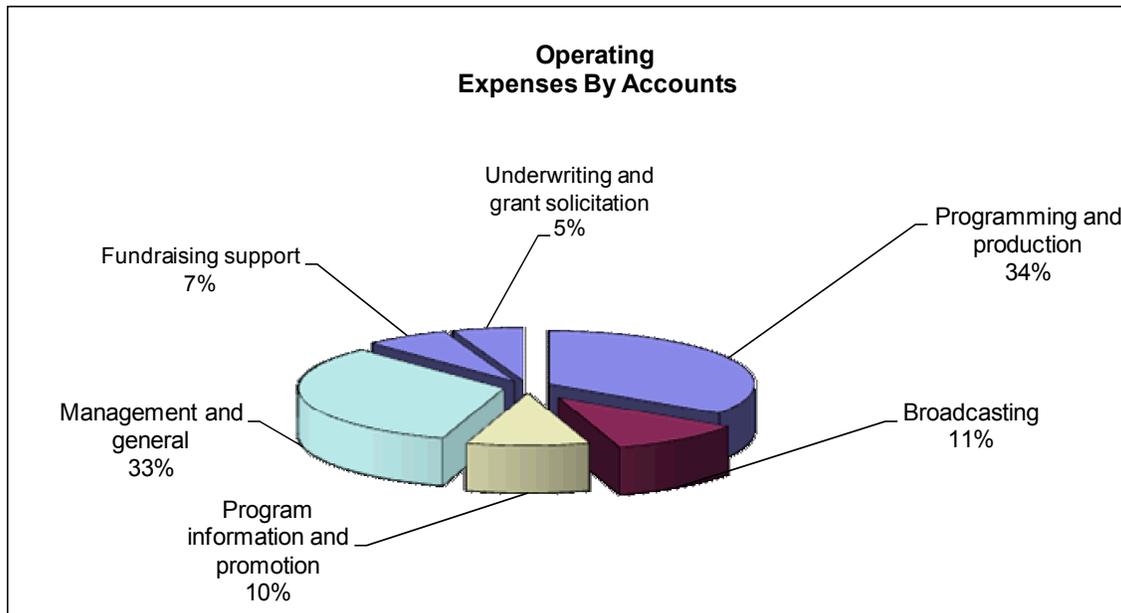
# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Revenues and expenses changed mainly due to the following:

- Net Income from operating sources illustrates increases in subscription, membership and CPB community service grants.
- Operating expenses increased primarily because of increases in programming and production cost.



KCSM-FM's operating expenses are shown in the chart above by activity. Following are explanatory comments for the Statement of Operating Expenses by Activity:

- Programming and production: Expenses incurred to purchase, schedule, and produce and prepare programs for broadcast.
- Broadcasting: Expenses incurred to prepare, store, check quality, verify automation asset management, play out, and monitor program streams. Also included in this category is maintenance, repair, design and installation of equipment necessary for technical operations of the station. All costs for transmission such as rent, and power are accounted in this area.
- Program information and promotions: Expenses for all labor and costs to maintain the website; and design, outsource production of, and procurement of promotional materials.
- Management and general: Expenses for management services such as station manager, accounting, administrative and legal services. Also included in this area is depreciation.
- Fundraising support: All costs for pledge premiums, membership administrative services and database management costs.
- Underwriting and grant solicitation: Expenses for costs incurred for underwriting solicitation, and other solicitations from organizational support for the station.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

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- Depreciation of capital assets is computed and recorded by the straight-line method. KCSM-FM 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 KCSM-FM’s ability to generate net cash flows, and its ability to meet obligations as they come due, or KCSM-FM’s need for assistance via external financing. KCSM-FM 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 CPB grants, subscription and membership, royalties and District support. Cash outlays include payment of salaries, benefits, supplies, programming, production and operating expenses.
- Transfer from the District is the primary source of non-capital financing.
- Cash from investing activities consists of Interest from County Investment Pool.

**Table 3 – Statement of Cash Flows**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS PROVIDED BY (USED IN):</b>		
Operating Activities	\$ 220,622	\$ 242,271
Investing activities	(48,833)	(1,924)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>171,789</u>	<u>240,347</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,137,484	897,137
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 1,309,273</u></u>	<u><u>\$ 1,137,484</u></u>

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Economic Factors and the 2014-15 Budget**

- Being community supported, the District's revenues primarily consist of property tax revenues and student fees and are relatively predictable. The County Assessor's Office has stated that the property tax base went up 5.82% county-wide in 2013-14, which means our projected revenues in 2014/15 are 5.82% higher. In addition, the District received over \$5 million of one-time and ongoing reallocated redevelopment funds in 2013/14 due to the demise of redevelopment agencies in 2011/12. The ongoing portion of these funds will continue to grow as property taxes grow, and also as the former redevelopment agencies pay off their debt. This puts the District on very solid financial footing. The District continues to build multi-year financial plans and has planned balanced budgets through 2016/17.
- KCSM FM: Now that the economy is showing signs of recovering, we have noticed a migration to the pre-recession levels of support. This fiscal year we have seen continuous growth of 20% in sustainerships and renewals. Major gifts are up by 30%, and underwriting so far is pacing at a growth rate of 200%, reflecting an aggressive strategy to solicit and obtain support from corporate and commercial neighbors. Our efforts to maximize our resources and work smarter are starting to pay off. As we look forward, we are confident this growth pattern will continue into the future. This allows us to plan for production of programs and specials for national distribution, closer collaboration with major donors, the corporate community, and growth in sustainerships, renewals and new members, all of which are sources of revenue that will stabilize and reinvigorate our future financial standing.

### **Contacting the Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of KCSM-FM'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 Kathy Blackwood, Executive Vice Chancellor, by phone at 650-358-6869 or by e-mail at [blackwoodk@smccd.edu](mailto:blackwoodk@smccd.edu).

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

**STATEMENT OF NET POSITION  
JUNE 30, 2014**

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**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 1,309,273
Accounts receivable	47,774
<b>Total current assets</b>	<u>1,357,047</u>

**Noncurrent assets**

Capital assets	568,235
Accumulated depreciation	<u>(399,635)</u>
<b>Total noncurrent assets</b>	<u>168,600</u>
<b>TOTAL ASSETS</b>	<u><u>1,525,647</u></u>

**LIABILITIES**

**Current Liabilities**

Accounts payable	<u>9,809</u>
<b>TOTAL LIABILITIES</b>	<u><u>9,809</u></u>

**NET POSITION**

Investment in capital assets	168,600
Unrestricted	<u>1,347,238</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,515,838</u></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 POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**OPERATING REVENUES**

Direct Income		
CPB community service grants	\$	171,537
Other income		14,655
Business and industry		109,512
Subscription and membership		1,587,616
Facilities use		2,872
Indirect support		
San Mateo County Community College District		320,468
<b>Total Operating Revenues</b>		<u>2,206,660</u>

**OPERATING EXPENSES**

Programming and production		687,510
Broadcasting		212,595
Program information and promotion		192,078
Management and general		659,155
Fundraising support		131,663
Underwriting and grant solicitation		110,339
<b>Total Operating Expenses</b>		<u>1,993,340</u>
<b>Total Operating Profit</b>		<u>213,320</u>

**CHANGE IN NET POSITION**

<b>NET POSITION AT BEGINNING OF YEAR</b>		1,302,518
<b>NET POSITION AT END OF YEAR</b>	\$	<u>1,515,838</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, 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
CPB community service grants	\$ 171,537
Other income	14,655
Business and industry	78,621
Subscription and membership	1,587,616
San Mateo County Community College District	320,468
Facilities use	2,872
Payments to suppliers	(726,237)
Payment to /(on behalf of) employees	(1,228,910)
<b>Net Cash Provided By Operating Activities</b>	<u>220,622</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	(48,833)
<b>Net Cash Used By Capital Financing Activities</b>	<u>(48,833)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	171,789
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,137,484
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,309,273</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Profit	\$ 213,320
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	44,061
Changes in assets and liabilities	
Increase in accounts receivable	(30,891)
Decrease in accounts payable	(5,868)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 220,622</u>
<b>NONCASH TRANSACTIONS</b>	
Indirect support - San Mateo Community College District	<u>\$ 320,468</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, 2014**

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**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.

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 position, 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, 2014**

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**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, 2014, are classified in the accompanying financial statements as a governmental fund investment in the amount of \$1,309,273. 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, 2014**

---

**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 \$1,309,273. The fair value of this investment is approximately \$1,309,208 with a weighted average maturity of approximately 1.71 years.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**NOTE 3 – CAPITAL ASSETS**

Changes in equipment are summarized as follows:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Equipment	\$ 519,402	\$ 48,833	\$ -	\$ 568,235
Less - Accumulated Depreciation	<u>355,574</u>	<u>44,061</u>	<u>-</u>	<u>399,635</u>
Net Equipment	<u>\$ 163,828</u>	<u>4,772</u>	<u>\$ -</u>	<u>\$ 168,600</u>

Current year depreciation expense was \$44,061 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 in the amount of \$320,468 from San Mateo Community College.

***INDEPENDENT AUDITOR'S REPORT***



**INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KCSM - FM resources of the San Mateo County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise KCSM - FM's financial statements, and have issued our report thereon dated November 17, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered KCSM FM's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KCSM -FM's internal control. Accordingly, we do not express an opinion on the effectiveness of KCSM - FM's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the KCSM-FM's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pleasanton, California  
November 17, 2014

**KCSM-TV**

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

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**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

---

**JUNE 30, 2014**

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

**JUNE 30, 2014**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
KCSM-TV

### Report on the Financial Statements

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 and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the KCSM-TV's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the KCSM-TV's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the KCSM-TV's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of KCSM-TV, as of June 30, 2014, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2014, on our consideration of the KCSM-TV'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCSM-TV's internal control over financial reporting and compliance.

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

Pleasanton, California  
November 17, 2014

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-TV

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Introduction**

The San Mateo County Community College District's (the District) Annual Financial Report presents management's discussion and analysis of KCSM-TV financial activities during the fiscal years ended June 30, 2014 and June 30, 2013. 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 KCSM -TV's financial activities as a whole. These statements are:

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

### **Financial Overview Summary**

Total net position at June 30, 2014 decreased \$368 thousand over the prior fiscal year. The decrease was primarily due to an decrease in operating revenues.

- Assets exceeded liabilities for the fiscal year ending June 30, 2014 by \$2.4 million, and total assets decreased \$375 thousand over last year.
- Net noncurrent assets decreased by \$443 thousand.
- Net operating loss was \$1.3 million.

### **Reporting for the District and KCSM as a Whole**

- Economic position of the District with the State

Fiscal Year 2013/14 is the third year that the District has been community supported. Community supported means that when the State sets the District's revenue limit (determining how many students we are funded to serve) and deducts from that revenue limit the local property taxes and student fees, there is no need for State apportionment to sum to our revenue limit. This means that the District has somewhat more resources and is no longer subject to the state borrowing funds by delaying apportionment payments. In addition to an increase in property taxes, the District is receiving funds from the dissolution of Redevelopment Agencies (RDAs). As less of the property taxes are being diverted to RDAs, more of them come to SMCCCD. The former RDAs are also slowly beginning the process of selling off their property, which brings some one-time funds to District Offices. Fiscal Year 2013/14 is also the last year for receiving funds from the parcel tax (Measure G). This funding, approximately \$7 million per year, has allowed the District to cut significantly fewer sections than would have been cut and also maintain some services to students. The District has not spent all of the Measure G funds, but they will be fully expended in 2014/15. All in all, the District's revenues have increased and, with a steady real estate market, show every sign of continuing increase.

KCSM TV has been constricting its operations to a minimum level required to bring differentiated, non-commercial programs relevant to the Bay Area. KCSM TV was offered through the RFP process for sale in 2011. At this point the management made the decision to terminate pledge and fundraising in an effort to be transparent to the viewers. There was no substantial offer received. The station went through the RFP process again in 2012/2013. During this round of offers, there were offers that interested the district that involved being open to participating in the Federal Spectrum Auction. The district was funding the operations of the station during this process. In July 2013 the district entered an agreement to help supplement the station operations in exchange for a percentage of the proceeds should the spectrum be tendered at auction.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

**Table 1 - Statement of Net Position**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Cash equivalents	\$ 680,287	\$ 626,933
Accounts receivable	14,400	-
<b>Total Current Assets</b>	<u>694,687</u>	<u>626,933</u>
<b>Noncurrent Assets</b>		
Capital assets	7,542,885	7,542,885
Accumulated depreciation	<u>(5,846,498)</u>	<u>(5,403,631)</u>
<b>Total Noncurrent Assets</b>	<u>1,696,387</u>	<u>2,139,254</u>
<b>TOTAL ASSETS</b>	<u>2,391,074</u>	<u>2,766,187</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Vendor payable	17,623	25,459
Payroll liabilities	344	-
<b>TOTAL LIABILITIES</b>	<u>17,967</u>	<u>25,459</u>
<b>Net POSITION</b>		
Invested in capital assets	1,696,387	2,139,254
Unrestricted	676,720	601,474
<b>TOTAL NET POSITION</b>	<u>\$ 2,373,107</u>	<u>\$ 2,740,728</u>

**Net Position**

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

- Cash and cash equivalents consist of cash in the Treasury, San Mateo County Pool.
- Accounts receivable primarily consists of revenues from local sources from which KCSM-TV had earnings but which were not received as of the fiscal year's closing date.
- Capital assets, net of depreciation, are the net historical value of equipment less accumulated depreciation.
- Accounts payable consist of payables to the salaries and benefits, and local vendors which KCSM-TV incurred but for which payments were not issued as of the end of the fiscal year.
- According to GASB Statements, equity is reported as – Net Position rather than – Fund Balance. KCSM-TV's net position is classified as follows:

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

- Invested in capital assets, net of related debt, represents KCSM-TV’s total investment in capital assets and net of outstanding debt obligations related to those capital assets.
- Unrestricted net position represents resources used for transactions relating to the educational and general operations of KCSM-TV.

**Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position shown below consist of operating and non-operating results of KCSM-TV. Operating revenues represent all revenues from exchange transactions, in which each party gives and receives essentially equal value.

**Table 2 – Statement of Operating Revenue**

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
<b>District Income</b>		
CPB community service grants	\$ 442,974	\$ 586,665
CPB television interconnection grants	8,473	11,860
Business and industry	118,076	1,150
Subscription and membership	15,081	28,098
Royalties	36,331	47,920
Other Income	-	15,505
<b>Indirect Support</b>		
San Mateo County Community College District	263,515	449,148
<b>TOTAL OPERATING REVENUES</b>	<u>884,450</u>	<u>1,140,346</u>
<b>OPERATING EXPENSES</b>		
Programming and production	278,430	427,183
Broadcasting	989,042	979,454
Program information and promotion	31,473	63,813
Management and general	803,527	1,264,890
Fundraising support	22,942	39,892
Underwriting and grant solicitation	26,657	51,564
<b>TOTAL OPERATING EXPENSES</b>	<u>2,152,071</u>	<u>2,826,796</u>
<b>OPERATING LOSS</b>	<u>(1,267,621)</u>	<u>(1,686,450)</u>
<b>OTHER INCOME</b>		
Other sources	900,000	-
Transfer in from district	-	1,100,000
<b>CHANGE IN NET POSITION</b>	<u>(367,621)</u>	<u>(586,450)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>2,740,728</u>	<u>3,327,178</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 2,373,107</u>	<u>\$ 2,740,728</u>

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-TV

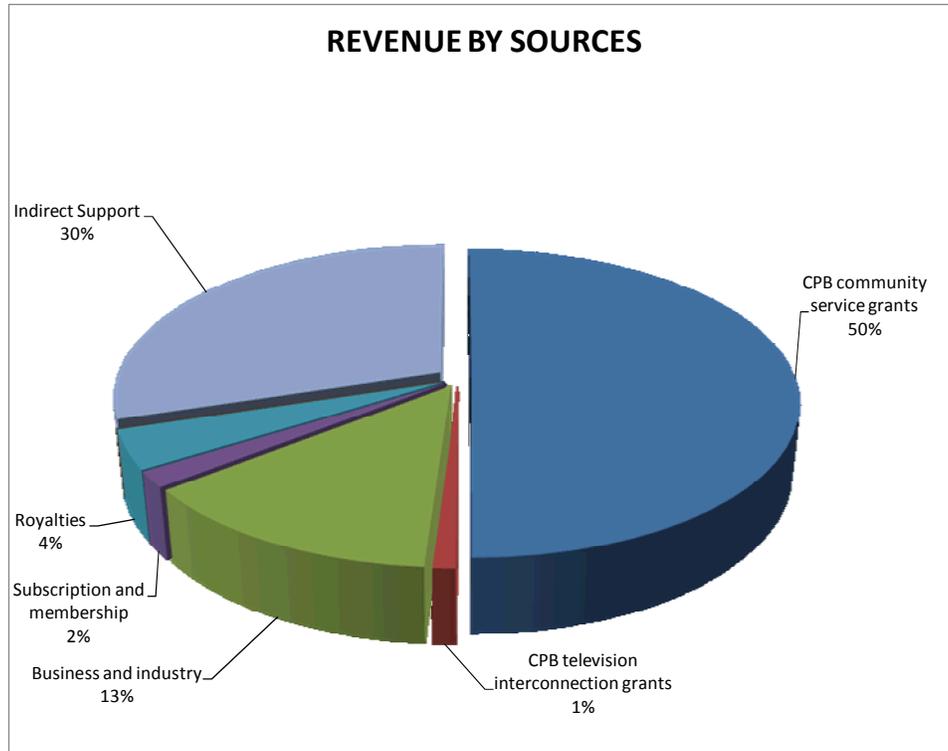
## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Explanatory information for the statement is as follows:

- CPB community service grants: Payment from Corporation for Public Broadcasting designated to help provide a non-commercial, educational program stream to our community.
- CPB television interconnection grants: Payment from Corporation for Public Broadcasting designated to help cover costs to necessary to receive programs from PBS to serve our community.
- Business and industry: Financial support from companies and corporations to support the stations operations.
- Subscriptions and membership: Financial support from individuals to support the operations of the station.
- Royalties: Payment from PBS and other entities to KCSM-TV based upon number of times a program made by KCSM-TV is aired by entities other than KCSM.
- Facilities use: Payment for services provided by KCSM, such as facility rental.
- Other income: Income that does not fit in other categories
- Indirect support: Expenses or facilities paid by the San Mateo County Community College District.

Below is an illustration of District revenues by source:



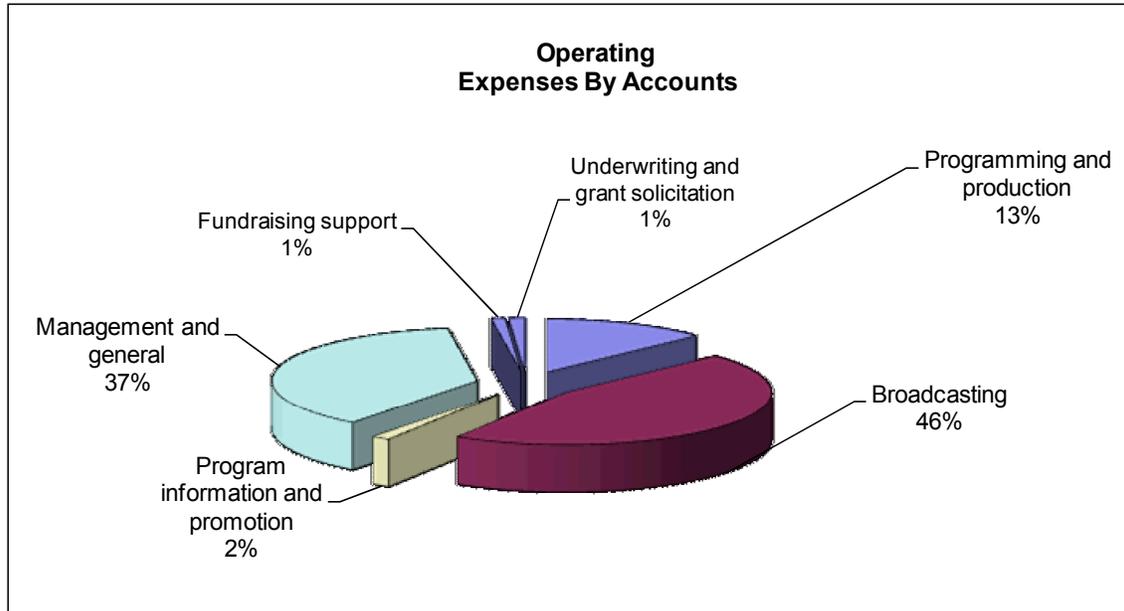
# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-TV

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Revenues and expenses changed mainly due to the following:

- Net Income from operating sources illustrates a decrease in subscription, membership and CPB community service grants.
- Operating expenses show a decrease in broadcasting, program information and fundraising support.



KCSM-TV's operating expenses are shown in the chart above. Following are explanatory comments for the Statement of Operating Expenses by Activity:

- Programming and production: Expenses incurred to purchase, schedule, and produce and prepare programs for broadcast.
- Broadcasting: Expenses incurred to prepare, store, check quality, verify automation asset management, play out, and monitor program streams. Also included in this category is maintenance, repair, design and installation of equipment necessary for technical operations of the station. All costs for transmission such as rent, and power are accounted in this area.
- Program information and promotions: Expenses for all labor and costs to maintain the website; and design, outsource production of, and procurement of promotional materials.
- Management and general: Expenses for management services such as station manager, accounting, administrative and legal services. Also included in this area is depreciation.
- Fundraising support: All costs for pledge premiums, membership administrative services and database management costs.
- Underwriting and grant solicitation: Expenses for costs incurred for underwriting solicitation, and other solicitations from organizational support for the station.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

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- Depreciation of capital assets is computed and recorded by the straight-line method. KCSM-TV 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 KCSM-TV’s ability to generate net cash flows, and its ability to meet obligations as they come due, or KCSM-TV’s need for assistance via external financing. KCSM-TV 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 CPB grants, subscription and membership, royalties and District support. Cash outlays include payment of salaries, benefits, supplies, programming, production and operating expenses.
- Transfer from the District is the primary source of non-capital financing.
- For capital financing activities, the main sources are from sales or disposal of equipment.
- Cash from investing activities consists of Interest from County Investment Pool.

**Table 3 – Statement of Cash Flows**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS PROVIDED BY (USED IN):</b>		
Operating Activities	\$ (846,646)	\$ (1,090,950)
Noncapital financing activities	900,000	1,100,000
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>53,354</u>	<u>9,050</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	626,933	617,883
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 680,287</u>	<u>\$ 626,933</u>

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-TV

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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### **Economic Factors and the 2013-14 Budget**

Being community supported, the District's revenues primarily consist of property tax revenues and student fees and are relatively predictable. The County Assessor's Office has stated that the property tax base went up 5.82% county-wide in 2013-14, which means our projected revenues in 2014/15 are 5.82% higher. In addition, the District received over \$5 million of one-time and ongoing reallocated redevelopment funds in 2013/14 due to the demise of redevelopment agencies in 2011/12. The ongoing portion of these funds will continue to grow as property taxes grow, and also as the former redevelopment agencies pay off their debt. This puts the District on very solid financial footing. The District continues to build multi-year financial plans and has planned balanced budgets through 2016/17.

KCSM-TV will continue to operate at a minimal level to meet our obligations to the community. The College District will continue to support the station until there is a determination through the Federal Spectrum Auction proceedings.

### **Contacting the Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, students, investors and creditors with a general overview of KCSM-TV'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 Kathy Blackwood, Executive Vice Chancellor, by phone at 650-358-6869 or by e-mail at [blackwoodk@smccd.edu](mailto:blackwoodk@smccd.edu).

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

**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

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**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 680,287
Accounts receivable	14,400
<b>Total current assets</b>	<u>694,687</u>

**Noncurrent assets**

Capital assets	7,542,885
Accumulated depreciation	(5,846,498)
<b>Total noncurrent assets</b>	<u>1,696,387</u>
<b>TOTAL ASSETS</b>	<u>2,391,074</u>

**LIABILITIES**

**Current Liabilities**

Vendor payable	17,623
Payroll liabilities	344
<b>Total liabilities</b>	<u>17,967</u>

**NET POSITION**

Investment in capital assets	1,696,387
Unrestricted	676,720
<b>TOTAL NET POSITION</b>	<u>\$ 2,373,107</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 POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**OPERATING REVENUES**

Direct Income	
CPB community service grants	\$ 442,974
CPB television interconnection grants	8,473
Business and industry	118,076
Subscription and membership	15,081
Royalties	36,331
Indirect Support	
San Mateo County Community College District	263,515
<b>Total Operating Revenues</b>	<u>884,450</u>

**OPERATING EXPENSES**

Programming and production	278,430
Broadcasting	989,042
Program information and promotion	31,473
Management and general	803,527
Fundraising support	22,942
Underwriting and grant solicitation	26,657
<b>Total Operating Expenses</b>	<u>2,152,071</u>
<b>Operating Loss</b>	<u>(1,267,621)</u>

**OTHER INCOME**

Other sources	<u>900,000</u>
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**CHANGE IN NET POSITION**

<b>NET POSITION AT BEGINNING OF YEAR</b>	2,740,728
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 2,373,107</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, 2014**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
CPB community service grants	\$ 442,974
CPB television interconnection grants	8,473
Business and industry	103,676
Subscription and membership	15,081
District support	263,515
Royalties	36,331
Payments to suppliers	(872,072)
Payment to /(on behalf of) employees	(844,624)
<b>Net Cash Used By Operating Activities</b>	<u>(846,646)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Other source	<u>900,000</u>
<b>NET CHANGE IN CASH</b>	53,354
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>626,933</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 680,287</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (1,267,621)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	442,867
Changes in assets and liabilities	
Increase in accounts receivable	(14,400)
Decrease in accounts payable	(7,492)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>\$ (846,646)</u>
<b>NONCASH TRANSACTIONS</b>	
Indirect support - San Mateo Community College District	<u>\$ 263,515</u>

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, 2014**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

KCSM-TV is a public telecommunications television 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.

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, 2014**

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**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, 2014, are classified in the accompanying financial statements as a governmental fund investment in the amount of \$680,287. Cash accounts maintained by KCSM-TV are held by San Mateo County Community College District in pooled amounts at the San Mateo County Treasury.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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**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

**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 \$680,287. The fair value of this investment is approximately \$680,253 with a weighted average maturity of approximately 1.71 years.

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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**NOTE 3 – CAPITAL ASSETS**

Changes in equipment are summarized as follows:

	Beginning of Year	Additions	Deletions	End of Year
Equipment	\$ 7,542,885	\$ -	\$ -	\$ 7,542,885
Less - Accumulated Depreciation	5,403,631	442,867	-	5,846,498
Net Equipment	<u>\$ 2,139,254</u>	<u>\$ (442,867)</u>	<u>\$ -</u>	<u>\$ 1,696,387</u>

Current year depreciation expense was \$442,867 and is included in management and general expenses.

**NOTE 4 - DONATED SERVICES**

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

**NOTE 5 – RELATED PARTY TRANSACTIONS**

During the year, KCSM-TV received indirect administrative support in the amount of \$900,000 from San Mateo County Community College District.

**NOTE 6 – OTHER MATTERS**

SMCCCD has entered into a Funding Agreement with Locus Points Network (LPN) on May 16, 2013. LPN has agreed to provide to SMCCCD funding in the amount of \$3,600,000 to be paid in installments of \$225,000 for the operating expenses of the Station as it is currently operated in compliance with the rules, regulations and policies of the FCC. The parties have agreed that in consideration of, among other things, LPN providing such funding to SMCCCD, LPN will have the right to share 36.5% of the Gross Sale Proceeds upon the sale of KCSM-TV. Effective July 1, 2013, Locus Point Networks (LPN) LLC is paying SMCCCD \$225,000 per quarter. These funds are reflected as administrative support from SMCCCD to KCSM-TV.

**INDEPENDENT AUDITOR'S REPORT**



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

VALUE THE DIFFERENCE

**INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KCSM - TV resource of the San Mateo County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise KCSM - TV's financial statements, and have issued our report thereon dated November 17, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered KCSM TV's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KCSM -TV's internal control. Accordingly, we do not express an opinion on the effectiveness of KCSM - TV's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pleasanton, California  
November 17, 2014

**BOARD REPORT NO. 15-1-102B**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6869

**RECEIPT AND ACCEPTANCE OF THE 2013-14  
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, 2014. 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 2013-14 audit reports for the General Obligation Bond funds.

**SAN MATEO COUNTY COMMUNITY  
COLLEGE DISTRICT**

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**MEASURE A  
2005 GENERAL OBLIGATION BONDS  
AUDIT REPORT**

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**JUNE 30, 2014**

**SAN MATEO COUNTY COMMUNITY  
COLLEGE DISTRICT**

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**MEASURE A  
2005 GENERAL OBLIGATION BONDS  
FINANCIAL AUDIT**

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**JUNE 30, 2014**

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)**

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JUNE 30, 2014**

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

VALUE THE DIFFERENCE

## INDEPENDENT AUDITOR'S REPORT

Management and the Citizens' Oversight Committee  
San Mateo County Community College District  
San Mateo, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the San Mateo Community College District's (the District), Capital Outlay - Bond Fund 2005 Election (Measure A), and the related notes to the financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provides a basis for our audit opinion.

## **Opinion**

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 (Measure A) of the San Mateo Community College District at June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Capital Outlay Fund specific to General Obligation Bonds, Election 2005 (Measure A), and are not intended to present fairly the financial position and changes in financial position of San Mateo County Community College District conformity with accounting principles generally accepted in the United States of America.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of the District's Capital Outlay Bond Fund 2005 Election (Measure A) 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* in considering the District's Capital Outlay Fund (Measure A) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pleasanton, California  
December 3, 2014

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)  
BALANCE SHEET  
JUNE 30, 2014**

---

**ASSETS**

Deposits and investments	\$ 32,776,534
Accounts receivable	54,674
Due from other funds	549,350
Prepaid expenses	110,008
<b>Total Assets</b>	<b>\$ 33,490,566</b>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 2,626,473
Due to other funds	45,338
<b>Total Liabilities</b>	<b>2,671,811</b>

**FUND BALANCES**

Restricted	30,818,755
<b>Total Fund Balances</b>	<b>30,818,755</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 33,490,566</b>

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

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2014**

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**REVENUES**

Interest income	\$ 329,646
<b>Total Revenues</b>	<u>329,646</u>

**EXPENDITURES**

Current

Salaries and benefits	606,728
Supplies	1,843,901
Services and operating expenditures	2,903,301

Capital outlay	<u>6,665,485</u>
<b>Total Expenditures</b>	<u>12,019,415</u>

**Other Financing Sources:**

Other sources	<u>10,057,943</u>
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<b>NET CHANGE IN FUND BALANCES</b>	(1,631,826)
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<b>FUND BALANCE - BEGINNING</b>	<u>32,450,581</u>
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<b>FUND BALANCE - ENDING</b>	<u><u>\$ 30,818,755</u></u>
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The accompanying notes are an integral part of these financial statements.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A) NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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### *NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies of the San Mateo County Community College District's Capital Outlay – Bond Fund Measure A conform 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's Capital Outlay – Bond Fund accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

#### **Financial Reporting Entity**

The financial statements include only the Capital Outlay – Bond Fund of the San Mateo County Community College District used to account for Measure A projects. This Fund was established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2005. These financial statements are not intended to present fairly the financial position and results of operations of the San Mateo County Community College District in compliance with accounting principles generally accepted in the United States of America.

#### **Fund Accounting**

The operations of the Capital Outlay – Bond Fund Measure A are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

#### **Basis of Accounting**

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

#### **Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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#### **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.

#### **Fund Balance**

Fund balance for the Measure A fund is classified as follows:

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

#### **Spending Order**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

#### **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***

##### **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 instrument; 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 agreement; 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.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**Investment in County Treasury**

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

**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
County Pooled Investment Funds	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 is to changes in market interest rates. The District manages its 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, 2014, was \$32,776,534 and the weighted average maturity of the pool is 624 days.

**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 Capital Outlay Bond Fund only invests in county pooled investments which are not required to be rated.

**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2014, consisted of the following:

Interest	\$ 54,614
Other local sources	60
	<u>\$ 54,674</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2014**

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**NOTE 4 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2014 all consisted of vendor payables.

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund receivable balance at June 30, 2014, was as follows:

Due from other funds - Capital Outlay Fund	<u>\$ 549,350</u>
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Interfund payable balance at June 30, 2014, was as follows:

Due to other funds - Capital Outlay Fund	<u>\$ 45,338</u>
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**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

As of June 30, 2014, the Capital Outlay Bond Fund (Measure A) had the following commitments with respect to unfinished capital projects:

	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
District wide projects	\$ 2,508,880	Within 1 year
Skyline projects	112,305	Within 1 year
CSM projects	2,521,181	Within 1 year
Canada projects	2,131,486	Within 1 year
	<u>\$ 7,273,852</u>	

**NOTE 7 - INVESTMENT LOSS RECOVERY**

During the year, the District received approximately \$10 million in recovery related to Lehman Brother bankruptcy settlement. This amount is recorded in the Statement of Revenues, Expenditures, and Changes in Fund Balance, as other sources.

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***INDEPENDENT AUDITOR'S REPORT***

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**INDEPENDENT AUDITOR'S 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***

Management and the Citizens' Oversight Committee  
San Mateo County Community College District  
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The accompanying financial statements of the San Mateo Community College District Capital Outlay - Bond Fund 2005 Election (Measure A) and the related notes of the financial statements as of and for the year ended June 30, 2014, and have issued our report thereon dated December 3, 2014.

As discussed in Note 1, the financial statements present only the Capital Outlay - Bond Fund 2005 Election (Measure A), and are not intended to present fairly the financial position and changes in financial position of San Mateo Community College District in conformity with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered San Mateo 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 the San Mateo Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the San Mateo 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether San Mateo Community College District's Capital Outlay - Bond Fund 2005 Election (Measure A) 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or non compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pleasanton, California  
December 3, 2014

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)  
FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2014**

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None reported.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2014**

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None reported.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

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**MEASURE A  
2005 GENERAL OBLIGATION BONDS  
PERFORMANCE AUDIT**

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**JUNE 30, 2014**

**SAN MATEO COMMUNITY COLLEGE DISTRICT  
MEASURE A  
2005 GENERAL OBLIGATION BONDS**

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## INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Management and the Citizens' Oversight Committee  
San Mateo County Community College District  
San Mateo, California

We were engaged to conduct a performance audit of the San Mateo County Community College District (the District), Measure A General Obligation Bond funds for the year ended June 30, 2014.

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Measure A General Obligation Bond funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1 (b)(3)(C) of the California Constitution.

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

Pleasanton, California  
December 3, 2014

# **SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

## **CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A) JUNE 30, 2014**

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### ***AUTHORITY FOR ISSUANCE***

The Measure A Bonds are issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District on November 8, 2006 (the "Bond Resolution").

The District received authorization at an election held on November 8, 2005, to issue bonds of the District in an aggregate principal amount not to exceed \$468,000,000 to finance specific acquisition, construction and modernization projects approved by the voters. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2005 Authorization). The Bonds represent the first and second series of the authorized bonds to be issued under the 2005 Authorization.

### ***PURPOSE OF ISSUANCE***

The net proceeds of the Bonds and any other series of general obligation bonds issued under the Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include: to upgrade nursing, health career, science, computer, and biotechnology labs; improve accessibility for disabled students; make earthquake safety improvements; repair/modernized libraries, classrooms, and aging facilities, and other projects.

### ***AUTHORITY FOR THE AUDIT***

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the district to appoint a citizen's oversight committee.
4. Requires the district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

# **SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

## **CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A) JUNE 30, 2014**

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### ***OBJECTIVES OF THE AUDIT***

1. Determine whether expenditures charged to the Capital Outlay – Bond Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure A.
2. Determine whether salary transactions, charged to the Bond Fund were in support of Measure A and not for District general administration or operations.

### ***SCOPE OF THE AUDIT***

The scope of our performance audit covered the period of July 1, 2013 to June 30, 2014. The population of expenditures tested included all object and project codes associated with the Measure A projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2014 were not reviewed or included within the scope of our audit or in this report.

### ***PROCEDURES PERFORMED***

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2014 for the Capital Outlay – Bond Fund Measure A. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure A as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2013 and ending June 30, 2014, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$3,213,642. This represents 27 percent of the total expenditures of \$12,019,415.
3. We verified that funds from the Capital Outlay – Bond Fund Measure A were generally expended for the authorized bond projects. In addition, we verified that funds held in the Capital Outlay – Bond Fund Measure A were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

### ***CONCLUSION***

The results of our tests indicated that, in all significant respects, the San Mateo County Community College District has properly accounted for the expenditures held in the Capital Outlay – Bond Fund Measure A and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Capital Outlay – Bond Fund Measure A, and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2005 ELECTION (MEASURE A)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014**

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None reported.

San Mateo County Community College District

January 28, 2015

**BOARD REPORT NO. 15-1-103B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6869

**RECEIPT AND ACCEPTANCE OF THE 2013-14 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, 2014. 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 2013-14 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, 2014 and 2013  
WITH  
INDEPENDENT AUDITORS' REPORT**

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**JUNE 30, 2014**

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## INDEPENDENT AUDITOR'S REPORT

The Retirement Board of Authority of the  
San Mateo County Community College District  
Retirement Futuris Public Entity Investment Trust  
San Mateo, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the Trust), a component unit of the San Mateo County Community College District, (the District) and the related notes to the financial statements, as of and for the year ended June 30, 2014 and 2013, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Trust at June 30, 2014 and 2013, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Trust, and are not intended to present fairly the financial position and changes in financial position of San Mateo County Community College District in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed on 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of the Trust'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vavinek, Time, Day & Co., LLP*

Pleasanton, California  
December 3, 2014.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

## MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2014

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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, 2014. The Trust was established in October 2009 by the District's Board of Directors and assets held for Other Post Employment Benefits were transferred to an irrevocable trust in November 2009. Additional transfers were made during the 2013-14 fiscal 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 position of the San Mateo Community College District Retirement Futuris Public Entity Investment Trust (Trust) at the close of fiscal year 2014 are \$55,459,915 (net position held in trust for retiree medical benefits). All of the net position are available to meet the Trust's ongoing obligations to participants and beneficiaries.

The Trust's funding objective is to meet long-term benefit obligations through contributions and investment income. The Trust is funded through annual contribution from the District's Retiree Benefits 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 Position
2. Statement of Changes in Trust Net Position
3. Notes to the Basic Financial Statements

**The Statement of Trust Net Position** 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 Position**, on the other hand, provides a view of current year additions to and deductions from the Trust. Both statements are in compliance with Governmental Accounting Standard Board Statement (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.

The Statement of Trust Net Position and the Statement of Changes in Trust Net Position 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.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

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These two statements report the Trust's net position held in irrevocable trust account for retirees' medical benefits. Net position, the difference between assets and liabilities are one way to measure the Trust's financial position. Over time, increase and decrease in net position 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 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 supplementary information concerning the Trust's progress in funding its obligations to provide retiree medical benefits to members. This information is presented in Note 3.

***FINANCIAL ANALYSIS***

As previously noted, net position may serve over time as a useful indication of the Trust's financial position. The Trust had no liabilities as of June, 30 2014 and 2013.

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
NET POSITION		
Cash and investments	\$ 55,398,405	\$ 39,382,756
Interest receivable	61,510	59,875
Net position	<u>\$ 55,459,915</u>	<u>\$ 39,442,631</u>

The changes to Trust net position during the fiscal year ended June 30, 2014 and 2013, are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CHANGES IN NET POSITION		
Beginning balance	\$ 39,442,631	\$ 26,570,699
Additions	16,187,288	12,994,573
Deductions	(170,004)	(122,641)
Net position	<u>\$ 55,459,915</u>	<u>\$ 39,442,631</u>

***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 POSITION  
AS OF JUNE 30, 2014 AND 2013**

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	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS		
Investments	\$ 55,398,405	\$ 39,382,756
Interest receivable	61,510	59,875
Total Assets	<u>\$ 55,459,915</u>	<u>\$ 39,442,631</u>
NET POSITION		
Net position held in trust for OPEB	\$ 55,459,915	\$ 39,442,631
Total Net Position	<u>\$ 55,459,915</u>	<u>\$ 39,442,631</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 POSITION  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ADDITIONS		
Contributions		
Employer	\$ 10,000,000	\$ 10,000,000
Investment income, net of investment expenses	6,187,288	2,994,573
Total Additions	<u>16,187,288</u>	<u>12,994,573</u>
DEDUCTIONS		
Administrative expenses	170,004	122,641
Total Deductions	<u>170,004</u>	<u>122,641</u>
INCREASE IN NET POSITION	16,017,284	12,871,932
NET POSITION, BEGINNING OF YEAR	<u>39,442,631</u>	<u>26,570,699</u>
NET POSITION, END OF YEAR	<u>\$ 55,459,915</u>	<u>\$ 39,442,631</u>

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, 2014**

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### ***NOTE #1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

#### **Organization**

The Retirement Futuris Public Entity Investment Trust (the Trust) is a contributory single-employer defined benefit healthcare plan trust administered by the San Mateo County Community College District. The Trust provides medical insurance benefits to eligible retirees and their spouses. Membership consists of 1008 retirees and beneficiaries currently receiving benefits and 854 active plan members. The Trust is a governmental plan that is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Trust is funded entirely by the employer. The District contributed \$10,000,000 to the Trust as of June 30, 2014.

#### **Financial Reporting Entity**

The financial statements include only the Retirement Futuris Public Entity Investment Trust of the San Mateo County Community College District. The Trust was established for Other Post Employment Benefits purpose. These financial statements are not intended to present fairly the financial position and results of operations 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 accompanying 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.

#### **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 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.

#### **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 Retirement Board in a combination of equity and fixed income investments.

# SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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### **Administrative Expenses**

Certain internal costs of administering the Trust are paid by the Trust. Administrative expenses for the year ended June 30, 2014, were \$170,004.

### **Benefits**

Benefits are recognized when paid.

### **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.

### **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 #2 – INVESTMENTS***

### **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 investment in mutual funds 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.

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.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

The fair values of the Trust's individual investments at June 30, 2014 and 2013, are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Common Stocks	\$ 28,180,640	\$ 19,728,624
Fixed Income	27,217,765	19,654,132
Total investments	<u>\$ 55,398,405</u>	<u>\$ 39,382,756</u>

During the fiscal years ended June 30, 2014 and 2013, the Trust's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Dividend & Interest Income	\$ 1,156,702	\$ 1,050,066
Realized gains (loss)	3,787,098	420,804
Unrealized gains	1,243,488	1,523,703
Total investment income	<u>\$ 6,187,288</u>	<u>\$ 2,994,573</u>

***NOTE #3 – THE DISTRICT'S POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER  
POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION***

San Mateo County Community College District provides postemployment health care benefits for retiree employees in accordance with negotiated contracts with the various bargaining units of the District. Below are the District's OPEB information summarized for additional analysis purpose.

The District's actuarially determined annual required contribution (ARC) for the year ended June 30, 2014, was \$8,642,396. During the year, the District contributed \$6,912,318 for premium for current retirees. In addition, the District contributed \$10,000,000 to the Trust to fund the future retirement benefit cost.

**Funded Status**

The funded status of the OPEB plan based on the February 1, 2013, actuarial valuation, is as follows:

Actuarial Accrued Liability (AAL)	\$ 125,352,953
Actuarial Value of Plan Assets	<u>(34,870,628)</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 90,482,325</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	28%
Covered Payroll	<u>\$ 96,824,396</u>
UAAL as Percentage of Covered Payroll	<u>93%</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**Funding Progress**

The funding progress of the OPEB plan as of June 30, 2014, is as follows:

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)
February 1, 2009	\$ -	\$ 108,915,006	\$ 108,915,006	0%	\$85,080,018	128%
February 1, 2011	15,643,762	118,923,929	103,280,167	13%	90,671,696	114%
February 1, 2013	34,870,628	125,352,953	90,482,325	28%	91,920,969	98%

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***INDEPENDENT AUDITOR'S REPORT***

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

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**INDEPENDENT AUDITOR'S 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***

The Retirement Board of Authority of the  
San Mateo County Community College District  
Retirement Futuris Public Entity Investment Trust  
San Mateo, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Retirement Futuris Public Entity Investment Trust (the Trust) of San Mateo County Community College District (the District) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements and have issued our report thereon dated December 3, 2014.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Trust, and are not intended to present fairly the financial position and changes in financial position of San Mateo County Community College District in conformity with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Trust's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pleasanton, California  
December 3, 2014

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

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None reported.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

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None reported.

**BOARD REPORT NO. 15-1-104B**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor  
PREPARED BY: José D. Nuñez, Vice Chancellor, Facilities Planning & Operations, 358-6836

**APPROVAL OF THE 2015 AMENDMENT TO THE 2011 FACILITIES MASTER PLAN**

On January 14, 2015 staff presented an informational update on the 2015 Amendment to the 2011 Facilities Master plan to the Board of Trustees (Board Report No. 15-1-1C). This amendment serves to articulate which projects listed in the 2011 document have been completed, which remain to be completed, and to document changes to the 2011 project list. Having received no requests for substantive updates to the draft document, staff now submits the attached final version for approval.

The final approved 2015 Amendment to the 2011 Facilities Master Plan will inform decision making relative to implementation of the third phase of the Capital Improvement Program and serve as the basis for activities required under the California Environmental Quality Act (CEQA). The final document is attached to this report.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the 2015 Amendment to the 2011 Facilities Master Plan.

San Mateo County Community College District

# 2015 Facilities Master Plan Amendment to the 2011 Facilities Master Plan





**Chancellor**  
Ron Galatolo

**Presidents**

Dr. Lawrence G. Buckley, Cañada College  
Michael E. Claire, College of San Mateo  
Dr. Regina Stanback Stroud, Skyline College

**Board of Trustees**

Patricia Miljanich, President  
Dave Mandelkern, Vice President-Clerk  
Richard Holober  
Thomas Mohr  
Karen Schwarz  
Rupinder Bajwa, Student Trustee

# San Mateo County Community College District

## 2015 Facilities Master Plan Amendment to the 2011 Facilities Master Plan

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College of San Mateo



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## Letter from the Chancellor //



For nearly a century, College of San Mateo, Cañada College, and Skyline College have welcomed and proudly served more than 2 million students who come to us from all walks of life. Our primary mission is to provide our local community a first-rate postsecondary learning experience for all who can benefit from public higher education. For more than a decade, our dedicated Board of Trustees, faculty and staff have been actively engaged in transforming our three aging community colleges into modern, seismically safe and state-of-the-art learning environments that welcome, stimulate, and inspire our very diverse student population. With the recent passage of our third general obligation bond measure, we will continue this active restoration and construction campaign for the benefit of our deserving students.

The facility improvements we have completed to date were guided by earlier Facilities Master Plans that were thoughtfully prepared in a fully collaborative process. The two previous bond measures, generously supported by local residents, allowed our team to construct new buildings, modernize existing structures as well as complete extensive infrastructure and landscape enhancements. Through these advances, we have been able to effectively respond to and serve the changing educational needs of our student body.

The 2015 Facilities Master Plan update outlined in this document is intended to complete the dream that started in 2001. The envisioned projects for this coming phase include new construction in addition to remodeling several existing structures – focused on achieving sustainable and energy efficient outcomes. In keeping with the District’s commitment to sustainable design, all construction activity will contain a variety of energy efficient building materials and internal systems that will ensure an eco-friendly result. Additionally, all projects undertaken will address health and safety issues, such as removing hazardous materials, upgrading fire alarm and fire sprinkler systems, improving Americans with Disabilities Act compliance, and installing security cameras and Automated External Defibrillators in key locations.

Our Colleges, through our vast array of postsecondary learners, have always exerted a powerful and positive impact on the economic and social well-being of San Mateo County. This Master Plan update strives to continue that legacy through its contemporary structures, advanced instructional equipment, and talented human capital that exist at our three award-winning, nationally-recognized Colleges.

A handwritten signature in black ink, appearing to read 'R. Galatolo'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Ron Galatolo  
Chancellor  
San Mateo County Community College District  
January 2015

## Introduction //

### Purpose

The 2015 Facilities Master Plan Amendment to the 2011 Facilities Master Plan for the San Mateo County Community College District has been developed to serve as a guide for future development at each of the three Colleges in the District:

Cañada College  
College of San Mateo  
Skyline College

It provides a graphic and narrative description of the District's strategy to support educational program needs and strategic vision, address the long-range forecast for enrollment, and position the District to maximize funding opportunities. The 2011 Facilities Master Plan served as the foundation for this 2015 Amendment, which is grounded in each of the College's Educational Plans. This plan provides a roadmap for future development, including recommendations for modernization/renovation and replacement of facilities as well as a number of site improvements for each campus. It is intended not as a literal depiction of the projects to be developed but as a point of reference in a dynamic process of adapting projects to meet changing program needs.

### Master Planning Process

The planning process was a participatory one involving representatives from each of the Colleges. The planning process recognized the individuality of each of the Colleges, while working within the overall framework of the District's organizational structure. This ensured that the 2015 Facilities Master Plan Amendment addresses both College and Districtwide issues and serves as a Districtwide roadmap for future development.

### Master Planning Overview

All three Colleges are in the process of being transformed through the construction of new facilities and the renovation of others funded by local bond revenue and the California Community College Capital Outlay Program. Recent projects have addressed many of the Colleges' needs identified in previous planning studies, but there are still unmet needs within the District.

### Document Organization

The 2015 Facilities Master Plan Amendment describes a plan for site and facilities improvements that will support current and future needs at each of the three Colleges in the District. The document is divided into three sections; one for each College. Within each section, the following information is included:

#### Existing Conditions

The Existing Conditions section includes an analysis of each campus, as well as a list of projects completed since the 2011 Facilities Master Plan was published.

#### Recommendations

The Recommendations for each College in this 2015 Facilities Master Plan Amendment present an overall picture of the future developed campuses and include recommendations for modernization/renovation, new construction, and campus-wide site improvements. Master Plan projects are highlighted and accompanied by narratives describing the intent of each project.

While drawings in the plans appear specific, the forms are intended as conceptual sketches that highlight the potential location and purpose of the identified improvements without intending to dictate a specific design or location. The final design of each site and facility project will take place once projects are funded and detailed programming and design occurs with the designated user group.

## Facilities Master Plan Guiding Principles //

### Student-Focused

As a premier California community college district, San Mateo County Community College District is committed to serving students and maximizing opportunities for success. This focus on students is a principle of the Educational Master Plan for each College that serves as the foundation for the recommendations that are described in this 2015 Facilities Master Plan Amendment.

### Quality Education

The recommendations in this report are focused on providing quality education to the San Mateo County communities served. The Educational Plans at each of the Colleges served as the basis for these recommendations and are translated into site and facility improvement projects for each of the three Colleges in the District.

### Fiscal Responsibility

Facilities Master Plan recommendations will be planned for maximum economic benefit, including flexibility of use, a cost/benefit evaluation of function, and an overall awareness of available fiscal resources.

### Safety and Security

All improvements will continue to ensure safety and security, which remains paramount for faculty, staff, and students. Improvements in lighting, security cameras, and secure spaces will give students, faculty, and staff the confidence to embrace their educational pursuits without distraction.

During the planning process, a number of guiding principles were identified and became an integral part of the 2015 Facilities Master Plan Amendment. These principles are summarized below and discussed in more detail throughout the document.

### Technology

All improvements will aim to incorporate the best use of emerging technologies to enhance learning environments and promote student success.

### Sustainability

The San Mateo County Community College District has demonstrated outstanding leadership in environmental stewardship and intends to further these programs by addressing Districtwide sustainability goals. This commitment to sustainability has resulted in substantial savings due to energy efficiency and reduced operational costs, thereby enhancing the District's ability to adequately fund its core educational mission. The 2015 Facilities Master Plan Amendment reinforces the District's intention to:

- Incorporate energy efficient practices, materials, and technologies.
- Raise public awareness about the importance of sustainability for the future.
- Develop campuses as learning environments that model sustainable practices.

The District will undertake a rigorous analysis of the cost effectiveness of emerging technologies and their contribution to overall fiscal responsibility prior to implementation.

### Accessibility

An objective discussed throughout the planning process was providing improved accessibility. At each College, there was discussion about ways to increase access to the campus, to support services, and to all areas of instruction. While many of the recently completed projects have improved access, the 2015 Facilities Master Plan Amendment includes additional recommendations for continued improvement.

### Campus Environments

Campuses are defined as much by their landscapes and open spaces, as their buildings. The District understands this and is committed to providing quality education within a healthy, sustainable, and beautiful environment. The 2015 Facilities Master Plan Amendment includes recommendations to continue the development of the College environments from the main gathering areas to the pedestrian pathways and landscaping to the parking lots.

### Community Service

The District appreciates the financial support provided by San Mateo County voters and intends to offer services to the larger community through shared use of facilities including Theaters, Performing Arts, Cafeterias, Meeting Rooms, and Athletic Facilities, as well as by encouraging community organizations and other public agencies to use the facilities for meetings, fundraising, and social events.

## Districtwide Projects //

### Districtwide Projects Completed Since 2011

- Electronic Security System Upgrade
- Electrical Vehicle Charging Station Installation
- Parking Lot and Roadways Repair

### Districtwide Master Plan Projects

- Electric Vehicle Charging Station Expansion
- Prop 39 Energy Projects
  - LED Lighting - Fixtures and Controls
  - HVAC Commissioning
  - Sustainable Energy Installations
- Tree Removal and Pruning, as needed
- Athletic Facility Lighting, as needed
- Pedestrian Access

1 Electric Vehicle Charging Station Ribbon Cutting

2 Electric Vehicle Charging Station





## Cañada College

### 2015 Facilities Master Plan Amendment to the 2011 Facilities Master Plan

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San Mateo County Community College District



## Mission, Vision, and Values //

### Mission Statement

Cañada College provides our community with a learning-centered environment, ensuring that students from diverse backgrounds have the opportunity to achieve their educational goals by providing transfer, career/technical, basic skills programs, and lifelong learning. The College cultivates in its students the ability to think critically and creatively, communicate effectively, reason quantitatively to make analytical judgments, and understand and appreciate different points of view within a diverse community.

### Vision

Cañada College is committed to being a preeminent institution of learning, renowned for its quality of academic life, its diverse culture and practice of personal support and development, extraordinary student success, and its dynamic, innovative programs that prepare students for the university, the modern workplace, and the global community.

### Values

- Transforming Lives
- High Academic Standards
- Diverse and Inclusive Environment
- Student Success in Achieving Educational Goals
- Community, Education, and Industry Partnerships
- Communication and Collaboration
- Engaging Student Life
- Accountability
- Sustainability
- Transparency

## Existing Conditions

### Existing Campus Plan //

Cañada College, constructed in 1968, is located on a hillside overlooking the Bay in the Redwood City/Woodside area. Recent building renovations and additions combined with significant landscaping, paving, and outdoor improvements have framed an internal campus Main Quad. These improvements provide a framework to support and grow student activities as needed to further enhance a true “campus feel.”

Although located in a beautiful hillside setting with wonderful views, some of the older buildings have limited connection to the campus core, limiting their ability to support an active, student-centered learning environment.

### Projects Completed Since 2011

- Buildings 5/6 Modernization
- Campus Site Improvements and Access
- Emergency Annunciation Expansion
- Athletic Fields Replacement
- Solar Array Installation
- Exterior Signage Improvements
- Electrical System Upgrade
- Loop Road Improvement
- Facilities Maintenance Center
- Tennis Courts Repairs
- Buildings 5/6/8/9 Water Intrusion

- 1 Landscaping improvements in Main Quad
- 2 Landscaping improvements in Lower Quad





## Recommendations

### 2015 Facilities Master Plan Amendment //

The 2015 Facilities Master Plan Amendment for Cañada College is based on the College's Educational Master Plan. It addresses the current and projected needs for the College and serves as a guide for future development. The recommendations included in this 2015 Facilities Master Plan Amendment address the Districtwide guiding principles that are summarized in the introduction. The College's Educational Master Plan and these guiding principles were integral in developing Facilities Planning Priorities that are specific to Cañada College and summarized below.

#### Facilities Planning Priorities

- Increase the number of large classrooms in order to support current program demand and improve utilization of facilities.
- Address the program needs for Science, Technology, Engineering, and Math (STEM), Allied Health, and Workforce Development-related programs and provide for the projected expansions of these programs.
- Modernize/renovate existing facilities to better support Performing and Creative Arts.
- Increase the College's ability to support transfer programs in Kinesiology, Personal and Professional Fitness Training, and Dance.
- Develop the campus environment to support student success.
  - Create spaces, both indoor and outdoor, to facilitate informal interaction between students, faculty, and staff.
  - Place student support services in easily identifiable and accessible locations.
- Incorporate site-relevant energy efficiency, sustainability, and renewable energy projects to:
  - Reduce operational costs.
  - Raise awareness in the community about sustainability.

#### Facilities Master Plan Projects

The projects recommended as part of this 2015 Facilities Master Plan Amendment for Cañada College are described on the following pages. These projects address the College's Facilities Planning Priorities, accommodate projected program growth, and define the vision for the future. The order of the projects described is based on the approximate location on campus and does not reflect a priority order.

#### New Construction

- Math/Science/Engineering Building - New
- Building 1, Kinesiology/Wellness - Demolition and Reconstruction

#### Modernization/Renovation of Existing Facilities

- Building 3, Performing Arts Center
- Building 9, Library/Student Resource Center
- Building 13, Multi-Disciplinary Instructional Center
- Buildings 16 and 18, Instructional Buildings

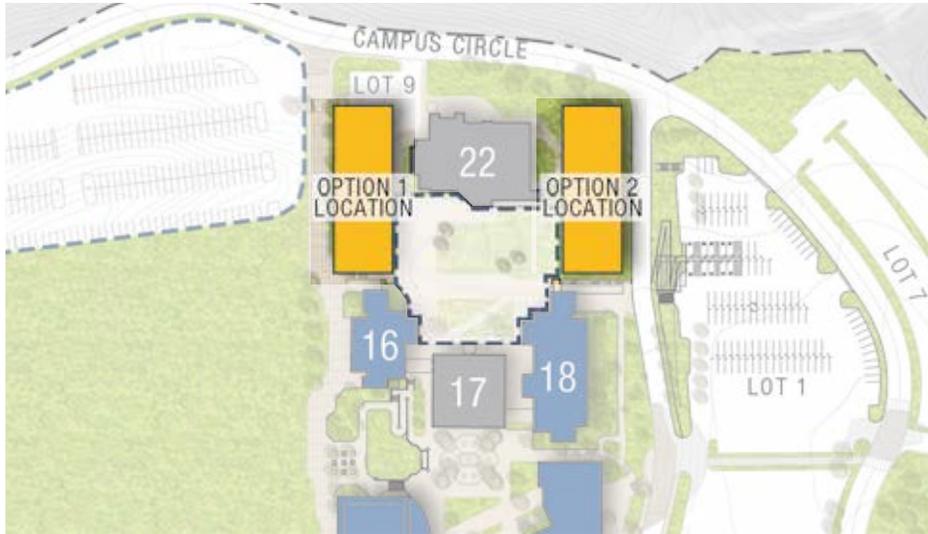
#### Proposed Site Development

- North Quad Development
- Parking Expansion

#### Demolition of Existing Facilities

- Removal of Portable Buildings 19, 20, and 21



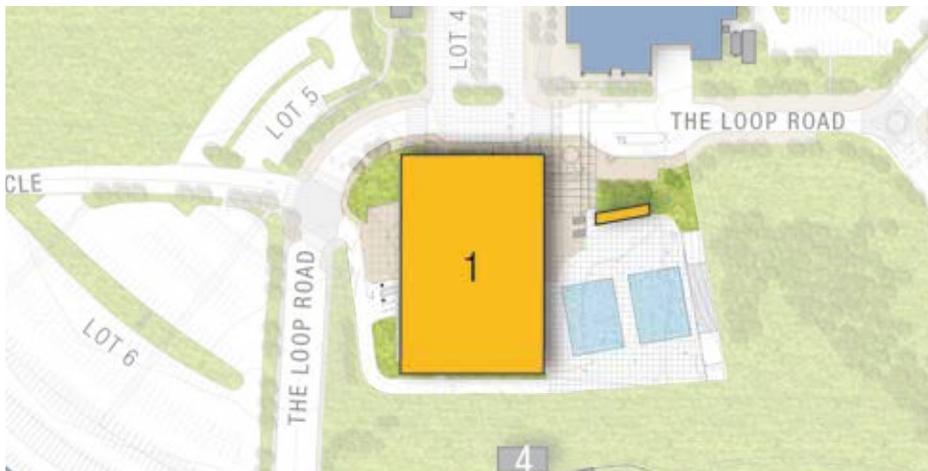


**New Math/Science/Engineering Building**

The new Math/Science/Engineering Building will address the growing demand for instructional programs in a number of areas including physical sciences, biological sciences, computer science, engineering, and radiology technology. Modern instructional space will enhance the capacity to serve these programs and provide much needed support space. In addition, this building will include large lecture halls, computer labs, and study rooms.

**North Quad Development**

The Quad will be designed to support the adjacent programs, to create additional spaces for student collaboration, and to tie pedestrian circulation to newly-developed campus thresholds.



**New Building 1, Kinesiology/Wellness**

The new Kinesiology/Wellness Building will address the demand for programs in fitness, dance, wellness, and aquatics for both instructional and community needs. The new facility will replace the existing 43-year-old Building 1, Gymnasium, with a modernized facility that supports a wide range of academic and athletic programs offered by the College. Programs contributing to the completion of certificate degrees and transfers in Kinesiology and Human Performance are expected to include:

- Personal Training
- Yoga Instructor Training
- Pilates Instructor Training
- Group Exercise Instructor Training
- Dance



### Modernization/Renovation of Building 3, Performing Arts Center

The existing Building 3 will be modernized/renovated to support the College's Humanities, Social Science, Performing and Creative Arts programs. Existing spaces will be reconfigured to support evolving academic program needs, provide additional classroom space, address building code issues, and create improved teaching and learning environments. This project will further strengthen community partnerships founded upon a vibrant arts curriculum.

### Modernization/Renovation of Building 9, Library/Student Resource Center

This project recommends the reconfiguration of the building to create an integrated library and learning resource center. A new west-side entrance will also be developed to improve access to academic and student support services.

### Modernization/Renovation of Building 13, Multi-Disciplinary Instructional Center

Building 13 frames the campus core on the west side. This modernization/renovation project includes a reconfiguration of the building to address instructional needs. Recommendations for this building also include the transformation of a closed, inwardly-focused structure into an active, open facility that supports program needs and engages with the campus core.

### Modernization/Renovation of Buildings 16 and 18, Instructional Buildings

Following the relocation of programs currently housed in Buildings 16 and 18, portions of these buildings will be modernized/renovated for different uses.



### Parking Expansion

Two areas on the campus are identified for potential parking expansion, Lots 6 and 10. Pedestrian pathways will be developed to connect to the campus core.

College of San Mateo

## College of San Mateo

### 2015 Facilities Master Plan Amendment to the 2011 Facilities Master Plan

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San Mateo County Community College District



## Mission/Diversity Statements //

### Mission Statement

College of San Mateo provides an exceptional educational opportunity to residents of San Mateo County and the Greater Bay Area. The College is an open-access, student-centered institution that serves the diverse educational, economic, social, and cultural needs of its students and the community. College of San Mateo fosters a culture of excellence and success that engages and challenges students through a comprehensive curriculum of basic skills, career and technical programs, and transfer preparation. It uses analysis of quantitative and qualitative data and information, collaborative integrated institutional planning, and assessment to inform decision-making and ensure continuous improvement. Its programs and services are structured, delivered, and evaluated to prepare students to be informed and engaged citizens in an increasingly global community. To achieve this mission, the College has adopted the following Institutional Priorities:

1. Improve Student Success
2. Promote Academic Excellence
3. Promote Relevant, High-Quality Programs and Services
4. Promote Integrated Planning, Fiscal Stability, and the Efficient Use of Resources
5. Enhance Institutional Dialog

### Diversity Statement

College of San Mateo maintains a policy of inclusiveness that recognizes, values, and reflects the diversity of the community it serves. As an academic institution, the College fosters a dynamic learning and working environment that encourages multiple perspectives and the free exchange of ideas. The College abides by the principle of equal opportunity for all without regard to gender, color, race, ethnicity, national origin, religion, age, economic background, sexual orientation, and physical, learning, and psychological differences.

## Existing Conditions

### Existing Campus Plan //

College of San Mateo, at the northern edge of Silicon Valley, occupies a 153-acre site in the San Mateo hills that provides a panoramic view of San Francisco Bay.

The recent addition of several major new buildings and the renovation and demolition of others, combined with significant landscaping and paving projects, have addressed program needs and enhanced the overall campus experience. The development of the strong north-south axis strengthens connections to both the Main Quad and some key campus facilities including the new Health and Wellness Center, the Fine Arts Complex, and parking.

While offering majestic views, the hillside setting has presented some challenges for development over the years. With buildings and parking lots located at a variety of levels, pedestrian access paths are often difficult to navigate, and campus wayfinding from some of the outlying areas into the campus core is challenging.

### Projects Completed Since 2011

- Renovation of Building 34, Fire Science/Information Technology Services
- Landmark Entrance/Vehicular Circulation/Site Work
- Underground Site Utilities
- Campus-wide Site Improvements
- Exterior Building Repainting
- Hillsdale Lot Stormwater Management and Paving
- Emergency Annunciation Expansion
- Exterior Building Signage

1 Building 10, College Center

2 Building 5, Health and Wellness





## Recommendations

### 2015 Facilities Master Plan Amendment //

The 2015 Facilities Master Plan Amendment for College of San Mateo is based on the College's Educational Master Plan. It addresses the current and projected educational needs for the College and serves as a guide for future development. The recommendations included in this 2015 Facilities Master Plan Amendment are based upon guiding principles summarized in the introduction to this document and the College Educational Plan.

#### Facilities Planning Priorities

- Modernize/renovate existing buildings to better support classroom instruction and student support services needs.
- Create clearly identifiable, ADA-compliant pedestrian pathways.
- Celebrate the experience of College life by developing interior and exterior spaces that reinforce the importance of and appreciation for education.
- Enhance the District's maintenance and recycling capabilities by providing support facilities.
- Incorporate renewable energy technologies to:
  - Reduce operational costs.
  - Provide leadership in the education of students.
  - Raise awareness in the community about the potential of renewable energy.
- Integrate sustainable design practices in future new construction and modernization/renovation projects to increase energy efficiency, reduce water usage, and improve the teaching and learning environment.

#### Facilities Master Plan Projects

The projects recommended as part of this 2015 Facilities Master Plan Amendment for College of San Mateo are described on the following pages. These projects address the College's Facilities Planning Priorities, accommodate projected program changes, and define a vision for the future. The order of the projects described is based on the approximate location on campus and does not reflect a priority order.

#### New Construction

- Building 5, Workforce/Allied Health Programs Expansion
- Building 8, Kinesiology/Wellness - Demolition and Reconstruction
- Building 19, Center for Innovation and Emerging Technologies - Demolition and Reconstruction

#### Modernization/Renovation of Existing Facilities

- Building 1, Public Safety/Multi-Disciplinary
- Building 3, Humanities/Arts
- Building 7, Facilities Maintenance Center
- Building 9, Library/Information Technology Services
- Building 17, Student Support Services
- Building 34, Fire Science/Facilities Management

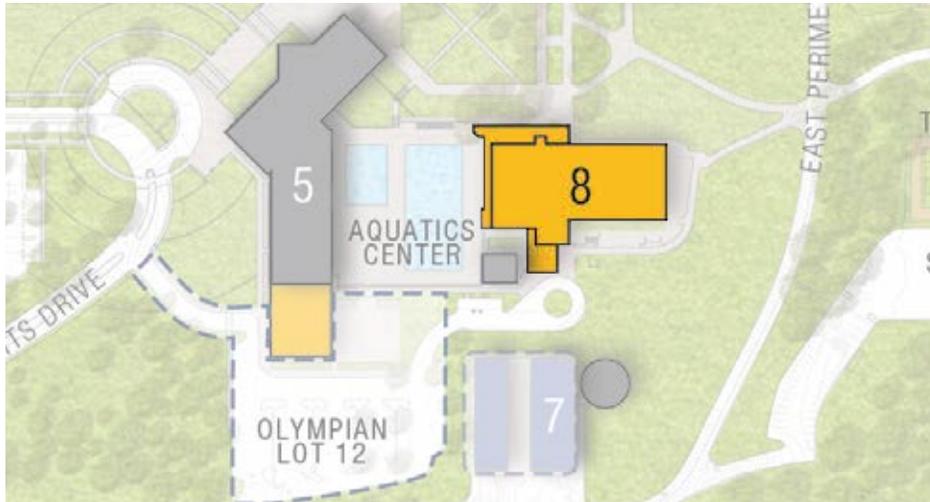
#### Demolition of Existing Facilities

- Building 12, East Hall
- Building 20, Horticulture
- Building 20A, Greenhouse

#### Proposed Site Development Projects

- Corporation Yard
- Parking Expansion
- Renewable Energy Installation

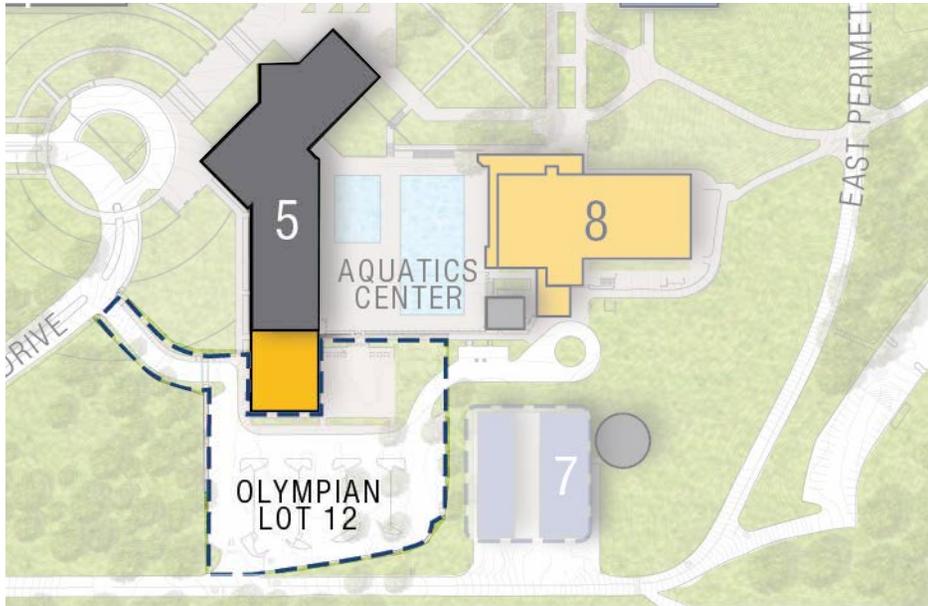




### New Building 8, Kinesiology/Wellness

The new Kinesiology/Wellness Building responds to the demand for instructional and training programs in fitness, wellness, and aquatics. The new facility will replace the existing 51-year-old Building 8, Gymnasium, with a modernized facility that supports the academic programs offered by the College. Programs contributing to the completion of certificate degrees and transfers in Kinesiology and Human Performance are expected to include:

- Personal Training
- Yoga Instructor Training
- Pilates Instructor Training
- Group Exercise Instructor Training
- Dance

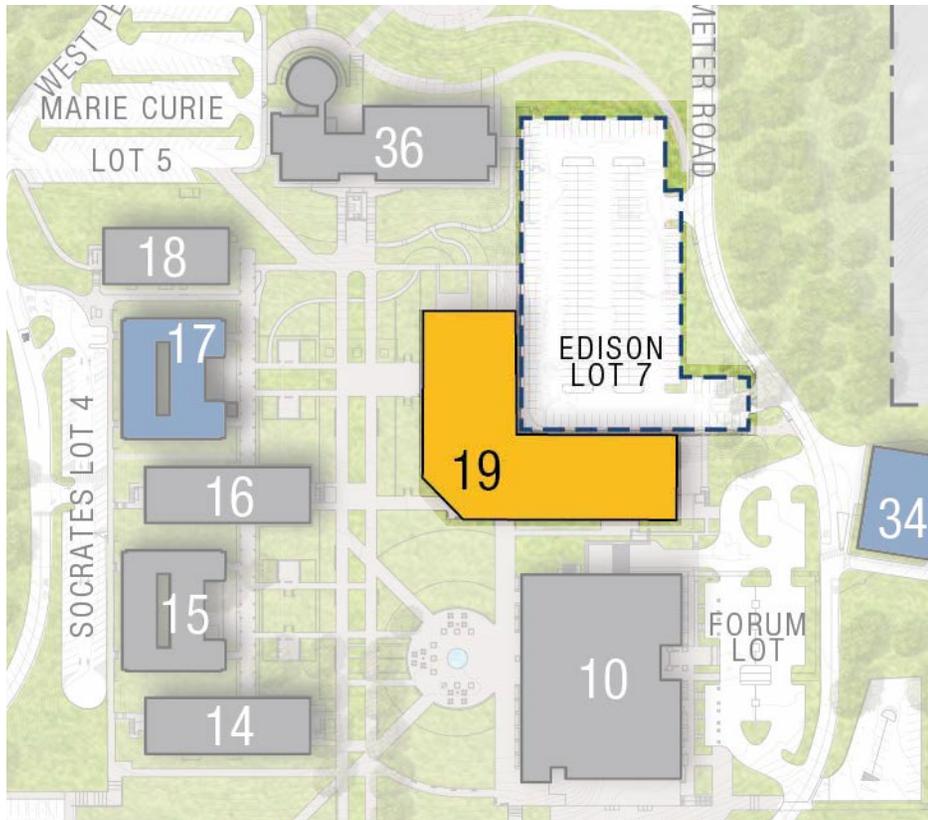


### Expansion of Building 5, Workforce/Allied Health Programs

Building 5 houses a variety of allied health programs, including nursing, dental assisting, cosmetology, wellness, and aquatics for both instructional and community needs. This project includes the reconfiguration and expansion of Building 5 to address growing demand for programs located in the building and to support community education.

Sitework associated with this project may include reconfiguration of parking lots, access roads, and walkways, as needed.

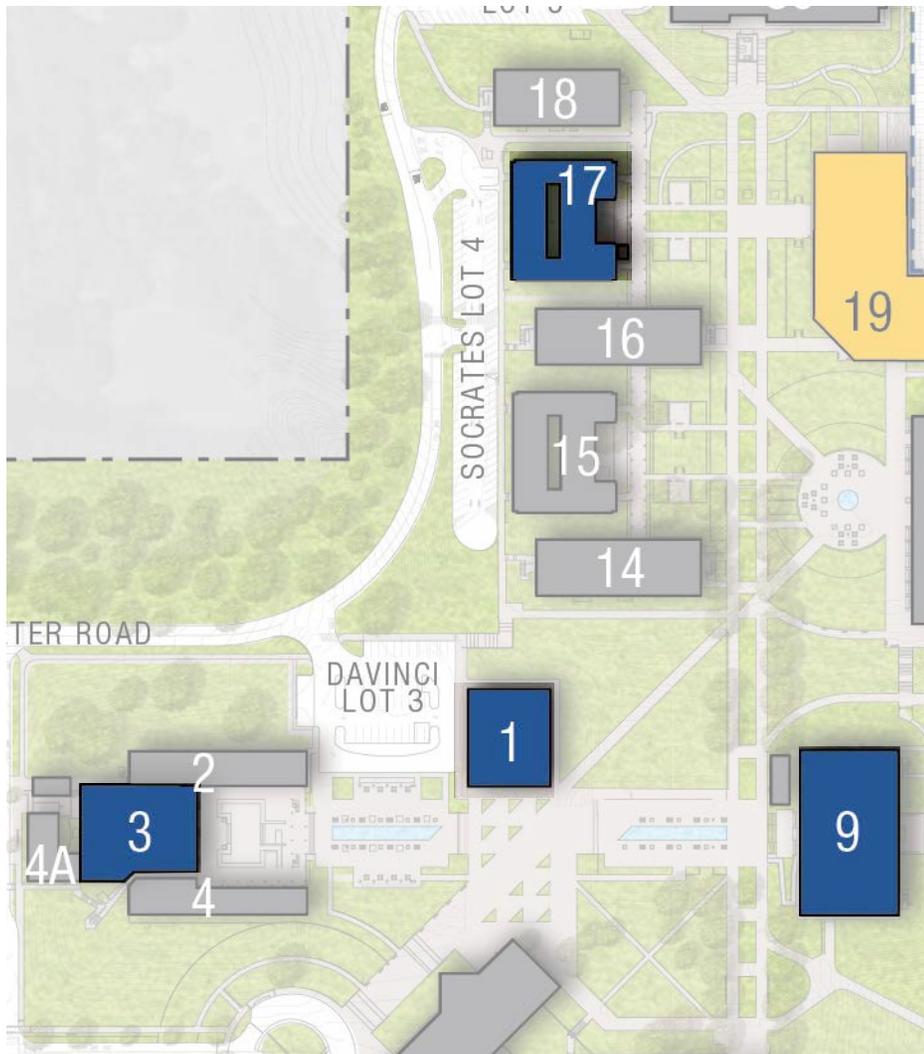




### New Building 19, Center for Innovation and Emerging Technologies

The new Building 19 will replace both the existing Building 12, East Hall, and Building 19, Emerging Technologies, and provide for the centralization of the growing engineering and emerging technology programs and the creation of a tech shop to support student and community innovation. The new building will support the mission of integrative learning wherein departments actively blend curricula and faculty to bring different disciplines together to work on projects.

Sitework associated with this project will include reconfiguration/expansion of parking lots, access roads, and walkways.



#### Modernization/Renovation of Building 1, Public Safety/Multi-Disciplinary

Building 1 will be modernized to address current building code deficiencies and to improve accessibility. The project will provide improved space for critical student support services, such as the Health Center, Psychological Services, and Department of Public Safety.

#### Modernization/Renovation of Building 3, Humanities/Arts

This project will complete the modernization/renovation of Building 3, which has undergone partial renovations over the past 40 years. A substantive remodel and reconfiguration of spaces will address program needs and bring the facility into the 21st century. Classroom modernizations/renovations will be included as part of this project, including introducing smart classroom technologies, enhancing safety and security, modernizing climate controls to improve indoor air quality, renovating restrooms, and addressing ADA accessibility issues.

#### Modernization/Renovation of Building 9, Library/Information Technology Services

The Library has been upgraded for seismic safety, but program needs have not yet been fully addressed. The modernization/renovation of this building will incorporate state-of-the-art technologies to address changes in the way students, faculty, and staff access information. The modernization/renovation of the building will include repurposing space for the consolidation of the Information Technology Services Department and modernized climate controls to improve indoor air quality.

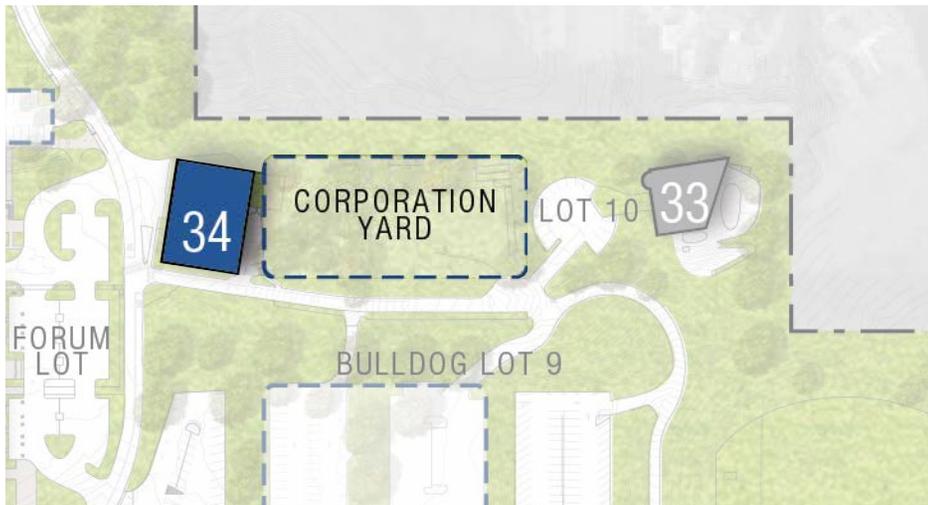
#### Modernization/Renovation of Building 17, Student Support Services

Building 17 will be modernized/renovated to provide additional space for student support services.



**Modernization/Renovation of Building 7, Facilities Maintenance Center**

The Facilities Maintenance Center is nearly 50 years old, is in great disrepair, and has outdated systems and equipment. This project includes the relocation of Facilities Management to Building 34, and the vacated space will be repurposed for shops and storage.



**Modernization/Renovation of Building 34, Fire Science/Facilities Management**

Following the relocation of Information Technology Services, portions of Building 34 will be reconfigured to house facilities management and planning functions relocated from Building 7.

**Corporation Yard**

Modernizations/renovations to the College's Corporation Yard will include the expansion of the existing yard and the addition of service vehicle protection and equipment, as well as improvements to paving, lighting, and fencing.



# **Skyline College**

## 2015 Facilities Master Plan Amendment to the 2011 Facilities Master Plan

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San Mateo County Community College District



## Mission, Vision, Values, and College Goals //

### Mission

To empower and transform a global community of learners.

### Vision

Skyline College inspires a global and diverse community of learners to achieve intellectual, cultural, social, economic and personal fulfillment.

### Values

Education is the foundation of our civilized democratic society. Thus:

**Campus Climate:** We value a campus-wide climate that reflects a ‘students first philosophy’ with mutual respect between all constituencies and appreciation for diversity. Both instruction and student services are dedicated to providing every student with an avenue to success.

**Open Access:** We are committed to the availability of quality educational programs and services for every member of our community regardless of level of preparation, socio-economic status, cultural, religious or ethnic background, or disability. We are committed to providing students with open access to programs and responsive student services that enable them to advance steadily toward their goals.

**Student Success:** We value students’ success in achieving their goals, and strengthening their voices as they transform their lives through their educational experience.

**Academic Excellence:** We value excellence in all aspects of our mission as a comprehensive community college offering preparation for transfer to a baccalaureate institution, workforce and economic development through career/technical education programs and certificates, Associate of Arts and Associate of Science degrees, basic skills development, and lifelong learning. We are committed to academic rigor and quality with relevant, recent, and evolving curriculum and well-equipped programs that include new and emerging areas of study. We are dedicated to an educational climate that values creativity, innovation and freedom of intellectual exploration, discovery, thought, and exchange of ideas.

**Community Connection:** We value a deep engagement with the community we serve and our role as an academic and cultural center for community including business, industry, labor, non-profits, government and the arts. We are dedicated to maintaining a college culture and institutional climate that is warm and welcoming to all.

**Participatory Governance:** We value just, fair, inclusive, well understood, and transparent governance processes based upon open and honest communication.

**Sustainability:** We value an institutional culture that represents a strong commitment to environmental sustainability and justice. We are committed to the tenets of sustainability “To meet present needs without compromising the ability of future generations to meet their needs.”

### College Goals

1. Develop the scope, quality, accessibility and accountability of instructional and student service offerings, programs and services to lead the San Francisco Bay region in transferring students, awarding degrees and certificates and reflecting social and educational equity.
2. Enhance institutional effectiveness in planning and decision-making processes through cooperative leadership, effective communication and participatory governance.
3. Fulfill the College’s role as a leading academic and cultural center for the community.
4. Provide human, physical, technological and financial resources to ensure excellent educational programs and student services in order to support students in attaining their educational goals and improve institutional effectiveness.
5. Recruit, retain and support a world-class faculty, staff and administration that is committed to ongoing improvement through access to opportunities for professional growth and advancement.
6. Play a central role in the preparation of the region’s workforce and expand networks and partnerships with businesses, the community and non-profit organizations.
7. Establish and maintain fiscal stability and alignment of programs and services to the core Mission, Vision, and Values of the College.
8. Internationalize the educational experience by enriching the College with a diverse community of learners representing the collective resources of humanity and engaging in a vibrant dialogue that engenders an understanding of others.

**Existing Conditions****Existing Campus Plan //**

Skyline College opened in 1969 and is located just west of Skyline Boulevard in San Bruno. The hilly site offers a wonderful view of the Pacific Ocean and borders designated open space to the west. On the south, it is bordered by significant stands of trees. The campus buildings, however, focus primarily inward, toward the campus core. This dual focus — in toward the campus core and out toward access roads and parking — is challenging. Creation of a welcoming destination while providing adequate service entries is a key priority.

The recent addition of Building 4, Administration, Cosmetology, and Multicultural Center, and the adjacent traffic changes alleviate some of these challenges on the northern portion of campus.

**Projects Completed Since 2011**

- Site Security Cameras
- Electrical Infrastructure Upgrade
- Building 6 Public Area Enhancements
- Lot K and M Drainage and Sidewalk Improvements
- Emergency Annunciation Expansion
- Campus-wide Site Improvements
- Campus-wide Signage

1 Building 3, Gymnasium, Mural

2 Building 6, Student Services





## Recommendations

### 2015 Facilities Master Plan Amendment //

The 2015 Facilities Master Plan Amendment for Skyline College is based on the College's Educational Master Plan. It addresses the current and projected needs for the College and serves as a guide for future development. The recommendations included in this 2015 Facilities Master Plan Amendment address the Districtwide guiding principles that are summarized in the introduction. The College's Educational Master Plan and these guiding principles were integral in developing Facilities Planning Priorities that are specific to Skyline College and summarized below.

#### Facilities Master Planning Priorities

- Reinforce the Skyline College presence as a quality institution of higher education focused on student success.
- Place student support services in easily identifiable and readily accessible locations.
- Modernize/renovate existing buildings to better support classroom instruction and student support services.
- Plan for new and updated facilities to consolidate growing campus programs including Performing Arts, Environmental Sciences, and Health and Wellness.
- Recognize opportunities to take advantage of the College's beautiful natural setting by creating sheltered exterior spaces to maximize the potential for enjoyment of the outdoors.
- Create a significant gateway entrance into the campus core along the College's southern edge.

- Enhance pedestrian pathways from parking lots and between existing buildings to improve pedestrian flow and increase the safety and security of users.
- Plan for potential on-campus faculty/staff housing.
- Integrate sustainable design practices, materials, and technologies in new construction and modernization/renovation projects in order to:
  - Reduce operational costs.
  - Provide leadership in promoting sustainable practices and responsible management of our community resources.
  - Create facilities that represent an example of sustainable practices.

#### Facilities Master Plan Projects

The projects recommended as part of this 2015 Facilities Master Plan Amendment for Skyline College are described on the following pages. These projects address the College's Facilities Planning Priorities, accommodate projected program growth, and define a vision for the future. The order of the projects described is based on the approximate location on campus and does not reflect a priority order.

#### New Construction

- Building 1, Social Science/Creative Arts Programs - Demolition and Reconstruction
- Environmental Sciences Building - New
- Energy Management Programs - New
- Boiler Plant - New

#### Future New Construction

- Kinesiology/Wellness Building

#### Modernization/Renovation of Existing Facilities

- Building 2, Workforce/Economic Development Prosperity Center
- Building 5, Library/Learning Resource Center
- Building 14, Early Childhood Education (Loma Chica)
- Utilities Plant (MPOE)

#### Demolition of Existing Facilities

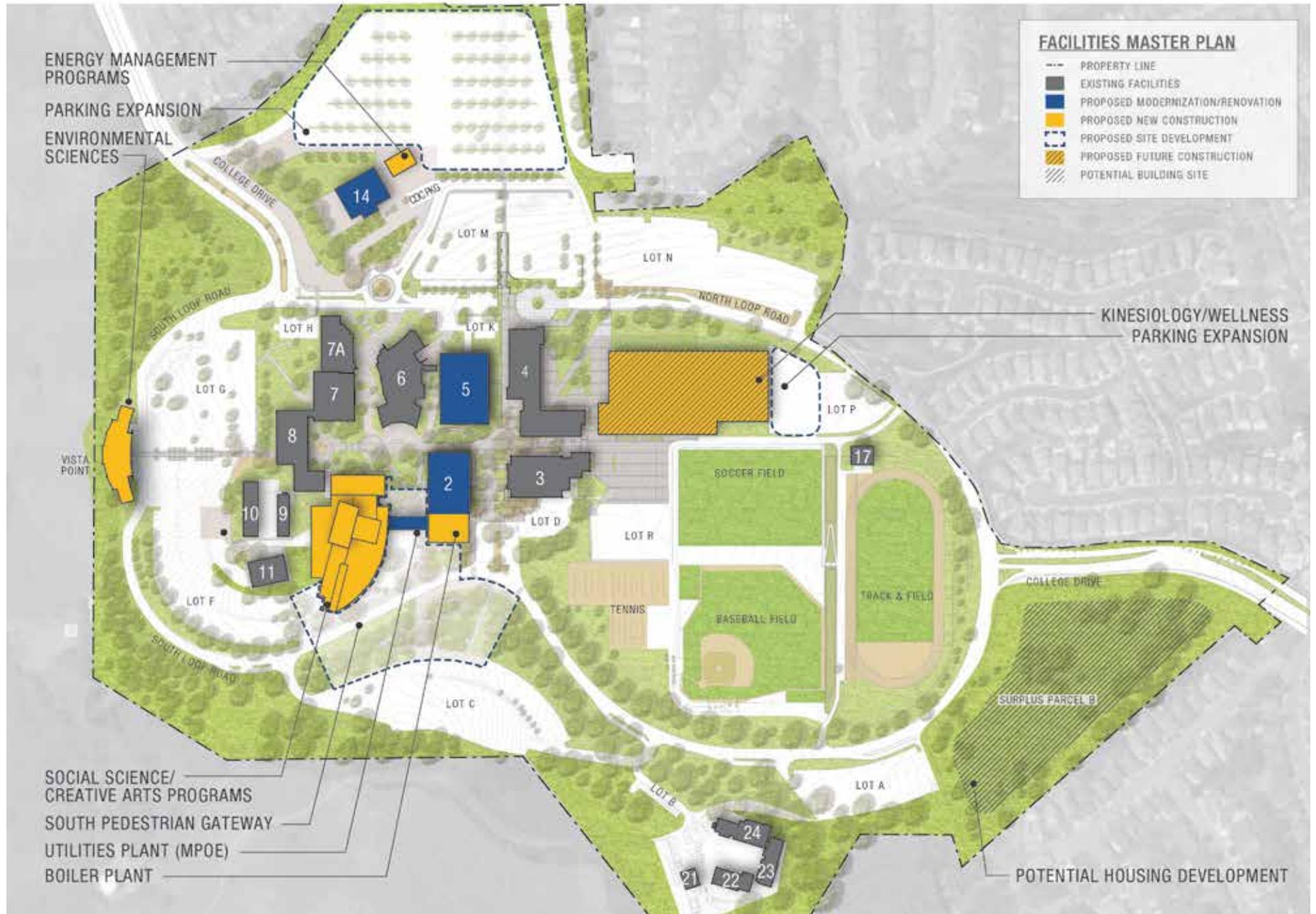
- Building 19, Pacific Heights
- Portable Buildings 3A through 3E

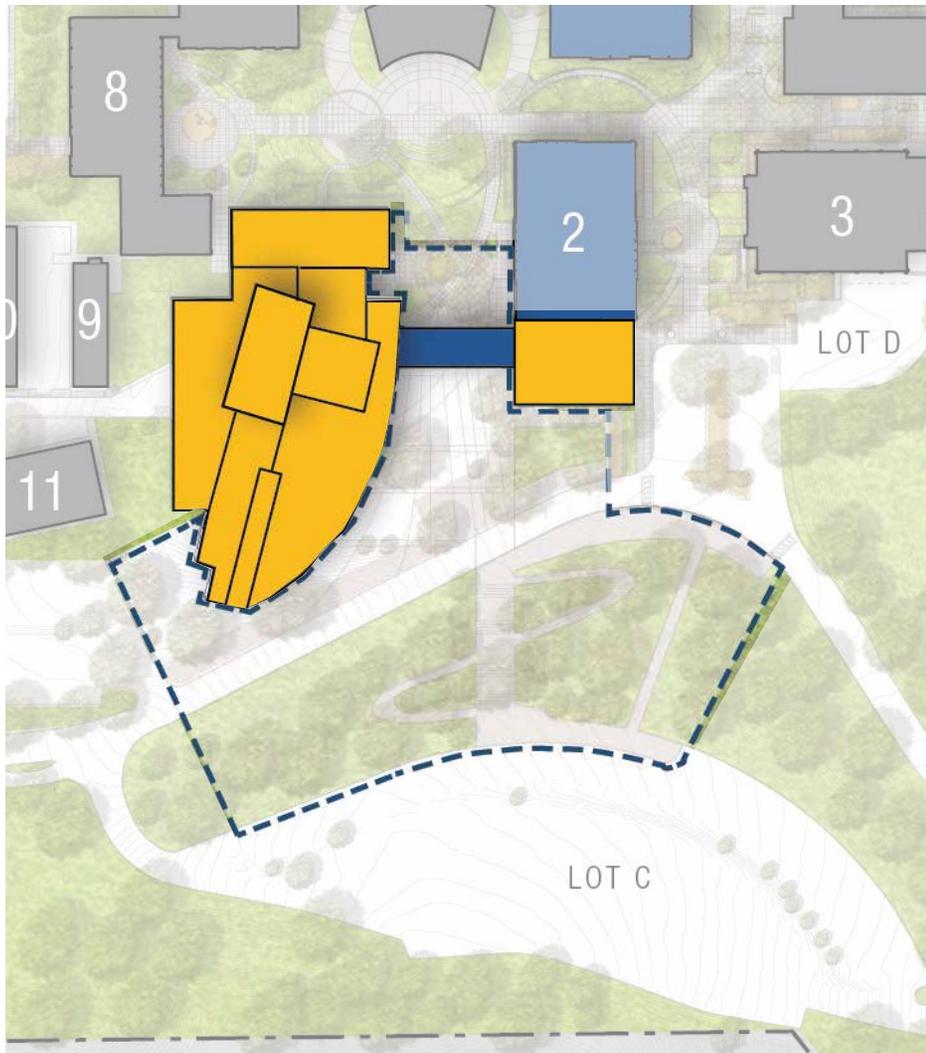
#### Proposed Site Development

- South Pedestrian Gateway
- Parking Expansion
- Renewable/Energy Efficiency Improvements

#### Potential Building Sites

- Housing Development





### New Building 1, Social Science/Creative Arts Programs

This new building will replace all or significant portions of Building 1 in its current location to accommodate instructional and support needs. Laid out inefficiently for its current use, the outdated building does not meet current seismic and accessibility standards, and contains hazardous materials dating from the original construction. Significant portions of the building will be demolished and replaced with a new building for Social Science/Creative Arts Programs, such as administrative justice, paralegal studies, performing arts, music, 2D design, 3D design, sculpture, and ceramics.

### New South Pedestrian Gateway

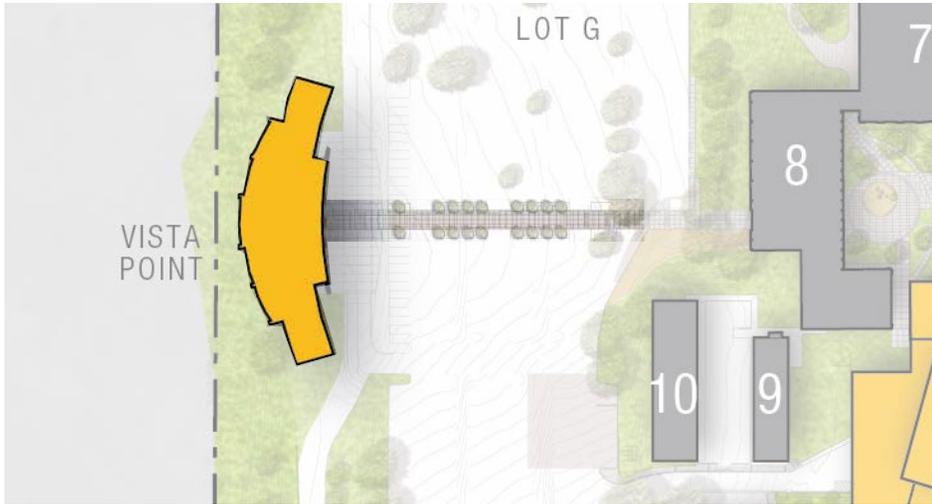
A new gateway will be designed in conjunction with the proposed new Building 1, Social Sciences and Creative Arts, to define a clear point of entry leading into the campus core from the south. The new entry will gracefully accommodate the grade changes between the perimeter road and the campus core and will be designed to accommodate those arriving in cars or on foot from Parking Lot C.

### Modernized/Renovated Utilities/Infrastructure Plant (MPOE)

Housed within the existing Building 1 is the College's Main Point of Entry (MPOE) for telephone and data communications, the main campus electrical substation, central plant and supporting utilities, which are critical to campus operations. Demolition of existing Building 1, MPOE, and utilities will require careful logistical planning for this critical infrastructure. Utilities and Infrastructure Plant (MPOE) will be preserved and modernized as part of the reconstruction.

### New Boiler Plant

The existing campus boiler plant is original and is now over 50 years old. The boiler plant has exceeded its useful life and will be replaced with an energy efficient installation in a new location.



### New Environmental Science Building

With the increased awareness and growth of green technologies, the College has experienced increased demand in the environmental sciences. The programs are currently housed in scattered locations around the campus. This new building will serve as a model for sustainability and a home to the environmental sciences. This site is situated in proximity to areas ideally suited to promote study of environmental and conservation programs.





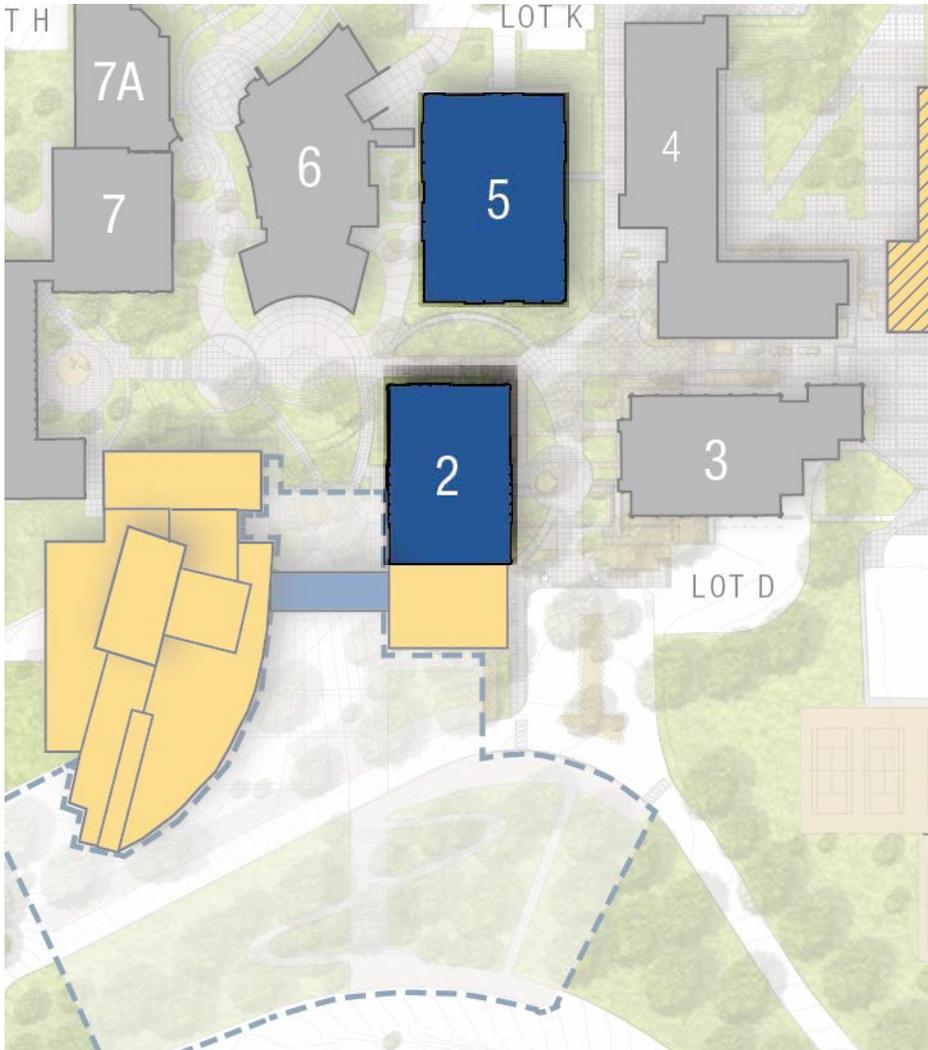
### Future Kinesiology/Wellness Building

The new Kinesiology/Wellness Building will address the growing demand for programs in fitness, wellness, and aquatics for both instructional and community needs. The Wellness Center facilities will include Fitness Training, Spinning classes, Sports Medicine Training, an area for Yoga, Dance, and Pilates, a Multi-Purpose Gymnasium, an Aquatics Center, Indoor Soccer, and an Indoor Running Track.

The planned location of this building near the new Administration, Cosmetology, and Multicultural Building brings Cosmetology and Wellness programs together and will allow the programs to serve a broader audience of students and public patrons who might not be aware of the diverse offerings that Skyline College offers.

This project is not included in the current construction program.





#### Modernization/Renovation of Building 2, Workforce/Economic Development Prosperity Center

Building 2 currently houses student support services and instruction. The One Stop Student Services Center has outgrown the space. Pending state approval, this building will be modernized/renovated to provide additional and improved space for student support services and instruction.

#### Modernization/Renovation of Building 5, Library/Learning Resource Center

The existing Library and Learning Resource Center will be modernized/renovated to incorporate state-of-the-art technologies to address changes in the way students, faculty, and staff access information, collaborate with one another on group projects, and provide and receive tutoring. The exterior landscape around the Library will be reconfigured to create a welcoming entry and clear pedestrian pathways to Building 4, Administration, Cosmetology, and Multicultural Center, and the Main Quad.



**Modernization/Renovation of Building 14, Early Childhood Education (Loma Chica)**

This project includes the modernization/renovation of Building 14 to address building code requirements for accessibility and fire/life safety.

**New Energy Management Programs**

Energy Management programs to be housed adjacent to Building 14 include sustainable residential construction, solar photovoltaics design and installation, building science and performance, solar thermal technology, and energy summer camps.

**Parking Expansion**

Following the demolition of Building 19, Pacific Heights, this area will be converted to additional parking.



**Potential Housing Development**

Surplus Parcel B is identified as a site for a potential staff housing development.



**BOARD REPORT NO. 15-1-105B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

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

**APPOINTMENT OF DIRECTOR FOR THE SAN MATEO COUNTY  
COLLEGES EDUCATIONAL HOUSING CORPORATION**

According to the bylaws of the San Mateo County Colleges Educational Housing Corporation, the District Board of Trustees appoints members of the Housing Corporation Board. The bylaws state that a Director may serve a maximum of two consecutive four (4) year terms. The terms of one director—Tom Vocker, CPA— expired on December 31, 2014.

Since its inception, the non-employee members of the Board have included a Certified Public Accountant, two property managers and a real estate attorney. Other members include two College Board Members, the Executive Vice Chancellor and one representative each from classified staff and faculty.

Dennis McBride is a local CPA who has been a member of the Redwood City School District Board of Trustees since 2003 and is a strong supporter of schools at all levels. He has served on School Site Councils, the Redwood City Education Foundation board, and on the Sequoia High School District Bond Oversight Committee. He has had a long corporate career as a CPA serving a number of Peninsula and Santa Clara County businesses.

**RECOMMENDATION**

It is recommended that the Board appoint Dennis McBride, CPA, as a Director of the San Mateo County Colleges Educational Housing Corporation for a four-year term of office beginning January 1, 2015.

**BOARD REPORT NO. 15-1-106B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Jose D. Nuñez, Vice-Chancellor, Facilities Planning, Maintenance & Operations, 358-6836

**AUTHORIZATION FOR EXECUTIVE VICE CHANCELLOR TO EXECUTE OR RENEW  
CONTRACT WITH AN ENERGY SERVICE PROVIDER  
FOR PURCHASE OF ELECTRICITY**

On September 25, 2002 (Board Report No. 02-9-104B), the Board approved ratification of an electricity service agreement with AES/NewEnergy, Inc. (now known as Constellation NewEnergy, Inc.). The Board subsequently approved renewals of the agreement.

The Community College League, together with the League's Energy Consultant and with Constellation NewEnergy (CNE), has worked closely with participating Districts to ascertain if remaining on direct access electrical service is in their best interests. By procuring direct access electricity, the District preserves its ability to purchase electricity in the future using this method, thus retaining the best opportunity to achieve favorable market rates for the commodity, as well as lock in costs for budgeting purposes. In addition to the direct savings made possible by the League's procurement efforts, they have also been very successful in a variety of regulatory and other adversarial proceedings that have resulted in millions of dollars of additional savings and financial protection to community college districts on direct access. For these reasons, together with the proven benefits of being on direct access since 1998, procuring direct access electricity from an Energy Service Provider (ESP) is in the District's best interest.

The District's current contract with CNE is good through June 30, 2016 and has a fixed rate of \$0.051432 per kWh for FY14-15 and \$0.04733 for FY15-16. Current market rates for electricity continue to be favorable for direct access customers. California Independent System Operator (ISO) charges, all applicable taxes, and any new California Public Utilities Commission or Department of Water and Power charges are passed through to the District. Energy distribution charges will continue to be billed directly by PG&E.

The District would like to have the flexibility to enter into an agreement either with CNE or another competitive entity as necessary to take advantage of the most attractive market prices. Although the District could potentially commit to a vendor and utility pricing at any time during the next several months, the actual service for a new agreement will not commence until July 1, 2016.

**RECOMMENDATION**

In order to secure attractive pricing for electricity in a fluctuating market, it is recommended that the Board of Trustees authorize the Executive Vice Chancellor to either renew the agreement with CNE or execute a similar agreement with another energy service provider for provision of electricity at an appropriate time so as to secure a favorable rate. The actual service for a new agreement would begin on July 1, 2016.

**BOARD REPORT NO. 15-1-107B**

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, 2010, 2011 and 2012, the Board discussed implementation of the 5% annual compensation increase and unanimously agreed to bypass an increase because of the economic climate. In January 2013 and January 2014, the Board approved a 5% increase in Board member compensation.

**RECOMMENDATION**

Board determined.

**BOARD REPORT NO. 15-1-6C**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: José D. Nuñez, Vice-Chancellor, Facilities Planning and Operations, 574-6512  
Sue Harrison, Director, General Services, 358-6879

**2015 CONTRACTOR PREQUALIFICATION UPDATE**

The District has required prequalification of prospective bidders on public works projects subject to public bidding requirements since April 2000, when the Board of Trustees approved use of Public Contract Code Section 20111.5. Under these provisions, only prequalified bidders are eligible to submit bids for District construction projects. During the first two phases of the Capital Improvement Program (CIP), the process provided the District with a pool of highly qualified contractors using an extensive application process. This process has been refined through more than a decade of use, and continues to deliver a robust pool of reputable firms, an integral component of successful project delivery.

The 2015 prequalification process began in October 2014. Notifications of the application process were placed on the District's Facilities website, in legal advertisements, through emails to previously prequalified contractors, and other informal outreach efforts by individual staff members. A non-mandatory prequalification conference was held on November 2014 to give applicants information about the process and to answer contractor questions. Nine firms attended the non-mandatory conference. The deadline for application submission was December 15, 2014. Due to adverse weather conditions throughout the Bay Area at that time, the District extended the deadline to December 17, 2014. The contractors will be officially notified of their prequalification status promptly upon completion of the evaluation process.

San Mateo County Community College District requires its prequalified contractors to meet certain applicable criteria, such as:

- Construction Experience
- Contractor's License
- Work History
- Litigation and Arbitration History
- Disqualification from Previous Projects
- Compliance with Statutory Requirements
- Documented Safety Record
- Prevailing Wage Requirements
- Project Personnel
- Benefits and Retirement Programs
- Insurance Requirements and Bonding Information
- Financial Information

Submitted applications are reviewed for thoroughness and completeness. The contractor's license must be confirmed on the Contractors State License Board website. Other qualitative documents that staff reviews include: project experience, certified payroll examples, résumés of key personnel, certified financial statements, letter from a surety company confirming bonding capacity, claims history, and current Certificates of Insurance.

A total of 127 applications were submitted for consideration for 2015 prequalification. Four applications were immediately deemed ineligible for review due to either lack of a contractor's license or late submittal, resulting in a total of 124 valid applications. This is a 13% increase from the 2014 pool of 110 applications.

As of January 20, 2015, staff has evaluated the 124 valid submitted applications. One hundred four (104) firms appear to meet all published criteria and will be included in the 2015 pool pending confirmation of safety record data and registration with the Department of Industrial Relations (DIR). Confirmation of safety record data is expected from the District's Owner Controlled Insurance Program (OCIP) by close of business January 21, 2015. Senate Bill 854 was enacted in June of 2014, and requires all contractors performing Public Works Construction to register with the DIR, effective April 2015. Although the requirement is not effective until April 2015, registration is now available. Staff elected to include this registration as part of the published prequalification criteria to circumvent any potential contractor failures to register after April 2015. Ten (10) of the one hundred twenty four (124) firms submitting for 2015 prequalification are now working to complete this DIR registration in order to conform to the District's prequalification requirements.

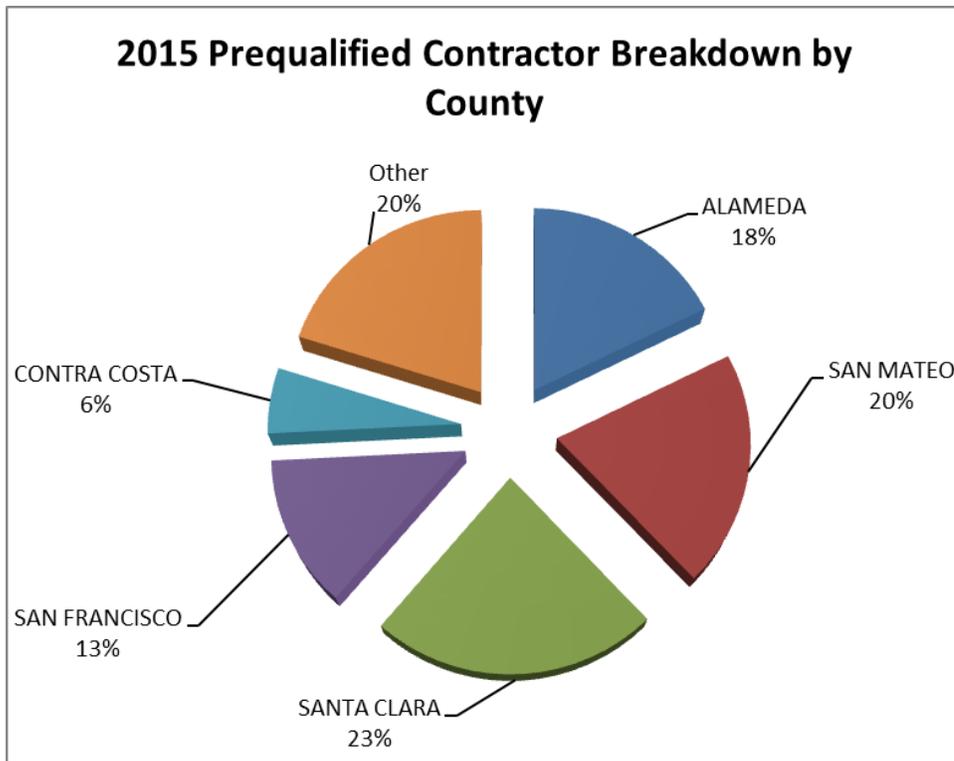
Nineteen applications are still under review, either due to a deficiency in their submittal or significant claims history. Staff is working with these nineteen firms to correct deficiencies in their submittal packages and to evaluate their claims history.

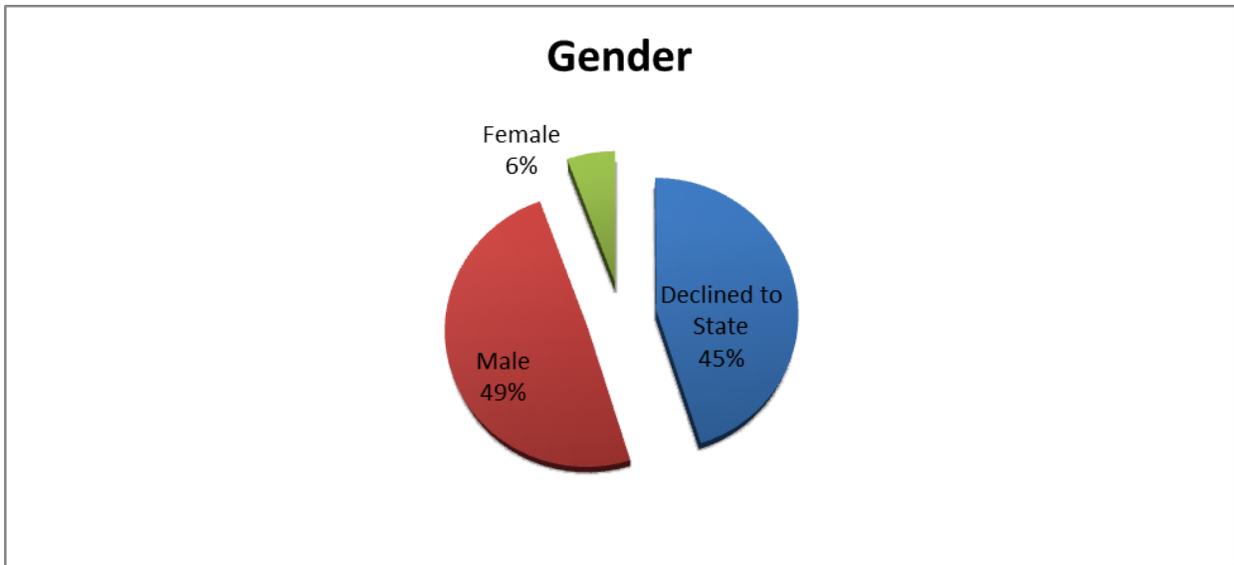
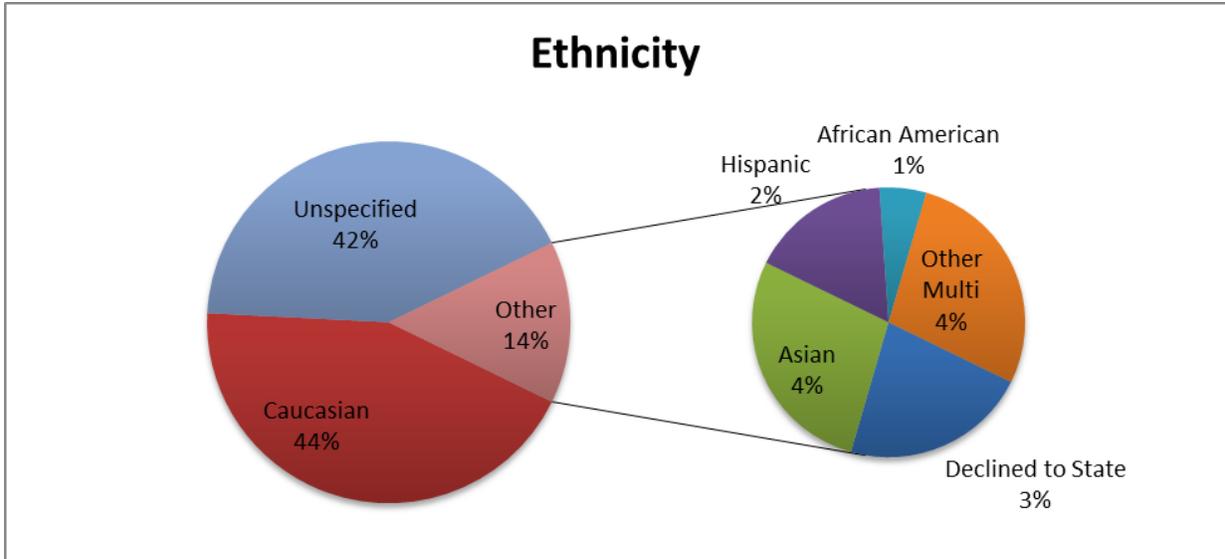
Assuming all 124 valid applicants meet the criteria and are prequalified for 2015, the following statistics apply:

#### **2015 Construction Contractor Prequalification Statistics**

2015--All Prequalified Contractor's License Summary	
Number	License Type
53	A
82	B
3	C-2 – Insulation and Acoustical Contractor
10	C-4 – Boiler, Hot Water Heating and Steam Fitting Contractor
0	C-5 – Framing and Rough Carpentry Contractor
2	C-6 – Cabinet, Millwork and Finish Carpentry Contractor
5	C-7 – Low Voltage Systems Contractor
8	C-8 – Concrete Contractor
1	C-9 – Drywall Contractor
24	C10 – Electrical Contractor
0	C11 – Elevator Contractor
1	C12 – Earthwork and Paving Contractors
3	C13 – Fencing Contractor
5	C15 – Flooring and Floor Covering Contractors
6	C16 – Fire Protection Contractor
3	C17 – Glazing Contractor
15	C20 – Warm-Air Heating, Ventilating and Air-Conditioning Contractor
11	C21 – Building Moving/Demolition Contractor
1	C23 – Ornamental Metal Contractor
7	C27 – Landscaping Contractor
0	C28 – Lock and Security Equipment Contractor
1	C29 – Masonry Contractor
2	C31 - Construction Zone Traffic Control Contractor

0	C32 - Parking and Highway Improvement Contractor
4	C33 – Painting and Decorating Contractor
0	C34 – Pipeline Contractor
1	C35 – Lathing and Plastering Contractor
14	C36 – Plumbing Contractor
2	C38 – Refrigeration Contractor
8	C39 – Roofing Contractor
2	C42 – Sanitation System Contractor
6	C43 – Sheet Metal Contractor
0	C45 – Electrical Sign Contractor
1	C46 – Solar Contractor
0	C47 – Manufactured Housing Contractor
0	C50 – Reinforcing Steel Contractor
2	C51 – Structural Steel Contractor
1	C53 – Swimming Pool Contractor
0	C54 – Ceramic and Mosaic Tile Contractor
0	C55 – Water Conditioning Contractor
0	C57 – Water Well Drilling Contractor
1	C60 – Welding Contractor
4	C61 – Limited Specialty
14	HAZ - Hazardous Substance Removal Certification
8	ASB – Asbestos Certification





**BOARD REPORT NO. 15-1-7C**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Karen D. Powell, Executive Director of Facilities Planning and Operations,  
358-6808.

**REPORT ON 2014 WINTER STORM COMMUNITY EVACUATION CENTER  
ACTIVATION AT COLLEGE OF SAN MATEO**

Following the December 11, 2014 winter storm, College of San Mateo was called upon by the San Mateo County Office of Emergency Services to support our San Mateo County community as an emergency evacuation center for people displaced from their homes.

On December 11, 2014, Northern California experienced a major storm which resulted in severe weather, winds, and flooding throughout San Mateo County. Hundreds of residents in Redwood City and Belmont were displaced from their homes as result of flooding and unsafe living conditions. The District's Public Safety Department was contacted by the San Mateo County Office of Emergency Services (OES) requesting that College of San Mateo become an Emergency Evacuation Center for the community. College of San Mateo Administrators, Department of Public Safety (DPS), Facilities team, and OES collaborated and agreed to activate the CSM Gymnasium Building (Building 8) to support displaced County residents. With the assistance of OES, many displaced residents were able to evacuate and shelter with friends and family. For the approximately one hundred people without other alternatives, College of San Mateo offered sanctuary from December 11 - 18, 2014.

On the evening of December 11, the CSM gymnasias and locker rooms were quickly transformed into family sleeping areas, a servery and dining hall, along with temporary offices for community support services staff. The OES trailer that is staged in the Hillsdale Parking Lot was moved to the Gymnasium Building and the materials stored within were deployed. The evening Custodial crew was diverted to provide manpower and equipment to assist the OES and Red Cross in the transformation.

As the point of contact between the District and OES, our DPS team coordinated communication between the District and the participating Municipal, County, and volunteer agencies. Those agencies included San Mateo Fire Department, San Mateo County Sheriff's Department, San Mateo County Human Services Agency, The American Red Cross, Belmont Police Department, Animal Protective Services/SPCA, Sam Trans Bus Services, San Mateo County Department of Public Health, Mental Health Services, Building Inspection Department, and Bayside Ambulance. DPS also provided around the clock site security. Altogether, DPS dedicated approximately 160 employee hours of service to this event.

The CSM College community graciously welcomed our guests and went above and beyond to help those in need feel comfortable, supported, and immediately connected to our College community. The following summarizes some of the services and the amenities the College community provided:

- ❖ CSM Administrators: Leadership, guidance, and communication
- ❖ Community Relations & Marketing Department: Communication and guidance
- ❖ CSM Athletics: Relocated scheduled athletic events to allow use of the gymnasium; balls for children to play with, towels to allow showering
- ❖ Library: Gingerbread house building activity, sponsored by the CSM Architecture Club
- ❖ Cosmetology: Complementary shampoos, blow dries, and manicures
- ❖ Astronomy Department: Planetarium shows
- ❖ Child Development Center: Toys and activities for children
- ❖ Theater: Movie night
- ❖ ITS: Television and DVD player to provide entertainment for adults and children in the gymnasium

The Facilities team provided leadership, coordination, labor and equipment to support the evacuation center. The Custodial crew performed work for the initial set up, ongoing furniture moves as needed, and facility cleaning services. The Engineering team assisted with power requirements and adjusted building heating and lighting to ensure safe and comfortable occupancy. Facilities dedicated approximately 220 employee hours of service to this event.

We consistently heard from guests, County and community services employees, and volunteers that the 2014 winter storm CSM Evacuation Center was the most gracious and best supported that they had ever experienced. People throughout the community expressed admiration and gratitude for our warm and welcoming reception, unwavering support, and dedicated staff. Altogether, the District incurred approximately \$18,625 in expenses associated with the evacuation center activation. Staff are working with County and other agencies to recoup costs.

This activation of the evacuation center proved the efficacy of the District's extensive emergency preparedness planning efforts and practice exercises. Although the activation was by all measures a great success, the experience of an actual event provided valuable learning that will further enhance our emergency planning and response program.