



Victor Valley Community College District REGULAR MEETING OF THE BOARD OF TRUSTEES

Date: January 13, 2015

Place: **Closed Session:** 5-6 p.m. West Wing Conference Room, Victor Valley Community College, 18422 Bear Valley Road, Victorville, CA 92395

Open Session: 6:00 p.m. Board Room, Victor Valley Community College, 18422 Bear Valley Road, Victorville, CA 92395

OPEN SESSION REGULAR MEETING AGENDA ~ Board Room

Board Room Victor Valley Community College

*This meeting will be electronically recorded and web cast live at
<http://www.vvc.edu/offices/president/webcast.html>*

PUBLIC COMMENTS: *The complete written request to address the Board shall be submitted at the beginning of the open session portion of the meeting. Individuals may comment after being recognized by the Board President and before Board discussion of the particular item. (Board Policy 2350)*

1. **CALL TO ORDER** 5 p.m.
 - ROLL CALL
 - INVOCATION
 - PLEDGE OF ALLEGIANCE
 - ANNOUNCEMENT OF ITEMS DELETED OR CORRECTED FROM THE AGENDA

CLOSED SESSION ~ West Wing Conference Room

2. **CLOSED SESSION** 5-6 p.m.
 - 2.1 **ANNOUNCEMENT OF CLOSED SESSION ITEMS:**
 - a) CONFERENCE WITH LABOR NEGOTIATIONS –
Government Code Section 54957.6
District Representative: Randy Erickson
Employee Organization: CSEA, CTA, AFT Part-Time Faculty United

2.2 PUBLIC COMMENTS RELATED TO CLOSED SESSION ITEMS

PUBLIC COMMENTS RELATED TO CLOSED SESSION ITEMS

At this time, the Board of Trustees will listen to communication from the public on Closed Session items pertaining to college business. Each speaker is limited to one presentation per meeting on non agendaized matters. Public comments are limited to three minutes per individual and a total of 15 minutes per topic. Speakers will be timed electronically, and all speakers will be required to address the Board from the lectern. Only those who have been recognized by the Board President will be permitted to speak. State law prohibits the Board from addressing any issues not included on the agenda. (Board Policy #2350)

OPEN SESSION REGULAR MEETING AGENDA ~ Board Room

3. OPEN SESSION REGULAR MEETING

6 p.m.

3.1 Closed Session Report

4. SUPERINTENDENT/PRESIDENT'S REPORT

- Academic Senate
- Foundation

4.1 REPORTS (3 minute limit per report)

The purpose of these reports is to inform the Board of Trustees regarding Issues pertaining to those constituency groups.

4.2 Employee Groups

- a) CTA
- b) CSEA
- c) AFT Part-Time Faculty United
- d) Management

5. CONSENT AGENDA

All matters listed under Consent Agenda are considered by the Board of Trustees to be routine and has been approved by the Superintendent/President (Board Policy #2430). There will be no separate discussion on these items prior to the time the Board votes on them unless a Board member requests a specific item be removed from the Consent Agenda for discussion and a separate vote. Public comment on Consent items from anyone completing a card will be heard prior to the Board's vote on the Consent Agenda.

PUBLIC COMMENTS RELATED TO CONSENT AGENDA ITEMS

The complete written request to address the Board shall be submitted at the beginning of the open session portion of the meeting. This is the opportunity for the public to address the Board on any Consent Agenda items. Public comments are limited to three minutes per individual and a total of 15 minutes per topic. Speakers will be timed electronically, and all speakers will be required to address the Board from the lectern. Only those who have been recognized by the Board President will be permitted to speak. (Board Policy #2350)

APPROVAL OF CONSENT ITEMS

YES ___ NO ___

There will be no separate discussion on these items prior to the time the Board votes on them unless a Board member requests a specific item be removed from the Consent Agenda for discussion and a separate vote.

- 5.1 Approval of the minutes of the December 9, 2014 regular Board meeting.
- 5.2 Non-Classified Employees
Ratification of the appointments as listed. Fiscal Impact: Budgeted
- 5.3 Independent Contractor Agreement – Notary Public Seminars
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Notary Public Seminars to provide notary certification and renewing notary certification classes being offered through Contract Education/Community Ed. The period of this agreement is January 5, 2015 through June 30, 2015. Fiscal Impact: Potential revenue to the District estimated to be \$5,000.00.
- 5.4 Independent Contractor Agreement – Terrance Kurtz
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Terrance Kurtz for the filming of various sporting events to be posted on the web, etc. The period of this agreement is from September 1, 2014 through May 30, 2015. Fiscal Impact: Not to exceed \$1,200.00, budgeted item.
- 5.5 Independent Contractor Agreement – Cannataro's
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Cannataro's to provide catering services for the regional Small Business Forum held December 9, 2014 at Chaffey College. Fiscal Impact: Not to exceed \$1176.00, grant funded through CCCC0 (DSN Grant), budgeted item.
- 5.6 Independent Contractor Agreement – Panera Catering
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Panera Catering to provide catering services for the regional Small Business Forum held December 9, 2014 at Chaffey College. Fiscal Impact: Not to exceed \$1110.00, grant funded through CCCC0 (DSN Grant), budgeted item.
- 5.7 Independent Contractor Agreement – Picazo's Flower Design
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Picazo's Flower Design to provide floral arrangements for the regional Small Business Forum held December 9, 2014 at Chaffey College. Fiscal Impact: Not to exceed \$600.00, grant funded through CCCC0 (DSN Grant), budgeted item.
- 5.8 Independent Contractor Agreement – Chaffey College
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Chaffey College to provide audio visual equipment set-up and service at the regional Small Business Forum held December 9, 2014 at Chaffey College. Fiscal Impact: Not to exceed \$479.50, grant funded through CCCC0 (DSN Grant), budgeted item.
- 5.9 Independent Contractor Agreement – KIC Consulting, LLC
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and KIC Consulting, LLC to consult for DSPS compliance. Fiscal Impact: Not to exceed \$19,000.00, categorical funding, budgeted item.

- 5.10 Amended Agreement – Collegenet, Inc.
Ratification of the amended agreement between Victor Valley Community College District and Collegenet, Inc. to reflect the system provisioning for the Series 25 software to CollegenET SaaS modality. This addendum will become effective January 1, 2015. This agreement was previously approved by the Board of Trustees on August 14, 2012. Term: 8/17/12-12/31/16. (Item # IN-83, on the Campus Technology Project list). Fiscal Impact: \$19,160.00, Fund 71, the fiscal impact is the increase for the remaining 2 years left on the contract.
- 5.11 Board of Trustees Payments Reports
Approval of the Board of Trustees Payments Reports. Fiscal Impact: None
- 5.12 Agreement Renewal– Tax Credit Reporting Service
Ratification of the renewal agreement between Victor Valley Community College District and TCRS between Xerox Education Services LLC and Victor Valley Community College District. The Internal Revenue Service requires 1098- T reporting for higher education for the Hope Scholarship and Lifetime Learning tax credits as mandated by the Taxpayer Relief Act of 1997. Fiscal Impact: \$16,710.19, estimated.
- 5.13 Sub-Recipient Agreement – San Bernardino County Superintendent of Schools
Approval of the Sub Recipient Agreement between Victor Valley Community College San Bernardino County Superintendent of Schools to meet the obligations under the California Career Pathways Trust 2014 Award #14-25239-67921-00. Fiscal Impact: \$44,688.00, Grant Funded.
- 5.14 Agreements – Off Campus Locations
Ratification of the agreements between Victor Valley Community College District and the schools listed to provide off-site classroom space for the 2014-2015 academic year. Fiscal Impact: Not to exceed \$14,000.00 for the 2014-2015 academic year.
- 5.15 Agreement – Merrell Johnson Companies
Ratification of the renewal agreement between Victor Valley Community College District and Merrell Johnson Companies for a topographic survey and hydrology study needed to move forward with the design of the Vocational Complex Expansion & Renovation project which was Board approved June 14, 2014. Fiscal Impact: \$4,919.00, Bond Funded.
- 5.16 Equipment Purchase – AVL Systems, Inc.
Ratification of the agreement between Victor Valley Community College District and AVL Systems, Inc. for the Music Code Compliance and Renovation project. Fiscal Impact: \$1,634.00, Bond Funded.
- 5.17 Agreement – Vector Resources, Inc.
Ratification of the agreement between Victor Valley Community College District and Vector Resources, Inc. to purchase material, maintenance and contracted services to provide network connectivity between Southern California Logistics Airport and Victor Valley College main campus in support of instructional programs. (Item # IN-82, on the Campus Technology Project list). Fiscal Impact: \$18,376.42, Fund 71.
- 5.18 Agreement Addendum – System Maintenance Services, Inc.
Ratification of the agreement addendum between Victor Valley Community College District and System Maintenance Services, Inc. to add additional hardware that supports critical infrastructure and network hardware. Term: 12/1/14-6/30/15. (Item # IN-84, on the Campus Technology Project list). Fiscal Impact: \$199.64, budgeted item.

- 5.19 Agreement – Tricade
Ratification of the agreement between Victor Valley Community College District and Tricade to provide hardware and software support for the EMC Storage. Term: 1/26/15-1/25/16 (Item # IN-81, on the Campus Technology Project list). Fiscal Impact: \$34,547.00, budgeted item.
- 5.20 Contract – H&H Elevator Services
Ratification of the agreement between Victor Valley Community College District and H&H Elevator Services to repair the elevators in the Technology Center building #21 and the Performing Arts Center building #54. Fiscal Impact: \$1,075.00, Fund 71.
- 5.21 Agreement – Pacific Floor Company
Ratification of the agreement between Victor Valley Community College District and Pacific Floor Company to fill, sand, finish and seal the dance floor in the Adaptive P.E. Center building #72. Fiscal Impact: \$13,694.00, Fund 71.
- 5.22 Board of Trustees Budget Transfer Request Report
Approval of the budget transfers as submitted. Fiscal Impact: None.
- 5.23 Memorandum of Understanding – Cal-PASS Plus
Ratification of the Memorandum of Understanding between Victor Valley Community College District and California Partnership for Achieving Student Success (Cal-PASS Plus) to participate in the data sharing program. Fiscal Impact: None
- 5.24 Agreement – Ferrilli Information Group
Ratification of the agreement between Victor Valley Community College District and Ferrilli Information Group for the 2015-2016 annual setup of the Financial Aid Department's modules on Colleague. Fiscal Impact: \$15,000, plus reasonable travel expenses, BFAP funded.
- 5.25 Independent Contractor Agreement – Maria Elena Huizar
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Maria Elena Huizar to provide parenting workshops and Saturday academy sessions to GEAR UP program schools. Fiscal Impact: Not to exceed \$5,000.00, grant funded.
- 5.26 Curriculum Changes
Approval of the curriculum changes made on December 11, 2014 that have been recommended by the College Curriculum Committee. Fiscal Impact: None
- 5.27 Agreement – Vector Resources, Inc.
Ratification of the agreement between Victor Valley Community College District and Vector Resources, Inc. to create life like scenarios for instructional training use by Administration of Justice department. Fiscal Impact: \$2,772.46, budgeted item.
- 5.28 Independent Contractor Agreement – Nora and Herb Tannert dba The Grind Coffee House
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Nora and Herb Tannert dba The Grind Coffee House to provide catering services for the English Department. The period of this agreement is December 5, 2014. Fiscal Impact: Not to exceed \$420.00, BSI Grant Funded, budgeted item.
- 5.29 Change Order – Webb Brothers Construction
Ratification of the change orders with Webb Brothers Construction to complete and close out the Music Modernization project with the Division of State Architects office. Fiscal Impact: \$38,000.00, Bond Funded.

5.30 Agreement – Liebert Cassidy Whitmore

Ratification of the agreement between Victor Valley Community College District and Liebert Cassidy Whitmore to provide legal services pertaining to employment relations matters and school law matters, including representation in negotiations and in administrative and court proceedings. Fiscal Impact: \$10,000.00, budgeted item.

ACTION AGENDA

PUBLIC COMMENTS RELATED TO ACTIONS ITEMS

The complete written request to address the Board shall be submitted at the beginning of the open session portion of the meeting. Individuals who want to comment on action items may do so after being recognized by the Board President and before Board discussion of the particular item during the meeting. Comments are limited to three minutes per individual and a total of 15 minutes per topic. Speakers will be timed electronically, and all speakers will be required to address the Board from the lectern. Only those who have been recognized by the Board President will be permitted to speak. (Board Policy #2350)

6. BOARD OF TRUSTEES

6.1 Separate approval of items pulled from consent agenda YES ___ NO ___

6.2 First Read – Board Policy 2515 – Use and Distribution of the Guaranteed Investment Fund (GIC)

Review and discuss the proposed Board Policy #2515 - Use and Distribution of the Guaranteed Investment Fund (GIC). Fiscal Impact: None

6.3 Board Resolution #15-01 – Excellence in Trusteeship Program YES ___ NO ___

Approve a resolution #15-01 requiring Board members to have substantially completed the Excellence in Trusteeship Program before serving as an officer on the Board of Trustees. Fiscal Impact: None

6.4 Board Resolution #15-02 – Black History Month YES ___ NO ___

Adoption of Resolution #15-02 recognizing February as Black History month. Fiscal Impact: None

8. INSTRUCTION

8.1 Student Fees – Nursing Program YES ___ NO ___

Approval of the student fees for a Comprehensive Assessment and Review Package (CARP) associated with the Nursing Program. Fiscal Impact: None

10. ADMINISTRATIVE SERVICES

10.1 2013-2014 Performance Audit on General Obligation Bonds YES ___ NO ___

Acceptance of the 2013-2014 Performance Audit on General Obligation Bonds. Fiscal Impact: None

10.2 2013-2014 Financial Audit YES ___ NO ___

Ratification of the 2013-2014 Financial Audit report as presented. Fiscal Impact: None.

10.3 Non-Resident Tuition Fee YES ___ NO ___

Approval of the non-resident tuition rate of \$200.00 per unit (Statewide basis). This non-resident fee will be effective for the 2015 fall semester. Fiscal Impact: The District collected approximately \$518,276.00 annually in non-resident tuition fees.

10.4 Agreement – Victor Valley Transit Authority

YES ___ NO ___

Approval of the agreement between Victor Valley Community College District and Victor Valley Transit Authority to provide free VVTA transport to VVC students. Fiscal Impact: Not to exceed \$150,000.00, Funded by Student Fees.

12. INFORMATION

12.1 Quarterly Financial Reports

Submitted as an information item.

13. PUBLIC COMMENTS RELATED TO NON-AGENDA ITEMS

At this time, the Board of Trustees will listen to communication from the public on non-agendized items pertaining to college business. Each speaker is limited to one presentation per meeting on non-agendized matters. Public comments are limited to three minutes per individual and a total of 15 minutes per topic. Speakers will be timed electronically, and all speakers will be required to address the Board from the lectern. Only those who have been recognized by the Board President will be permitted to speak. State law prohibits the Board from addressing any issues not included on the agenda. (Board Policy #2350)

14. BOARD COMMUNICATION

At this time, the Board of Trustees will report on the following directly related to their functions as Board members:

- *matters related to attendance at conferences*
- *professional affiliations*
- *community involvement*

15. ADJOURNMENT

YES ___ NO ___

It is the intention of Victor Valley Community College District to comply with the Americans with Disabilities Act in all respects. Any person with a disability may request that this agenda be made available in an appropriate alternative format. A request for a disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to Trinda Best, Victor Valley College, 18422 Bear Valley Road, Victorville, California 92395-5849, (760) 245-4271, Ext. 2455, from 8:30 a.m. to 5:00 p.m., Monday through Friday, at least 48 hours prior to the meeting to make reasonable arrangements. Government Code Section 54954.2.



Victor Valley Community College District REGULAR MEETING OF THE BOARD OF TRUSTEES Minutes

Date: December 9, 2014

Place: **Closed Session:** 5-6 p.m. Quiet Room (upstairs), Student Activities Center, Building 44, Victor Valley Community College, 18422 Bear Valley Road, Victorville, CA 92395

Open Session: 6:00 p.m. Rooms A-D (upstairs), Student Activities Center, Building 44, Victor Valley Community College, 18422 Bear Valley Road, Victorville, CA 92395

REGULAR MEETING AGENDA ~ Student Activities Center

1. CALL TO ORDER

5 p.m.

The Board of Trustees of Victor Valley Community College District met in Open Session on December 9, 2014 in the Quiet Room of the Student Activities Center. Board President Henderson called the meeting to order at 5 p.m.

TRUSTEE ROLL CALL: Dennis Henderson, President; Joseph W. Brady, Vice President; John Pinkerton, Clerk; Brandon Wood, Trustee; Lorrie Denson, Trustee, and Student Trustee Amanda Monroy

PLEDGE OF ALLEGIANCE

Lisa Ellis led the Pledge of Allegiance to the Flag.

Invocation: Pastor Hanke

ANNOUNCEMENT OF ITEMS DELETED OR CORRECTED FROM THE AGENDA:

Agenda item 5.14 deleted by President Wagner

President Wagner

2. INSTALLATION OF NEW BOARD MEMBERS & OATH OF OFFICE & ELECTION OF OFFICERS

A. Administer Oath of Office

Joseph W. Brady, Dennis Henderson, John Pinkerton, Marianne Tortorici, Brandon Wood

B. Signing of Affidavit

C. Election of board officers

- President – Joseph W. Brady
- Vice President – John Pinkerton
- Clerk – Brandon Wood
- Representative to the County Committee on School District Organization

CLOSED SESSION ~ West Wing Conference Room

ANNOUNCEMENT OF CLOSED SESSION ITEMS:

3. CLOSED SESSION

5-6 p.m.

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LIABILITY CLAIM
California Government Code section 54956.9
One Claim
Claimant: Webb Brothers Construction
2. CONFERENCE WITH LEGAL COUNSEL – PENDING LIABILITY CLAIM
California Government Code section 54956.9
WCAB Case No. ADJ 92998524
3. CONFERENCE WITH LABOR NEGOTIATIONS –
California Government Code Section 54957.6
District Representative: Randy Erickson
Employee Organization: CSEA, CTA, AFT Part-Time Faculty United

3.1 PUBLIC COMMENTS RELATED TO CLOSED SESSION ITEMS:

At 5:10 p.m. Board President Henderson recessed to Closed Session

**REGULAR MEETING AGENDA
Board Room**

4. OPEN SESSION

6 p.m.

- 3.1 At 6:15 p.m. Board President Henderson reconvened the meeting and Jeff Morris, Legal Counsel reported that on the claim with Webb Brothers it was motioned by Trustee Brady and seconded by Trustee Wood 5-0 to reject the claim, on the second item it was motioned by Trustee Brady and seconded by Trustee Henderson to authorize payment of \$2,200.00, 4-1, Wood, No. On the third item an update was provided and direction was given to the negotiator

4. SUPERINTENDENT PRESIDENTS REPORT

4. OPEN SESSION

6 p.m.

4.1 Closed Session Report

4.2 SUPERINTENDENT/PRESIDENT'S REPORT

Joseph W. Brady was administered the oath of office. Dr. Wagner presented outgoing Trustee Denson a plaque for her service on the Board. Coach Christa White was recognized for her accomplishment of Volleyball Coach of the Year and the Division Championship volleyball athletes were recognized for their accomplishment. Football Coach of the Year Hoover and the 2014 undefeated Conference Championship football players were recognized for their accomplishment.

Break: 6:45 p.m.

Reconvene: 7 p.m.

Dr. Wagner announced that he received word from the Community College League that Joseph W. Brady and Brandon Wood had completed their Excellent in Trusteeship certification.

He reported that the Accreditation task force has been working on the report for Recommendation 6. Cabinet met last week and developed a specific Plan A to address the budget and a Plan B that will be presented to the task force.

- **Academic Senate:** Claude Oliver reported this week that they are in the middle of finals week with the semester wrapping up. Accreditation Steering Committee met in early November and have a first draft of a Plan A and Plan B. The committee will continue to meet throughout winter session and the beginning of spring. The report is due to ACCJC in March and is looking forward to getting off Recommendation 6 sanction. Pleased to announce that they are in the process of hiring four new faculty members. Thanked Trustee Denson for her service and welcomed Trustee Tortorici and congratulated Trustees Wood and Henderson for being reelected and look forward to working with them over the next two years. He congratulated the volleyball and football team for the accomplishment and success.
- **Foundation**
Don Brown congratulated Trustee Brady on his appointment as president on the Board. He thanked Mr. Henderson for his leadership and service and regular attendance at the Foundation board meetings. He announced the nine recipients for the faculty campus grants. Two people that will be honored at the upcoming annual Hall of Fame event will be the late Carollee Stater for Distinguished Community Service and Dr. Tom Miller for Distinguished Education Service. He congratulated the volleyball and football athletes as well as their coaches.

President Wagner pointed out that he failed to recognize the leadership that gives what teams need to be successful and therefore he recognized Jaye Tashima for that leadership.

4.3 REPORTS (3 minute limit per report)

The purpose of these reports is to inform the Board of Trustees regarding issues pertaining to those constituency groups.

- a) CTA – Lisa Ellis
- b) CSEA – Justin Gatewood
- c) AFT Part-Time Faculty United – Lynn Glickstein
- d) Management – Dr. Morris

CONSENT AGENDA

Public Comment: Justin Gatewood, 5.3 and 5.45

It was MSC (Henderson/Wood, 5-0) to approve the consent items in one motion with agenda item 5.3 pulled by Trustee Brady, agenda item 5.5 pulled by Trustee Henderson, and agenda item 5.45 pulled by Trustee Pinkerton for separate discussion. Agenda item 5.14 was deleted by President Wagner.

5.1 Approval of the minutes of the November 11, 2014 regular Board meeting

5.2 Independent Contractor Agreement – Bonnie Castrey

Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Bonnie Castrey for mediation services on August 22, 2014. Fiscal Impact: \$2,285.66, District portion, budgeted item.

- 5.3 PULLED FOR SEPARATE DISCUSSION (see agenda item 6.1)
Non-Classified Employees
It was MSC (Brady/Henderson, 5-0)
Ratification of the non-classified temporary employees. Fiscal Impact: Budgeted
- 5.4 Academic Equivalency Request – Irvin Bounds, Jr. - Athletics
Approval of the academic equivalency request for Irvin Bounds, Jr. – Athletics.
Fiscal Impact: None
- 5.5 PULLED FOR SEPARATE DISCUSSION (see agenda item 6.1)
Revised Independent Contractor Agreement – Titan Investigations Group
TABLED It was motioned by Trustee Wood and seconded by Trustee Pinkerton to ratify the Independent Contractor Agreement between Victor Valley Community College District and Titan Investigations Group to revise the fee schedule to allow interpretation service as needed during investigations, originally Board approved on October 14, 2014. The revised schedule allows for interpretation services as needed during investigations. Fiscal Impact: \$99.00/per hour, budgeted item.
- Following discussion, it was MSC (Wood/Henderson) Wood, yes, Pinkerton, yes, Tortorici, yes, Henderson, no, Brady, no, Monroy honorary vote, yes, 3-2) to table the item
- 5.6 Agreement – Hi Desert Communications
Ratification of the agreement between Victor Valley Community College District and Hi Desert Communications to purchase a repeater to enhance the police department radio communications. Fiscal Impact: \$2,164.78, budgeted item.
- 5.7 Staff Out of Country Travel – Arthur Lopez
Approval of out-of-country travel for Arthur Lopez, Dean of Student Services, to attend the Hispanic Association of Colleges and Universities (HACU) 11th International Conference. The travel dates will be February 24, 2015 through February 28, 2015. Fiscal Impact: \$2,046.00, budgeted item.
- 5.8 Agreement – California State University San Bernardino Department of Social Work
Ratification of the field experience agreement between Victor Valley Community College District and California State University San Bernardino to provide graduate social work students with field experience through the provision of Micro and Macro practice interventions. The period of this agreement is January 5, 2015 through June 30, 2015.
Fiscal Impact: None
- 5.9 Memorandum of Understanding – Deputy Sector Navigator of Small Business for the Inland Empire
Ratification of the agreement between Victor Valley Community College District and Deputy Sector Navigator of Small Business for the Inland Empire and the Centers of Excellence based at Chaffey Community College District to identify training needs for employees and to help advance entrepreneurialism and business success. Fiscal Impact: \$50,000.00 from Workforce Employment Development, budgeted item.
- 5.10 Memorandum of Understanding – Deputy Sector Navigator of Small Business for the Inland Empire
Ratification of the agreement between Victor Valley Community College District and Deputy Sector Navigator of Small Business for the Inland Empire and Pat Luther for designee as representative of Victor Valley College CTE programs to help facilitate development of articulation/alignment curriculum models. Fiscal Impact: \$3,000.00, grant funded from Workforce Employment Development Department, budgeted item.

- 5.11 Memorandum of Understanding – Deputy Sector Navigator of Small Business for the Inland Empire and Copper Mountain
Ratification of the agreement between Victor Valley Community College District and Deputy Sector Navigator of Small Business for the Inland Empire and Copper Mountain to help facilitate development of articulation/alignment curriculum models. Fiscal Impact: \$3,000.00, grant funded from Workforce Employment Development Department, budgeted item.
- 5.12 Amended Agreement – Apple Valley Post-Acute Center
Ratification of the amended agreement between Victor Valley Community College District and Apple Valley Post-Acute Center to provide clinical learning facilities for the Health Science programs. The agreement begins November 1, 2014 and terminates one (1) year at which time the agreement shall automatically renew for successive one year term thereafter. Fiscal Impact: None
- 5.13 Independent Contractor Agreement – Reflections Catering
Ratification of the Independent Contractor Agreement between Victor Valley Community College District and Reflections Catering to provide catering services for the Pathways Prosperity Workshop. The period of this agreement is November 12, 2014. Fiscal Impact: Not to exceed \$3,000.00, budgeted item.
- 5.14 DELETED Agreement – Student Unpaid Internship
Ratification of a template agreement (to be filled in as internship opportunities become available) Agreement between Victor Valley Community College District and future employers (public, private and non-profits) providing unpaid internship opportunities for college students through our Internship Program through the Cooperative Education Department. The term for this agreement template shall remain in effect until any significant changes are made. Fiscal Impact: None.
- 5.15 Amended Agreement – Knolls West Post-Acute LLC, FKA Knolls West Convalescent Care
Ratification of the amended agreement between Victor Valley Community College District and Knolls West Post-Acute LLC, FKA Knolls West Convalescent Care to provide clinical learning facilities for the Health Science programs. The agreement begins November 1, 2014 and terminates one (1) year at which time the agreement shall automatically renew for successive one year term thereafter. Fiscal Impact: None
- 5.16 Contract – H&L Charter Co. Inc.
Ratification of the contract between Victor Valley Community College District and H&L Charter Co. Inc. to provide bus transportation for Puente Program Students to attend Preview/Transfer Day at Cal State Dominguez Hills on November 1, 2014. Fiscal Impact: Not to exceed \$1,175.00, budget item, grant funded.
- 5.17 Amended Independent Contractor Agreement – Best Equipment Service
Ratification of the amended Independent Contractor Agreement between Victor Valley Community College District and Best Equipment Service, originally approved on October 14, 2014, increasing the fiscal impact by an additional \$252.01. Fiscal Impact: \$252.01, budgeted item.
- 5.18 Independent Contractor Agreement – Kelly Hall
Ratification of the amended Independent Contractor Agreement between Victor Valley Community College District and Kelly Hall to provide an up to date small business curriculum inventory. Fiscal Impact: \$1,100.00, WEDD grant funded.

- 5.19 Agreement – Beckman Coulter
Ratification of the agreement between Victor Valley Community College District and Beckman Coulter for the servicing of the equipment used in the Biology Department. The period of this agreement is November 15, 2014 through November 14, 2015, Fiscal Impact: \$1,806.25, budgeted item.
- 5.20 Curriculum Changes
Approval of the curriculum changes made on October 23, 2014 and October 30, 2014 and November 13, 2014 that have been recommended by the College Curriculum Committee. Fiscal Impact: None
- 5.21 Sub-Recipient Agreement – Antelope Valley Unified School District
Ratification of the agreement between Victor Valley Community College District and Antelope Valley Unified School District to meet the obligations under the California Career Pathways Trust 2014 Award #14-25239-67921-00. Fiscal Impact: \$17,750.00, Grant Funded
- 5.22 Board of Trustees Payments Reports
Approval of the Board of Trustees Payments Reports. Fiscal Impact: None
- 5.23 Change Order – Webb Brothers Construction
Ratification of the change order for Webb Brothers Construction to complete the Music Modernization project. Fiscal Impact: \$1,605.87, Bond Funded.
- 5.24 Notice of Completion – Webb Brothers Construction
Ratification of the Notice of Completion for Webb Brothers Construction for the work completed at the Music Building renovation and addition project. The agreement was originally Board approved on July 9, 2013. Fiscal Impact: None
- 5.25 Agreement – Big Ass Fans
Ratification of the agreement between Victor Valley Community College District and Big Ass Fans to supply and install a large industrial fan which includes a custom seismic kit at the Regional Public Safety Training Center. Fiscal Impact: \$4,485.65, Bond Funded.
- 5.26 Agreement – Merrell Johnson Companies
Ratification of the agreement between Victor Valley Community College District and Merrell Johnson Companies to perform soils coring and sampling inspection services needed prior to the construction of the Vocational Complex Expansion & Renovation in the amount of \$11,500.00, Bond Funded.
- 5.27 Agreement – United Rentals
Ratification of the agreement between Victor Valley Community College District and United Rentals to rent a scissor lift to replace and secure vent covers and light bulbs in the Main Gym Building #71. Fiscal Impact: \$458.56
- 5.28 Agreement – USA Shade & Fabric Structures, Inc.
Ratification of the agreement between Victor Valley Community College District and USA Shade & Fabric Structures, Inc. to install two (2) shade structures at the Child Development Center, Building #12. Fiscal Impact: Not to exceed \$3,949.52, budgeted item.
- 5.29 Agreement – Car Clinic
Ratification of the agreement between Victor Valley Community College District and Car Clinic to perform major engine work on District vehicle van #46. Fiscal Impact: \$2,996.02, budgeted item.

- 5.30 Agreement – Hitt Plumbing Co., Inc.
Ratification of the agreement between Victor Valley Community College District and Hitt Plumbing Co., Inc. to repair a leaking water main at the Regional Public Safety Training Center. Fiscal Impact: \$3,614.00, budgeted item.
- 5.31 Agreement – Caston, Inc.
Ratification of the agreement between Victor Valley Community College District and Caston, Inc. to repair stucco at the Performing Arts Center/Speech Drama Addition and the Main Gym. Fiscal Impact: \$3,000.00, Fund 71.
- 5.32 Agreement – Roto-Rooter Plumbers
Ratification of the agreement between Victor Valley Community College District and Roto-Rooter Plumbers to hydro jet grease lines to determine problem areas and to provide all materials and labor to install 4 inch clean out for the grease line in the kitchen at the Student Activities Building #44. Fiscal Impact: \$2,075.00, budgeted item.
- 5.33 Agreement Renewal– Alpha Omega Wireless, Inc.
Ratification of the renewal agreement between Victor Valley Community College District and Alpha Omega Wireless, Inc. to provide maintenance and support for the licensed Microwave that provides connectivity between the Regional Public Safety Training Center and Victor Valley College main campus. Term: 9/15/14-6/30/15. Fiscal Impact: \$4,162.50, budgeted item.
- 5.34 Agreement – Vector Resources, Inc.
Ratification of the agreement between Victor Valley Community College District and Vector Resources, Inc. to provide fiber installation to Victor Valley College off-site campus located at the Southern California Logistics Airport. (Item #IN-77, on the Campus Technology Project List) Fiscal Impact: \$13,641.94, budgeted item.
- 5.35 Agreement Renewal– Continuant, Inc.
Ratification of the renewal agreement between Victor Valley Community College District and Continuant, Inc. to provide maintenance support for all campus Cisco SmartNet equipment including additional equipment. Term: 8/27/14-6/30/16. Fiscal Impact: \$53,150.83, budgeted item.
- 5.36 Agreement– Ferrilli Information Group, Inc.
Ratification of the agreement between Victor Valley Community College District and Ferrilli Information Group, Inc. to maintain software assurance (maintenance) for E-Commerce Shopping Cart to streamline the payment process for community education courses. Term: 10/20/14-10/20/15. (Item #IN-79, on the Campus Technology Project List) Fiscal Impact: \$1,000.00, budgeted item.
- 5.37 Agreement– Netmail, Inc.
Ratification of the agreement between Victor Valley Community College District and Netmail, Inc. to purchase Professional Services for the emergency install of Netmail Secure due to system failure. (Item #IN-78, on the Campus Technology Project List) Fiscal Impact: \$2,250.00, budgeted item.
- 5.38 Change Order – Vector Resources, Inc.
Ratification of the change order for Vector Resources, Inc. The agreement was originally approved at the November 11, 2014 Board of Trustees meeting. This change order is necessary to provide and install an additional 500 ft. cable to complete fiber installation at Southern California Logistics Airport. (Item #IN-77, on the Campus Technology Project List) Fiscal Impact: \$1,343.63, budgeted item.

- 5.39 Agreement– XAP Corporation
Ratification of the agreement between Victor Valley Community College District and XAP Corporation to participate in an electronic transcript exchange system. Term: 7/1/14-6/30/16. (Item # IN-80, on the Campus Technology Project List) Fiscal Impact: None
- 5.40 Agreement– Apple Valley Communications
Ratification of the agreement between Victor Valley Community College District and Apple Valley Communications to perform a fire alarm test at the elevator tower and the Performing Arts Center/Speech Drama Addition Building. Fiscal Impact: Not to exceed \$950.00, budgeted item.
- 5.41 License Agreement– CareerAmerica, LLC
Ratification of the license agreement between Victor Valley Community College District and CareerAmerica, LLC, originally approved December 9, 2008 to access and use online educational resources. The period of this agreement is January 1, 2015 through December 31, 2015. Fiscal Impact: \$5,000.00, BFAP funded, budgeted item.
- 5.42 Contract Maintenance Agreement – ECMC Solutions
Ratification of the contract maintenance agreement between Victor Valley Community College District and ECMC Solutions to provide loan default prevention services. Term: 10/15/14-10/14/15. Fiscal Impact: \$30,000, budgeted item.
- 5.43 Independent Contractor Agreement – Johnny Ramirez
Ratification of the amended Independent Contractor Agreement between Victor Valley Community College District and Johnny Ramirez to provide academic workshops/training to GEAR UP students at GEAR UP partner schools sites. The service period of this agreement is February 1 2015 through June 30, 2015. Fiscal Impact: \$16,000.00, Federal GEAR UP Grant.
- 5.44 Memorandum of Understanding – AB86 Adult Education VVCD Regional Planning Consortium
Ratification of the Memorandum of Understanding between Victor Valley Community College District and the K12 Schools Districts (Apple Valley Unified School District). The service period is July 1, 2014 through June 30, 2015. Fiscal Impact: \$20,000.00 AB 86 Adult Education State Planning Grant.
- 5.45 PULLED FOR SEPARATE DISCUSSION (see agenda item 6.1)
Agreement – Executive Cleaning Services
It was MSC (Pinkerton/Henderson, 4-1 Pinkerton, No) to ratify the agreement between Victor Valley Community College District and Executive Cleaning Services for janitorial services at Southern California Logistics Airport where VVC holds classes. Fiscal Impact: \$1,095.00, monthly, budgeted item.

ACTION AGENDA

6. BOARD OF TRUSTEES

6.1 Separate approval of items pulled from consent agenda

5.3 Non-Classified Employees

It was MSC (Brady/Henderson, 5-0) to ratify the non-classified temporary employees.
Fiscal Impact: Budgeted

TABLED 5.5 Revised Independent Contractor Agreement – Titan Investigations Group

It was motioned by Trustee Wood and seconded by Trustee Pinkerton to ratify the Independent Contractor Agreement between Victor Valley Community College District and Titan Investigations Group to revise the fee schedule to allow interpretation service as needed during investigations, originally Board approved on October 14, 2014. The revised schedule allows for interpretation services as needed during investigations. Fiscal Impact: \$99.00/per hour, budgeted item.

Following discussion, it was MSC (Wood/Henderson) Wood, yes, Pinkerton, yes, Tortorici, yes, Henderson, no, Brady, no, Monroy honorary vote, yes, 3-2) to table the item

5.45 Agreement – Executive Cleaning Services

It was MSC (Pinkerton/Henderson, 4-1 Pinkerton, No) to ratify the agreement between Victor Valley Community College District and Executive Cleaning Services for janitorial services at Southern California Logistics Airport where VVC holds classes. Fiscal Impact: \$1,095.00, monthly, budgeted item.

6.2 2015 Board Calendar

It was MSC (Wood/Henderson, 5-0) to approve the proposed 2015 calendar of Board of Trustees meetings. Fiscal Impact: None

8. INSTRUCTIONAL SERVICES

8.1 Contract Award – Federal Bureau of Prisons

It was MSC (Wood/Henderson, 5-0) to accept the contract awarded by the Federal Bureau of Prisons located in Victorville, offering automotive instruction for student inmates at their four facility campus. The effective date of award is December 1, 2014. The base period shall extend through September 30, 2015. Fiscal Impact: \$908,166.00 **Income to the District.**

10. ADMINISTRATIVE SERVICES

10.1 Hold a Public Hearing and Approve an Agreement with Climatic

A hold a public hearing regarding the agreement with Climatic

a) The Board president hereby declared the hearing open

b) The public may now comment on the agreement with Climatic to engineer and provide labor, materials and equipment to install energy efficiencies to the multi-zone air handling units in the Liberal Arts Building #30, the Science Building #31 and the Allied Health Building #32.

c) Hearing no public comment, the Board president hereby declared the hearing closed

It was MSC (Tortorici/Pinkerton, 5-0) to approve the agreement with Climatic for the energy efficient projects listed on Main Campus.

Fiscal Impact: \$266,714.00, Funded by Proposition 39

\$1,447.00, Funded by Southern California Edison Incentives

11. HUMAN RESOURCES

11.1 Renewal of Administrator Contracts

It was recommended by President Wagner to change the language to one year instead of two years.

It was MSC (Pinkerton/Henderson, 5-0) to approve to the administrative contracts for one ~~two~~ one year commencing July 1, 2015 and ending June 30, 2017 2016

Executive Dean, Technology & Information Systems
Director, EOPS/CARE
Dean of Health Sciences and Public Safety
Executive Dean of Institutional Effectiveness
Instructional Dean, Instruction
Instructional dean, Humanities, Arts & Social Sciences
Director, Human Resources

Fiscal Impact: Budgeted

11.2 Non-Renewal of Administrator Contract – Director of Special Grants Programs

It was MSC (Henderson/Tortorici, 5-0) to approve the non-renewal of the Administrator Contract – Director of Special Grants Programs

Fiscal Impact: Budgeted

11.3 Management Appointment, Instructional Dean, S.T.E.M. – Hamid Eydgahi

It was motioned by Trustee Henderson and seconded by Trustee Wood to approve the appointment of Hamid Eydgahi to fill the position of Instructional Dean, S.T.E.M. beginning January 5, 2015 through June 30, 2016. Fiscal Impact: Range 20 Step G on the Management Salary Schedule \$10,772.00/month plus benefits, budgeted item.

It was motioned by Trustee Tortorici and seconded by Trustee Pinkerton to amend the original motion to change the Step to C, the motion failed (Tortorici, Yes, Pinkerton, Yes, Henderson, No, Brady, No, Wood, No, 2-3)

MSC (Henderson/Wood, Tortorici, No, Pinkerton, No, 3-2) to approve the appointment of Hamid Eydgahi to fill the position of Instructional Dean, S.T.E.M. beginning January 5, 2015 through June 30, 2016. Fiscal Impact: Range 20 Step G on the Management Salary Schedule \$10,772.00/month plus benefits as originally presented.

12. INFORMATION/DISCUSSION

12.1 Student Equity Report

Submitted as an informational item.

13. PUBLIC COMMENTS RELATED TO NON-AGENDA ITEMS: Barbara Sandifer, Ed Burg

14. Board Communication

John Pinkerton: VVC staff are phenomenal people. He feels that VVC has not supported our athletics like we should. He feels that newly elected trustee Tortorici is every knowledge and phenomenal and is looking forward to working with her. He is looking forward to working with Trustee Brady on a common ground and supports President Wagner 110%.

Joseph W. Brady: thanked Trustee Henderson for his service last year. Reported on the training he received when he attended in Rancho Mirage. He asked that everyone say a prayer for Willie Pringle.

Dennis Henderson: he feels that VVC is on the right track for Recommendation 6. He thanked everyone that voted for him and wished everyone a great Christmas and happy New Year.

Brandon Wood: reported that he attended the CCLC conference and has completed the Excellence in Trusteeship Program. He feels that there is a need to look at the training that everyone receives at VVC.

Marianne Tortorici: announced that she will be donating her Board salary to the VVC foundation. She recently attended the Public Safety Training Center event. Unfortunately she was unable to attend the nursing graduation and Willie Pringle's dedication ceremony because of prior commitments. She wished everyone a safe and happy holiday.

*Brady left at 9:05
Brady arrived 9:06*

*Henderson left at 9:11
Henderson arrived 9:12*

Amanda Monroy: Thanked fellow board members to opportunity to express her advisory vote. She congratulated newly sworn in Board members. She is looking forward to the Effective Trustee workshop in Sacramento that she will be attending. The Cans for Concert will be held December 19th.

15. ADJOURNMENT

It was unanimously approved to adjourn the meeting at 9:20 p.m.

Brandon Wood, Clerk

Date Approved

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983, 1990).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a strategy for mental health care in the UK. The strategy is based on the following principles:

• People with mental health problems should be treated as individuals, with their own needs and wishes.

• People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.

• People with mental health problems should be given the opportunity to live in their own homes and communities.

• People with mental health problems should be given the opportunity to work and to contribute to society.

• People with mental health problems should be given the opportunity to live a full and meaningful life.

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• People with mental health problems should be given the opportunity to work and to contribute to society.

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• People with mental health problems should be given the opportunity to live in their own homes and communities.

• People with mental health problems should be given the opportunity to work and to contribute to society.

• People with mental health problems should be given the opportunity to live a full and meaningful life.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT **BOARD ACTION** **BOARD INFORMATION (no action required)**

TOPIC: NON-CLASSIFIED EMPLOYEES

SUBMITTED BY: Trinda Best

RECOMMENDED BY: Trinda Best



APPROVED BY: Roger W. Wagner



Description/Background:

The persons recommended for employment who are listed on the attached referenced sheet have been designated to perform specified job duties consistent with the provisions of Education Code 88003.

Need:

Non-classified temporary employees per attached list.

Fiscal Impact:

Budgeted.

Recommended Action:

It is recommended that the Board of Trustees approve and/or ratify the appointments as listed.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

SHORT-TERM WORKERS BOT APPROVAL LIST

VICTOR VALLEY COLLEGE		Excel - NonClassified Log.xls		January 13, 2015	
NON-CLASSIFIED EMPLOYEES					
REQUESTED DATES OF EMPLOYMENT	APPROVAL DATE	TYPE OF POSITION	POSITION	DEPARTMENT	DESCRIPTION OF DUTIES
Amaro, Loretta	01/14/15-02/27/15	Short-Term Worker	Office Worker	A & R	Assist classified staff w/ peak Spring 2015 enrollment
Antekeier, Kimberly	02/02/15-03/07/15	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Clemons, Ericka	02/02/15-03/07/15	Short-Term Worker	Bookstore Stocker	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Dickinson, Kirsten	02/02/15-03/07/15	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays

SHORT-TERM WORKERS BOT APPROVAL LIST

VICTOR VALLEY COLLEGE		Excel - NonClassified Log.xls		January 13, 2015	
NON-CLASSIFIED EMPLOYEES					
REQUESTED DATES OF EMPLOYMENT	APPROVAL DATE	TYPE OF POSITION	POSITION	DEPARTMENT	DESCRIPTION OF DUTIES
Dunkle, Cheryl	02/02/15-03/07/15	Short-Term Worker	Bookstore Stocker	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Gillespie, Allycin	02/02/15-03/07/15	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Gutierrez, Laura	01/02/15-03/13/15	Short-Term Worker-Ratify	Office Worker	Fiscal Services/Bursar	Will assist staff during registration (rush) for Spring
Huston, Hannah	02/02/15-03/07/15	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays

SHORT-TERM WORKERS BOT APPROVAL LIST

VICTOR VALLEY COLLEGE		Excel - NonClassified Log.xls		January 13, 2015		
NON-CLASSIFIED EMPLOYEES						
REQUESTED						
DATES OF						
APPROVAL						
TYPE OF						
POSITION						
DEPARTMENT						
DESCRIPTION OF DUTIES						
Johnson, Nicole	02/02/15-03/07/15	1/13/2015	Short-Term Worker	Bookstore Stocker	Bookstore	Assist w/ cashering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Kim, Lucas	10/06/14-10/17/14	1/13/2015	Short-Term Worker-Ratify	Asst. Coach-Men's Soccer	Athletics	Additional training for men's soccer team
Lara, Luis	01/14/15-06/30/15	1/13/2015	Short-Term Worker	PAC House Worker		Assist PAC classified staff
Lindsey, Charity	02/02/15-03/07/15	1/13/2015	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Mazzola, Mary	02/02/15-03/07/15	1/13/2015	Short-Term Worker	Bookstore Stocker	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays

SHORT-TERM WORKERS BOT APPROVAL LIST

VICTOR VALLEY COLLEGE		Excel - NonClassified Log.xls		January 13, 2015		
NON-CLASSIFIED EMPLOYEES						
REQUESTED DATES OF EMPLOYMENT						
APPROVAL DATE		TYPE OF POSITION		DEPARTMENT		
NAME	EMPLOYMENT DATE	POSITION	POSITION	DEPARTMENT	DESCRIPTION OF DUTIES	
Miller, Denton	02/02/15-03/07/15	1/13/2015	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Pearson, Sonia	02/02/15-03/07/15	1/13/2015	Short-Term Worker	Bookstore Cashier	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Saruwatari, Kerstin	12/10/14-03/13/15	1/13/2015	Short-Term Worker-Ratify	Office Worker	Fiscal Services/Bursar	Assist staff during Winter and Spring registration
Tyler, Timothy	02/02/15-03/07/15	1/13/2015	Short-Term Worker	Bookstore Stocker	Bookstore	Assist w/ cashiering, sales, refunds, exchanges, customer service, stock merchandise, assist w/ displays
Approved by				1/13/2015		Date

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: INDEPENDENT CONTRACTORS AGREEMENT – NOTARY PUBLIC SEMINARS

SUBMITTED BY: Ginger Ontiveros, Executive Director VVC Foundation

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The district wishes to ratify an Independent Contractors Agreement between Victor Valley Community College and Notary Public Seminars to provide New Notary Certification and Renewing Notary Certification classes being offered through Contract Education/Community Ed. The period of this agreement is January 05, 2015 through June 30, 2015.

A copy of this agreement is available for review in the Superintendent/President's Office.

Need:

Community-based interest

Fiscal Impact:

Potential annual revenue to the District estimated to be \$5,000.
Enrollment fee is \$99 per student for New Notary Certification and \$50 for Renewing Notary Certification classes. NPS receives 50% of enrollment fee.

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify an agreement between Victor Valley Community College and Notary Public Seminars to provide New Notary Certification and Renewing Notary Certification classes being offered through Contract Education/Community Ed. The period of this agreement is January 05, 2015 through June 30, 2015.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: AGREEMENT – TERRANCE KURTZ

SUBMITTED BY: Jaye Tashima, Athletic Director

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District desires to ratify an agreement between Victor Valley Community College District and Terrance Kurtz, for the filming of various sporting events to be posted on the web, etc. The period of this agreement is from September 1, 2014 through May 30, 2015.

A copy of this agreement is available for review in the Superintendent/President's Office.

Need:

To showcase athletic sporting events.

Fiscal Impact:

Budgeted item. Not to exceed \$1200.00

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify an agreement between Victor Valley Community College District and Terrance Kurtz, for the filming of various sporting events to be posted on the web, etc. The period of this agreement is from September 1, 2014 through May 30, 2015.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people in the world who are undernourished has increased from 600 million to 800 million (FAO 2001).

There are a number of reasons for this increase. First, the world population has increased from 5 billion in 1987 to 6 billion in 2000, and is projected to reach 9 billion by 2050 (UN 2000). Second, the world population is becoming increasingly urbanized, with 50% of the world population living in urban areas in 2000, and 60% by 2025 (UN 2000). Third, the world population is becoming increasingly aged, with the number of people aged 65 and over increasing from 200 million in 1987 to 400 million in 2000, and projected to reach 1 billion by 2050 (UN 2000).

Fourth, the world population is becoming increasingly dependent on food imports, with the number of people dependent on food imports increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000). Fifth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000).

Sixth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000). Seventh, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000).

Eighth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000). Ninth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000).

Tenth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000). Eleventh, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000).

Twelfth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000). Thirteenth, the world population is becoming increasingly dependent on food aid, with the number of people dependent on food aid increasing from 1 billion in 1987 to 2 billion in 2000, and projected to reach 4 billion by 2050 (UN 2000).

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT – CANNATARO’S

SUBMITTED BY: Lisa Kiplinger Kennedy, Deputy Sector Navigator

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to ratify an Independent Contractor Agreement between Victor Valley Community College District and Cannataro’s to provide catering services for the regional Small Business Forum held December 9, 2014 at Chaffey College.

Need:

Promoting entrepreneurialism, small business growth, and workforce training to increase employment, improve business success and growth to create more employment opportunities, and provide resources for continued economic advancement within the region.

Fiscal Impact:

Budgeted. Not to exceed \$1176.00 – grant funded through CCCCCO (DSN Grant)

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify the Independent Contractor Agreement between Victor Valley Community College District and Cannataro’s to provide catering services for the regional Small Business Forum held December 9, 2014 at Chaffey College.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT: Panera Catering

SUBMITTED BY: Lisa Kiplinger Kennedy, Deputy Sector Navigator

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger Wagner 

Description/Background:

The District wishes to ratify an independent Contractor Agreement between Victor Valley Community College District and Panera Catering to provide catering services for the regional Small Business Forum held December 9, 2014 at Chaffey College

Need:

Promoting entrepreneurialism, small business growth, and workforce training to increase employment, improve business success and growth to create more employment opportunities, and provide resources for continued economic advancement within the region.

Fiscal Impact:

Budgeted. Not to exceed \$1110 – grant funded through CCCCCO (DSN Grant)

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify the Independent Contractor Agreement between Victor Valley Community College District and Panera's Catering to provide catering services for the regional Small Business Forum held December 9, 2014 at Chaffey College.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO


**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT – PICAZO’S FLOWER DESIGN

SUBMITTED BY: Lisa Kiplinger Kennedy, Deputy Sector Navigator

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to ratify an Independent Contractor Agreement between Victor Valley Community College District and Picazo’s Flower Design to provide floral arrangements for the regional Small Business Forum held December 9, 2014 at Chaffey College.

Need:

Promoting entrepreneurialism, small business growth, and workforce training to increase employment, improve business success and growth to create more employment opportunities, and provide resources for continued economic advancement within the region.

Fiscal Impact:

Budgeted. Not to exceed \$600.00 – grant funded through CCCC (DSN Grant)

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify the Independent Contractor Agreement between Victor Valley Community College District and Picazo’s Flower Design to provide floral arrangements for the regional Small Business Forum held December 9, 2014 at Chaffey College.

Legal Review: YES _ NOT APPLICABLE X _

Reference for Agenda: YES ___ NO X

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion.

There are a number of reasons why the world's population is growing so rapidly. One of the main reasons is that the number of children born to each woman has increased. This is due to a number of factors, including the fact that women are now having children at a younger age, and that there are more children surviving to adulthood.

Another reason why the world's population is growing so rapidly is that the number of people who are surviving to adulthood has increased. This is due to a number of factors, including the fact that there are now more people surviving to old age, and that there are more people surviving to middle age.

There are a number of other reasons why the world's population is growing so rapidly. One of the main reasons is that the number of people who are surviving to adulthood has increased. This is due to a number of factors, including the fact that there are now more people surviving to old age, and that there are more people surviving to middle age.

There are a number of other reasons why the world's population is growing so rapidly. One of the main reasons is that the number of people who are surviving to adulthood has increased. This is due to a number of factors, including the fact that there are now more people surviving to old age, and that there are more people surviving to middle age.

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT – CHAFFEY COLLEGE

SUBMITTED BY: Lisa Kiplinger Kennedy, Deputy Sector Navigator

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to ratify an Independent Contractor Agreement between Victor Valley Community College District and Chaffey College to provide audio visual equipment set-up and service at the regional Small Business Forum held December 9, 2014 at Chaffey College.

Need:

Promoting entrepreneurialism, small business growth, and workforce training to increase employment, improve business success and growth to create more employment opportunities, and provide resources for continued economic advancement within the region.

Fiscal Impact:

Budgeted. \$479.50 – Grant funded – CCCCCO (DSN Grant)

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify an Independent Contractor Agreement between Victor Valley Community College District and Chaffey College to provide audio visual equipment set-up and service at the regional Small Business Forum held December 9, 2014 at Chaffey College.

Legal Review: YES _ NOT APPLICABLE X _

Reference for Agenda: YES ___ NO X

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT – KIC CONSULTING LLC

SUBMITTED BY: Jeffrey Holmes, Director of DSPS

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District desires to ratify an agreement between Victor Valley Community College District and KIC Consulting to consult for DSPS compliance, DSPS Advisory Board Compliance and implementation of recommendations from Galvin group. The period of this agreement is January 5, 2015 through June 26, 2015.

A copy of this agreement is available for review in the Superintendent/President's Office.

Need:

Strategic planning for advisory board, disability community outreach for Spanish speakers for compliance, program improvement and intake efficiencies for compliance.

Fiscal Impact:

Budgeted item. Not to exceed \$19,000.00 – categorical funding

Recommended Action:



It is recommended by the Superintendent/President that the Board of Trustees ratify an agreement between Victor Valley Community College District and KIC Consulting to consult DSPS compliance, DSPS Advisory Board Compliance and implementation of recommendations from Galvin group. The period of this agreement is from January 5, 2015 through May 30, 2015.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT **BOARD ACTION** **BOARD INFORMATION (no action required)**

TOPIC: AGREEMENT AMENDMENT – COLLEGENET, INC.
SUBMITTED BY: Frank Smith, Technology & Information Resources
RECOMMENDED BY: G.H. Javaheripour 
APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to submit amendment #2 to the original CollegeNet, Inc. agreement to reflect the system provisioning for the Series 25 software to be moved from Victor Valley College campus to CollegeNET SaaS (Software as a Service) modality. This addendum will become effective Jan 1, 2015. This agreement was previously approved by the Board of Trustees on August 14, 2012, item 10.1. Term: 8/17/12 – 12/31/16. (Item # IN-83, on the campus Technology Project list).

A copy of the original agreement is available for review in the Superintendent/President's office.

Need: This software will help manage and optimize facility usage across the institution.

Fiscal Impact:

\$19,160.00 – Fund 71, the fiscal impact is the increase for the remainder 2 years left of the contract.

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify agreement amended #2 with CollegeNET, Inc. in the total amount of \$19,160.00.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people with diabetes has increased in all industrialized countries. In the Netherlands, the prevalence of diabetes is estimated to be 6.5% in 2000, which corresponds to 1.5 million people (1).

Diabetes is a chronic disease with a high prevalence of complications. The most common complications are retinopathy, nephropathy, neuropathy, and cardiovascular disease. The prevalence of these complications is high, and the risk of complications increases with the duration of the disease. The prevalence of retinopathy is 20% in people with diabetes, and the prevalence of nephropathy is 10%. The prevalence of neuropathy is 50% in people with diabetes, and the prevalence of cardiovascular disease is 50% (2).

The prevalence of diabetes is increasing in all industrialized countries. In the Netherlands, the prevalence of diabetes is estimated to be 6.5% in 2000, which corresponds to 1.5 million people (1). The prevalence of diabetes is increasing in all industrialized countries. In the Netherlands, the prevalence of diabetes is estimated to be 6.5% in 2000, which corresponds to 1.5 million people (1).

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: BOARD OF TRUSTEES PAYMENTS REPORTS

SUBMITTED BY: Renee Reyes, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour



APPROVED BY: Roger W. Wagner



Description/Background:

Each month the District expends funds to conduct its operations and makes this information available to the Board of Trustees. This report reflects grouped expenditures (batches) for each fund. The details for these expenditures are available for review by the Board members in the Fiscal Services Department.

A copy of the original payment report is available for review in the Superintendent/President's office.

Need: N/A

Fiscal Impact: None

Recommended Action:

It is recommended that the Board of Trustees approve the Board of Trustees Payment Report.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion (United Nations 1998).

There are a number of reasons why the number of children in the world is increasing. One of the main reasons is that the number of children who are surviving to the age of 5 has increased significantly in the past few decades. This is due to a number of factors, including improved medical care, better nutrition, and a decrease in the number of children who are dying from preventable diseases.

Another reason why the number of children in the world is increasing is that the number of children who are being born is increasing. This is due to a number of factors, including a decrease in the number of children who are being aborted, and an increase in the number of children who are being born to women who are younger than in the past.

There are a number of challenges that are associated with the increasing number of children in the world. One of the main challenges is that there are not enough resources to provide for all of the children. This is particularly true in developing countries, where there is a high level of poverty and a high level of unemployment.

Another challenge is that there are not enough schools to educate all of the children. This is particularly true in rural areas, where there are few schools and the quality of education is often poor. This can lead to a high level of illiteracy and a lack of skills that are needed for employment.

There are a number of ways that we can address these challenges. One way is to increase the number of resources that are available to provide for children. This can be done by increasing government spending on social services, and by encouraging private investment in the education and health sectors.

Another way is to improve the quality of education. This can be done by training teachers, and by providing better facilities and materials for schools. This can help to ensure that all children have access to a good quality education, and that they are able to acquire the skills that are needed for employment.

There are a number of other ways that we can address these challenges. For example, we can provide more support for women who are young mothers, and we can provide more support for children who are living in poverty. These are all important steps that we need to take if we are to ensure that all children have a chance of a better future.

The number of children in the world is increasing, and this is a challenge that we need to address. There are a number of ways that we can address this challenge, and it is important that we take action now to ensure that all children have a chance of a better future.

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: AGREEMENT RENEWAL-TCRS
SUBMITTED BY: Karen Hardy, Fiscal Services Director
RECOMMENDED BY: G.H. Javaheripour 
APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to renew its agreement with Tax Credit Reporting Service (TCRS) between Xerox Education Services LLC and Victor Valley College. The Internal Revenue Service (IRS) requires 1098-T reporting for higher education for the Hope Scholarship and Lifetime Learning tax credits, as mandated by the Taxpayer Relief Act of 1997.

In order to meet the January 31, 2015 deadline for 1098-Ts under the Taxpayer Relief Act of 1997, the school will be responsible to ensure Xerox will provide our student's financial data from January 1, 2014 through December 31, 2014 by the due date.

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

This service is needed to provide IRS reporting of 1098-Ts mandated by the Taxpayer Relief Act of 1997.

Fiscal Impact:

\$16,710.19 estimated

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the agreement as submitted.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: Approve Sub-Recipient Agreement

SUBMITTED BY: Lawrence V. Fitz, Special Grant Programs

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The California Department of Education awarded Victor Valley Community College District nearly \$15 million to implement a 4 year grant project in partnership with 5 community colleges, 20 high schools, and 4 charter schools throughout a region stretching from San Bernardino to Barstow and Lucerne Valley to Lancaster. As the Lead Agency and Fiscal Agent for this grant project, the District wishes to enter into sub-recipient agreements with the partners listed below to carry out RAMP UP Program objectives within their schools based on the requirements of the California Career Pathways Trust 2014 Award #14-25239-67921-00.

Partner Schools	Allocation
San Bernardino County Superintendent of Schools	\$44,688.00

Need:

Sub-recipient agreements are required to meet the obligations of the Victor Valley Community College District under the California Career Pathways Trust 2014 Award #14-25239-67921-00.

Fiscal Impact:

\$44,688.00 from the District – Grant Funded

Recommended Action:

It is recommended that the Board of Trustees approve the RAMP Up Sub Recipient Agreement as listed.

Legal Review: YES X NOT APPLICABLE

Reference for Agenda: YES NO X

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT - BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT **BOARD ACTION** **BOARD INFORMATION (no action required)**

TOPIC: RATIFICATION OF AGREEMENTS – OFF CAMPUS LOCATIONS

SUBMITTED BY: Deanna Murphy, Auxiliary Services

RECOMMENDED BY: GH Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to submit for approval the ratification of agreements between the Victor Valley Community College District and the listed off site facilities in order to provide classroom space for the 2014– 2015 Academic Year:

A copy of the original agreements are available for review in the Superintendent's/President's office.

- Apple Valley Unified School District
- Hook Community Center
- Lewis Center for Educational Research (AAE)
- Spring Valley Lake Country Club
- Sterling Inn
- World Traditional TaekwonDo Schools Inc
- High Desert Premier Academy

Need:

These facilities are used to accommodate additional classes.

Fiscal Impact:

Not to exceed \$14,000.00 for the 2014 – 2015 Academic Year

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the agreements with the schools as listed.

Legal Review: YES NOT APPLICABLE


Reference for Agenda: YES NO


**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: AGREEMENT – MERRELL JOHNSON COMPANIES

SUBMITTED BY: Steve Garcia, Facilities Construction

RECOMMENDED BY: G.H. Javaheripour  _____

APPROVED BY: Roger W. Wagner  _____

Description/Background:

The District wishes to enter into an agreement with Merrell Johnson Companies for a topographic survey and hydrology study needed to move forward with the design of the Vocational Complex Expansion & Renovation project which was Board approved June 14, 2011.

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

A topographic survey and hydrology study are necessary to create civil engineering drawings which are needed to design and build the Vocational Complex Expansion & Renovation project.

Fiscal Impact:

\$4,919.00 - Bond Funded

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the agreement with Merrell Johnson Companies to perform a topographic survey and hydrology study to create civil drawings necessary for the design and construction of the Vocational Complex Expansion & Renovation in the amount of \$4,919.00.

Legal Review: YES X NOT APPLICABLE ___

Reference for Agenda: YES ___ NO X

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: EQUIPMENT PURCHASE – AVL SYSTEMS, INC.

SUBMITTED BY: Steve Garcia, Facilities Construction

RECOMMENDED BY: G.H. Javaheripour

APPROVED BY: Roger W. Wagner

Description/Background:

The District wishes to purchase acoustical equipment from AVL Systems, Inc. for the Music Code Compliance & Renovation project.

A copy of the original change order is available for review in the Superintendent/President's office.

Need:

Acoustical panels are necessary to complete the project, making it equipped to meet the needs of students, faculty, staff and the community.

Fiscal Impact:

\$1,634.00 – Bond Funded

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the equipment purchase with AVL Systems, Inc. in the amount of \$1,634.00.

Legal Review: YES ___ NOT APPLICABLE X

Reference for Agenda: YES ___ NO X

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT **BOARD ACTION** **BOARD INFORMATION (no action required)**

TOPIC: AGREEMENT – VECTOR RESOURCES, INC.

SUBMITTED BY: Frank Smith, Technology & Information Resources

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to enter into an agreement with Vector Resources, Inc. to purchase material, maintenance and contracted services. Vector Resources will provide installation and configuration of the Cisco Voice Gateway located at Southern California Logistics Airport (SCLA) to include SmartNet maintenance for one year. (Item # IN-82, on the Campus Technology Project list).

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

This is needed to provide network connectivity between Southern California Logistics Airport and Victor Valley College main campus in support of instructional programs.

Fiscal Impact:

\$18,376.42 – Fund 71

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the agreement with Vector Resources, Inc. in the amount of \$18,376.42.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people with a mental health problem has increased in the UK, and the number of people with a mental health problem who are in contact with mental health services has also increased (Mental Health Act 1983, 1994).

There is a growing awareness of the need to improve the lives of people with a mental health problem, and to reduce the stigma and discrimination that they experience. This has led to a number of initiatives, including the development of self-help materials, and the establishment of self-help groups.

Self-help groups are a form of mutual support, where people with a mental health problem meet together to discuss their experiences, and to provide support and advice to each other. They can be a valuable resource for people with a mental health problem, and can help to reduce the stigma and discrimination that they experience.

There are a number of reasons why self-help groups can be a valuable resource for people with a mental health problem. They can provide a safe and supportive environment where people can discuss their experiences, and where they can receive support and advice from people who understand what they are going through.

Self-help groups can also help to reduce the stigma and discrimination that people with a mental health problem experience. By sharing their experiences, and by providing support and advice to each other, people in self-help groups can help to challenge the negative stereotypes that are often associated with mental health problems.

There are a number of factors that can influence the effectiveness of self-help groups. These include the size of the group, the frequency of meetings, and the quality of the support and advice that is provided. It is important to ensure that self-help groups are well-organized, and that they provide a safe and supportive environment for their members.

Self-help groups can be a valuable resource for people with a mental health problem, and can help to reduce the stigma and discrimination that they experience. They can provide a safe and supportive environment where people can discuss their experiences, and where they can receive support and advice from people who understand what they are going through.

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: AGREEMENT ADDENDUM – SYSTEM MAINTENANCE SERVICES, INC.

SUBMITTED BY: Sergio Oklander, Management Information System

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to amend the agreement with System Maintenance Services, Inc. to add additional hardware that supports critical infrastructure and network hardware. Term 12/1/14 – 6/30/15. (Item # IN-84, on the Campus Technology Project list).

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

This critical infrastructure and network hardware is used in support of all operational and instructional activities on campus. This agreement provides the ability to repair, replace, and service this infrastructure with minimum down time to campus operations.

Fiscal Impact:

\$199.64 – Budgeted Item

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the agreement addendum with System Maintenance Services, Inc. in the amount of \$199.64.

Legal Review: YES ___ NOT APPLICABLE X ___

Reference for Agenda: YES ___ NO X ___

the 1990s, the number of people who have been employed in the service sector has increased in all of the countries studied.

There are a number of reasons why the service sector has become the dominant sector in the economies of the countries studied. First, the service sector has a high degree of flexibility and adaptability, which allows it to respond quickly to changes in demand. Second, the service sector has a high degree of innovation, which allows it to develop new products and services. Third, the service sector has a high degree of productivity, which allows it to produce more output with fewer resources.

There are a number of challenges that the service sector faces. First, the service sector is highly competitive, which means that companies must constantly innovate and improve their products and services. Second, the service sector is highly dependent on human capital, which means that companies must invest in training and development. Third, the service sector is highly vulnerable to economic downturns, which means that companies must have a strong financial base.

There are a number of opportunities for the service sector. First, the service sector has a high degree of flexibility and adaptability, which allows it to respond quickly to changes in demand. Second, the service sector has a high degree of innovation, which allows it to develop new products and services. Third, the service sector has a high degree of productivity, which allows it to produce more output with fewer resources.

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: AGREEMENT – TRICADE

SUBMITTED BY: Frank Smith, Technology & Information Resources

RECOMMENDED BY: G.H. Javaheripour



APPROVED BY: Roger W. Wagner



Description/Background:

The District wishes to enter into an agreement with Tricade to provide hardware and software support for the EMC Storage. Term: 1/26/15 -1/25/16 (Item # IN-81, on the Campus Technology Project list).

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

This maintenance agreement is needed to support our email and network file storage requirements. This storage is used daily by instructional and operational programs and is a requirement throughout the Victor Valley Community College District. This agreement is to extend the previous five year maintenance agreement for Victor Valley College infrastructure storage systems.

Fiscal Impact:

\$34,547.00 – Budgeted Item

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the agreement with Tricade in the amount of \$34,547.00

Legal Review: YES ___ NOT APPLICABLE X ___

Reference for Agenda: YES ___ NO X ___

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion (United Nations 1998).

There are a number of reasons why the number of children in the world is increasing. One of the main reasons is that the number of children who are surviving to the age of 15 is increasing. This is due to a number of factors, including improved medical care, better nutrition, and a decrease in child mortality (United Nations 1998).

Another reason why the number of children in the world is increasing is that the number of children who are being born is increasing. This is due to a number of factors, including a decrease in the age at which women are having children, and an increase in the number of children who are surviving to the age of 15 (United Nations 1998).

The number of children in the world is increasing, and this is a cause for concern. There are a number of reasons why this is a cause for concern, including the fact that the number of children who are living in poverty is increasing, and the number of children who are being exploited is increasing (United Nations 1998).

There are a number of things that can be done to help reduce the number of children in the world. One of the most important things is to improve the health care system, so that more children are surviving to the age of 15. Another important thing is to improve the nutrition of children, so that they are better able to survive (United Nations 1998).

It is also important to reduce the number of children who are being born. This can be done by increasing the age at which women are having children, and by increasing the number of children who are surviving to the age of 15 (United Nations 1998).

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: REPAIR CONTRACT – H & H ELEVATOR SERVICES

SUBMITTED BY: Steve Garcia, Facilities Construction & Contracts

RECOMMENDED BY: G.H. Javaheripour



APPROVED BY: Roger W. Wagner



Description/Background:

The District wishes to enter into an agreement with H & H Elevator Service to repair the elevators in the Technology Center building #21 and the Performing Arts Center building #54.

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

Damaged relays were discovered in the elevators in building #21 and building #54. The company removed the damaged equipment and installed new relays in both elevators.

Fiscal Impact:

\$1,075.00 – Fund 71

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the repair contract with H&H Elevator Services in the amount of \$1,075.00.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people who have been employed in the public sector has increased in all countries.

There are a number of reasons for the increase in public sector employment. One of the main reasons is the increasing demand for public services. As the population ages, there is a need for more social security and health care services. In addition, the demand for education and training has increased, leading to a larger public sector workforce.

Another reason for the increase in public sector employment is the expansion of government activities. In the 1990s, many countries expanded their public sector to provide a wider range of services, including housing, transportation, and environmental protection. This expansion led to a corresponding increase in the number of public sector employees.

Finally, the increase in public sector employment can be attributed to the growth of the public sector as a share of the economy. In many countries, the public sector has grown from a small fraction of the economy in the 1970s to a significant portion of the economy by the 1990s. This growth has led to a corresponding increase in the number of public sector employees.

In conclusion, the number of people who have been employed in the public sector has increased in all countries during the 1990s. This increase can be attributed to a number of factors, including the increasing demand for public services, the expansion of government activities, and the growth of the public sector as a share of the economy.

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In conclusion, the number of people who have been employed in the public sector has increased in all countries during the 1990s. This increase can be attributed to a number of factors, including the increasing demand for public services, the expansion of government activities, and the growth of the public sector as a share of the economy.

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In conclusion, the number of people who have been employed in the public sector has increased in all countries during the 1990s. This increase can be attributed to a number of factors, including the increasing demand for public services, the expansion of government activities, and the growth of the public sector as a share of the economy.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)


TOPIC: AGREEMENT – PACIFIC FLOOR COMPANY

SUBMITTED BY: Steve Garcia, Facilities Construction & Contracts

RECOMMENDED BY: G.H. Javaheripour



APPROVED BY: Roger W. Wagner



Description/Background:

The District wishes to enter into an agreement with Pacific Floor Company to fill, sand, finish, and seal the dance floor in the Adaptive P.E. Center building #72.

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

The dance floor has not been resurfaced since it was originally installed in June of 2009. Wear over the past five-years requires resurfacing to keep the floor usable for students. This work can be completed over the winter session while no classes are being held in this area.

Fiscal Impact:

\$13,694.00 – Fund 71

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the repair contract with Pacific Floor Company in the amount of \$13,694.00.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT **BOARD ACTION** **BOARD INFORMATION (no action required)**

TOPIC: BOARD OF TRUSTEES BUDGET TRANSFER REQUEST REPORT

SUBMITTED BY: Deedee Orta, Administrative Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The adopted budget represents our best estimates of both income and expenditures. As the year progresses, however, the college operations require that funds be transferred between expenditure types (i.e., full-time to hourly or supplies to equipment) to carry out the needs of the District. As provided in Title 5, Section 58307, the Board of Trustees may approve transfers between major expenditure classifications to allow for needed purchases. Unless otherwise noted, the transfers are within the unrestricted General Fund (Fund 01).

A copy of the original budget transfer report is available for review in the Superintendent/President's office.

Need: N/A

Fiscal Impact: None

Recommended Action:

It is recommended that the Board of Trustees approve the budget transfers as submitted.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people in the world who are undernourished has increased from 600 million to 800 million (FAO 2001).

There are a number of reasons for this increase. One of the main reasons is the increase in the world population. The world population has increased from 5 billion in 1987 to 6 billion in 2000, and is projected to reach 9 billion by 2050 (FAO 2001). This increase in population has led to an increase in the demand for food, which has led to an increase in the number of people who are undernourished. Another reason for this increase is the increase in the number of people who are living in poverty. The number of people living in poverty has increased from 1 billion in 1987 to 2 billion in 2000, and is projected to reach 3 billion by 2050 (FAO 2001). This increase in poverty has led to an increase in the number of people who are undernourished.

There are a number of ways in which we can reduce the number of people who are undernourished. One way is to increase the production of food. This can be done by increasing the number of people who are working in agriculture, by increasing the amount of land that is used for agriculture, and by increasing the amount of fertilizer and other inputs that are used in agriculture. Another way is to reduce the number of people who are living in poverty. This can be done by increasing the number of people who are employed, by increasing the minimum wage, and by providing social safety nets for the poor.

There are a number of challenges that we face in reducing the number of people who are undernourished. One of the main challenges is the increase in the world population. This increase in population has led to an increase in the demand for food, which has led to an increase in the number of people who are undernourished. Another challenge is the increase in the number of people who are living in poverty. This increase in poverty has led to an increase in the number of people who are undernourished.

There are a number of ways in which we can overcome these challenges. One way is to increase the production of food. This can be done by increasing the number of people who are working in agriculture, by increasing the amount of land that is used for agriculture, and by increasing the amount of fertilizer and other inputs that are used in agriculture. Another way is to reduce the number of people who are living in poverty. This can be done by increasing the number of people who are employed, by increasing the minimum wage, and by providing social safety nets for the poor.

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: MEMORANDUM OF UNDERSTANDING – CAL-PASS PLUS

SUBMITTED BY: Virginia Moran, Institutional Effectiveness

RECOMMENDED BY: Peter Maphumulo

APPROVED BY: Roger W. Wagner

Description/Background:

California Partnership for Achieving Student Success (Cal-PASS Plus) collects, analyzes, and shares student data in order to track performance and improve success from elementary school through university. To that end, Cal-Pass Plus will coordinate the process of the consortium member educational institutions sharing academic performance data concerning students who have or who are attending their institutions by facilitating the transfer of data from the member educational institutions, ensuring the confidentiality of records and their consistency with FERPA (Family Education Rights and Privacy Act) guidelines, and providing technical assistance to member educational institutions.

A copy of the original MOU is available for review in the Superintendent/President's office.

Need:

This MOU is needed for Victor Valley College to participate in the data sharing program with CAL-Pass Plus

Fiscal Impact: N/A

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the MOU with California Partnership for Achieving Student Success (Cal-PASS Plus).

Legal Review: YES NOT APPLICABLE


Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: AGREEMENT - FERRILLI INFORMATION GROUP (FIG)

SUBMITTED BY: Arthur Lopez, Dean, Student Services

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to ratify an agreement with Ferrilli Information Group (FIG) for the 2015-2016 annual setup of the Financial Aid Department's modules on Colleague, the District's comprehensive computer system. The period of this contract is March 2, 2015 through June 30, 2015.

A copy of the contract is available for review in the Superintendent/President's Office.

Need:

Federal requirement to pay financial aid awards.

Fiscal Impact:

\$15,000 – plus reasonable travel expenses – BFAP Funded

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify the agreement between Victor Valley Community College District and Ferrilli Information Group for the 2015-2016 annual setup of the Financial Aid Department's modules on Colleague, the District's comprehensive computer system. The period of this contract is from March 2, 2015 through June 30, 2015.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT – MARIA ELENA HUIZAR

SUBMITTED BY: Patricia Bejarano-Vera, Director, Special Grant Program

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to approve an Independent Contractor Agreement between Victor Valley Community College District and Maria Elena Huizar to provide parenting workshops to GEAR UP Program school sites. The service period for this agreement is December 10, 2014 through April 30, 2015.

A copy of this agreement is available for review in the Superintendent/President's Office.

Need:

To provide parenting workshops and Saturday Academy sessions to GEAR UP Program schools.

Fiscal Impact:

Budgeted. Not to exceed \$5,000 – Grant funded

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees approve an Independent Contractor Agreement between Victor Valley Community College District and Maria Elena Huizar to provide parenting workshops to GEAR UP Program school sites. The service period for this agreement is December 10, 2014 through April 30, 2015.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: CURRICULUM CHANGES

SUBMITTED BY: Peter Maphumulo, Executive Vice-President of Instruction & Student Services

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The College Curriculum Committee meets on a regular basis to review course changes that have been proposed by the instructional departments. The modifications of existing courses and the proposed new courses that were approved by the committee on December 11, 2014, are listed on the attached sheet.

A copy of the college curriculum changes is available in the President's Office for review.

Fiscal Impact:

None.

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees approve the curriculum changes made on December 11, 2014 and have been recommended by the College Curriculum Committee.

Legal Review: YES ___ NOT APPLICABLE X ___


Reference for Agenda: YES ___ NO X ___


**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: AGREEMENT – VECTOR RESOURCES, INC.

SUBMITTED BY: Patricia Luther, Dean of Health Sciences, Public Safety and Industrial Technology

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to enter into an agreement with Vector Resources, Inc. to purchase and install a remote controlled electric screen in the Defensive Tactics room at the Regional Public Safety Center.

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

This is needed to create life like scenarios for instructional training use by Administration of Justice department.

Fiscal Impact:

\$2,772.46 – Budgeted Item

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustee ratify the agreement with Vector Resources, Inc. in the amount of \$2,772.46.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983, 1990).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (i) People with mental health problems should be treated as individuals, with their own needs and wishes.
- (ii) People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- (iii) People with mental health problems should be given the opportunity to live in their own homes and communities.

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- (ii) People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- (iii) People with mental health problems should be given the opportunity to live in their own homes and communities.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: INDEPENDENT CONTRACTOR AGREEMENT – NORA AND HERB TANNERT DBA THE GRIND COFFEE HOUSE

SUBMITTED BY: Paul Williams, Dean, Humanities, Arts & Social Sciences

RECOMMENDED BY: Peter Maphumulo 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District desires to ratify an agreement between Victor Valley Community College District and Nora and Herb Tannert, dba The Grind Coffee House for providing catering services for the English Department. The period of this agreement is December 5, 2014.

A copy of this agreement is available for review in the Superintendent/President's Office.

Need:

In compliance with AP 6330

Fiscal Impact:

Budgeted item - Not to exceed \$420.00 – BSI Grant Funded

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees ratify an agreement between Victor Valley Community College District and Nora and Herb Tannert, dba The Grind Coffee House for providing catering services for the English Department. The period of this agreement is December 5, 2014.

Legal Review: YES ___ NOT APPLICABLE X

Reference for Agenda: YES ___ NO X


**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT X BOARD ACTION ___ BOARD INFORMATION (no action required) ___

TOPIC: CHANGE ORDER – WEBB BROTHERS CONSTRUCTION

SUBMITTED BY: Steve Garcia, Facilities Construction

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to submit for approval Change Order Nos. 6 from Webb Brothers Construction. During the course of construction various changes may be made which can both increase or decrease the cost of the project. The list below is a compilation of the adjustments made and represents both direct and indirect costs of the contractor in performing or providing the work covered.

Delay charges incurred due to existing underground high voltage conduits not indicated on architectural drawings. \$38,000.00

A copy of the original change order is available for review in the Superintendent/President's office.

Need:

This additional work is necessary to complete and close out the Music Modernization project with the Division of State Architects office.

Fiscal Impact:

\$38,000.00 – Bond Funded

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the change orders with Webb Brothers Construction in the amount of \$38,000.00.

Legal Review: YES X NOT APPLICABLE ___

Reference for Agenda: YES ___ NO X

the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion (United Nations 1998).

There are a number of reasons why the number of children in the world is increasing. One of the main reasons is that the number of children who are surviving to the age of 5 has increased significantly in the past few decades. This is due to a number of factors, including improved medical care, better nutrition, and a decrease in the number of children who are dying from preventable diseases. Another reason is that the number of children who are being born is increasing. This is due to a number of factors, including a decrease in the number of children who are being aborted, and an increase in the number of children who are being born to women who are younger than in the past.

The increase in the number of children in the world is a cause for concern because it is putting a strain on the world's resources. There are not enough resources to provide for all of the children who are being born. This is especially true in the developing world, where the resources are even more limited. The increase in the number of children is also putting a strain on the world's environment. There are not enough resources to provide for all of the children who are being born, and this is leading to a number of environmental problems, including deforestation, soil erosion, and air pollution.

The increase in the number of children in the world is also putting a strain on the world's economy. There are not enough resources to provide for all of the children who are being born, and this is leading to a number of economic problems, including unemployment, poverty, and a decrease in the standard of living. The increase in the number of children is also putting a strain on the world's social system. There are not enough resources to provide for all of the children who are being born, and this is leading to a number of social problems, including crime, drug use, and a decrease in the quality of life.

The increase in the number of children in the world is a cause for concern because it is putting a strain on the world's resources, environment, economy, and social system. There are not enough resources to provide for all of the children who are being born, and this is leading to a number of problems. The increase in the number of children is also putting a strain on the world's environment, economy, and social system. There are not enough resources to provide for all of the children who are being born, and this is leading to a number of problems.

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT **BOARD ACTION** **BOARD INFORMATION (no action required)**

TOPIC: Agreement – Liebert Cassidy Whitmore

SUBMITTED BY: Roger W. Wagner

RECOMMENDED BY: Roger W. Wagner

APPROVED BY: Roger W. Wagner 

Description/Background:

The District has an ongoing need for special legal counsel in matters pertaining to employment relations, educational matters, and, administrative and court proceedings.

Need:

To provide a review of documents and issue opinions as requested on contractual matters.

Fiscal Impact:

Budgeted item: Not to exceed \$10,000

Recommended Action:

It is recommended that the Board of Trustees ratify an agreement between Victor Valley Community College and Liebert Cassidy Whitmore to provide legal services pertaining to employment relations matters and school law matters, including representation in negotiations and in administrative and court proceedings.

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** ___ **BOARD INFORMATION (no action required)** X

TOPIC: FIRST READ – BOARD POLICY 2515– USE and DISTRIBUTION OF THE GUARANTEED INVESTMENT CONTRACT FUND (“GIC”)

SUBMITTED BY: Jeffery A. Morris, Stutz Artiano Shinoff & Holtz, APC

APPROVED BY: Roger W. Wagner _____

Description/Background:

Proposed Board Policy 2515 – Use and Distribution of the Guaranteed Investment Contract Fund (“GIC”). The First Reading for Board Policy 2515 took place at the March 14, 2014, regular Board of Trustees meeting. The Second Reading took place at the April 8, 2014, regular Board of Trustee meeting. At the April 8, 2014, meeting, by MSC (Brady/Wood, 5-0) the Board returned BP 2515 for the vetting process involving the appropriate channels (Academic Senate and College Council).

The Academic Senate held a first reading of BP 2515 at its April 10, 2014, meeting. The minutes of the April 10, 2014, Academic Senate Meeting are attached as Exhibit A to this report is a copy of Approved Minutes of the April 10, 2014 meeting.

The College Council had a First & Second Reading of BP 2515 at its May 7, 2014 meeting. College Council did not take action on BP 2515, and will bring BP 2515 back for further discussion at its May 21, 2014. College Council was awaiting a report to be provided by Cambridge West Partnerships, LLC, by James Austin, on May 22, 2014. Attached as Exhibit B to this report is a copy of the minutes of College Council from its May 7, 2014 meeting.

Attached as Exhibit C is the proposed revised version of BP 2515 from the Academic Senate.

Attached as Exhibit D is the BP 2515 considered by the Board of Trustees at its April 8, 2014 meeting.

The Board will review and discuss the proposed Board Policy concerning use and distribution of the GIC fund along with the revisions proposed for BP 2515 by the Academic Senate.

Need:

Allow discussion regarding use and distribution of the GIC. The use and distribution of the GIC fund is within the subject matter jurisdiction of the Board of Trustees. Board Policies are a statement of intent of the Board on this specific issue.

Fiscal Impact: None

Recommended Action: Review and discuss the proposed Board Policy # 2515 – Use and Distribution of the Guaranteed Investment Contract Fund (“GIC”).

Legal Review: YES X NOT APPLICABLE ___

Reference for Agenda: YES X NO ___

EXHIBIT A

**ACADEMIC SENATE MEETING
APPROVED MINUTES
APRIL 10, 2014 MEETING**

VVC Academic Senate Meeting
APPROVED MINUTES
 Thursday, April 10, 2014
 Administration Services Bldg., Room 8, 3:30 p.m.

		Area Representative		At-Large Area Representatives	Members
KIN		Blanchard, Debra	X	Butros, Michael	Adell, Tim
Science	X	Gibbs, David	X	Menser, Gary	Burg, Ed
Science	X	Gibbs, Jessica			Cerreto, Richard
LA	X	Golder, Patty		Executive Officers	Ellis, Lisa
PAC	X	Heaberlin, Ed	X	Davis, T., President	Hollomon, Dave
PSTC		Jones, Scott		Harvey, L., Past-President	Pendleton, Joe
ATC	X	Malone, Patrick	X	Oliver, C., Vice-President	
C & L		Mayer, Peggy	X	Huiner, L., Secretary	
C & L	X	McCracken, Mike		Toner, S., Treasurer	
ALDH	X	Ramming, Alice			Guests
VOC	X	Rubayi, Khalid		Part-time Faculty Representative	Javaheripour, GH
ATC	X	Ruiz, Maria	X	Akers, Glenn	Orta, Deedee
ALDH		Speakman, Jeanine	X	Elsmore, Cheryl	
LA	X	Tomlin, Karen			
Ac. Com.		Young, Henry			

Quote for the day: "An investment in knowledge pays the best interest." – Benjamin Franklin

Called to order at 3:34 p.m.

Additions and Revisions to the Agenda

Special Guests: Administrative Presentation on Board Policies and Budget
 GH Javaheripour, Vice-President of Administrative Services, discussion on proposed board policies: BOT did not ask for analysis in developing the Board Policies; waiting for May revise, not much information about budget development; BOT discussed it at previous board meeting, said they are developing guidelines in response to accreditation recommendation 6; done without input from VP – Administrative Services. BP 6320 on investments, question if GIC is an investment fund?, yes, so 2515 is in violation of current board policy. FCMAT also says interest from GIC can be used for operating expenses for 5-years. Constructive feedback: statement about how the interest and principle from the GIC may be used. Idea to wean use of interest from GIC to \$2 million until 2019, then \$1 million until 2024 when fund expires. Request for VP to share with us his recommendation for policies. Need robust summer to meet mid-sized college goal; lower enrollment, not meeting FTES goals in fall and spring due to economy. Next year may have another \$1million problem related to mid-size college cap. Discussion on chartering of policies in BP areas 2 or 6? Principle of GIC is \$27 million. Discussion on purpose of the GIC. BOT hasn't said how they want to spend the GIC. ACCJC wants plan for how to spend the GIC. GH would support recommendations to policy. Send suggestions for BP revisions to ASET for second reading in May.

1. Action/Information Items

- 1.1 Action: 3/06/2014 Academic Senate Minutes (M/S/U) (Butros, Heaberlin)Y
- 1.2 Curriculum Committee Handbook – 2nd Reading (M/S) (Gibbs, J., Menser)
 Discussion about committee member appointment (on p. 12) and conflict with senate bylaws and Title 5. Motion to refer document back to Curriculum

Academic Senate 10 + 1: Curriculum - Degree/Certificate Requirements - Grade Policies - Educational Program Development - Standards for Student Preparation & Success - Governance Structures for Faculty - Accreditation - Professional Development - Program Review - Institutional Planning & Budget Development - Other Academic & Professional Matters

- Committee (M/S/C) (Ramming, McCracken) (Nay votes: Gibbs, D., Menser, G., Tomlin, K.)
- 1.3 BP 2515 – Use and Distribution of the Guaranteed Income Contract Fund “GIC” – 1st Reading (M/S) (Butros, Gibbs, D.) Discussion on “income” vs “investment” in title. BP must have a purpose, doesn’t meet accreditation recommendation. Violates another board policy. Look at plan from recommendation 6 and suggestion for using interest. Support for inviting 1 or 2 BOT members to next meeting for discussion. Second reading in May.
 - 1.4 BP 2520 – Percentage of Budget Committed to Salary and Benefits – 1st Reading (M/S) (Gibbs, J., Butros) Discussion on reps sending revisions to area faculty for review. Percentages on the BP changed by BOT to 87%, 85%, and 83%. Issues related to differences in annual expenditures, planning, program expansion. Second reading in May.
 - 1.5 BP 2525 – Percentage of Budget Committed to Classroom Instructional Employee Salary and Benefits – 1st Reading (M/S) (Ellis, Gibbs, J.) College Council did first reading, but AFT and CSEA have referred it for legal counsel. Motion to table. (M/S/U) (Gibbs, D., Butros)
 - 1.6 AP 3570 – District Smoking Policy – 1st Reading (M/S) (Gibbs, J., Gibbs, D.) Discussion on use of cigarettes in plays and in designated areas. Second reading in May.
 - 1.7 Information: Curriculum Committee Minutes 2/27/2013, 03/13/2014
 - 1.8 Information: Draft Revisions of Constitution and Bylaws – Task Force has reviewed governing documents. First reading in May.
 - 1.9 Information: Revised “Petition for Course Repetition” Discussion on a review of the form by Curriculum, Petition and Student Success Committees. Mandated by law.
 - 1.10 Academic Senate Election – Final Call for Nominations. Vice-President – Jessica Gibbs, Patty Golder, Hinrich Kaiser. Secretary -- Lisa Ellis, Leslie Huiner. Treasurer -- Ed Burg, Joe Pendleton, Stephen Toner. Area Reps -- Science Building: Michael Butros, Richard Cerreto. Liberal Arts: Karen Tomlin, write-in. Counseling & Library: Melanie Dube-Price, Peggy Mayer, Lorena Ochoa. ATC: Tim Adell, Patrick Malone, Maria Ruiz. Vocational: Gary Menser. Allied Health: Alice Ramming, Sally Thibodeaux. Performing Arts Center: Ed Heaberlin. Academic Commons: Dave Hollomon. Kinesiology: Debra Blanchard. Public Safety Training Center: Dave Oleson. At Large: David Gibbs, Khalid Rubayi. Adjunct Faculty: Glenn Akers, Leontine Armstrong, Cheryl Elsmore.
2. **President’s Report and Announcements**
 - 2.1 Other
 3. **Public Comments**
Communication on non-agenda items, limited to 3 minutes per person and 6 minutes per subject
 4. **Adjournment** - Meeting Adjourned at 5:30p.m.

EXHIBIT B

**MINUTES OF COLLEGE COUNCIL
MAY 7, 2014 MEETING**

COLLEGE COUNCIL MINUTES
WEDNESDAY, MAY 07, 2014
PCR



Present: Peter Allan, GH Javaheripour, Peter Maphumulo
Tracy Davis, Robert Sewell, Greta Moon, Diane Wollan, Bill Greulich
Call to Order: 3:00 p.m.
Recorder: Victoria Churgin

1) Approval of the Minutes

a) **April 23, 2014** – approved by consensus

2) Accreditation Update

Peter Allan reported that the commission will be meeting in June 2014 to review our status. We are expecting to receive the outcome from the Commission on July 2, 2014.

3) First & Second Read, BP 2515 (BP 6320a) Use and Distribution of the Guaranteed Investment Contract Fund (GIC) ~ Tracy Davis (Attachment)

Requesting College Council approves the revision on a first and second read. BP 2515 with revisions were presented and approved by the Academic Senate on May 1, 2014.

GH Javaheripour reported that the Board of Trustees has asked for a fiscal review of the three new board policies. The District is in the process of contracting with a consultant firm that can provide a fiscal analysis. GH stated that it is the pleasure of the committee (College Council) to hold off on the discussion of the three board policies until the fiscal analysis is completed and the report has been submitted so that the findings can be incorporated into the discussion. The new board policies will not be presented to the Board of Trustees during the May meeting. A robust conversation took place amongst the group regarding the GIC, Bond Measure JJ, COP (Certificate of Participation) payoff, and Proposition 39.

Action: Peter Allan requested that the item be brought back to the next meeting for further discussion and to include BP 2525.

4) First & Second Read, BP 2520 (BP 6220) Percentage of the Budget Committed to Salary and Benefits ~ Tracy Davis (Attachment)

Requesting College Council approves the revision on a first and second read. BP 2520 with revisions were presented and approved by the Academic Senate on May 1, 2014.

BP 2520 was discussed during agenda item #3.

Action: Peter Allan requested that the item be brought back to the next meeting for further discussion; hopefully we will have the results of the fiscal analysis by the consultant group.

5) Informational Item/Discussion, Education Planning Initiative Task Force ~ Tracy Davis (Attachment)

The Education Planning Initiative is a statewide project of the CCCCO, which is seeking participate from CCCs as pilot colleges "to provide critical support and feedback in the development of an education planning and/or degree audit system that will benefit all California Community Colleges and students; more information can be viewed at <http://cccedplan.org/>.

Tracy Davis reported that she met with Virginia Moran, Sergio Oklander, Mark Clair, and Jennifer Larriva, to discuss the educational planning initiative the EPI. The understanding of the initiative is data integrity; we as a college will be making a proposal to join this pilot college program. Virginia Moran had asked Tracy Davis to recruit a couple of faculty members for this pilot program; participation includes Claude Oliver as the incoming Faculty Senate President, and Kelley Beach from Counseling; we are still waiting to hear from Pamela James and are working on a few others to participate. This will be done during the summer and will require a lot of coordination with MIS. If more information is required contact Virginia Moran as she can answer any questions. Greta Moon stated that this is a good tool to help develop educational planning, student success and will interface with our degree audit system in Datatel; to be a part of a pilot program is exciting. Bill Greulich stated internally from what he has read this is to standardize the data collection. Tracy Davis reported as a pilot program this would be a 1 to 2 year commitment on our part.

a) **Action:** Per Tracy Davis on behalf of Virginia Moran the action would be to support the efforts of joining the pilot program.

- 6) **Second Read, AP 3570 District Smoking Policy ~ Tracy Davis/Leonard Knight (Attachment)**
First read approved during College Council on March 26, 2014. Request that Administrative Procedure 3570 be implemented to govern the smoking policy on campus.
Tracy Davis reported that the Academic Senate passed AP 3570 and felt that this is a good policy. Chief Leonard Knight is working on the details and policy enforcement.

a) **Action: Approved on a second read.**

7) **Committee Updates: NO COMMITTEE REPORTS**

- a) **Accreditation Committee:**
- b) **Diversity Committee:**
- c) **Environmental Health & Safety Committee:**
- d) **Facilities Committee:**
- e) **Finance/Budget & Planning Committee:**
- f) **Employee Professional Development Committee:**
- g) **Student Success and Support Committee:**
- h) **Technology Committee:**

8) **Other**

Bill Greulich reported that May 16th is the ground breaking for the Science building. It is very important that we have a vast turnout of people to honor Dr. Reddy's presence with our presence as he has donated 2 million dollars for materials and equipment for the project. Refreshments will be provided and catered by Reflections.

Robert Sewell reported that the Fire Department graduation ceremony will be on Friday in the PAC, the part-time faculty tea will be held in the SAC tomorrow afternoon, and the State Assembly District 33 forum will be held in the SAC tomorrow at 4:00pm; 2 hour time frame and will be filmed. Evelyn Blanco was accepted to Berkeley and UCLA, and ASB elections are going on today.

Peter Allan announced with a heavy heart that counselor Christine Cole passed away today. Bill Greulich will not make a public announcement until he hears from the family; Diane Wollan is in touch with the family and will keep Bill Greulich posted on when he can release information to the campus community.

Tracy Davis reported that the Academic Senate elections are taking place; we have 3 candidates for President, 3 candidates for VP, Leslie Huiner will continue to be the secretary, and Claude Oliver will be President in the fall; Tracy Davis will be past President.

Adjournment: 3:50PM

Next Regularly Scheduled College Council meeting: May 21, 2014

EXHIBIT C

**ACADEMIC SENATE
PROPOSED REVISED VERSION
BOARD POLICY 2515**

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
BOARD POLICY

~~BOARD OF TRUSTEES~~
BUSINESS AND FISCAL AFFAIRS

~~Chapter 2~~
Chapter 6

Percentage of the Budget Committed to Salary and Benefits ~~BP 2520~~ BP 6220

The goal beginning academic school year 2014/2015 is that the portion of the budget committed to salary and benefits for all employees shall not exceed 87% of the total budget. The goal in academic school year 2015/2016 is that the portion of the budget committed to salary and benefits for all employees shall not exceed 85% of the total budget. In academic school year 2016/2017, and all subsequent years, the goal is that the portion of the budget committed to salary and benefits for all employees shall not exceed 83% of the total budget.

With board approval, the percentage maximums listed above may be increased as circumstances dictate.

EXHIBIT D

**BOARD POLICY 2515
CONSIDERED BY BOARD OF TRUSTEES
APRIL 8, 2014 MEETING**

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
BOARD POLICY

BOARD OF TRUSTEES

Chapter 2

**Use and Distribution of the Guaranteed
Investment Contract Fund (“GIC”)**

BP 2515

The Principal of the Guaranteed Investment Contract Fund “GIC” shall not be used for General Fund Expense Budget items. Principal of the GIC shall not be used to cover any General Fund Expense Budget deficit.

Beginning school year 2019/2020, and for all subsequent years, the Interest earned on the Principal in the GIC shall not be used for General Fund Expense Budget items, nor to cover any General Fund Expense Budget deficit.


**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** **X** **BOARD INFORMATION (no action required)** ___

TOPIC: Trustees Excellence Program Required for Office

SUBMITTED BY: Joseph W. Brady, President, Board of Trustees

RECOMMENDED BY: Joseph W. Brady, President, Board of Trustees

APPROVED BY: Roger W. Wagner 

Description/Background:

The Community College League of California (CCLC) provides leadership in the education and development of community college governing board members, chief executive officers and staff to ensure that continued strength, diversity, vitality and effectiveness of the college's educational programs and services.

Need:

Fiscal Impact: None

Recommended Action:

Approve a resolution requiring the Board members to have substantially completed the Trustee Excellence Program before being elected to Board office.

Legal Review: YES ___ NOT APPLICABLE X ___

Reference for Agenda: YES X NO ___

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
RESOLUTION NO. 15-01**

January 13, 2015

WHEREAS. the Community College League of California (CCLC) provides leadership in the education and development of community college governing board members, chief executive officers and staff to ensure the continued strength, diversity, vitality and effectiveness of the College's educational programs and services.

WHEREAS. Dr. Douglas B. Houston, Chancellor of Yuba Community College District, has provided draft policies for requiring completion of the Excellence in Trusteeship Program before a trustee is eligible to become board president.

WHEREAS. draft policies will be tailored to existing board policies of Victor Valley Community College District, for policies 22-10 – Officers, 2735 – Board Member Travel, and Administrative Procedure 2740 -Board Education.

WHEREAS, board members participating in the Excellence in Trusteeship Program will benefit the Board of Trustees and the District.

WHEREAS, the tailored policies and administrative procedures will be bedded through College Counsel and the Academic Senate, then returned to the Board of Trustees for a first read, then adoption.

WHEREAS. any interested Board of Trustee member will have the opportunity to participate in the Excellence in Trusteeship Program, should they chose.

NOW, THEREFORE, BE IT RESOLVED that participation and completion in the Excellence in Trusteeship Program offered by CCLC will be necessary before a trustee becomes eligible to serve as board president. The requirement for successfully completing the program will not become effective until formal board policies are adopted. The formal board policies and administrative procedures will allow for a phase-in time period to begin the training through the Excellence in Trusteeship Program.

This resolution was adopted by the Board of Trustees of the Victor Valley Community College District at its regular meeting of January 13, 2015.

Joseph W. Brady Board President

Date

Brandon Wood, Board Clerk

Date

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** ___ **BOARD INFORMATION (no action required)** ___

TOPIC: Board Resolution #15-02

SUBMITTED BY: Roger W. Wagner

RECOMMENDED BY: Marianne Tortorici

APPROVED BY: Roger W. Wagner



Description/Background:

February is recognized across our Nation as Black History Month. Since 1926 there have been observances of the accomplishments of black Americans in some shape or fashion.

Need:

As an educational institution we hold broad responsibilities for encouraging our students, faculty, staff, and citizens at large to recognize the accomplishments of our diverse American cultures.

Fiscal Impact:

None

Recommended Action:

It is recommended that the Board of Trustees adopt Resolution No. 15-02.

Legal Review: YES ___ NOT APPLICABLE X ___

Reference for Agenda: YES X NO ___

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
RESOLUTION NO. 15-02**

January 13, 2014

WHEREAS, in 1776, the Declaration of Independence recognized the United States of America as a new nation dedicated to the proposition that “all men are created equal, that they are endowed by their creator with certain unalienable rights, that among those are life, liberty, and the pursuit of happiness”; and

WHEREAS, in 1863, President Abraham Lincoln, in reference to the Declaration of Independence, stated, “Four score and seven years ago, our fathers brought forth on this continent, a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal”; and

WHEREAS, Black History Month, celebrated in February, dates back to 1926 when Carter G. Woodson set aside a special period of time in February to recognize the heritage and achievement of black Americans; and

WHEREAS, the contributions of African-American citizens as scientists, inventors, legislators, educators, explorers, military leaders, and countless other professions have greatly benefited our nations; and

WHEREAS, Black History Month is an opportunity for all Americans to commemorate the struggles and victories of African Americans in our history, their invaluable contributions to society, and their unyielding dedication to the overall protection and defense of our nation in matters of both war and peace.

NOW, THEREFORE, LET IT BE RESOLVED that Victor Valley Community College District recognizes Black History Month, encourages all citizens to explore the rich and significant heritage of the African American community, and honors the vital role of African Americans in the economy, culture, and community throughout the District and the United States.

Adopted January 13, 2015:

Joseph W. Brady Board President

Date

Brandon Wood. Board Clerk

Date

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and transfers.

The second part of the document provides a detailed breakdown of the accounting process. It starts with the identification of the accounting cycle, which consists of eight steps: identifying the accounting cycle, analyzing and recording the transactions, adjusting the entries, and preparing the financial statements. Each step is explained in detail, with examples provided to illustrate the process.

The third part of the document discusses the various methods used to record transactions. It covers the double-entry system, which is the most common method used by businesses. It explains how debits and credits are used to record transactions and how they affect the accounting equation.

The fourth part of the document discusses the importance of adjusting entries. It explains that adjusting entries are necessary to ensure that the financial statements reflect the true financial position of the business at the end of the period. It provides examples of adjusting entries for depreciation, amortization, and accrued expenses.

The fifth part of the document discusses the preparation of financial statements. It explains that the financial statements are prepared based on the adjusted trial balance and consist of the income statement, balance sheet, and statement of cash flows. It provides a step-by-step guide to preparing each of these statements.

The sixth part of the document discusses the importance of internal controls. It explains that internal controls are designed to prevent and detect errors and fraud. It provides a list of common internal controls, such as segregation of duties, authorization, and physical controls.

The seventh part of the document discusses the importance of auditing. It explains that an audit is a systematic and objective examination of the financial statements to ensure that they are free from material misstatements. It provides a list of common audit procedures, such as inspection, observation, and inquiry.

The eighth part of the document discusses the importance of tax accounting. It explains that tax accounting is a specialized branch of accounting that deals with the calculation and reporting of taxes. It provides a list of common tax accounting issues, such as the treatment of depreciation and interest.

The ninth part of the document discusses the importance of budgeting. It explains that a budget is a financial plan that outlines the expected income and expenses for a given period. It provides a list of common budgeting techniques, such as zero-based budgeting and flexible budgeting.

The tenth part of the document discusses the importance of cost accounting. It explains that cost accounting is a branch of accounting that deals with the measurement and control of costs. It provides a list of common cost accounting techniques, such as standard costing and activity-based costing.

The eleventh part of the document discusses the importance of financial ratios. It explains that financial ratios are used to evaluate the financial performance and position of a business. It provides a list of common financial ratios, such as the current ratio and the debt-to-equity ratio.

The twelfth part of the document discusses the importance of financial forecasting. It explains that financial forecasting is the process of predicting the future financial performance of a business. It provides a list of common financial forecasting techniques, such as the moving average method and the regression analysis method.

The thirteenth part of the document discusses the importance of financial risk management. It explains that financial risk management is the process of identifying and managing the financial risks of a business. It provides a list of common financial risk management techniques, such as hedging and diversification.

The fourteenth part of the document discusses the importance of financial reporting. It explains that financial reporting is the process of providing information about the financial performance and position of a business to its stakeholders. It provides a list of common financial reporting techniques, such as the use of financial statements and financial reports.

The fifteenth part of the document discusses the importance of financial compliance. It explains that financial compliance is the process of ensuring that a business is following all applicable financial laws and regulations. It provides a list of common financial compliance techniques, such as the use of internal controls and external audits.

The sixteenth part of the document discusses the importance of financial innovation. It explains that financial innovation is the process of developing new financial products and services. It provides a list of common financial innovation techniques, such as the use of derivatives and structured products.

The seventeenth part of the document discusses the importance of financial globalization. It explains that financial globalization is the process of integrating financial markets across different countries. It provides a list of common financial globalization techniques, such as the use of international financial institutions and cross-border investments.

The eighteenth part of the document discusses the importance of financial sustainability. It explains that financial sustainability is the process of ensuring that a business is able to maintain its financial performance over the long term. It provides a list of common financial sustainability techniques, such as the use of green finance and social investing.

The nineteenth part of the document discusses the importance of financial transparency. It explains that financial transparency is the process of providing clear and accurate information about the financial performance and position of a business. It provides a list of common financial transparency techniques, such as the use of financial statements and financial reports.

The twentieth part of the document discusses the importance of financial accountability. It explains that financial accountability is the process of ensuring that a business is responsible for its financial performance and position. It provides a list of common financial accountability techniques, such as the use of internal controls and external audits.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** X **BOARD INFORMATION (no action required)** ___

TOPIC: Student Fees - Nursing Program
SUBMITTED BY: Pat Luther, Dean, Health Sciences, Public Safety & Industrial Technology
RECOMMENDED BY: Peter Maphumulo *Peter Maphumulo*
APPROVED BY: Roger W. Wagner *Roger W. Wagner*

Description/Background:

The District desires to approve the fees for a Comprehensive Assessment and Review Package (CARP) from Assessment Technologies Inc. Costs are divided based on four (4) semesters. Fees include review books (both electronic and hard-copy), online reviews, proctored testing, pre & post critical thinking testing, NCLEX (state licensure exam) preparation, and study skills feedback.

Need:

To meet program and college accreditation requirements regarding student learning outcomes tied to improved knowledge leading to increased student success.

<u>Summer 2015 Costs:</u>	<u>Fall 2015 Costs</u>	<u>Spring 2016</u>
NURS 246 - \$164	NURS 246 - \$164	NURS 246 - \$164
	NURS 221 - \$129	NURS 221 - \$129
	NURS 222 - \$129	NURS 222 - \$129
	NURS 223 - \$129	NURS 223 - \$129
	NURS 224 - \$129	NURS 224 - \$129

Note: Costs per student, per semester are based on the entering cohort of students. Additionally, costs will increase periodically. District costs for sales tax paid to the state and shipping & handling are passed on to the students.

Fiscal Impact:

None.

Recommended Action:

It is recommended by the Superintendent/President that the Board of Trustees approve the student fees for a Comprehensive Assessment and Review Package (CARP) associated with the Nursing Program.

Legal Review: ___ NOT APPLICABLE X ___

Reference for Agenda: YES X NO ___

Victor Valley College
ADN Program

Licensure Preparation Test Fee (As identified on the Bursar's Office receipt.)
(aka Assessment Technology Inc., Comprehensive Assessment and Review Package-ATI CARP)
Brief Overview

Assessment Technologies Incorporated (ATI)
Comprehensive Assessment and Review Program (CARP)

Multiple remediation tools including traditional and online reading materials, videos, practice assessments and internet sources.

It also assists the faculty in identifying potential problems for early intervention.

Package Features:

- Nurse Logic – Enhances critical thinking and problem solving skills
- Critical Thinking Entrance and Exit Examinations
- Quest for Academic Success Learning Module
- Practice testing (online)
- Proctored testing (on site)
- Review Modules (Books both hardcopy and online access which includes videos and linkable/interactive learning.)
- All items are covered in the following areas:
 - Medical/Surgical
 - Fundamentals
 - Pharmacology
 - Maternal-Newborn
 - Nursing Care of Children
 - Mental Health
 - Community Health
 - Nutrition
 - Leadership and Management
- Ready Set RN NCLEX Study Guide
- RN Comprehensive Predictor Test (Modeled after the current RN-NCLEX)
- RN Comprehensive Online Practice

All materials and online access are available to the students for four (4) years after the initial ID was entered into the account.

Starting Summer 2015, NURS 246 will pay \$164.00. Subsequent payments will be NURS 221-NURS 224 = \$129.00

The cost is based on what semester the students entered NURS 246. The costs change depending on the price charged by ATI plus tax and shipping/handling. The students are on a five-semester payment plan (NURS 246 through NURS 224).



2015 Pricing

		Semester Payment Options					
		1st	2nd	3rd	4th	5th	6th
CARP RN							
Upfront/Single Payment	\$ 480	\$ 480					
2 Semesters	\$ 520	\$ 275	\$ 245				
3 Semesters	\$ 537	\$ 199	\$ 169	\$ 169			
4 Semesters	\$ 562	\$ 163	\$ 133	\$ 133	\$ 133		
5 Semesters	\$ 575	\$ 139	\$ 109	\$ 109	\$ 109	\$ 109	
6 Semesters	\$ 612	\$ 127	\$ 97	\$ 97	\$ 97	\$ 97	\$ 97
CARP PN							
Upfront/Single Payment	\$ 370	\$ 370					
2 Semesters	\$ 398	\$ 214	\$ 184				
3 Semesters	\$ 428	\$ 162	\$ 132	\$ 132			
4 Semesters	\$ 454	\$ 136	\$ 106	\$ 106	\$ 106		
5 Semesters	\$ 470	\$ 118	\$ 88	\$ 88	\$ 88	\$ 88	

ATI Essentials Bundles	RN	PN
ATI Essentials Basic	\$ 640	\$ 530
ATI Essentials Supreme*	\$ 945	\$ 795
ATI Essentials Optimal*	\$ 1,415	\$ 1,010
ATI Essentials Complete	\$ 2,250	\$ 1,700

For semester payment options for ATI Essentials Bundles please contact your Client Account Manager.

*Prices reflect Customized Live Review Option.

NCLEX Reviews	RN	PN
Virtual-ATI NCLEX Review	\$ 474	\$ 449
Virtual-ATI NCLEX Review (when purchased with CARP)	\$ 315	\$ 260
Comprehensive Live NCLEX Review (3 day)	\$ 349	\$ 299
Comprehensive Live NCLEX Review (4 day)	\$ 399	\$ 349
Customized Live NCLEX Review	\$ 399	\$ 349
Live NCLEX Review & Virtual-ATI NCLEX Package	\$ 625	\$ 525

ATI Capstone Content Review	RN	PN
ATI Capstone Content Review	\$ 370	\$ 345
ATI Capstone Content Review (when purchased with a NCLEX review)	\$ 240	\$ 215

Add On Products	
Comprehensive Predictor Proctored Assessment (single test order)	\$ 50
Dosage Calculation/Pharmacology Made Easy Package	\$ 96
Nurse's Touch Package	\$ 235
Real Life PN Adult Medical-Surgical	\$ 100
Real Life RN Package	\$ 400
Sigma Theta Tau - Nurse Manager Certificate	\$ 195
Skills Modules	\$ 103
Test Taking Strategies Live (per Session)	\$ 3,000

Admissions Solutions	
TEAS Proctored	\$ 55
TEAS Online Practice Assessment	\$ 46
TEAS Study Guide	\$ 50
TEAS Study Package	\$ 115

Prices are effective July 1, 2015 for all incoming classes.

Updated 11/10/14

ATI/CARP Student Fees

Cost Overage Explanation

Globally for all the ATI/CARP fees for the Nursing Program courses (NURS 246, NURS 221, NURS 222, NURS 223, NURS 224), the overage on the ATI/CARP costs are due to state sales taxes at 8% and estimated shipping at 10%. Usually we add 18% (rounded up) to the original ATI costs. I.e., \$139 ATI charge will be \$164 cost to the student.

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983, 1990).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a strategy for mental health care in the UK, which includes the following aims:

- (i) to improve the lives of people with mental health problems;
- (ii) to reduce the need for hospital care;
- (iii) to improve the effectiveness of mental health services;
- (iv) to improve the training and professional development of mental health workers;
- (v) to improve the way in which mental health services are funded.

There is a growing emphasis on the need to improve the lives of people with mental health problems.

The Department of Health (1999) has set out a strategy for mental health care in the UK, which includes the following aims:

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- (iv) to improve the training and professional development of mental health workers;
- (v) to improve the way in which mental health services are funded.

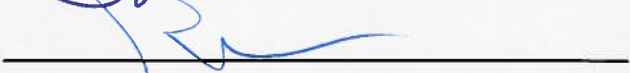
**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** **X** **BOARD INFORMATION (no action required)** ___

TOPIC: 2013 - 2014 PERFORMANCE AUDIT ON GENERAL OBLIGATION BONDS

SUBMITTED BY: Karen Hardy, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

Vavrinek, Trine, Day & Co. LLP Certified Public Accountants & Consultants firm has completed the 2013 - 2014 performance audit for the Proposition 39 (Measure JJ) General Obligation Bonds. Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Building Capital Projects Fund have been expended only for authorized bond projects.

A copy of the original 2013 - 2014 Performance Audit on General Obligation Bonds is available for review in the Superintendent/President's office.

Need:

State mandated.

Fiscal Impact: None

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees accept the 2013-2014 Performance Audit on General Obligation Bonds as presented.

Legal Review: YES ___ NOT APPLICABLE X

Reference for Agenda: YES X NO ___

**VICTOR VALLEY
COMMUNITY COLLEGE DISTRICT**

**MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

AUDIT REPORT

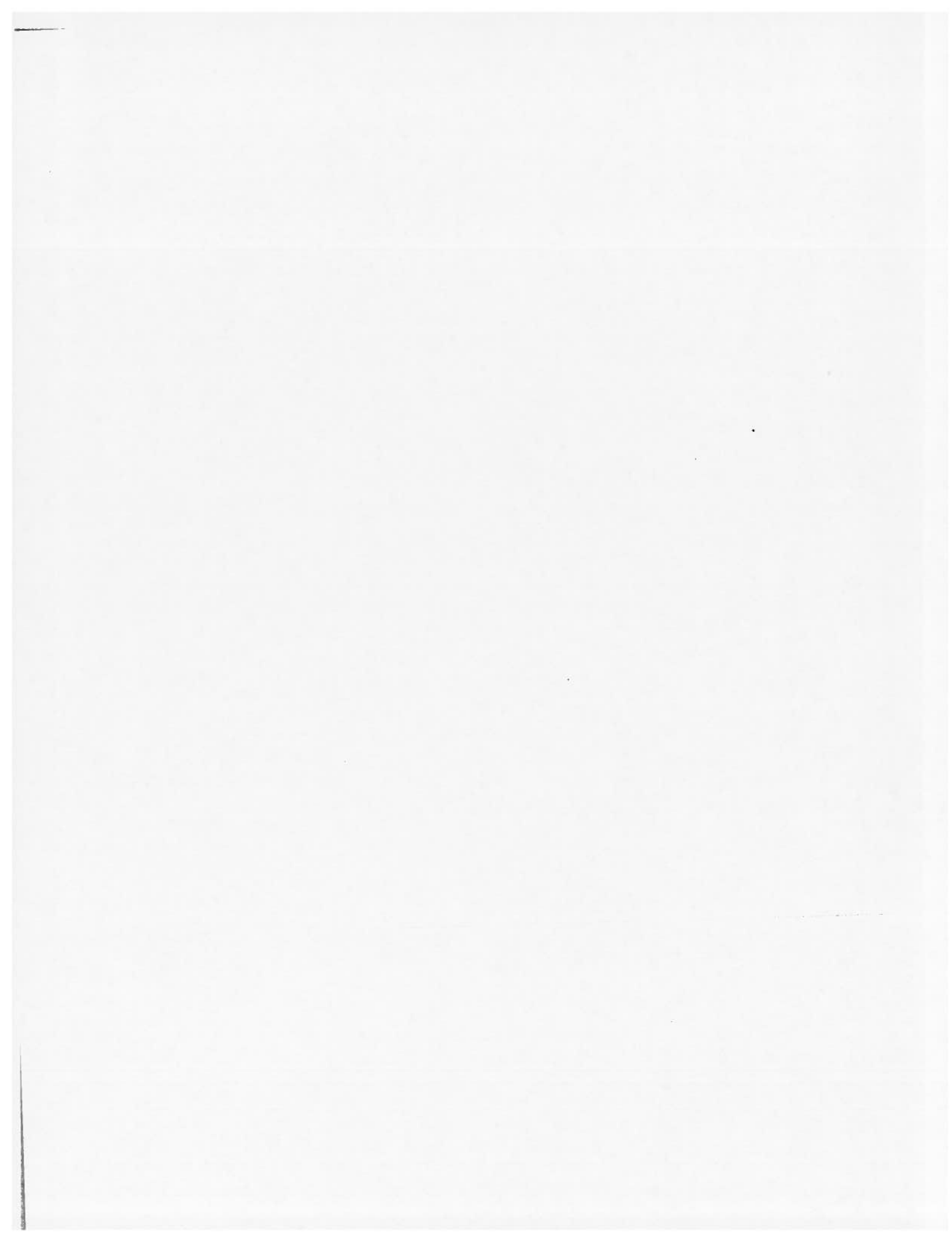
JUNE 30, 2014

**VICTOR VALLEY
COMMUNITY COLLEGE DISTRICT**

**MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

FINANCIAL AUDIT

JUNE 30, 2014



**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

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JUNE 30, 2014**

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FINANCIAL SECTION

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Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

VALUE THE DIFFEREN

INDEPENDENT AUDITOR'S REPORT

Board of Trustees and Citizens' Oversight Committee
Victor Valley Community College District
Victorville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Victor Valley Community College District (the District) Measure JJ General Obligation Bond Funds (Measure JJ) of as of and for the year ended June 30, 2014, and the related notes to the 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 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 fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 financial statement presentation.

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 financial position of the Measure JJ General Obligation Bond Funds (Measure JJ) of the 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 Measure JJ General Obligation Bond Funds (Measure JJ) and are not intended to present fairly the financial position and changes in financial position of the District 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 December 16, 2014, on our consideration of the District's Measure JJ General Obligation Bond Funds (Measure JJ) 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 Measure JJ General Obligation Bond Funds (Measure JJ) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vauriney, Tine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**BALANCE SHEET
JUNE 30, 2014**

ASSETS

Investments	\$ 22,233,225
Accounts receivable	21,757
Due from other funds	1,500,000
Total Assets	\$ 23,754,982

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 516,680
Due to other funds	11,958
Total Liabilities	528,638

Fund Balance:

Restricted	
Capital projects	23,226,344
Total Liabilities and Fund Balance	\$ 23,754,982

See the accompanying notes to financial statements.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

REVENUES	
Local revenues	<u>\$ 83,595</u>
EXPENDITURES	
Capital outlay	<u>5,900,920</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(5,817,325)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>29,043,669</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 23,226,344</u></u>

See the accompanying notes to financial statements.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of Measure JJ General Obligation Bond Funds (Measure JJ) 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 (AICPA).

Financial Reporting Entity

The audited financial statements include only Measure JJ General Obligation Bond Funds of Victor Valley Community College District (the District). This Fund was established to account for the receipt of proceeds of General Obligation Bond issuances and the expenditures of the proceeds under the General Obligation Bonds Election of November 2008. These financial statements are not intended to present fairly the financial position and changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of Measure JJ General Obligation Bond Funds 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 funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

Measure JJ General Obligation Bond Funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

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.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 - Governmental Funds

As of June 30, 2014, the fund balance of the Measure JJ General Obligation Bond Funds was 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.

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 instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

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

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Investment Pool. The District maintains an investment of \$22,233,225 with the San Bernardino County Investment Pool. The fair value of this investment is approximately \$22,328,753 with a weighted average maturity of 428 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 District's investment in the San Bernardino County Investment Pool is rated AAA/V1 by Fitch Ratings.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2014, in the amount of \$21,757 represents interest earnings that have yet to be received. All amounts have been determined by management to be fully collectable.

NOTE 4 - DUE FROM OTHER FUNDS

Interfund receivable balance at June 30, 2014, consists of the following:

Due from General Fund	<u>\$ 1,500,000</u>
-----------------------	---------------------

NOTE 5 - ACCOUNTS PAYABLE

The accounts payable at June 30, 2014, represent amounts owed to vendors for both ongoing and completed construction projects in the amount of \$516,680.

NOTE 6 - DUE TO OTHER FUNDS

Interfund payable balance at June 30, 2014, consists of the following:

Due to General Fund	<u>\$ 11,958</u>
---------------------	------------------

NOTE 7 - FUND BALANCE

Fund balance is composed of the following element:

Restricted Capital projects	<u>\$ 23,226,344</u>
--------------------------------	----------------------

NOTE 8 - COMMITMENTS AND CONTINGENCIES

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 Measure JJ General Obligation Bond Funds at June 30, 2014.

Construction Commitments

As of June 30, 2014, the District was committed under various capital expenditure purchase agreements for bond projects totaling approximately \$10.4 million.

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***

Board of Trustees and Citizens' Oversight Committee
Victor Valley Community College District
Victorville, 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 Measure JJ General Obligation Bond Funds (Measure JJ) of Victor Valley Community College District (the District) and the related notes to the financial statements as of and for the year ended June 30, 2014, and have issued our report thereon dated December 16, 2014.

As discussed in Note 1, the financial statements present only the Measure JJ General Obligation Bond Funds (Measure JJ), and are not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Measure JJ General Obligation Bond Funds (Measure JJ) 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 Measure JJ General Obligation Bond Funds (Measure JJ) internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Measure JJ General Obligation Bond Funds (Measure JJ) 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 Measure JJ General Obligation Bond Funds (Measure JJ) 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 the District's Measure JJ General Obligation Bond Funds (Measure JJ) 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 District's Measure JJ General Obligation Bond Funds (Measure JJ) 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 Measure JJ General Obligation Bond Funds (Measure JJ) internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannine, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2014**

None reported.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014**

There were no audit findings reported in the prior year's Financial Statement Findings.

**VICTOR VALLEY
COMMUNITY COLLEGE DISTRICT**

**MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

PERFORMANCE AUDIT

JUNE 30, 2014

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Board of Trustees and Citizens' Oversight Committee
Victor Valley Community College District
Victorville, California

We were engaged to conduct a performance audit of Victor Valley Community College District (the District) Measure JJ 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 JJ 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.

Rancho Cucamonga, California
December 16, 2014

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BOND
ELECTION 2008**

**PERFORMANCE AUDIT
JUNE 30, 2014**

AUTHORITY FOR ISSUANCE

The General Obligation Bonds were 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.

In November of 2008, a general obligation bond proposition (Measure JJ Election of 2008) of Victor Valley Community College District was approved by more than 55 percent of the voters of the District. The Election of 2008 authorized the District to issue up to \$297,500,000 of general obligation bonds to upgrade, expand, and construct school facilities. On June 17, 2009, the District issued Series A in the amount of \$54,004,963. Also on June 17, 2009, the District issued Series B in the amount of \$12,000,000. Lastly, on June 17, 2009, the District issued Series C in the amount of \$70,017,065.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds issued under the Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction, modernization, and equipping of certain District property and facilities, to refund the Refunded Certificates, and to pay certain costs of issuance of the Bonds.

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 community college 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 community college district to appoint a citizens' oversight committee.
4. Requires the community college 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.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BOND
ELECTION 2008**

**PERFORMANCE AUDIT
JUNE 30, 2014**

5. Requires the community college district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Measure JJ General Obligation Bond Funds have been made in accordance with the Bond project list approved by the voters through the approval of the Measure JJ.
2. Determine whether salary transactions charged to the Measure JJ General Obligation Bond Funds were in support of Measure JJ 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 bond 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 Measure JJ General Obligation Bond Funds (Measure JJ). 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 the Measure JJ as to the approved Bond projects list. We performed the following procedures:

1. Determine District procedures for disbursement of funds related to the voter approved Measure JJ General Obligation Bond Funds were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees. This will be accomplished through the inspection of specified documents evidencing certain types of transactions and detailed attributes thereof; including, but not limited to, the specific documents related to bid procedures for contracts and services, invoices for services rendered, and other appropriate documents deemed necessary to provide a basis for the results of our objective.
2. Review the detailed accounting of expenditures to determine if proceeds are being spent on administrative salaries or any other expense that would otherwise be the obligation of the General Fund.
3. From a sample of construction expenditures from the detailed accounting of expenditures, review expenditures to determine if proceeds expended are for specific projects as listed in the voter approved bond language. Expenditures from all projects will be included in the sample.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BOND
ELECTION 2008**

**PERFORMANCE AUDIT
JUNE 30, 2014**

CONCLUSION

We reviewed construction expenditures totaling 80 percent of all expenditures and other uses from the detailed accounting of expenditures. Our sample included transactions totaling \$4,728,452 of the total expenditures of \$5,900,920. The results of our test indicated that, in all significant respects, Victor Valley Community College District has properly accounted for the expenditures held in the Measure JJ General Obligation Bond Funds and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Measure JJ General Obligation Bond Funds for District general administration or operations. District procedures for disbursement of funds were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014**

None reported.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
MEASURE JJ GENERAL OBLIGATION BONDS
ELECTION 2008**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014**

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** **X** **BOARD INFORMATION (no action required)** ___

TOPIC: 2013-2014 FINANCIAL AUDIT

SUBMITTED BY: Karen Hardy, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour



APPROVED BY: Roger W. Wagner



Description/Background:

Vavrinek, Trine, Day & Co. LLP Certified Public Accountants & Consultants firm has completed the 2013-2014 financial audit. The auditor issued an unqualified report on the District's financial statements, which means that the college has received a clean bill of health. The firm recommended improvements in processes for few areas of the District operations. The District has addressed and/or developed processes to incorporate the recommendations into its operating processes and procedures.

A copy of the original 2013-2014 Financial Audit is available for review in the Superintendent/President's office.

Need:

The State mandates annual external inspection of colleges' financial and operating processes and procedures.

Fiscal Impact: None

Recommended Action:

This item has been approved by the Superintendent/President, and it is recommended that the Board of Trustees ratify the 2013-2014 Financial Audit report as presented.

Legal Review: YES ___ NOT APPLICABLE **X**

Reference for Agenda: YES **X** NO ___

**VICTOR VALLEY
COMMUNITY COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2014

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Victor Valley Community College District
Victorville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Victor Valley Community College District (the District) as of and for the year ended June 30, 2014, 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 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 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 of the District as of June 30, 2014, and the changes in net position and cash flows for the year then ended in accordance 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 the Management's Discussion and Analysis on pages 4 through 13 and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 47 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 Information

Our audit was 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 audit 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 16, 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.

Vaurinek, Tine, Day & Co., LLP.
Rancho Cucamonga, California
December 16, 2014



VICTOR VALLEY COLLEGE
18422 Bear Valley Road
Victorville, CA 92395-5850
(760) 245-4271
www.vvc.edu

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities programs and financial condition of Victor Valley Community College District (the District) as of June 30, 2014. The report consists of three basic financial statements: the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

Victor Valley Community College District was established in 1961 and serves the County of San Bernardino and a small portion of the County of Los Angeles. Students in our college may complete the freshman and sophomore years of a baccalaureate degree and transfer to upper division study at a university or complete a certificated vocational program and move directly into the workforce.

OVERVIEW OF THE FINANCIAL STATEMENTS

Victor Valley Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The entity-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

FINANCIAL HIGHLIGHTS

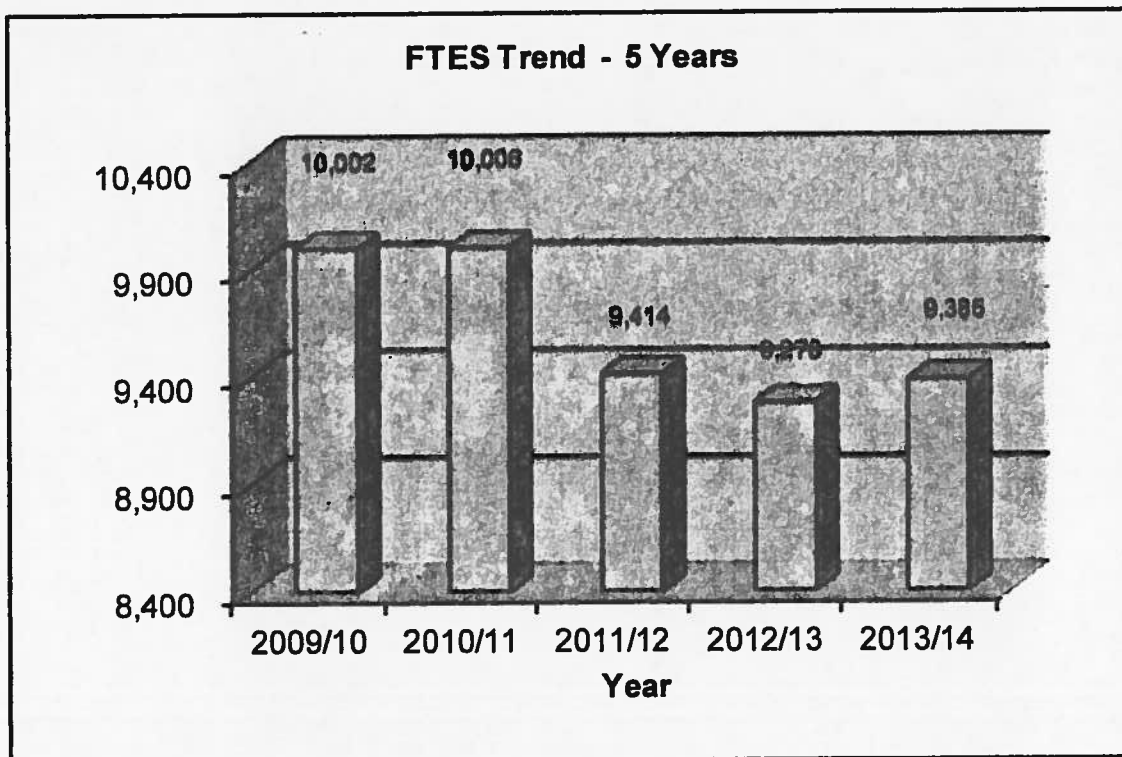
This section provides condensed information for each of the three basic financial statements, as well as illustrative charts and tables.

The District received additional funding in the form of workload restoration, increased property tax revenue, and one-time revenues, which contributed to production of increased number of courses to students. There was approximately an additional \$1 million in Educational Protection Act revenue.

There was an additional \$2.4 million increase of property tax revenue, due to increase assessed roll. With the dissolution of prior years Redevelopment within the District boundaries, the District received \$2.7 million from the sale of various Redevelopment Agency assets. While the workload and property tax revenues are considered ongoing, the resources realized from the RDA assets may not materialize in the future years.

The college maintained its mid-size college status that contributes approximately \$1.1 million to the General Fund. The District exceeded its target for funded workload of 9,243 by 132 FTES in meeting the mid-size college workload threshold of 9,375. This was achieved by rolling 554 FTES from fiscal year 2012-2013 into 2013-2014, which resulted in rolling approximately 40 FTES to fiscal year 2014-2015. The District generated 219 unfunded FTES during the cycle.

The District's primary funding is based upon an apportionment allocation made by the State of California Community Colleges Chancellor's Office. The primary basis for the Chancellor's apportionment calculation is the District's reporting of FTES. Below is the District's five-year trend for FTES:



VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Once the Chancellor's Office calculates the District's base apportionment, it reduces the net amount to be distributed by the amount of property taxes and enrollment fees expected to be paid directly to the District. The matrix below lists the three components and illustrates the net effect of the changes. Overall, total apportionment increased by \$3,394,989.

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Property tax revenue	\$ 6,983,566	\$ 6,243,457	\$ 740,109
Tuition and fees	2,892,353	3,017,306	(124,953)
Apportionment	36,621,779	33,841,946	2,779,833
Total	<u>\$ 46,497,698</u>	<u>\$ 43,102,709</u>	<u>\$ 3,394,989</u>

SELECTED HIGHLIGHTS

During fiscal year 2013-2014, total FTES increased by 1.2 percent. The actuarial value of the District's Other Postemployment Benefits (OPEB) irrevocable Futuris trust assets increased from \$8.4 million to \$10.6 million during the fiscal year, and the District's GASB Statement No. 45 liabilities are fully funded.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net assets of the District as of the end of the fiscal year, and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning assets, liabilities, and net position.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue operations of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net assets and their availability for expenditure by the District.

(Amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash and investments	\$ 43,452	\$ 43,281	\$ 171
Accounts receivable	8,724	14,679	(5,955)
Other current assets	1,393	1,339	54
Total Current Assets	<u>53,569</u>	<u>59,299</u>	<u>(5,730)</u>
Noncurrent Assets			
Investments	29,053	26,926	2,127
OPEB asset	6,977	6,842	135
Capital assets (net)	126,405	123,220	3,185
Total Noncurrent Assets	<u>162,435</u>	<u>156,988</u>	<u>5,447</u>
Total Assets	<u>\$ 216,004</u>	<u>\$ 216,287</u>	<u>\$ (283)</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 9,162	\$ 9,081	\$ 81
Current portion of long-term obligations	2,276	1,932	344
Total Current Liabilities	<u>11,438</u>	<u>11,013</u>	<u>425</u>
Long-Term Obligations	<u>156,028</u>	<u>154,742</u>	<u>1,286</u>
Total Liabilities	<u>167,466</u>	<u>165,755</u>	<u>1,711</u>
NET POSITION			
Net investment in capital assets	8,611	9,860	(1,249)
Restricted	10,124	9,720	404
Unrestricted	29,803	30,952	(1,149)
Total Net Position	<u>48,538</u>	<u>50,532</u>	<u>(1,994)</u>
Total Liabilities and Net Position	<u>\$ 216,004</u>	<u>\$ 216,287</u>	<u>\$ (283)</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

The difference between total assets and total liabilities is one indicator of the current financial condition of the District; the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. The District's net position decreased from last year by \$2.0 million for the fiscal year ending June 30, 2014. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less accumulated depreciation.

The net position is divided into three major categories. The first category, *net investment in capital assets*, provides the equity amount in the property, plant, and equipment owned by the District. The second category, *expendable restricted net position*, are net position available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is *unrestricted net position* that is available to the District for any lawful purpose of the District.

- Approximately 58 percent of the cash balance and investments is cash deposited in the San Bernardino County Treasury Pool. All funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and the return on investment. The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash.
- The majority of the accounts receivable balance in the amount of \$7.1 million is from Federal and State sources for grant and entitlement programs and apportionment funding.
- Capital assets had a net balance of \$126.4 million. Depreciation expense of \$3.4 million was recognized during 2013-2014.
- Accounts payable in the amount of \$4.7 million are amounts due as of the fiscal year-end for goods and services received as of June 30, 2014. Interest payable accruals total \$2.3 million. Other current liabilities in the amount of \$4.4 million related mainly to unearned revenues and the current portion of compensated absences payable, bonds payable, supplementary employee retirement plan, and lease obligations; noncurrent liabilities in the amount of \$156.0 million include noncurrent portions for compensated absences payable, general obligation bonds, supplementary employee retirement plan, and lease obligations have been recognized for the year ended June 30, 2014.
- The District currently has \$149.8 million outstanding related to the issuance of general obligation debt. Additional information regarding long-term debt is included in the Debt Administration section of this discussion and analysis.
- As of June 30, 2014, the postemployment benefits (OPEB) irrevocable trust had a balance of \$10.5 million.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not by the District, the operating and nonoperating expenses incurred, whether paid or not by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this Statement presents the District's results of operations.

(Amounts in thousands)

	2014	2013	Change
Operating Revenues			
Tuition and fees	\$ 2,892	\$ 3,017	\$ (125)
Auxiliary sales and charges	2,670	2,791	(121)
Total Operating Revenues	<u>5,562</u>	<u>5,808</u>	<u>(246)</u>
Operating Expenses			
Salaries and benefits	50,375	50,270	105
Supplies and maintenance	12,576	11,782	794
Student financial aid	23,452	22,391	1,061
Depreciation	3,439	4,063	(624)
Total Operating Expenses	<u>89,842</u>	<u>88,506</u>	<u>1,336</u>
Loss on Operations	<u>(84,280)</u>	<u>(82,698)</u>	<u>(1,582)</u>
Nonoperating Revenues			
State apportionments	36,622	33,842	2,780
Property taxes	6,984	6,244	740
Other taxes	6,505	6,379	126
Grants and contracts	30,727	27,136	3,591
Other nonoperating revenues (expenses)	118	(991)	1,109
Total Nonoperating Revenue	<u>80,956</u>	<u>72,610</u>	<u>8,346</u>
Other Revenues and Losses			
Local capital income	1,330	1,364	(34)
Loss on disposal of capital assets	-	(2)	2
Total Other Revenues and Losses	<u>1,330</u>	<u>1,362</u>	<u>(32)</u>
Change in Net Position	<u>\$ (1,994)</u>	<u>\$ (8,726)</u>	<u>\$ 6,732</u>

The schedule above has been prepared from the Statement of Revenues, Expenses, and Changes in Net Position. State general apportionment, while budgeted for operations, is considered nonoperating revenues, according to the Governmental Accounting Standards Board's prescribed reporting format.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

The District's Unrestricted General Fund expenses increased slightly (approximately \$238,000) in comparison to the prior fiscal year. However, increases in apportionment, property tax revenue, and one-time revenues correlate closely with the use of reserves in the amount of \$253,000 to balance the fiscal year budget.

Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for operating revenues and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, State appropriations are nonoperating revenue because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

- Tuition and fees are generated by the resident, non-resident, and foreign fees paid by the students attending Victor Valley Community College, including fees such as parking fees, community services classes, and other related fees.
- Non-capital grants and contracts are primarily those received from Federal and State sources and used in the instructional program.
- State apportionment is generated based on the workload measures reported to the State by the District. The District has experienced slight increases in the various workload measures.
- Local property taxes are received through the Auditor-Controller's Office for San Bernardino and Los Angeles Counties. The amount received for property taxes is deducted from the total State general apportionment amount calculated by the State for the District.

Total operating expenses increased by \$1.3 million. The increase is comprised of three parts:

1. Salaries and benefits increased by \$0.1 million;
2. Supplies, maintenance, and other operating expenses increased by \$0.8 million;
3. Payments to students increased by \$1.1 million.

Operating expenses are 56.1 percent related to personnel costs. The balance of operating expenses is for supplies, materials, other operating expenses, financial aid, utilities, and depreciation expense.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due, and the need for external financing.

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash used by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This part deals with the cash used for the acquisition and construction of capital and related items. The fourth part provides information from investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

(Amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Cash Provided by (Used in)			
Operating activities	\$ (80,780)	\$ (80,855)	\$ 75
Noncapital financing activities	87,020	74,621	12,399
Capital financing activities	(6,201)	453	(6,654)
Investing activities	2,259	2,179	80
Net Change in Cash	<u>2,298</u>	<u>(3,602)</u>	<u>5,900</u>
Cash, Beginning of Year	70,207	73,809	(3,602)
Cash, End of Year	<u>\$ 72,505</u>	<u>\$ 70,207</u>	<u>\$ 2,298</u>

The primary operating activities contributing to cash flow are student tuition and fees, while the primary operating activity using cash flow throughout the year is the payment of salaries and benefits.

Even though State apportionment, property taxes, Federal, State, and local grants and contracts are the primary source of non-capital related revenue (and cash flow), GASB accounting standards require that these sources of revenue be shown as nonoperating revenue, since they come from general resources of the Federal and State government and not from the primary users of the college's programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

Cash flow used in operating activities increased by \$75 thousand during fiscal year 2013-2014.

Cash flow provided by non-capital financing activities increased by \$12.4 million from 2012-2013. This was caused by a \$2.9 million increase in grants and contracts, and a \$9.5 million increase in apportionment, property taxes, and other receipts.

The primary source of funds included in capital and related financing activities is the issuance of general obligation bonds.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

District's Fiduciary Responsibility

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, and donors for student loans and scholarships. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the District's other financial statements because these assets cannot be used to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Capital Assets

At June 30, 2014, the District had total capital assets of \$177.1 million consisting of land, buildings and building improvements, construction in progress, vehicles, data processing equipment, and other office equipment. These assets have accumulated depreciation of \$50.7 million.

Capital additions consist primarily of replacement, renovation, and new construction of facilities, as well as significant investments in equipment, including information technology. Current year additions were funded with a combination of special categorical, unrestricted general fund dollars, and capital outlay appropriations.

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	\$ 13,617	\$ 5,034	\$ -	\$ 18,651
Buildings and improvements	144,049	1,341	-	145,390
Furniture and equipment	12,832	249	-	13,081
Subtotal	170,498	6,624	-	177,122
Accumulated depreciation	(47,278)	(3,439)	-	(50,717)
	<u>\$ 123,220</u>	<u>\$ 3,185</u>	<u>\$ -</u>	<u>\$ 126,405</u>

We present more detailed information about our capital assets in Note 5 to the financial statements.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Debt

At June 30, 2014, the District had \$158.3 million in total debt. The District was successful in passing a bond measure before the voters in November 2008. The general obligation bond was used in part to retire the outstanding certificates of participation debt.

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation bonds	\$ 147,333	\$ 3,658	\$ 1,226	\$ 149,765
Compensated absences	1,624	-	69	1,555
Supplemental employee retirement plan	1,394	-	465	929
Capital leases	6,323	-	269	6,054
Total Long-Term Debt	<u>\$ 156,674</u>	<u>\$ 3,658</u>	<u>\$ 2,029</u>	<u>\$ 158,303</u>
Amount due within one year				<u>\$ 2,276</u>

We present more detailed information about our debt in Note 9 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the: Office of Fiscal Services, Victor Valley Community College District, 18422 Bear Valley Road, Victorville, California 92395-5850.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2014**

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$ 980,957
Cash and cash equivalents - restricted	12,729
Investments - unrestricted	10,111,100
Investments - restricted	32,346,891
Accounts receivable	8,340,051
Student loans receivable	355,849
Due from fiduciary funds	28,186
Prepaid expenses	510,318
Inventories	882,921
Total Current Assets	<u>53,569,002</u>

Noncurrent Assets

Investments - unrestricted	29,053,012
Other postemployment benefits other than pensions (OPEB) asset	6,977,359
Nondepreciable capital assets	18,650,809
Depreciable capital assets, net of depreciation	107,754,351
Total Noncurrent Assets	<u>162,435,531</u>
TOTAL ASSETS	<u>216,004,533</u>

LIABILITIES

Current Liabilities

Accounts payable	4,752,731
Accrued interest payable	2,278,833
Due to fiduciary funds	2,320
Unearned revenue	2,129,037
Compensated absences payable - current portion	70,000
Bonds payable - current portion	1,445,000
Lease obligations - current portion	296,037
Other long-term liabilities - current portion	464,606
Total Current Liabilities	<u>11,438,564</u>

Noncurrent Liabilities

Compensated absences payable - noncurrent portion	1,485,536
Bonds payable - noncurrent portion	148,319,844
Lease obligations - noncurrent portion	5,757,652
Other long-term liabilities - noncurrent portion	464,606
Total Noncurrent Liabilities	<u>156,027,638</u>
TOTAL LIABILITIES	<u>167,466,202</u>

NET POSITION

Net investment in capital assets	8,610,878
Restricted for:	
Debt service	5,461,102
Capital projects	3,537,653
Educational programs	1,125,522
Unrestricted	29,803,176
TOTAL NET POSITION	<u>\$ 48,538,331</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEAR ENDED JUNE 30, 2014

OPERATING REVENUES	
Student Tuition and Fees	\$ 11,496,561
Less: Scholarship discount and allowance	(8,604,208)
Net tuition and fees	<u>2,892,353</u>
Auxiliary Enterprise Sales and Charges	2,307,320
Bookstore	227,061
Cafeteria	135,158
Other Operating Revenues	<u>5,561,892</u>
TOTAL OPERATING REVENUES	<u>5,561,892</u>
OPERATING EXPENSES	
Salaries	38,330,816
Employee benefits	12,043,883
Supplies, materials, and other operating expenses and services	11,888,070
Student financial aid	23,451,931
Equipment, maintenance, and repairs	688,568
Depreciation	3,438,876
TOTAL OPERATING EXPENSES	<u>89,842,144</u>
OPERATING LOSS	<u>(84,280,252)</u>
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	36,621,779
Local property taxes, levied for general purposes	6,983,566
Taxes levied for other specific purposes	6,505,083
Federal grants	24,261,368
State grants	6,465,819
State taxes and other revenues	1,604,635
Investment income	2,258,881
Interest expense on capital related debt	(9,241,758)
Investment income on capital asset-related debt, net	277,069
Transfer from fiduciary funds	115,139
Other nonoperating revenue	5,104,401
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>80,955,982</u>
LOSS BEFORE OTHER REVENUES	<u>(3,324,270)</u>
OTHER REVENUES	
Local revenues, capital	<u>1,330,550</u>
CHANGE IN NET POSITION	(1,993,720)
NET POSITION, BEGINNING OF YEAR	<u>50,532,051</u>
NET POSITION, END OF YEAR	<u>\$ 48,538,331</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 3,752,669
Payments to vendors for supplies and services	(12,817,715)
Payments to or on behalf of employees	(50,932,224)
Payments to students for scholarships and grants	(23,451,931)
Auxiliary enterprise sales and charges	2,669,539
Net Cash Flows From Operating Activities	<u>(80,779,662)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	42,113,383
Grant and contracts	30,446,852
Property taxes - non-debt related	6,983,566
State taxes and other apportionments	1,604,635
Other nonoperating	5,871,021
Net Cash Flows From Non-Capital Financing Activities	<u>87,019,457</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(7,100,489)
Local revenue, capital projects	1,330,550
Property taxes - related to capital debt	6,505,083
Proceeds from capital debt	3,658,069
Principal paid on capital debt	(1,495,434)
Interest paid on capital debt	(9,375,552)
Interest received on capital asset-related debt	277,069
Net Cash Flows From Capital Financing Activities	<u>(6,200,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	2,258,881
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>2,297,972</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>70,206,717</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 72,504,689</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014**

**RECONCILIATION OF NET OPERATING LOSS TO NET CASH
FLOWS FROM OPERATING ACTIVITIES**

Operating Loss	<u>\$ (84,280,252)</u>
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Depreciation expense	3,438,876
Changes in Assets and Liabilities	
Receivables	112,053
Inventories	(11,405)
Prepaid expenses and other assets	(178,773)
Accounts payable and accrued liabilities	(75,292)
Unearned revenue	748,263
Compensated absences and supplemental employee retirement plan	(533,132)
Total Adjustments	<u>3,500,590</u>
Net Cash Flows From Operating Activities	<u>\$ (80,779,662)</u>

CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:

Cash in banks	\$ 993,686
Cash in county treasury	42,457,991
SunAmerica Annuity and Life Assurance Company	29,053,012
Total Cash and Cash Equivalents	<u>\$ 72,504,689</u>

NONCASH TRANSACTIONS

Board of governners fee waivers	\$ 8,604,208
On behalf payments for benefits	1,134,737
	<u>\$ 9,738,945</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014**

	<u>Trust</u>
ASSETS	
Cash and cash equivalents	\$ 399,591
Investments	76,218
Accounts receivable	24,765
Due from primary government	2,320
Total Assets	<u><u>502,894</u></u>
 LIABILITIES	
Accounts payable	45,322
Due to primary government	28,186
Total Liabilities	<u><u>73,508</u></u>
 NET POSITION	
Unreserved	429,386
Total Net Position	<u><u>\$ 429,386</u></u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Trust</u>
ADDITIONS	
Local revenues	<u>\$ 384,900</u>
DEDUCTIONS	
Services and operating expenditures	<u>98,022</u>
OTHER FINANCING USES	
Transfers out to primary government	<u>(115,139)</u>
Change in Net Position	<u>171,739</u>
Net Position - Beginning	<u>257,647</u>
Net Position - Ending	<u>\$ 429,386</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 1 - ORGANIZATION

Victor Valley Community College District (the District) was established in 1961 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. 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 Funds, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operated one community college located in Victorville, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provision of Governmental Accounting Standards Board (GASB) Statement No. 61. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and cafeteria.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 students (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 issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

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, No. 38 and No. 39. 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:
 - Statements of Net Position - Primary Government
 - Statements of Revenues, Expenses, and Changes in Net Position - Primary Government
 - Statements of Cash Flows - Primary Government
 - Financial Statements for the Fiduciary Funds including:
 - Statements of Fiduciary Net Position
 - Statements of Changes in 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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, 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 does not record an allowance for uncollectible accounts because collectability of the receivables from such sources is probable. When receivables are determined to be uncollectible, a direct write-off is recorded.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30, 2014.

Inventories

Stores inventories consist primarily of bookstore merchandise held for resale to the students and faculty of the college. Inventories are stated at the lower of cost, or market on an average basis. 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 and an estimated useful life greater than one year. 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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, 39 years; site improvements, 20 years; machinery and equipment, 5 to 20 years; vehicles, 8 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

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

Compensated Absences

Compensated absences are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District. The District participates in underloading, whereby any faculty who fall below load one semester may be assigned additional classes the following semester to make up for the shortage.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for eligible employees when they retire.

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 revenues include (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds, compensated absences, and capital lease obligations, with maturities greater than one year.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists 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 accounts are not included as a component of net investment in capital assets.

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.

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.

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. The entity-wide financial statements report \$10,124,277 of restricted net position.

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

The voters of the District passed a General Obligation Bond in 2008 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 assessed, billed, and collected as noted above and remitted to the District when collected.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers in the Statement of Revenues, Expenses, 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 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, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related *Compliance Supplement*.

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.

Estimates

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

Interfund Activity

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

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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 No. 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 No. 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.

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:

- 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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.

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; 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

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

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

Summary of Deposits and Investments

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

Primary government	\$ 72,504,689
Fiduciary funds	475,809
Total Deposits and Investments	<u>\$ 72,980,498</u>
Cash on hand and in banks	\$ 1,297,527
Cash in revolving	95,750
Investments	71,587,221
Total Deposits and Investments	<u>\$ 72,980,498</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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Investment Pool and SunAmerica Annuity and Life Assurance Company.

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

Investment Type	Fair Value	Weighted Average Days to Maturity
San Bernardino County Investment Pool	\$ 42,716,962	428
SunAmerica Annuity and Life Assurance Company	29,053,012	N/A
Total	<u>\$ 71,769,974</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the San Bernardino County Investment Pool was rated AAA/V1 by Fitch Ratings. The District's investment with SunAmerica Annuity and Life Assurance Company is not required to be rated, nor has it been rated as of June 30, 2014.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are the Guaranteed Investment Contract (GIC) with SunAmerica Annuity and Life Assurance Company which represents 41 percent.

VICTOR VALLEY 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 agency. 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, the District did not have any deposits exposed to custodial credit risk because all balances were insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Federal Government		
Categorical aid	\$ 348,727	\$ -
State Government		
Apportionment	6,018,043	-
Lottery	637,413	-
Other State	80,898	-
Local Sources		
Interest	32,696	91
Property taxes	381,547	-
Victor Valley College Foundation	149,174	-
Other local sources	691,553	24,674
Total	<u>\$ 8,340,051</u>	<u>\$ 24,765</u>
Student receivables, net	<u>\$ 355,849</u>	<u>\$ -</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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	\$ 11,883,784	\$ -	\$ -	\$ 11,883,784
Construction in progress	1,732,730	5,034,295	-	6,767,025
Total Capital Assets Not Being Depreciated	13,616,514	5,034,295	-	18,650,809
Capital Assets Being Depreciated				
Land improvements	13,699,377	1,340,729	-	15,040,106
Buildings and improvements	130,349,636	-	-	130,349,636
Furniture and equipment	12,832,461	248,578	-	13,081,039
Total Capital Assets Being Depreciated	156,881,474	1,589,307	-	158,470,781
Total Capital Assets	170,497,988	6,623,602	-	177,121,590
Less Accumulated Depreciation	47,277,554	3,438,876	-	50,716,430
Net Capital Assets	\$ 123,220,434	\$ 3,184,726	\$ -	\$ 126,405,160

Depreciation expense for the year was \$3,438,876.

Interest expense on capital related debt for the year ended June 30, 2014, was \$9,361,052. Of this amount, \$119,294 was capitalized in the current year.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government	Fiduciary Funds
Accrued payroll	\$ 1,940,226	\$ -
Construction	2,351,976	-
Other	460,529	45,322
Total	<u>\$ 4,752,731</u>	<u>\$ 45,322</u>

NOTE 7 - UNEARNED REVENUE

Unearned revenue consisted of the following:

	Primary Government
Federal categorical	\$ 99,405
State categorical	460,895
Student fees	887,780
Other local	680,957
Total	<u>\$ 2,129,037</u>

NOTE 8 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (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 primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2014, the amounts owed between the primary government and the fiduciary funds were \$28,186 and \$2,320, respectively.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2014 fiscal year, the amount transferred to the primary government from the fiduciary fund amounted to \$115,139.

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

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

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
2008 General obligation bonds, Series A	\$ 53,592,106	\$ 345,112	\$ 870,000	\$ 53,067,218	\$1,045,000
2008 General obligation bonds, Series B	12,000,000	-	-	12,000,000	-
2008 General obligation bonds, Series C	80,129,364	3,312,957	305,000	83,137,321	400,000
Premium on issuance	1,611,480	-	51,175	1,560,305	-
Total Bonds and Notes Payable	147,332,950	3,658,069	1,226,175	149,764,844	1,445,000
Other Liabilities					
Compensated absences	1,624,062	-	68,526	1,555,536	70,000
Supplemental Employee Retirement Plan	1,393,818	-	464,606	929,212	464,606
Capital leases	6,322,948	-	269,259	6,053,689	296,037
Total Other Liabilities	9,340,828	-	802,391	8,538,437	830,643
Total Long-Term Debt	\$ 156,673,778	\$ 3,658,069	\$ 2,028,566	\$ 158,303,281	\$ 2,275,643

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Capital lease payments and the Supplemental Employee Retirement Plan will be made by the Unrestricted General Fund. The compensated absences will be paid by the fund for which the employee worked.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds		Accreted Interest	Redeemed	Bonds
				Outstanding July 1, 2013	Issued			Outstanding June 30, 2014
2009	08/01/31	3.00% - 5.375%	\$ 54,004,963	\$ 53,592,106	\$ -	\$ 345,112	\$ 870,000	\$ 53,067,218
2009	08/01/33	6.67%	12,000,000	12,000,000	-	-	-	12,000,000
2009	06/01/49	3.17% - 7.20%	70,017,065	80,129,364	-	3,312,957	305,000	83,137,321
				\$ 145,721,470	\$ -	\$ 3,658,069	\$ 1,175,000	\$ 148,204,539

2008 General Obligation Bonds, Series A

In June 2009, the District issued \$54,004,963 of the Victor Valley Community College District, 2008 General Obligation Bonds, Series A. The bonds issued included \$27,635,000 of current interest serial bonds, \$24,440,000 of current interest term bonds, and \$1,929,963 of capital appreciation bonds, with the capital appreciation bonds accreting to \$5,410,000. The bonds have a final maturity to occur on August 1, 2031, with interest rates from 3.00 percent to 5.375 percent. Proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization and equipping of certain District property and facilities, as well as to refund all of the Victor Valley Community College District, 1997 variable rate certificates of participation. At June 30, 2014, the principal balance outstanding was \$53,067,218.

2008 General Obligation Bonds – Build America Bonds, Series B

In June 2009, the District issued \$12,000,000 of the Victor Valley Community College District, 2008 General Obligation Bonds - Build America Bonds, Series B. The bonds have a final maturity to occur on August 1, 2033, with an interest rate of 6.67 percent. Proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization and equipping of certain District property and facilities, as well as to refund all of the Victor Valley Community College District, 1997 variable rate certificates of participation. At June 30, 2014, the principal balance outstanding was \$12,000,000.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

2008 General Obligation Bonds, Series C

In June 2009, the District issued \$70,017,065 of the Victor Valley Community College District, 2008 General Obligation Bonds, Series C. The bonds issued included \$16,135,000 of current interest serial bonds, \$20,000,000 of current interest term bonds, \$6,600,646 of capital appreciation serial bonds, with the capital appreciation bonds accreting to \$27,000,000, \$21,177,379 of capital appreciation term bonds, with capital appreciation bonds accreting to \$248,200,000, and \$6,104,040 of convertible capital appreciation term bonds, with a conversion value of \$12,070,000. The bonds have a final maturity to occur on June 1, 2049, with interest rates from 3.17 percent to 7.20 percent. Proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization and equipping of certain District property and facilities. At June 30, 2014, the principal balance outstanding was \$83,137,321. Unamortized premium on issuance at June 30, 2014, was \$1,560,305.

The 2008 General Obligation Bonds, Series A mature through 2032 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Current Interest</u>	<u>Total</u>
2015	\$ 1,045,000	\$ -	\$ 2,520,138	\$ 3,565,138
2016	1,230,000	-	2,474,638	3,704,638
2017	1,425,000	-	2,420,538	3,845,538
2018	1,108,862	531,138	2,391,038	4,031,038
2019	1,088,285	711,715	2,391,038	4,191,038
2020-2024	11,380,071	904,930	10,999,563	23,284,564
2025-2029	21,060,000	-	6,822,806	27,882,806
2030-2032	14,730,000	-	984,750	15,714,750
Total	<u>\$ 53,067,218</u>	<u>\$ 2,147,783</u>	<u>\$ 31,004,509</u>	<u>\$ 86,219,510</u>

The 2008 General Obligation Bonds, Series B mature through 2034 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest</u>	<u>Total</u>
2015	\$ -	\$ 800,400	\$ 800,400
2016	-	800,400	800,400
2017	-	800,400	800,400
2018	-	800,400	800,400
2019	-	800,400	800,400
2020-2024	-	4,002,000	4,002,000
2025-2029	-	4,002,000	4,002,000
2030-2034	12,000,000	2,620,977	14,620,977
Total	<u>\$ 12,000,000</u>	<u>\$ 14,626,977</u>	<u>\$ 26,626,977</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The 2008 General Obligation Bonds, Series C mature through 2049 as follows:

<u>Fiscal Year</u>	<u>Principal Including Accreted Interest to Date</u>	<u>Accreted Interest</u>	<u>Current Interest</u>	<u>Total</u>
2015	\$ 378,246	\$ 21,754	\$ 2,127,763	\$ 2,527,763
2016	418,564	76,436	2,127,763	2,622,763
2017	453,673	146,327	2,127,763	2,727,763
2018	473,295	226,705	2,127,763	2,827,763
2019	486,705	318,295	2,127,763	2,932,763
2020-2024	1,114,559	1,375,441	14,372,969	16,862,969
2025-2029	1,398,993	3,651,007	14,787,875	19,837,875
2030-2034	4,604,515	11,335,485	14,787,875	30,727,875
2035-2039	23,182,555	35,468,967	13,372,606	72,024,128
2040-2044	23,925,372	57,286,104	5,068,263	86,279,739
2045-2049	26,700,844	99,034,499	463,881	126,199,224
Total	\$ 83,137,321	\$ 208,941,020	\$ 73,492,284	\$ 365,570,625

Capital Leases

The District has entered into agreements to lease equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with option to purchase is summarized below:

Balance, July 1, 2013	<u>Equipment</u> \$ 8,589,284
Payments	(551,310)
Balance, June 30, 2014	<u>\$ 8,037,974</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2015	\$ 565,441
2016	579,996
2017	594,989
2018	610,431
2019	626,336
2020-2024	3,387,471
2025-2027	1,673,310
Total	<u>8,037,974</u>
Less: Amount Representing Interest	(1,984,285)
Present Value of Minimum Lease Payments	<u>\$ 6,053,689</u>

The equipment purchased through capital lease arrangements has been capitalized and is being depreciated over the estimated useful lives.

Equipment	\$ 6,880,519
Less: Accumulated Depreciation	(4,816,364)
Total	<u>\$ 2,064,155</u>

Amortization of the leased equipment under capital lease is included with depreciation expense.

Supplemental Employee Retirement Plan (SERP)

The District has entered into an agreement to provide certain benefits to employees participating in the early retirement incentive program. The District will pay a total of \$929,212 on behalf of the retirees over the next two years in accordance with the following schedule:

Year Ending June 30,	SERP Payment
2015	\$ 464,606
2016	464,606
Total	<u>\$ 929,212</u>

Compensated Absences

The long-term portion of compensated absences for the District at June 30, 2014, amounted to \$1,555,536.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) ASSET

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 postemployment benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, vision, and life insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 51 retirees and beneficiaries currently receiving benefits, and 299 active plan members.

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 as determined annually through agreements between the District and the bargaining units. For fiscal year 2013-2014, the District contributed \$636,953 to the Plan. The entire amount was used for current premiums.

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 the payments of 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 (UAAL) (or funding costs) 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	\$ 501,378
Contribution made	<u>(636,953)</u>
Increase in net OPEB asset	(135,575)
Net OPEB asset, July 1, 2013	<u>(6,841,784)</u>
Net OPEB asset, June 30, 2014	<u>\$ (6,977,359)</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 Asset
2012	\$ 501,378	\$ 698,022	139%	\$ (5,870,947)
2013	501,378	1,472,215	294%	(6,841,784)
2014	501,378	636,953	127%	(6,977,359)

Funding Status and Funding Progress

Actuarial Accrued Liability (AAL)	\$ 8,137,692
Actuarial Value of Plan Assets	7,801,056
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 336,636</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	96%
Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	<u>N/A</u>

The above noted actuarial accrued liability was based on the May 1, 2012, 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 Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and 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 May 1, 2012, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a seven percent investment rate of return, based on the Plan being funded through Futuris. The cost trend rate used was four percent. The UAAL is being amortized at a level percentage of payroll method. The remaining amortization period at June 30, 2014, was 27 years. At June 30, 2014, the irrevocable trust with Futuris held assets in the amount of \$10,540,188.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 11 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of \$250,000,000 per occurrence, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to \$1 million per occurrence, all subject to various deductibles. Employee health coverage benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees, their families, and retired employees of the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2014, the District contracted with the Statewide Association of Community Colleges Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2013-2014, the District participated in the Protected Insurance Program for Schools and Colleges (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Employee Medical Benefits

The District has contracted with Southern California Schools Employee Benefit Association (SCSEBA) to provide employee medical benefits. SCSEBA is a shared risk pool comprised of community colleges and school districts in Southern California. 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 the claim's flow. The Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer 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, annual cost-of-living adjustments, 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 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 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 contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$1,738,422, \$1,746,278, and \$1,689,515, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under 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 survivor benefits to plan members and beneficiaries. As a result of the 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, CA 95811.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

Funding Policy

As a result of the implementation of the PEPR, 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 required employer contribution rate for fiscal year 2013-2014 was 11.442 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$1,480,537, \$1,442,645, and \$1,344,836, respectively, and equal 100 percent of the required contributions for each year.

PARS-ARS (Public Agency Retirement System Alternate Retirement System)

The District contributes to the Public Agency Retirement System Alternate Retirement System (PARS-ARS), a defined contribution retirement plan administered by the District. PARS-ARS employs a corporate Trustee and Trust Administrator who receives and invests contributions to the Plan and manages the assets of the Trust.

Active plan members contribute 3.75 percent of their salary and the District contributes the equivalent 3.75 percent. Interest earnings on the plan investments minus administrative costs are credited to the members accounts monthly and accumulate tax-free until withdrawal.

Tax Deferred Annuity

The District provides a Tax Shelter Annuity Plan for all eligible employees, as defined in the Plan documents. Participants may contribute a portion of their earnings under a 403(b) plan, which has a maximum deferral limit of \$15,000 if under age 50, and \$20,000 if over age 50. The District will not make matching contributions to the Plan on behalf of participants. However, the District absorbs some costs associated with the administration of the Plan.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, which amounted to \$1,134,737, \$1,143,766, and \$1,085,384, respectively, (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. No contributions were made for CalPERS for the years ended June 30, 2014, 2013, and 2012. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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

The District is a member of the Statewide Association of Community Colleges and Southern California Schools Employee Benefit Association (SCSEBA) Joint Powers Authority JPAs. The District pays annual premiums for its property liability, excess liability, and health coverage. The relationship between the District and the JPAs is such that it is not a component unit of the District for financial reporting purposes.

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. 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.

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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

Construction Commitments

As of June 30, 2014, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECT</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Dr. Prem Reddy Science and Health Building	\$ 9,615,836	July 2015
Vocational Education Complex	411,330	December 2016
Music Building Code Compliance and Renovation	355,619	August 2014
	<u>\$ 10,382,785</u>	

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

REQUIRED SUPPLEMENTARY INFORMATION

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Method Used (b)*	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
March 1, 2009	\$ -	\$ 6,582,497	\$ 6,582,497	0%	N/A	N/A
March 1, 2011	7,845,902	8,274,773	428,871	95%	N/A	N/A
May 1, 2012	7,801,056	8,137,692	336,636	96%	N/A	N/A

*Entry age normal cost method.

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SUPPLEMENTARY INFORMATION

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION

JUNE 30, 2014

Victor Valley Community College is a public community college operated under the Education Code of the State of California. The District was established by authority of the voters who created the District in 1960. The District began classes in 1961. The present campus was started in 1963 and opened its doors to students in 1965. The District encompasses an area of approximately 2,200 square miles and includes the communities of Adelanto, Apple Valley, Cedar Springs, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Wrightwood, Los Flores, and Victorville. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Dennis Henderson	President	December 2014
Joseph W. Brady	Vice President	December 2015
John Pinkerton	Clerk	December 2015
Lorrie Denson	Member	December 2014
Brandon Wood	Member	December 2014

ADMINISTRATION

Peter Allan	Interim Superintendent/President
G.H. Javaheripour	Vice President, Administrative Services
Peter Maphumulo	Executive Vice President, Instruction and Student Services
Fusako Yokotobi	Vice President, Human Resources

See accompanying notes to supplementary information.

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Student Financial Assistance Cluster			
Pell Grant	84.063		\$ 21,791,632
Pell Grant - Administration	84.063		20,635
Supplemental Education Opportunity Program	84.007		403,400
Supplemental Education Opportunity Program - Administration	84.007		9,325
College Work Study	84.033		327,348
College Work Study - Administration	84.033		21,440
Total Student Financial Assistance Cluster			<u>22,573,780</u>
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334A		911,000
TRIO - Upward Bound	84.047A		208,086
Passed through from California Community Colleges Chancellor's Office			
Career and Technical Education Grants	84.048	13-C01-066	428,986
CTE Transitions	84.048A	13-112-990	41,804
Total U.S. Department of Education			<u>24,163,656</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Veterans Educational Assistance	64.028		3,791
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	109,937
Total Federal Programs			<u>\$ 24,277,384</u>

[1] Pass-Through Entity Identifying Number is not available.

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Program	Program Entitlements		
	Current Year	Prior Year Carryover	Total Entitlement
Basic Skills	\$ 95,071	\$ 91,507	\$ 186,578
Cal Grants	1,145,188	51,246	1,196,434
CalWORKS	360,475	-	360,475
CalWORKS Region IX Travel	10,000	-	10,000
CARE Program	206,435	-	206,435
Child Development - State Pre-School	116,116	-	116,116
Child Development - Facilities Renovation and Repair	18,903	-	18,903
Deputy Sector Navigator	253,113	-	253,113
Disabled Students Program And Services	463,725	-	463,725
Extended Opportunity Program and Services (EOPS)	751,893	-	751,893
Matriculation	549,193	-	549,193
Non-Credit Matriculation	9,949	-	9,949
Nursing Enrollment Growth and Retention	249,500	-	249,500
Physical Plant/Instructional Support/Library Materials	213,854	-	213,854
Proposition 39 Clean Energy Project	324,806	-	324,806
Staff Diversity	5,628	12,607	18,235
Student Financial Assistance Programs (BFAP)	502,122	-	502,122
Song Brown Nursing Grant #4	-	57,045	57,045
TANF/Child Development Careers Program	-	14,893	14,893
Total State Programs			

See accompanying notes to supplementary information.

Program Revenues

<u>Cash Received</u>	<u>Accounts Payable</u>	<u>Unearned Revenue</u>	<u>Total Revenue</u>	<u>Program Expenditures</u>
\$ 186,578	\$ -	\$ 105,747	\$ 80,831	\$ 80,831
1,196,434	-	-	1,196,434	1,137,080
360,475	(3,503)	-	356,972	356,972
7,874	-	-	7,874	7,874
206,435	-	-	206,435	206,435
116,116	-	-	116,116	116,116
17,741	-	-	17,741	17,741
142,223	-	36,400	105,823	105,823
463,725	-	-	463,725	463,725
751,893	-	-	751,893	751,893
549,193	-	179,648	369,545	369,545
9,949	-	-	9,949	9,949
249,500	-	-	249,500	249,500
196,746	-	74,281	122,465	122,465
324,806	-	-	324,806	324,806
17,396	-	11,695	5,701	5,701
502,122	(4,919)	-	497,203	497,203
57,045	-	49,440	7,605	7,605
3,684	-	3,684	-	-
<u>\$ 5,359,935</u>	<u>\$ (8,422)</u>	<u>\$ 460,895</u>	<u>\$ 4,890,618</u>	<u>\$ 4,831,264</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL
 APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
 FOR THE YEAR ENDED JUNE 30, 2014**

CATEGORIES	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
A. Summer Intersession			
1. Noncredit	6.05	-	6.05
2. Credit	605.44	-	605.44
B. Summer Intersession			
1. Noncredit	-	-	-
2. Credit	749.86	-	749.86
C. Primary Terms			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	5,108.00	-	5,108.00
(b) Daily Census Contact Hours	782.12	-	782.12
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	85.78	-	85.78
(b) Credit	562.05	-	562.05
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	1,026.72	-	1,026.72
(b) Daily Census Contact Hours	459.23	-	459.23
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	<u>9,385.25</u>	<u>-</u>	<u>9,385.25</u>
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills courses and Immigrant Education (FTES)			
1. Noncredit	42.45	-	42.45
2. Credit	798.44	-	798.44

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF EDUCATION CODE SECTION 843262 (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
Academic Salaries						
Instructional Salaries Contract or Regular	\$ 10,751,948	\$ -	\$ 10,751,948	\$ 10,779,485	\$ -	\$ 10,779,485
Other	8,943,221	-	8,943,221	8,962,526	-	8,962,526
Total Instructional Salaries	19,695,169	-	19,695,169	19,742,011	-	19,742,011
Noninstructional Salaries						
Contract or Regular	-	-	-	2,072,276	-	2,072,276
Other	-	-	-	737,440	-	737,440
Total Noninstructional Salaries	-	-	-	2,809,716	-	2,809,716
Total Academic Salaries	19,695,169	-	19,695,169	22,551,727	-	22,551,727
Classified Salaries						
Noninstructional Salaries Regular Status	-	-	-	8,590,552	-	8,590,552
Other	-	-	-	435,141	-	435,141
Total Noninstructional Salaries	-	-	-	9,025,693	-	9,025,693
Instructional Aides						
Regular Status	1,415,761	-	1,415,761	1,603,493	-	1,603,493
Other	245,364	-	245,364	249,500	-	249,500
Total Instructional Aides	1,661,125	-	1,661,125	1,852,993	-	1,852,993
Total Classified Salaries	1,661,125	-	1,661,125	10,878,686	-	10,878,686
Employee Benefits	4,852,395	-	4,852,395	9,441,424	-	9,441,424
Supplies and Material	-	-	-	674,837	-	674,837
Other Operating Expenses	345,127	-	345,127	5,896,483	-	5,896,483
Equipment Replacement	-	-	-	-	-	-
Total Expenditures	26,553,816	-	26,553,816	49,443,157	-	49,443,157
Prior to Exclusions						

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF EDUCATION CODE SECTION 843262 (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
5000	\$ -	\$ -	\$ -	\$ 738,181	\$ -	\$ 738,181
6000	-	-	-	-	-	-
6300	-	-	-	-	-	-
6400	-	-	-	-	-	-
6410	-	-	-	-	-	-
7000	-	-	-	-	-	-
	178,836	-	178,836	1,913,394	-	1,913,394
	\$ 26,374,980	\$ -	\$ 26,374,980	\$ 47,529,763	\$ -	\$ 47,529,763
	55.49%		55.49%	100.00%		100.00%
				\$ 23,764,882		\$ 23,764,882
Other Operating Expenses and Services						
Capital Outlay						
Library Books						
Equipment						
Equipment - Additional						
Equipment - Replacement						
Total Equipment						
Total Capital Outlay						
Other Outgo						
Total Exclusions						
Total for ECS 84362, 50 Percent Law						
Percent of CEE (Instructional Salary Cost/Total CEE)						
50% of Current Expense of Education						

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)
WITH FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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 notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				\$ 7,302,357
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 7,302,357			\$ 7,302,357
Total Expenditures for EPA		\$ 7,302,357	-	-	\$ 7,302,357
Revenues Less Expenditures					\$ -

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2014**

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

Total Fund Balance:

General Fund, unrestricted	\$ 9,527,886
General Fund, restricted	1,125,522
Special Revenue Funds	29,321,738
Capital Project Funds	26,763,997
Debt Service Funds	7,739,935
Enterprise Funds	1,056,818
Internal Service Funds	135,517
Fiduciary Funds	495,899

Total Fund Balance - All District Funds **\$ 76,167,312**

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

The cost of capital assets is: 177,121,590

Accumulated depreciation is: (50,716,430) 126,405,160

Amounts held in trust on behalf of others (Trust and Agency Funds) (429,386)

Recognizing the OPEB asset resulting from the difference between annual OPEB cost on the accrual basis and the OPEB contributions in the governmental funds. 6,977,359

In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred. (2,278,833)

Long-term obligations at year end consist of:

General obligation bonds	133,406,632
Premium on bonds	1,560,305
Capital leases payable	6,053,689
Supplemental employee retirement plan	929,212
Compensated absences	1,555,536

In addition, the District issued "capital appreciation" general obligation bonds. The accretion of interest on those bonds to date is the following: 14,797,907 (158,303,281)

Total Net Position **\$ 48,538,331**

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

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 Position:		
Pell Grants		24,261,368
Pell Grants - Administration	84.007	5,858
Total Expenditures of Federal Awards	84.063	10,158
		<u>\$ 24,277,384</u>

Subrecipients

Of the Federal expenditures presented in the schedule, the District provided Federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Amount Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334A	<u>\$ 75,055</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2014

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

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.

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 District's internal 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.

Reconciliation of Governmental Funds to the Statement of Net Position

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

INDEPENDENT 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
Victor Valley Community College District
Victorville, 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 Victor Valley Community College District (the District) as of and for the year ended June 30, 2014, 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 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit 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 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 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 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.

Vauvinez, Tine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014



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

Board of Trustees
Victor Valley Community College District
Victorville, California

Report on Compliance for Each Major Federal Program

We have audited Victor Valley 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.

Vaurinek, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Victor Valley Community College District
Victorville, California

Report on State Compliance

We have audited Victor Valley 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.

The District reports no attendance within classes subject to the TBA Hours; therefore, the compliance tests within this section were not applicable.

Vauvinez, Time, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

No

Significant deficiencies identified?

None reported

Noncompliance material to financial statements noted?

No

FEDERAL AWARDS

Internal control over major Federal programs:

Material weaknesses identified?

No

Significant deficiencies identified?

None reported

Type of auditor's report issued on compliance for major Federal programs:

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

Unmodified

Identification of major Federal programs:

No

CFDA Numbers

Name of Federal Program or Cluster

84.007, 84.033, 84.063

Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 728,322

Auditee qualified as low-risk auditee?

Yes

STATE AWARDS

Type of auditor's report issued on compliance for State programs:

Unmodified

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

None reported.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

None reported.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

None reported.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

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.

Financial Statement Findings

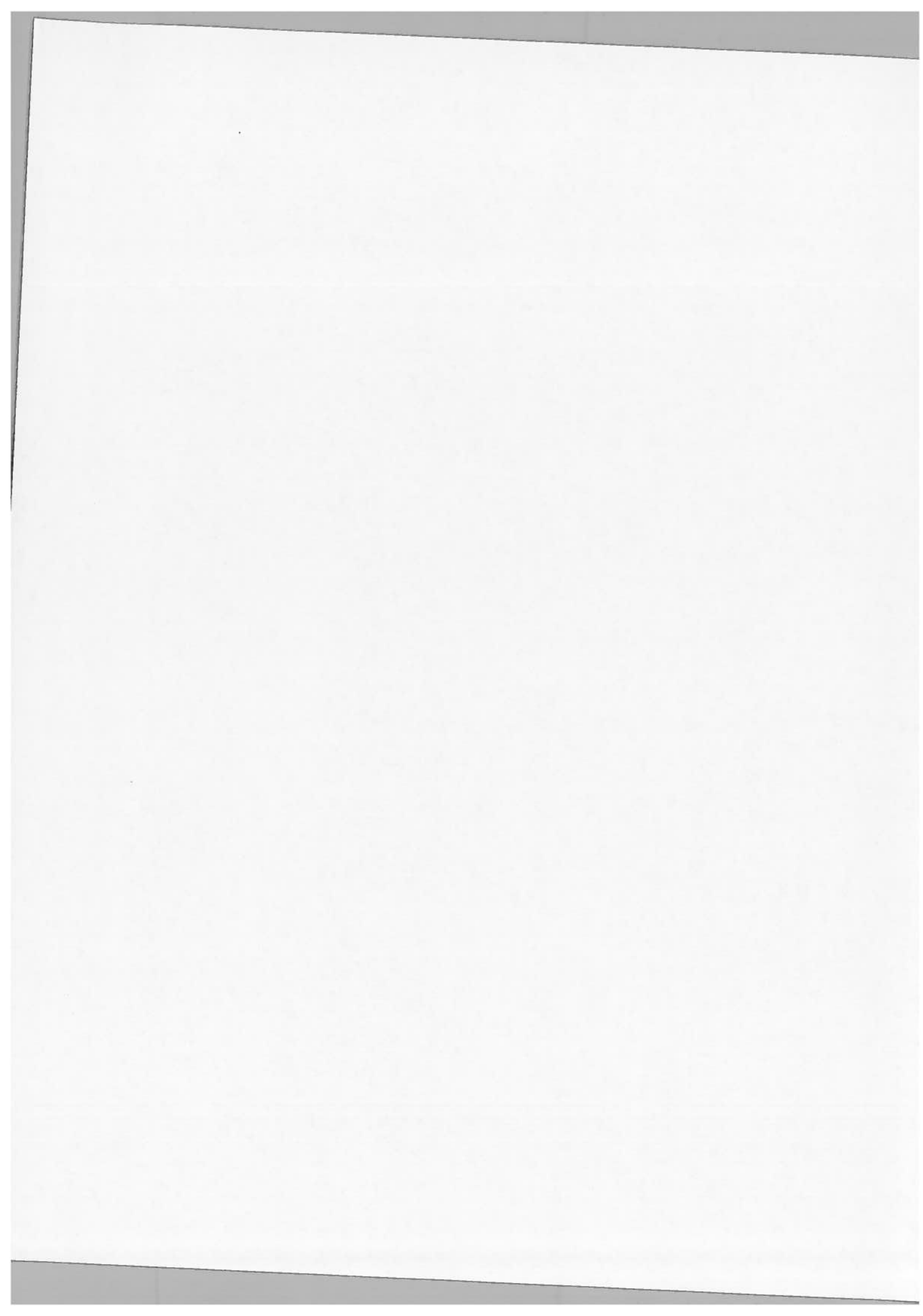
None reported.

Federal Awards Findings

None reported.

State Awards Findings

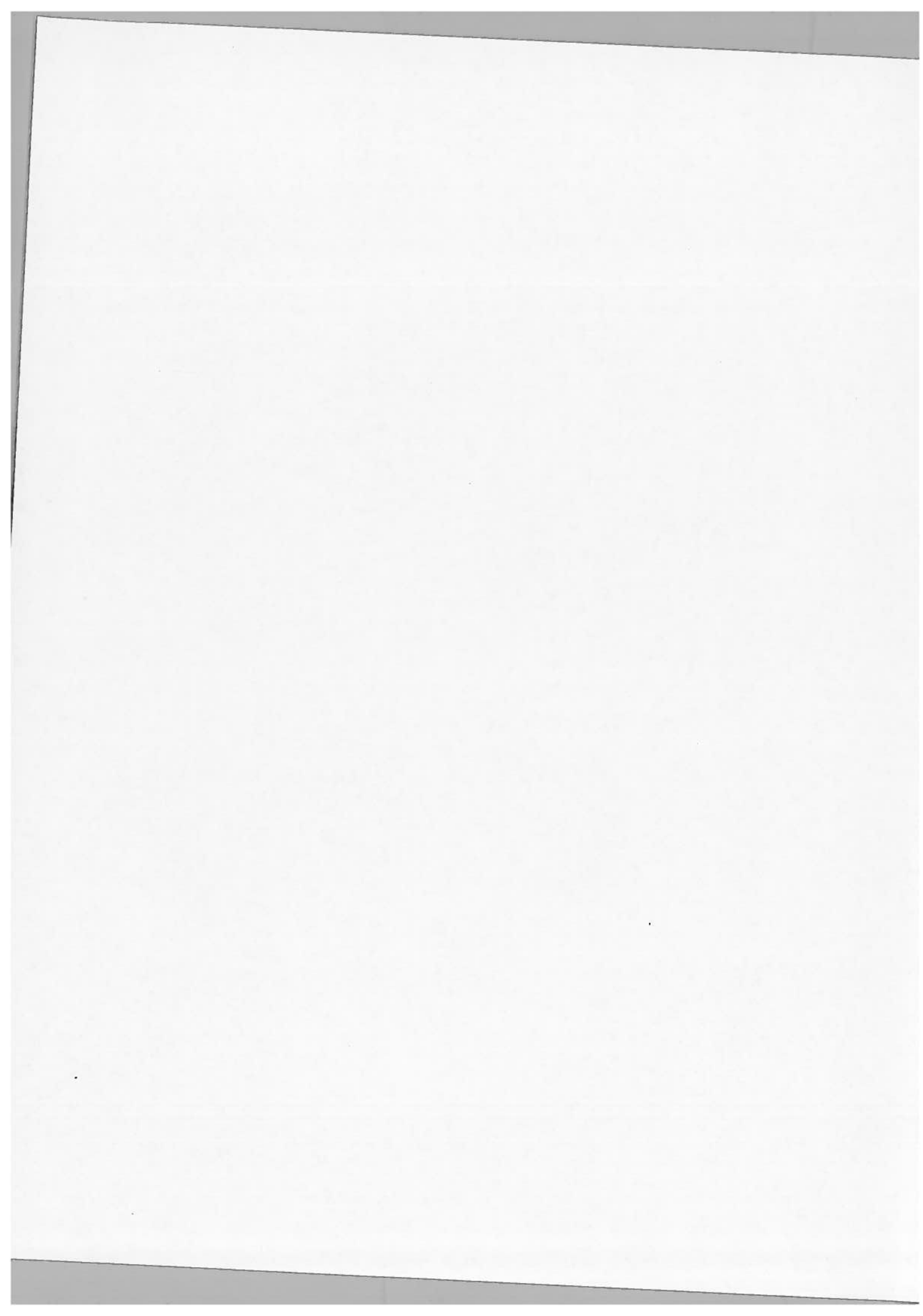
None reported.



**VICTOR VALLEY
COMMUNITY COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2014



VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Victor Valley Community College District
Victorville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Victor Valley Community College District (the District) as of and for the year ended June 30, 2014, 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 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 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 of the District as of June 30, 2014, and the changes in net position and cash flows for the year then ended in accordance 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 the Management's Discussion and Analysis on pages 4 through 13 and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 47 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 Information

Our audit was 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 audit 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 16, 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.

Vaurney, Tine, Day & Co., LLP.
Rancho Cucamonga, California
December 16, 2014



VICTOR VALLEY COLLEGE
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(760) 245-4271
www.vvc.edu

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities programs and financial condition of Victor Valley Community College District (the District) as of June 30, 2014. The report consists of three basic financial statements: the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows and provides information about the District as a whole. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

Victor Valley Community College District was established in 1961 and serves the County of San Bernardino and a small portion of the County of Los Angeles. Students in our college may complete the freshman and sophomore years of a baccalaureate degree and transfer to upper division study at a university or complete a certificated vocational program and move directly into the workforce.

OVERVIEW OF THE FINANCIAL STATEMENTS

Victor Valley Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The entity-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

FINANCIAL HIGHLIGHTS

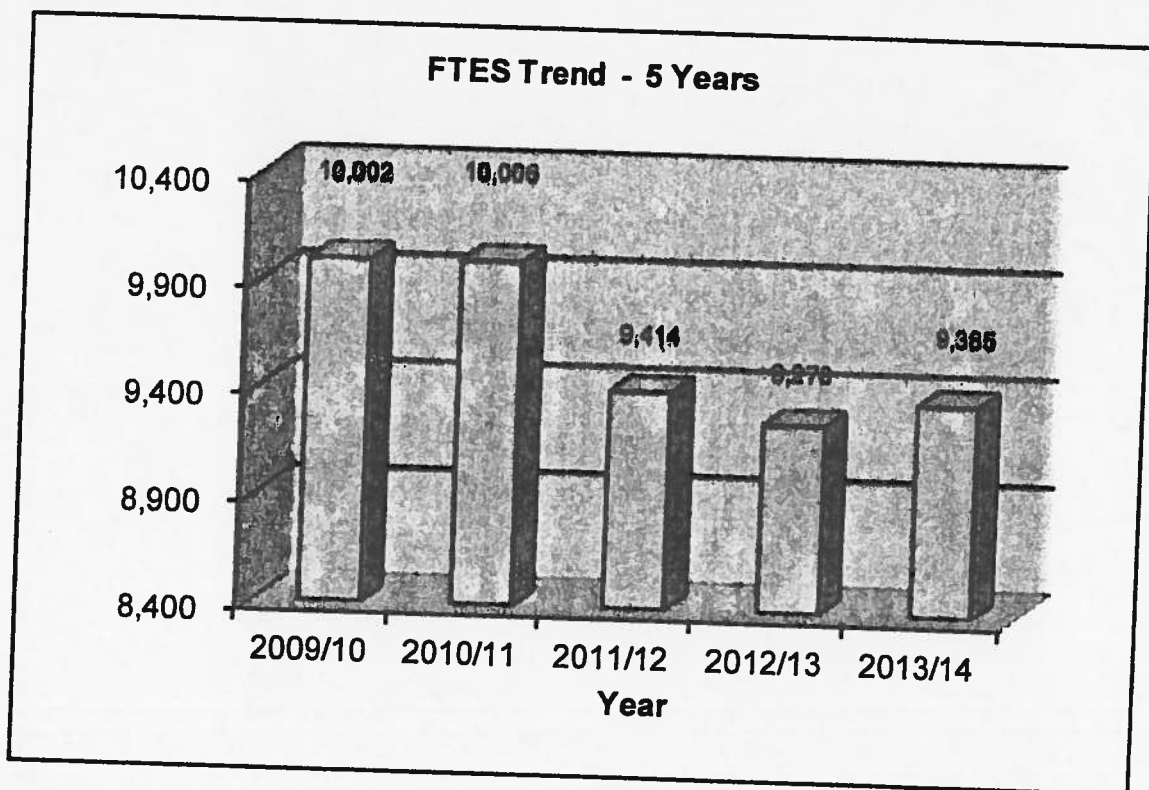
This section provides condensed information for each of the three basic financial statements, as well as illustrative charts and tables.

The District received additional funding in the form of workload restoration, increased property tax revenue, and one-time revenues, which contributed to production of increased number of courses to students. There was approximately an additional \$1 million in Educational Protection Act revenue.

There was an additional \$2.4 million increase of property tax revenue, due to increase assessed roll. With the dissolution of prior years Redevelopment within the District boundaries, the District received \$2.7 million from the sale of various Redevelopment Agency assets. While the workload and property tax revenues are considered ongoing, the resources realized from the RDA assets may not materialize in the future years.

The college maintained its mid-size college status that contributes approximately \$1.1 million to the General Fund. The District exceeded its target for funded workload of 9,243 by 132 FTES in meeting the mid-size college workload threshold of 9,375. This was achieved by rolling 554 FTES from fiscal year 2012-2013 into 2013-2014, which resulted in rolling approximately 40 FTES to fiscal year 2014-2015. The District generated 219 unfunded FTES during the cycle.

The District's primary funding is based upon an apportionment allocation made by the State of California Community Colleges Chancellor's Office. The primary basis for the Chancellor's apportionment calculation is the District's reporting of FTES. Below is the District's five-year trend for FTES:



VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Once the Chancellor's Office calculates the District's base apportionment, it reduces the net amount to be distributed by the amount of property taxes and enrollment fees expected to be paid directly to the District. The matrix below lists the three components and illustrates the net effect of the changes. Overall, total apportionment increased by \$3,394,989.

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Property tax revenue	\$ 6,983,566	\$ 6,243,457	\$ 740,109
Tuition and fees	2,892,353	3,017,306	(124,953)
Apportionment	36,621,779	33,841,946	2,779,833
Total	<u>\$ 46,497,698</u>	<u>\$ 43,102,709</u>	<u>\$ 3,394,989</u>

SELECTED HIGHLIGHTS

During fiscal year 2013-2014, total FTES increased by 1.2 percent. The actuarial value of the District's Other Postemployment Benefits (OPEB) irrevocable Futuris trust assets increased from \$8.4 million to \$10.6 million during the fiscal year, and the District's GASB Statement No. 45 liabilities are fully funded.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net assets of the District as of the end of the fiscal year, and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The Statement of Net Position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning assets, liabilities, and net position.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue operations of the District. Readers are also able to determine how much the District owes vendors and employees. Finally, the Statement of Net Position provides a picture of the net assets and their availability for expenditure by the District.

(Amounts in thousands)

	2014	2013	Change
ASSETS			
Current Assets			
Cash and investments	\$ 43,452	\$ 43,281	\$ 171
Accounts receivable	8,724	14,679	(5,955)
Other current assets	1,393	1,339	54
Total Current Assets	<u>53,569</u>	<u>59,299</u>	<u>(5,730)</u>
Noncurrent Assets			
Investments	29,053	26,926	2,127
OPEB asset	6,977	6,842	135
Capital assets (net)	126,405	123,220	3,185
Total Noncurrent Assets	<u>162,435</u>	<u>156,988</u>	<u>5,447</u>
Total Assets	<u>\$ 216,004</u>	<u>\$ 216,287</u>	<u>\$ (283)</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 9,162	\$ 9,081	\$ 81
Current portion of long-term obligations	2,276	1,932	344
Total Current Liabilities	<u>11,438</u>	<u>11,013</u>	<u>425</u>
Long-Term Obligations	<u>156,028</u>	<u>154,742</u>	<u>1,286</u>
Total Liabilities	<u>167,466</u>	<u>165,755</u>	<u>1,711</u>
NET POSITION			
Net investment in capital assets	8,611	9,860	(1,249)
Restricted	10,124	9,720	404
Unrestricted	29,803	30,952	(1,149)
Total Net Position	<u>48,538</u>	<u>50,532</u>	<u>(1,994)</u>
Total Liabilities and Net Position	<u>\$ 216,004</u>	<u>\$ 216,287</u>	<u>\$ (283)</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

The difference between total assets and total liabilities is one indicator of the current financial condition of the District; the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. The District's net position decreased from last year by \$2.0 million for the fiscal year ending June 30, 2014. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less accumulated depreciation.

The net position is divided into three major categories. The first category, *net investment in capital assets*, provides the equity amount in the property, plant, and equipment owned by the District. The second category, *expendable restricted net position*, are net position available for expenditure by the District, but must be spent for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The final category is *unrestricted net position* that is available to the District for any lawful purpose of the District.

- Approximately 58 percent of the cash balance and investments is cash deposited in the San Bernardino County Treasury Pool. All funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and the return on investment. The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash.
- The majority of the accounts receivable balance in the amount of \$7.1 million is from Federal and State sources for grant and entitlement programs and apportionment funding.
- Capital assets had a net balance of \$126.4 million. Depreciation expense of \$3.4 million was recognized during 2013-2014.
- Accounts payable in the amount of \$4.7 million are amounts due as of the fiscal year-end for goods and services received as of June 30, 2014. Interest payable accruals total \$2.3 million. Other current liabilities in the amount of \$4.4 million related mainly to unearned revenues and the current portion of compensated absences payable, bonds payable, supplementary employee retirement plan, and lease obligations; noncurrent liabilities in the amount of \$156.0 million include noncurrent portions for compensated absences payable, general obligation bonds, supplementary employee retirement plan, and lease obligations have been recognized for the year ended June 30, 2014.
- The District currently has \$149.8 million outstanding related to the issuance of general obligation debt. Additional information regarding long-term debt is included in the Debt Administration section of this discussion and analysis.
- As of June 30, 2014, the postemployment benefits (OPEB) irrevocable trust had a balance of \$10.5 million.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not by the District, the operating and nonoperating expenses incurred, whether paid or not by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Thus, this Statement presents the District's results of operations.

(Amounts in thousands)

	2014	2013	Change
Operating Revenues			
Tuition and fees	\$ 2,892	\$ 3,017	\$ (125)
Auxiliary sales and charges	2,670	2,791	(121)
Total Operating Revenues	<u>5,562</u>	<u>5,808</u>	<u>(246)</u>
Operating Expenses			
Salaries and benefits	50,375	50,270	105
Supplies and maintenance	12,576	11,782	794
Student financial aid	23,452	22,391	1,061
Depreciation	3,439	4,063	(624)
Total Operating Expenses	<u>89,842</u>	<u>88,506</u>	<u>1,336</u>
Loss on Operations	<u>(84,280)</u>	<u>(82,698)</u>	<u>(1,582)</u>
Nonoperating Revenues			
State apportionments	36,622	33,842	2,780
Property taxes	6,984	6,244	740
Other taxes	6,505	6,379	126
Grants and contracts	30,727	27,136	3,591
Other nonoperating revenues (expenses)	118	(991)	1,109
Total Nonoperating Revenue	<u>80,956</u>	<u>72,610</u>	<u>8,346</u>
Other Revenues and Losses			
Local capital income	1,330	1,364	(34)
Loss on disposal of capital assets	-	(2)	2
Total Other Revenues and Losses	<u>1,330</u>	<u>1,362</u>	<u>(32)</u>
Change in Net Position	<u>\$ (1,994)</u>	<u>\$ (8,726)</u>	<u>\$ 6,732</u>

The schedule above has been prepared from the Statement of Revenues, Expenses, and Changes in Net Position. State general apportionment, while budgeted for operations, is considered nonoperating revenues, according to the Governmental Accounting Standards Board's prescribed reporting format.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

The District's Unrestricted General Fund expenses increased slightly (approximately \$238,000) in comparison to the prior fiscal year. However, increases in apportionment, property tax revenue, and one-time revenues correlate closely with the use of reserves in the amount of \$253,000 to balance the fiscal year budget.

Generally, operating revenues are earned for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for operating revenues and to fulfill the mission of the District. Nonoperating revenues are those received or pledged for which goods and services are not provided; for example, State revenues are those nonoperating revenue because they are provided by the legislature to the District without the legislature directly receiving commensurate goods and services for those revenues.

- Tuition and fees are generated by the resident, non-resident, and foreign fees paid by the students attending Victor Valley Community College, including fees such as parking fees, community services classes, and other related fees.
- Non-capital grants and contracts are primarily those received from Federal and State sources and used in the instructional program.
- State apportionment is generated based on the workload measures reported to the State by the District. The District has experienced slight increases in the various workload measures.
- Local property taxes are received through the Auditor-Controller's Office for San Bernardino and Los Angeles Counties. The amount received for property taxes is deducted from the total State general apportionment amount calculated by the State for the District.

Total operating expenses increased by \$1.3 million. The increase is comprised of three parts:

1. Salaries and benefits increased by \$0.1 million;
2. Supplies, maintenance, and other operating expenses increased by \$0.8 million;
3. Payments to students increased by \$1.1 million.

Operating expenses are 56.1 percent related to personnel costs. The balance of operating expenses is for supplies, materials, other operating expenses, financial aid, utilities, and depreciation expense.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the fiscal year. This statement also helps users assess the District's ability to generate positive cash flows, meet obligations as they come due, and the need for external financing.

The Statement of Cash Flows is divided into five parts. The first part reflects operating cash flows and shows the net cash used by the operating activities of the District. The second part details cash received for nonoperating, non-investing, and non-capital financing purposes. The third part shows cash flows from capital and related financing activities. This part deals with the cash used for the acquisition and construction of capital and related items. The fourth part provides information from investing activities and the amount of interest received. The last section reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

(Amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Cash Provided by (Used in)			
Operating activities	\$ (80,780)	\$ (80,855)	\$ 75
Noncapital financing activities	87,020	74,621	12,399
Capital financing activities	(6,201)	453	(6,654)
Investing activities	2,259	2,179	80
Net Change in Cash	<u>2,298</u>	<u>(3,602)</u>	<u>5,900</u>
Cash, Beginning of Year	70,207	73,809	(3,602)
Cash, End of Year	<u>\$ 72,505</u>	<u>\$ 70,207</u>	<u>\$ 2,298</u>

The primary operating activities contributing to cash flow are student tuition and fees, while the primary operating activity using cash flow throughout the year is the payment of salaries and benefits.

Even though State apportionment, property taxes, Federal, State, and local grants and contracts are the primary source of non-capital related revenue (and cash flow), GASB accounting standards require that these sources of revenue be shown as nonoperating revenue, since they come from general resources of the Federal and State government and not from the primary users of the college's programs and services (students). The District depends upon this funding as the primary source of funds to continue the current level of operations.

Cash flow used in operating activities increased by \$75 thousand during fiscal year 2013-2014.

Cash flow provided by non-capital financing activities increased by \$12.4 million from 2012-2013. This was caused by a \$2.9 million increase in grants and contracts, and a \$9.5 million increase in apportionment, property taxes, and other receipts.

The primary source of funds included in capital and related financing activities is the issuance of general obligation bonds.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

District's Fiduciary Responsibility

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, and donors for student loans and scholarships. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the District's other financial statements because these assets cannot be used to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Capital Assets

At June 30, 2014, the District had total capital assets of \$177.1 million consisting of land, buildings and building improvements, construction in progress, vehicles, data processing equipment, and other office equipment. These assets have accumulated depreciation of \$50.7 million.

Capital additions consist primarily of replacement, renovation, and new construction of facilities, as well as significant investments in equipment, including information technology. Current year additions were funded with a combination of special categorical, unrestricted general fund dollars, and capital outlay appropriations.

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	\$ 13,617	\$ 5,034	\$ -	\$ 18,651
Buildings and improvements	144,049	1,341	-	145,390
Furniture and equipment	12,832	249	-	13,081
Subtotal	170,498	6,624	-	177,122
Accumulated depreciation	(47,278)	(3,439)	-	(50,717)
	<u>\$ 123,220</u>	<u>\$ 3,185</u>	<u>\$ -</u>	<u>\$ 126,405</u>

We present more detailed information about our capital assets in Note 5 to the financial statements.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Debt

At June 30, 2014, the District had \$158.3 million in total debt. The District was successful in passing a bond measure before the voters in November 2008. The general obligation bond was used in part to retire the outstanding certificates of participation debt.

(Amounts in thousands)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation bonds	\$ 147,333	\$ 3,658	\$ 1,226	\$ 149,765
Compensated absences	1,624	-	69	1,555
Supplemental employee retirement plan	1,394	-	465	929
Capital leases	6,323	-	269	6,054
Total Long-Term Debt	<u>\$ 156,674</u>	<u>\$ 3,658</u>	<u>\$ 2,029</u>	<u>\$ 158,303</u>
Amount due within one year				<u>\$ 2,276</u>

We present more detailed information about our debt in Note 9 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the: Office of Fiscal Services, Victor Valley Community College District, 18422 Bear Valley Road, Victorville, California 92395-5850.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2014

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	
Cash and cash equivalents - restricted	\$ 980,957
Investments - unrestricted	12,729
Investments - restricted	10,111,100
Accounts receivable	32,346,891
Student loans receivable	8,340,051
Due from fiduciary funds	355,849
Prepaid expenses	28,186
Inventories	510,318
Total Current Assets	882,921

Noncurrent Assets

Investments - unrestricted	
Other postemployment benefits other than pensions (OPEB) asset	29,053,012
Nondepreciable capital assets	6,977,359
Depreciable capital assets, net of depreciation	18,650,809
Total Noncurrent Assets	107,754,351
TOTAL ASSETS	162,435,531

53,569,002

LIABILITIES

Current Liabilities

Accounts payable	
Accrued interest payable	4,752,731
Due to fiduciary funds	2,278,833
Unearned revenue	2,320
Compensated absences payable - current portion	2,129,037
Bonds payable - current portion	70,000
Lease obligations - current portion	1,445,000
Other long-term liabilities - current portion	296,037
Total Current Liabilities	464,606

11,438,564

Noncurrent Liabilities

Compensated absences payable - noncurrent portion	1,485,536
Bonds payable - noncurrent portion	148,319,844
Lease obligations - noncurrent portion	5,757,652
Other long-term liabilities - noncurrent portion	464,606
Total Noncurrent Liabilities	156,027,638

TOTAL LIABILITIES

167,466,202

NET POSITION

Net investment in capital assets	
Restricted for:	8,610,878
Debt service	
Capital projects	5,461,102
Educational programs	3,537,653
Unrestricted	1,125,522
TOTAL NET POSITION	29,803,176

\$ 48,538,331

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2014**

OPERATING REVENUES	
Student Tuition and Fees	\$ 11,496,561
Less: Scholarship discount and allowance	(8,604,208)
Net tuition and fees	<u>2,892,353</u>
Auxiliary Enterprise Sales and Charges	
Bookstore	2,307,320
Cafeteria	227,061
Other Operating Revenues	135,158
TOTAL OPERATING REVENUES	<u>5,561,892</u>
OPERATING EXPENSES	
Salaries	38,330,816
Employee benefits	12,043,883
Supplies, materials, and other operating expenses and services	11,888,070
Student financial aid	23,451,931
Equipment, maintenance, and repairs	688,568
Depreciation	3,438,876
TOTAL OPERATING EXPENSES	<u>89,842,144</u>
OPERATING LOSS	<u>(84,280,252)</u>
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	36,621,779
Local property taxes, levied for general purposes	6,983,566
Taxes levied for other specific purposes	6,505,083
Federal grants	24,261,368
State grants	6,465,819
State taxes and other revenues	1,604,635
Investment income	2,258,881
Interest expense on capital related debt	(9,241,758)
Investment income on capital asset-related debt, net	277,069
Transfer from fiduciary funds	115,139
Other nonoperating revenue	5,104,401
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>80,955,982</u>
LOSS BEFORE OTHER REVENUES	<u>(3,324,270)</u>
OTHER REVENUES	
Local revenues, capital	1,330,550
CHANGE IN NET POSITION	<u>(1,993,720)</u>
NET POSITION, BEGINNING OF YEAR	50,532,051
NET POSITION, END OF YEAR	<u>\$ 48,538,331</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 3,752,669
Payments to vendors for supplies and services	(12,817,715)
Payments to or on behalf of employees	(50,932,224)
Payments to students for scholarships and grants	(23,451,931)
Auxiliary enterprise sales and charges	2,669,539
Net Cash Flows From Operating Activities	<u>(80,779,662)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State apportionments	42,113,383
Grant and contracts	30,446,852
Property taxes - non-debt related	6,983,566
State taxes and other apportionments	1,604,635
Other nonoperating	5,871,021
Net Cash Flows From Non-Capital Financing Activities	<u>87,019,457</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(7,100,489)
Local revenue, capital projects	1,330,550
Property taxes - related to capital debt	6,505,083
Proceeds from capital debt	3,658,069
Principal paid on capital debt	(1,495,434)
Interest paid on capital debt	(9,375,552)
Interest received on capital asset-related debt	277,069
Net Cash Flows From Capital Financing Activities	<u>(6,200,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	2,258,881
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>2,297,972</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	70,206,717
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 72,504,689</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014**

**RECONCILIATION OF NET OPERATING LOSS TO NET CASH
FLOWS FROM OPERATING ACTIVITIES**

Operating Loss	<u>\$ (84,280,252)</u>
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Depreciation expense	3,438,876
Changes in Assets and Liabilities	
Receivables	112,053
Inventories	(11,405)
Prepaid expenses and other assets	(178,773)
Accounts payable and accrued liabilities	(75,292)
Unearned revenue	748,263
Compensated absences and supplemental employee retirement plan	(533,132)
Total Adjustments	<u>3,500,590</u>
Net Cash Flows From Operating Activities	<u>\$ (80,779,662)</u>

CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:

Cash in banks	\$ 993,686
Cash in county treasury	42,457,991
SunAmerica Annuity and Life Assurance Company	29,053,012
Total Cash and Cash Equivalents	<u>\$ 72,504,689</u>

NONCASH TRANSACTIONS

Board of governners fee waivers	\$ 8,604,208
On behalf payments for benefits	1,134,737
	<u>\$ 9,738,945</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	<u>Trust</u>
ASSETS	
Cash and cash equivalents	
Investments	\$ 399,591
Accounts receivable	76,218
Due from primary government	24,765
Total Assets	<u>2,320</u> <u>502,894</u>
LIABILITIES	
Accounts payable	
Due to primary government	45,322
Total Liabilities	<u>28,186</u> <u>73,508</u>
NET POSITION	
Unreserved	
Total Net Position	<u>429,386</u> <u>\$ 429,386</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

ADDITIONS	
Local revenues	<u>Trust</u> <u>\$ 384,900</u>
DEDUCTIONS	
Services and operating expenditures	<u>98,022</u>
OTHER FINANCING USES	
Transfers out to primary government	(115,139)
Change in Net Position	<u>171,739</u>
Net Position - Beginning	257,647
Net Position - Ending	<u>\$ 429,386</u>

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

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE 1 - ORGANIZATION

Victor Valley Community College District (the District) was established in 1961 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. 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 Funds, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operated one community college located in Victorville, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provision of Governmental Accounting Standards Board (GASB) Statement No. 61. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and cafeteria.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 students (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 issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

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, No. 38 and No. 39. 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:
 - Statements of Net Position - Primary Government
 - Statements of Revenues, Expenses, and Changes in Net Position - Primary Government
 - Statements of Cash Flows - Primary Government
 - Financial Statements for the Fiduciary Funds including:
 - Statements of Fiduciary Net Position
 - Statements of Changes in 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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, 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 does not record an allowance for uncollectible accounts because collectability of the receivables from such sources is probable. When receivables are determined to be uncollectible, a direct write-off is recorded.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30, 2014.

Inventories

Stores inventories consist primarily of bookstore merchandise held for resale to the students and faculty of the college. Inventories are stated at the lower of cost, or market on an average basis. 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 and an estimated useful life greater than one year. 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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, 39 years; site improvements, 20 years; machinery and equipment, 5 to 20 years; vehicles, 8 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

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

Compensated Absences

Compensated absences are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as liabilities of the District. The District participates in underloading, whereby any faculty who fall below load one semester may be assigned additional classes the following semester to make up for the shortage.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for eligible employees when they retire.

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 revenues include (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds, compensated absences, and capital lease obligations, with maturities greater than one year.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists 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 accounts are not included as a component of net investment in capital assets.

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.

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.

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. The entity-wide financial statements report \$10,124,277 of restricted net position.

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

The voters of the District passed a General Obligation Bond in 2008 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 assessed, billed, and collected as noted above and remitted to the District when collected.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers in the Statement of Revenues, Expenses, 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 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, and Federal Work-Study programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related *Compliance Supplement*.

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.

Estimates

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

Interfund Activity

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

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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 No. 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 No. 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.

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:

- 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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.

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; 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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

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

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Summary of Deposits and Investments

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

Primary government Fiduciary funds	\$ 72,504,689
Total Deposits and Investments	<u>475,809</u>
	<u>\$ 72,980,498</u>
 Cash on hand and in banks Cash in revolving Investments	 \$ 1,297,527
Total Deposits and Investments	95,750
	<u>71,587,221</u>
	<u>\$ 72,980,498</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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Investment Pool and SunAmerica Annuity and Life Assurance Company.

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

Investment Type	Fair Value	Weighted Average Days to Maturity
San Bernardino County Investment Pool	\$ 42,716,962	428
SunAmerica Annuity and Life Assurance Company	29,053,012	N/A
Total	<u>\$ 71,769,974</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the San Bernardino County Investment Pool was rated AAA/V1 by Fitch Ratings. The District's investment with SunAmerica Annuity and Life Assurance Company is not required to be rated, nor has it been rated as of June 30, 2014.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are the Guaranteed Investment Contract (GIC) with SunAmerica Annuity and Life Assurance Company which represents 41 percent.

VICTOR VALLEY 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 agency. 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, the District did not have any deposits exposed to custodial credit risk because all balances were insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Federal Government		
Categorical aid	\$ 348,727	\$ -
State Government		
Apportionment	6,018,043	-
Lottery	637,413	-
Other State	80,898	-
Local Sources		
Interest	32,696	91
Property taxes	381,547	-
Victor Valley College Foundation	149,174	-
Other local sources	691,553	24,674
Total	<u>\$ 8,340,051</u>	<u>\$ 24,765</u>
Student receivables, net	<u>\$ 355,849</u>	<u>\$ -</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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	\$ 11,883,784	\$ -	\$ -	\$ 11,883,784
Construction in progress	1,732,730	5,034,295	-	6,767,025
Total Capital Assets Not Being Depreciated	<u>13,616,514</u>	<u>5,034,295</u>	<u>-</u>	<u>18,650,809</u>
Capital Assets Being Depreciated				
Land improvements	13,699,377	1,340,729	-	15,040,106
Buildings and improvements	130,349,636	-	-	130,349,636
Furniture and equipment	12,832,461	248,578	-	13,081,039
Total Capital Assets Being Depreciated	<u>156,881,474</u>	<u>1,589,307</u>	<u>-</u>	<u>158,470,781</u>
Total Capital Assets	<u>170,497,988</u>	<u>6,623,602</u>	<u>-</u>	<u>177,121,590</u>
Less Accumulated Depreciation	<u>47,277,554</u>	<u>3,438,876</u>	<u>-</u>	<u>50,716,430</u>
Net Capital Assets	<u>\$ 123,220,434</u>	<u>\$ 3,184,726</u>	<u>\$ -</u>	<u>\$ 126,405,160</u>

Depreciation expense for the year was \$3,438,876.

Interest expense on capital related debt for the year ended June 30, 2014, was \$9,361,052. Of this amount, \$119,294 was capitalized in the current year.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government	Fiduciary Funds
Accrued payroll	\$ 1,940,226	\$ -
Construction	2,351,976	-
Other	460,529	45,322
Total	<u>\$ 4,752,731</u>	<u>\$ 45,322</u>

NOTE 7 - UNEARNED REVENUE

Unearned revenue consisted of the following:

	Primary Government
Federal categorical	\$ 99,405
State categorical	460,895
Student fees	887,780
Other local	680,957
Total	<u>\$ 2,129,037</u>

NOTE 8 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (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 primary government and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2014, the amounts owed between the primary government and the fiduciary funds were \$28,186 and \$2,320, respectively.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2014 fiscal year, the amount transferred to the primary government from the fiduciary fund amounted to \$115,139.

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

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

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
2008 General obligation bonds, Series A	\$ 53,592,106	\$ 345,112	\$ 870,000	\$ 53,067,218	\$1,045,000
2008 General obligation bonds, Series B	12,000,000	-	-	12,000,000	-
2008 General obligation bonds, Series C	80,129,364	3,312,957	305,000	83,137,321	400,000
Premium on issuance	1,611,480	-	51,175	1,560,305	-
Total Bonds and Notes Payable	147,332,950	3,658,069	1,226,175	149,764,844	1,445,000
Other Liabilities					
Compensated absences	1,624,062	-	68,526	1,555,536	70,000
Supplemental Employee Retirement Plan	1,393,818	-	464,606	929,212	464,606
Capital leases	6,322,948	-	269,259	6,053,689	296,037
Total Other Liabilities	9,340,828	-	802,391	8,538,437	830,643
Total Long-Term Debt	\$ 156,673,778	\$ 3,658,069	\$ 2,028,566	\$ 158,303,281	\$ 2,275,643

Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Capital lease payments and the Supplemental Employee Retirement Plan will be made by the Unrestricted General Fund. The compensated absences will be paid by the fund for which the employee worked.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds				Bonds Outstanding June 30, 2014
				Outstanding July 1, 2013	Issued	Accreted Interest	Redeemed	
2009	08/01/31	3.00% - 5.375%	\$ 54,004,963	\$ 53,592,106	\$ -	\$ 345,112	\$ 870,000	\$ 53,067,218
2009	08/01/33	6.67%	12,000,000	12,000,000	-	-	-	12,000,000
2009	06/01/49	3.17% - 7.20%	70,017,065	80,129,364	-	3,312,957	305,000	83,137,321
				<u>\$ 145,721,470</u>	<u>\$ -</u>	<u>\$ 3,658,069</u>	<u>\$ 1,175,000</u>	<u>\$ 148,204,539</u>

2008 General Obligation Bonds, Series A

In June 2009, the District issued \$54,004,963 of the Victor Valley Community College District, 2008 General Obligation Bonds, Series A. The bonds issued included \$27,635,000 of current interest serial bonds, \$24,440,000 of current interest term bonds, and \$1,929,963 of capital appreciation bonds, with the capital appreciation bonds accreting to \$5,410,000. The bonds have a final maturity to occur on August 1, 2031, with interest rates from 3.00 percent to 5.375 percent. Proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization and equipping of certain District property and facilities, as well as to refund all of the Victor Valley Community College District, 1997 variable rate certificates of participation. At June 30, 2014, the principal balance outstanding was \$53,067,218.

2008 General Obligation Bonds - Build America Bonds, Series B

In June 2009, the District issued \$12,000,000 of the Victor Valley Community College District, 2008 General Obligation Bonds - Build America Bonds, Series B. The bonds have a final maturity to occur on August 1, 2033, with an interest rate of 6.67 percent. Proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization and equipping of certain District property and facilities, as well as to refund all of the Victor Valley Community College District, 1997 variable rate certificates of participation. At June 30, 2014, the principal balance outstanding was \$12,000,000.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

2008 General Obligation Bonds, Series C

In June 2009, the District issued \$70,017,065 of the Victor Valley Community College District, 2008 General Obligation Bonds, Series C. The bonds issued included \$16,135,000 of current interest serial bonds, \$20,000,000 of current interest term bonds, \$6,600,646 of capital appreciation serial bonds, with the capital appreciation bonds accreting to \$27,000,000, \$21,177,379 of capital appreciation term bonds, with capital appreciation bonds accreting to \$248,200,000, and \$6,104,040 of convertible capital appreciation term bonds, with a conversion value of \$12,070,000. The bonds have a final maturity to occur on June 1, 2049, with interest rates from 3.17 percent to 7.20 percent. Proceeds from the sale of the bonds were used to finance the acquisition, construction, modernization and equipping of certain District property and facilities. At June 30, 2014, the principal balance outstanding was \$83,137,321. Unamortized premium on issuance at June 30, 2014, was \$1,560,305.

The 2008 General Obligation Bonds, Series A mature through 2032 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Current Interest</u>	<u>Total</u>
2015	\$ 1,045,000	\$ -	\$ 2,520,138	\$ 3,565,138
2016	1,230,000	-	2,474,638	3,704,638
2017	1,425,000	-	2,420,538	3,845,538
2018	1,108,862	531,138	2,391,038	4,031,038
2019	1,088,285	711,715	2,391,038	4,191,038
2020-2024	11,380,071	904,930	10,999,563	23,284,564
2025-2029	21,060,000	-	6,822,806	27,882,806
2030-2032	14,730,000	-	984,750	15,714,750
Total	\$ 53,067,218	\$ 2,147,783	\$ 31,004,509	\$ 86,219,510

The 2008 General Obligation Bonds, Series B mature through 2034 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest</u>	<u>Total</u>
2015	\$ -	\$ 800,400	\$ 800,400
2016	-	800,400	800,400
2017	-	800,400	800,400
2018	-	800,400	800,400
2019	-	800,400	800,400
2020-2024	-	800,400	800,400
2025-2029	-	4,002,000	4,002,000
2030-2034	-	4,002,000	4,002,000
Total	12,000,000	2,620,977	14,620,977
	\$ 12,000,000	\$ 14,626,977	\$ 26,626,977

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The 2008 General Obligation Bonds, Series C mature through 2049 as follows:

<u>Fiscal Year</u>	<u>Principal Including Accreted Interest to Date</u>	<u>Accreted Interest</u>	<u>Current Interest</u>	<u>Total</u>
2015	\$ 378,246	\$ 21,754	\$ 2,127,763	\$ 2,527,763
2016	418,564	76,436	2,127,763	2,622,763
2017	453,673	146,327	2,127,763	2,727,763
2018	473,295	226,705	2,127,763	2,827,763
2019	486,705	318,295	2,127,763	2,932,763
2020-2024	1,114,559	1,375,441	14,372,969	16,862,969
2025-2029	1,398,993	3,651,007	14,787,875	19,837,875
2030-2034	4,604,515	11,335,485	14,787,875	30,727,875
2035-2039	23,182,555	35,468,967	13,372,606	72,024,128
2040-2044	23,925,372	57,286,104	5,068,263	86,279,739
2045-2049	26,700,844	99,034,499	463,881	126,199,224
Total	\$ 83,137,321	\$ 208,941,020	\$ 73,492,284	\$ 365,570,625

Capital Leases

The District has entered into agreements to lease equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with option to purchase is summarized below:

Balance, July 1, 2013	<u>Equipment</u>
Payments	\$ 8,589,284
Balance, June 30, 2014	(551,310)
	<u>\$ 8,037,974</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2015	\$ 565,441
2016	579,996
2017	594,989
2018	610,431
2019	626,336
2020-2024	3,387,471
2025-2027	1,673,310
Total	<u>8,037,974</u>
Less: Amount Representing Interest	(1,984,285)
Present Value of Minimum Lease Payments	<u>\$ 6,053,689</u>

The equipment purchased through capital lease arrangements has been capitalized and is being depreciated over the estimated useful lives.

Equipment	\$ 6,880,519
Less: Accumulated Depreciation	<u>(4,816,364)</u>
Total	<u>\$ 2,064,155</u>

Amortization of the leased equipment under capital lease is included with depreciation expense.

Supplemental Employee Retirement Plan (SERP)

The District has entered into an agreement to provide certain benefits to employees participating in the early retirement incentive program. The District will pay a total of \$929,212 on behalf of the retirees over the next two years in accordance with the following schedule:

Year Ending June 30,	SERP Payment
2015	\$ 464,606
2016	464,606
Total	<u>\$ 929,212</u>

Compensated Absences

The long-term portion of compensated absences for the District at June 30, 2014, amounted to \$1,555,536.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) ASSET

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 postemployment benefits Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, vision, and life insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 51 retirees and beneficiaries currently receiving benefits, and 299 active plan members.

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 as determined annually through agreements between the District and the bargaining units. For fiscal year 2013-2014, the District contributed \$636,953 to the Plan. The entire amount was used for current premiums.

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 the payments of 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 (UAAL) (or funding costs) 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	\$ 501,378
Contribution made	(636,953)
Increase in net OPEB asset	<u>(135,575)</u>
Net OPEB asset, July 1, 2013	(6,841,784)
Net OPEB asset, June 30, 2014	<u><u>\$ (6,977,359)</u></u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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 Asset
2012	\$ 501,378	\$ 698,022	139%	\$ (5,870,947)
2013	501,378	1,472,215	294%	(6,841,784)
2014	501,378	636,953	127%	(6,977,359)

Funding Status and Funding Progress

Actuarial Accrued Liability (AAL)	\$ 8,137,692
Actuarial Value of Plan Assets	7,801,056
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 336,636</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	96%
Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	<u>N/A</u>

The above noted actuarial accrued liability was based on the May 1, 2012, 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 Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and 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 May 1, 2012, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a seven percent investment rate of return, based on the Plan being funded through Futuris. The cost trend rate used was four percent. The UAAL is being amortized at a level percentage of payroll method. The remaining amortization period at June 30, 2014, was 27 years. At June 30, 2014, the irrevocable trust with Futuris held assets in the amount of \$10,540,188.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 11 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of \$250,000,000 per occurrence, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to \$1 million per occurrence, all subject to various deductibles. Employee health coverage benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees, their families, and retired employees of the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2014, the District contracted with the Statewide Association of Community Colleges Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2013-2014, the District participated in the Protected Insurance Program for Schools and Colleges (PIPS) Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Employee Medical Benefits

The District has contracted with Southern California Schools Employee Benefit Association (SCSEBA) to provide employee medical benefits. SCSEBA is a shared risk pool comprised of community colleges and school districts in Southern California. 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 the claim's flow. The Board of Directors has the right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer 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, annual cost-of-living adjustments, 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 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 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 contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$1,738,422, \$1,746,278, and \$1,689,515, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under 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 survivor benefits to plan members and beneficiaries. As a result of the 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, CA 95811.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

Funding Policy

As a result of the implementation of the PEPR, 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 required employer contribution rate for fiscal year 2013-2014 was 11.442 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$1,480,537, \$1,442,645, and \$1,344,836, respectively, and equal 100 percent of the required contributions for each year.

PARS-ARS (Public Agency Retirement System Alternate Retirement System)

The District contributes to the Public Agency Retirement System Alternate Retirement System (PARS-ARS), a defined contribution retirement plan administered by the District. PARS-ARS employs a corporate Trustee and Trust Administrator who receives and invests contributions to the Plan and manages the assets of the Trust.

Active plan members contribute 3.75 percent of their salary and the District contributes the equivalent 3.75 percent. Interest earnings on the plan investments minus administrative costs are credited to the members accounts monthly and accumulate tax-free until withdrawal.

Tax Deferred Annuity

The District provides a Tax Shelter Annuity Plan for all eligible employees, as defined in the Plan documents. Participants may contribute a portion of their earnings under a 403(b) plan, which has a maximum deferral limit of \$15,000 if under age 50, and \$20,000 if over age 50. The District will not make matching contributions to the Plan on behalf of participants. However, the District absorbs some costs associated with the administration of the Plan.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal years ended June 30, 2014, 2013, and 2012, which amounted to \$1,134,737, \$1,143,766, and \$1,085,384, respectively, (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. No contributions were made for CalPERS for the years ended June 30, 2014, 2013, and 2012. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

The District is a member of the Statewide Association of Community Colleges and Southern California Schools Employee Benefit Association (SCSEBA) Joint Powers Authority JPAs. The District pays annual premiums for its property liability, excess liability, and health coverage. The relationship between the District and the JPAs is such that it is not a component unit of the District for financial reporting purposes.

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

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. 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.

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.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Construction Commitments

As of June 30, 2014, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECT</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Dr. Prem Reddy Science and Health Building	\$ 9,615,836	July 2015
Vocational Education Complex	411,330	December 2016
Music Building Code Compliance and Renovation	355,619	August 2014
	<u>\$ 10,382,785</u>	

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

REQUIRED SUPPLEMENTARY INFORMATION

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**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
 PROGRESS
 FOR THE YEAR ENDED JUNE 30, 2014**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Method Used (b)*</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a) / c)</u>
March 1, 2009	\$ -	\$ 6,582,497	\$ 6,582,497	0%	N/A	N/A
March 1, 2011	7,845,902	8,274,773	428,871	95%	N/A	N/A
May 1, 2012	7,801,056	8,137,692	336,636	96%	N/A	N/A

*Entry age normal cost method.

SUPPLEMENTARY INFORMATION

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION JUNE 30, 2014

Victor Valley Community College is a public community college operated under the Education Code of the State of California. The District was established by authority of the voters who created the District in 1960. The District began classes in 1961. The present campus was started in 1963 and opened its doors to students in 1965. The District encompasses an area of approximately 2,200 square miles and includes the communities of Adelanto, Apple Valley, Cedar Springs, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Wrightwood, Los Flores, and Victorville. There were no changes in the boundaries of the District during the current year. The District's college is accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Dennis Henderson	President	December 2014
Joseph W. Brady	Vice President	December 2015
John Pinkerton	Clerk	December 2015
Lorrie Denson	Member	December 2014
Brandon Wood	Member	December 2014

ADMINISTRATION

Peter Allan	Interim Superintendent/President
G.H. Javaheripour	Vice President, Administrative Services
Peter Maphumulo	Executive Vice President, Instruction and Student Services
Fusako Yokotobi	Vice President, Human Resources

See accompanying notes to supplementary information.

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Student Financial Assistance Cluster			
Pell Grant	84.063		\$ 21,791,632
Pell Grant - Administration	84.063		20,635
Supplemental Education Opportunity Program	84.007		403,400
Supplemental Education Opportunity Program - Administration	84.007		9,325
College Work Study	84.033		327,348
College Work Study - Administration	84.033		21,440
Total Student Financial Assistance Cluster			<u>22,573,780</u>
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334A		911,000
TRIO - Upward Bound	84.047A		208,086
Passed through from California Community Colleges			
Chancellor's Office			
Career and Technical Education Grants	84.048	13-C01-066	428,986
CTE Transitions	84.048A	13-112-990	41,804
Total U.S. Department of Education			<u>24,163,656</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Veterans Educational Assistance	64.028		3,791
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from California Community Colleges			
Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	109,937
Total Federal Programs			<u>\$ 24,277,384</u>

[1] Pass-Through Entity Identifying Number is not available.

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Program	Program Entitlements		
	Current Year	Prior Year Carryover	Total Entitlement
Basic Skills	\$ 95,071	\$ 91,507	\$ 186,578
Cal Grants	1,145,188	51,246	1,196,434
CalWORKS	360,475	-	360,475
CalWORKS Region IX Travel	10,000	-	10,000
CARE Program	206,435	-	206,435
Child Development - State Pre-School	116,116	-	116,116
Child Development - Facilities Renovation and Repair	18,903	-	18,903
Deputy Sector Navigator	253,113	-	253,113
Disabled Students Program And Services	463,725	-	463,725
Extended Opportunity Program and Services (EOPS)	751,893	-	751,893
Matriculation	549,193	-	549,193
Non-Credit Matriculation	9,949	-	9,949
Nursing Enrollment Growth and Retention	249,500	-	249,500
Physical Plant/Instructional Support/Library Materials	213,854	-	213,854
Proposition 39 Clean Energy Project	324,806	-	324,806
Staff Diversity	5,628	12,607	18,235
Student Financial Assistance Programs (BFAP)	502,122	-	502,122
Song Brown Nursing Grant #4	-	57,045	57,045
TANF/Child Development Careers Program	-	14,893	14,893
Total State Programs			

See accompanying notes to supplementary information.

Program Revenues

<u>Cash Received</u>	<u>Accounts Payable</u>	<u>Unearned Revenue</u>	<u>Total Revenue</u>	<u>Program Expenditures</u>
\$ 186,578	\$ -	\$ 105,747	\$ 80,831	\$ 80,831
1,196,434	-	-	1,196,434	1,137,080
360,475	(3,503)	-	356,972	356,972
7,874	-	-	7,874	7,874
206,435	-	-	206,435	206,435
116,116	-	-	116,116	116,116
17,741	-	-	17,741	17,741
142,223	-	36,400	105,823	105,823
463,725	-	-	463,725	463,725
751,893	-	-	751,893	751,893
549,193	-	179,648	369,545	369,545
9,949	-	-	9,949	9,949
249,500	-	-	249,500	249,500
196,746	-	74,281	122,465	122,465
324,806	-	-	324,806	324,806
17,396	-	11,695	5,701	5,701
502,122	(4,919)	-	497,203	497,203
57,045	-	49,440	7,605	7,605
3,684	-	3,684	-	-
<u>\$ 5,359,935</u>	<u>\$ (8,422)</u>	<u>\$ 460,895</u>	<u>\$ 4,890,618</u>	<u>\$ 4,831,264</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL
 APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE
 FOR THE YEAR ENDED JUNE 30, 2014**

CATEGORIES	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Audited Data</u>
A. Summer Intersession			
1. Noncredit	6.05	-	6.05
2. Credit	605.44	-	605.44
B. Summer Intersession			
1. Noncredit	-	-	-
2. Credit	749.86	-	749.86
C. Primary Terms			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	5,108.00	-	5,108.00
(b) Daily Census Contact Hours	782.12	-	782.12
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	85.78	-	85.78
(b) Credit	562.05	-	562.05
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	1,026.72	-	1,026.72
(b) Daily Census Contact Hours	459.23	-	459.23
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	<u>9,385.25</u>	<u>-</u>	<u>9,385.25</u>
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills courses and Immigrant Education (FTES)			
1. Noncredit	42.45	-	42.45
2. Credit	798.44	-	798.44

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF EDUCATION CODE SECTION 843262 (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
<u>Academic Salaries</u>						
Instructional Salaries						
Contract or Regular	\$ 10,751,948	\$ -	\$ 10,751,948	\$ 10,779,485	\$ -	\$ 10,779,485
Other	8,943,221	-	8,943,221	8,962,526	-	8,962,526
Total Instructional Salaries	19,695,169	-	19,695,169	19,742,011	-	19,742,011
Noninstructional Salaries						
Contract or Regular	-	-	-	2,072,276	-	2,072,276
Other	-	-	-	737,440	-	737,440
Total Noninstructional Salaries	-	-	-	2,809,716	-	2,809,716
Total Academic Salaries	19,695,169	-	19,695,169	22,551,727	-	22,551,727
<u>Classified Salaries</u>						
Noninstructional Salaries						
Regular Status	-	-	-	8,590,552	-	8,590,552
Other	-	-	-	435,141	-	435,141
Total Noninstructional Salaries	-	-	-	9,025,693	-	9,025,693
Instructional Aides						
Regular Status	1,415,761	-	1,415,761	1,603,493	-	1,603,493
Other	245,364	-	245,364	249,500	-	249,500
Total Instructional Aides	1,661,125	-	1,661,125	1,852,993	-	1,852,993
Total Classified Salaries	1,661,125	-	1,661,125	10,878,686	-	10,878,686
Employee Benefits	4,852,395	-	4,852,395	9,441,424	-	9,441,424
Supplies and Material	-	-	-	674,837	-	674,837
Other Operating Expenses	345,127	-	345,127	5,896,483	-	5,896,483
Equipment Replacement	-	-	-	-	-	-
Total Expenditures	26,553,816	-	26,553,816	49,443,157	-	49,443,157
Prior to Exclusions						

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF EDUCATION CODE SECTION 843262 (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
Exclusions						
Activities to Exclude						
Instructional Staff - Retirees' Benefits and Retirement Incentives	\$ 178,836	\$ -	\$ 178,836	\$ 178,836	\$ -	\$ 178,836
Student Health Services Above Amount Collected	-	-	-	53,507	-	53,507
Student Transportation	-	-	-	458,503	-	458,503
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	-	-	-	484,367	-	484,367
Objects to Exclude						
Rents and Leases	-	-	-	-	-	-
Lottery Expenditures	-	-	-	-	-	-
Academic Salaries	-	-	-	-	-	-
Classified Salaries	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-
Software	-	-	-	-	-	-
Books, Magazines, and Periodicals	-	-	-	-	-	-
Instructional Supplies and Materials	-	-	-	-	-	-
Noninstructional Supplies and Materials	-	-	-	-	-	-
Total Supplies and Materials	-	-	-	-	-	-

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF EDUCATION CODE SECTION 843262 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014**

	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799			
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 738,181	\$ -	\$ 738,181
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement		-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		178,836	-	178,836	1,913,394	-	1,913,394
Total for ECS 84362, 50 Percent Law		\$ 26,374,980	\$ -	\$ 26,374,980	\$ 47,529,763	\$ -	\$ 47,529,763
Percent of CEE (Instructional Salary Cost/Total CEE)		55.49%		55.49%	100.00%		100.00%
50% of Current Expense of Education					\$ 23,764,882		\$ 23,764,882

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)
WITH FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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 notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				\$ 7,302,357
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 7,302,357			\$ 7,302,357
Total Expenditures for EPA		\$ 7,302,357	-	-	\$ 7,302,357
Revenues Less Expenditures					\$ -

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2014

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

Total Fund Balance:

General Fund, unrestricted	\$ 9,527,886	
General Fund, restricted	1,125,522	
Special Revenue Funds	29,321,738	
Capital Project Funds	26,763,997	
Debt Service Funds	7,739,935	
Enterprise Funds	1,056,818	
Internal Service Funds	135,517	
Fiduciary Funds	495,899	
	<u>76,167,312</u>	\$ 76,167,312

Total Fund Balance - All District Funds

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

The cost of capital assets is:

177,121,590	
<u>(50,716,430)</u>	126,405,160
	(429,386)

Accumulated depreciation is:

Amounts held in trust on behalf of others (Trust and Agency Funds)

Recognizing the OPEB asset resulting from the difference between annual OPEB cost on the accrual basis and the OPEB contributions in the governmental funds.

6,977,359

In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.

(2,278,833)

Long-term obligations at year end consist of:

General obligation bonds	133,406,632
Premium on bonds	1,560,305
Capital leases payable	6,053,689
Supplemental employee retirement plan	929,212
Compensated absences	1,555,536

In addition, the District issued "capital appreciation" general obligation bonds. The accretion of interest on those bonds to date is the following:

<u>14,797,907</u>	<u>(158,303,281)</u>
	\$ 48,538,331

Total Net Position

See accompanying notes to supplementary information.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

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 Position:		24,261,368
Pell Grants	84.007	5,858
Pell Grants - Administration	84.063	10,158
Total Expenditures of Federal Awards		<u>\$ 24,277,384</u>

Subrecipients

Of the Federal expenditures presented in the schedule, the District provided Federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Amount Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334A	<u>\$ 75,055</u>

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2014

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

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.

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 District's internal 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.

Reconciliation of Governmental Funds to the Statement of Net Position

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

INDEPENDENT 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
Victor Valley Community College District
Victorville, 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 Victor Valley Community College District (the District) as of and for the year ended June 30, 2014, 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 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit 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 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 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 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.

Varriner, Tine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014



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

Board of Trustees
Victor Valley Community College District
Victorville, California

Report on Compliance for Each Major Federal Program

We have audited Victor Valley 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.

Vaurine, Tine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Victor Valley Community College District
Victorville, California

Report on State Compliance

We have audited Victor Valley 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.

The District reports no attendance within classes subject to the TBA Hours; therefore, the compliance tests within this section were not applicable.

Vaurine, Tine, Day & Co., LLP.

Rancho Cucamonga, California
December 16, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

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>
<u>84.007, 84.033, 84.063</u>	<u>Student Financial Assistance Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 728,322</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	<u>Unmodified</u>
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VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

None reported.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

None reported.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

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

None reported.

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2014

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.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** **X** **BOARD INFORMATION (no action required)** ___

TOPIC: NONRESIDENT TUITION FEE

SUBMITTED BY: Karen Hardy, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

Pursuant to Education Code Section 76140, community colleges are required to establish a nonresident tuition fee rate by February 1 for the next fiscal year. The attached worksheet is provided to each district by the Chancellor's Office with options of calculating the rate. The District completed the worksheet according to:

- 1. The Statewide basis of \$200
- 2. The District basis of \$180

The majority of community colleges in California use the statewide basis for establishing this nonresident tuition. The greater amount of \$200 per semester unit for nonresident tuition for 2015-16 is in compliance due to the enhance services the students receive for instructional services being greater than the statewide average (EC 76140(e)(2)).

Need: N/A

Fiscal Impact:

The District collected approximately \$518,276.00 annually in nonresident tuition fees.

Recommended Action:

It is recommended that the Board of Trustees approve the nonresident tuition rate of \$200.00 per unit (Statewide basis). This nonresident tuition fee will be effective for the 2015 Fall semester.

Legal Review: YES ___ NOT APPLICABLE X

Reference for Agenda: YES X NO ___

California Community Colleges 2015-16 NONRESIDENT FEES WORKSHEET

NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 1 THROUGH 7

2015-16 NONRESIDENT TUITION FEE (EC 76140)	(Col. 1) Statewide	(Col. 2) District	(Col. 3) 10% or More Noncredit FTES
A. Expense of Education for Base Year (2013-14 CCFS 311, Expenditures by Activity Report, AC 0100-6700, Cols: 1-3)	\$6,692,314,329	\$49,933,092	\$ _____
B. Annual Attendance FTES (Recal 2013-14)	1,167,090	9,656.65	_____
C. Average Expense of Education per FTES (A + B)	\$5.734	\$ 5,170.85	\$ _____
D. U.S. Consumer Price Index Factor (2 years)	x 1.044	x 1.044	x 1.044
E. Average Cost per FTES for Tuition Year (C x D)	\$5.986	\$ 5,398.37	\$ _____
F. Average Per Unit Nonresident Cost – Semester (Qtr)	\$200 (\$133)	\$ 180	\$ _____
G. Highest year Statewide average – Semester (Qtr)	\$200 (\$133)	\$ _____	\$ _____
H. Comparable 12 state average – Semester (Qtr)	\$380 (\$253)	\$ _____	\$ _____

Annual Attendance FTES includes all student contact hours of attendance in credit and noncredit courses for resident students, nonresident students and apprentices; however apprentice hours are divided by 525 to compute an FTES equivalent. Round tuition fee to the nearest dollar.

Column 3 is an option for use by a district with ten percent or more noncredit FTES (*Section 76140(e)(1)(A)*). If your district qualifies, then fill out this column with noncredit FTES and noncredit expense of education data excluded.

NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 6 OR 7

Option 6. The greater amount of the calculations of statewide nonresident tuition for 2011-12 through 2015-16 is \$200 per semester unit or \$133 per quarter unit (2013-14).

Option 7. The average of the nonresident tuition fees of public community colleges in 2013-14 of no less than 12 states comparable to California in cost of living is \$380 per semester unit or \$253 per quarter unit.

Requirement for Use of Option 6 or 7: The additional revenue generated by the increased nonresident tuition permitted under options 6 or 7 shall be used to expand and enhance services to resident students (*EC 76140(e)(2)*). Districts meeting one or more criteria below shall be considered in compliance with the requirements of *EC 76140(e)(2)*. Please check all that apply:

- Revenue from nonresident tuition was less than 5% of total general fund revenue.
- Actual resident FTES was greater than funded resident FTES.
- Percent expenditures for counseling and student services were greater than statewide average (AC 6300 plus 6400 divided by AC 0100-6700, Cols. 1-3).
- Percent expenditures for instructional services were greater than statewide average (AC 0100-5900 divided by AC 0100-6700, Cols. 1-3).

Continue to next page ►

▶ Continued from previous page

The district governing board at its January 13, 2015 meeting adopted a **nonresident tuition fee** of \$ 200 per semester unit or \$ _____ per quarter unit.

Basis for adoption is (*place an X in one box only*).

- 1. Statewide average cost, per column 1.
- 2. District average cost, per column 2.
- 3. District average cost with 10% or more noncredit FTES, per column 3.
- 4. Contiguous district. _____ (*Specify district and its fee*).
- 5. No more than district average cost (Col. 2 or 3); no less than statewide average cost.
- 6. Statewide average cost, from 2013-14 (\$200 per semester unit; \$133 per quarter unit).
- 7. No more than average tuition of 12 states with cost of living comparable to California.

NONRESIDENT CAPITAL OUTLAY FEE (EC 76141)

For districts electing to charge a **capital outlay fee** to any nonresident student, please compute this fee as follows:

- a. Capital Outlay expense for 2013-14 \$ _____
- b. FTES for 2013-14 _____
- c. Capital outlay expense per FTES (*line a divided by line b*) _____
- d. Capital Outlay Fee per unit:
 - 1. Per semester unit (*line c divided by 30 units*) _____

OR

- 2. Per quarter unit (*line c divided by 45 units*) _____
- e. 2015-16 Nonresident Student Capital Outlay Fee (not to exceed the lesser of line d OR 50% of adopted 2014-15 Nonresident Tuition Fee) _____

The district governing board at its _____, 20 meeting adopted a **nonresident capital outlay fee** of \$ _____ per semester unit or \$ _____ per quarter unit.

Upon adoption of nonresident tuition and/or capital outlay fees by your district governing board by February 1, 2015, please submit a copy of this report by **February 13, 2015** to:

California Community Colleges Chancellor's Office
Fiscal Services Unit
1102 Q Street, 4th Floor
Sacramento, CA 95811-6549 FAX (916) 323-3057

District Victor Valley College
Contact Person Karen Hardy, Director of Fiscal Services
Phone Number & email karen.hardy@vvc.edu

the 1990s, the number of people in the world who are living in poverty has increased from 1.2 billion to 1.6 billion (World Bank 2000).

There are a number of reasons for this increase in poverty. One of the main reasons is the rapid population growth in the developing countries. The population of the world is expected to reach 8 billion by the year 2025 (United Nations 2000). This rapid population growth is putting a tremendous strain on the world's resources, particularly in the developing countries.

Another reason for the increase in poverty is the rapid technological change in the developed countries. The rapid technological change is creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries. The rapid technological change is also creating a large number of jobs in the developing countries, but it is also creating a large number of jobs in the developed countries.

A third reason for the increase in poverty is the rapid economic growth in the developing countries. The rapid economic growth in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid economic growth in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A fourth reason for the increase in poverty is the rapid environmental degradation in the developing countries. The rapid environmental degradation in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid environmental degradation in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A fifth reason for the increase in poverty is the rapid social change in the developing countries. The rapid social change in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid social change in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A sixth reason for the increase in poverty is the rapid political change in the developing countries. The rapid political change in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid political change in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A seventh reason for the increase in poverty is the rapid cultural change in the developing countries. The rapid cultural change in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid cultural change in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A eighth reason for the increase in poverty is the rapid religious change in the developing countries. The rapid religious change in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid religious change in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A ninth reason for the increase in poverty is the rapid linguistic change in the developing countries. The rapid linguistic change in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid linguistic change in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.

A tenth reason for the increase in poverty is the rapid ethnic change in the developing countries. The rapid ethnic change in the developing countries is creating a large number of jobs, but it is also creating a large number of jobs in the developed countries. The rapid ethnic change in the developing countries is also creating a large number of jobs in the developed countries, but it is also creating a large number of jobs in the developing countries.


**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT ___ **BOARD ACTION** X **BOARD INFORMATION (no action required)** ___

TOPIC: AGREEMENT – VICTOR VALLEY TRANSIT AUTHORITY

SUBMITTED BY: G.H. Javaheripour, Administrative Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

The District wishes to enter into an agreement with Victor Valley Transit Authority (VVTA) that will give Victor Valley Community College students free bus passes to travel within the VVTA service area. In the fiscal year 2013/2014, VVTA obtained a grant to examine the effect of providing free bus passes to VVC students on the ridership of VVTA services. Based on the results of the study, the VVC students voted for a mandatory student fee that was approved by the VVCCD Board of Trustees on September 9, 2014 (Item #5.43). The student fees that are collected will provide free bus passes for all VVC students in the VVTA service area.

A copy of the original agreement is available for review in the Superintendent/President's office.

Need:

This agreement must be approved by the Board of Trustees in order to begin providing free bus service to VVC students within the VVTA service area.

Fiscal Impact:

Not to Exceed \$150,000.00 – Funded by Student Fees

Recommended Action:

It is recommended that the Board of Trustees approve the agreement with Victor Valley Transit Authority in an amount not to exceed \$150,000.00 to provide free VVTA transport to VVC students.

Legal Review: YES X NOT APPLICABLE ___

Reference for Agenda: YES X NO ___

1 **COLLEGE RAM PASS REVENUE AGREEMENT**
2 **BETWEEN VICTOR VALLEY TRANSIT AUTHORITY AND VICTOR VALLEY COLLEGE**
3

4 **THIS AGREEMENT** is made and entered into this XX day of Month 2014, by and between
5 Victor Valley Transit Authority, 17150 Smoke Tree St., Hesperia, CA 92345, a joint powers authority
6 (hereinafter referred to as "AGENCY") and Victor Valley College (hereinafter referred to as
7 "COLLEGE").
8

9 **WITNESSETH:**

10 In consideration of the services to be rendered by AGENCY and the compensation to be paid
11 therefore by COLLEGE, as herein set forth, the parties agree as follows:
12

13 **ARTICLE 1. STATEMENT OF WORK AND PAYMENT**

- 14 A. COLLEGE agrees to provide its students with student identification cards that contain magnetic
15 encoding that is readable by the AGENCY'S bus fareboxes. The AGENCY must approve the
16 proposed card(s) ensuring compatibility with its bus fareboxes.
- 17 B. AGENCY shall allow any eligible COLLEGE student to ride all of AGENCY'S fixed route bus
18 services at no charge during the period of this agreement. AGENCY shall allow any eligible
19 COLLEGE student who is also pre-qualified to use AGENCY'S Access para-transit service to
20 purchase Access one-way tickets at a twenty percent discount.
- 21 a. An eligible COLLEGE student shall be defined as any COLLEGE student who meets the
22 following criteria:
- 23 i. Possesses their own current, valid COLLEGE identification card bearing the approved
24 magnetic stripe.
- 25 ii. Is currently registered for more than zero (0) units during the current fall,
26 summer, or spring academic term of COLLEGE.
- 27 iii. Is a student who has paid the transportation fee for the applicable term.
- 28 b. The free ride period for students who were eligible during the previous term, but who do
29 not meet the eligibility criteria for the following term, shall end two (2) weeks prior to the
30 start of the next academic term.
- 31 c. Eligible students attempting to ride without their current, valid COLLEGE identification
32 card will have to pay the applicable fare depending on the service and rider type as defined

1 by Victor Valley Transit Authority fare policy.

2 d. Any student who withdraws or is dismissed due to disciplinary action from the COLLEGE
3 or decreases their number of units to zero (0) shall no longer be eligible for the program
4 regardless of fee payment.

5 e. COLLEGE identification cards and their accompanying AGENCY bus ridership privileges
6 are not transferable to another person.

7 f. Only a student's most recently issued student identification card shall be valid. All others
8 are null and void.

9 C. COLLEGE may, at its own volition, display on its premises related advertising matter as may be
10 supplied by AGENCY.

11 D. COLLEGE shall properly file and maintain all printed material and time schedules supplied by
12 AGENCY and shall to the best of its ability furnish to the public complete and accurate
13 information in accordance therewith.

14 E. COLLEGE shall render Registered Student reports to AGENCY in spreadsheet format containing
15 the student numbers of all registered students for the term, the number of the last student
16 identification card issued to each student and the number of units each student is currently
17 carrying to provide the basis for AGENCY to establish program eligibility and prevent fraud.
18 These reports shall be provided to AGENCY on a monthly basis no later than one week after the
19 conclusion of the previous month.

20 F. COLLEGE shall work with AGENCY to implement and enforce measures to discourage and
21 prevent fraudulent use of the COLLEGE student ID cards on AGENCY vehicles.

22 G. COLLEGE shall pay AGENCY \$6.50 (Six Dollars and Fifty cents) for every student who
23 registers for at least six (6) units and \$6.00 (Six Dollars) for every student who registers for less
24 than six (6) units, for or during, each of the following academic terms; fall, summer and spring.
25 This fee is payable to AGENCY unless the student withdraws, is dismissed due to disciplinary
26 action, or decreases their number of units prior to the COLLEGE'S refund deadline.

27 H. AGENCY shall issue COLLEGE an invoice at the beginning of each term to be paid by
28 COLLEGE within sixty (60) days of receipt by COLLEGE. AGENCY'S invoice will be based
29 on the COLLEGE'S documented student enrollment, by number of academic units, for the term.

30 I. AGENCY shall, on a monthly basis, provide COLLEGE with reports documenting the actual bus
31 usage of holders of COLLEGE cards.

32

1 **ARTICLE 2. INDEPENDENT CONTRACTOR**

- 2 A. COLLEGE is an independent contractor and not a beneficiary or employee of AGENCY within
3 the meaning of any Workers' Compensation law, or any law which would entitle benefits arising
4 out of any state or federal unemployment or old age fund or similar law, or any right or privilege
5 extended by AGENCY to its employees. COLLEGE has no power to bind AGENCY, by contract
6 or otherwise, except as herein provided as to the sale of public transportation.
- 7 B. AGENCY is an independent contractor and not a beneficiary or employee of COLLEGE within
8 the meaning of any Workers' Compensation law, or any law which would entitle benefits arising
9 out of any state or federal unemployment or old age fund or similar law, or any right or privilege
10 extended by COLLEGE to its employees. AGENCY has no power to bind COLLEGE, by
11 contract or otherwise, except as herein provided as to the sale of public transportation.

12
13 **ARTICLE 3. INDEMNITY**

- 14 A. COLLEGE shall be responsible for such COLLEGE cards held by it and shall indemnify and
15 hold the AGENCY harmless from any loss whatsoever to such COLLEGE cards and monies,
16 whether occasioned by theft or otherwise.
- 17 B. COLLEGE shall defend, indemnify and hold AGENCY, its officers, agents and employees
18 harmless from and against any and all liability, loss, expense (including reasonable attorney's
19 fees), or claims for injury or damages arising out of the performance of this agreement but only
20 in proportion to and to the extent such liability, loss expense, attorney's fees, or claims for injury
21 or damages are caused by or result from the negligent or intentional acts or omissions of
22 COLLEGE, its officers, agents, or employees.
- 23 C. AGENCY shall defend, indemnify and hold COLLEGE, its officers, agents and employees
24 harmless from and against any and all liability, loss, expense (including reasonable attorney's
25 fees), or claims for injury or damages arising out of the performance of this agreement but only
26 in proportion to and to the extent such liability, loss expense, attorney's fees, or claims for injury
27 or damages are caused by or result from the negligent or intentional acts or omissions of
28 AGENCY, its officers, agents, or employees.

29
30 **ARTICLE 4. INSPECTION OF RECORDS**

- 31 A. COLLEGE shall permit an authorized representative of AGENCY, during standard business
32 hours, to examine, inspect and audit all records and accounts pertaining to this program and this

1 Agreement. COLLEGE shall make such items readily accessible, within five (5) business days,
2 to AGENCY during COLLEGE'S performance hereunder and for a period of four (4) years from
3 the date of final payment to AGENCY hereunder.

- 4 B. AGENCY shall permit an authorized representative of COLLEGE, during standard business
5 hours, to examine, inspect and audit all records and accounts pertaining to this program and this
6 Agreement. AGENCY shall make such items readily accessible, within five (5) business days, to
7 COLLEGE during AGENCY'S performance hereunder and for a period of four (4) years from
8 the date of final payment from COLLEGE hereunder.

9
10 **ARTICLE 5. ASSIGNMENT**

11 This Agreement shall not be assigned or transferred by COLLEGE without AGENCY'S prior
12 written consent. The cards provided by COLLEGE to its students may not be assigned, transferred or
13 used by any person other than the individual who received the card. In the event of dissolution of the
14 COLLEGE RAM PASS program, this agreement shall terminate.

15
16 **ARTICLE 6. MODIFICATION**

17 No modification of this Agreement shall be effective unless made in writing and signed by both
18 parties.

19
20 **ARTICLE 7. TERM**

21 This Agreement shall be effective beginning *Month DAY, 2015* and shall continue in full force
22 and effect until *Month DAY, 2025*, or until canceled by either party upon written notice to the other
23 party at least thirty (30) days prior to the effective date thereof. This agreement may be extended and
24 or renewed by mutual agreement, but must be confirmed in writing by the parties listed in Article 10
25 Notification, or their designee.

26
27 **ARTICLE 8. TERMINATION**

- 28 A. COLLEGE shall pay AGENCY its payment for all student transportation fees collected by
29 COLLEGE up to the date of termination. Thereafter AGENCY shall have no further claims
30 against COLLEGE under Agreement.
- 31 B. AGENCY may terminate this Agreement at any time for its convenience or for COLLEGE'S
32 default if COLLEGE breaches any material provision of this Agreement and fails to cure such

1 breach within ten (10) calendar days of receipt of written notice from AGENCY. If AGENCY so
2 terminates for default, then COLLEGE shall pay AGENCY its payment for all student
3 transportation fees collected by COLLEGE up to the date of termination. That payment shall be
4 provided in full to AGENCY within thirty (30) calendar days of receipt of the notice of
5 termination.

6 C. COLLEGE may terminate this Agreement at any time for its convenience or for AGENCY'S
7 default if AGENCY breaches any material provision of this Agreement and fails to cure such
8 breach within ten (10) calendar days of receipt of written notice from COLLEGE. If COLLEGE
9 so terminates for convenience, then COLLEGE shall pay AGENCY its payment for all student
10 transportation fees collected by COLLEGE up to the date of termination. That payment shall be
11 provided in full to AGENCY within thirty (30) calendar days of receipt of the notice of
12 termination.

13 D. COLLEGE may terminate this Agreement within thirty (30) days written notice to AGENCY if
14 the student body and the Board of Trustees vote to repeal the Transportation Fee.

15 E. It is understood that significant rerouting, rescheduling, discontinuance, or other such changes in
16 service may defeat the purpose of this agreement. In such event, COLLEGE may terminate this
17 agreement for convenience. If COLLEGE so terminates, then COLLEGE shall pay AGENCY its
18 payment for all student transportation fees collected by COLLEGE up to the date of termination.
19

20 **ARTICLE 9. SCHEDULING**

21 No provision of this Agreement shall be construed to require AGENCY to continue to operate
22 any bus service to or from the facility of COLLEGE or elsewhere during the term of this Agreement,
23 and it is expressly agreed that the AGENCY shall incur no liability to COLLEGE by reason of any
24 rerouting, rescheduling, discontinuance, or other changes in bus or other transit services operated by
25 the AGENCY. In the event that AGENCY does find the need to reroute, reschedule, discontinue or
26 otherwise make changes in bus or other transit services operated by AGENCY that would affect the
27 students of COLLEGE, when possible AGENCY will provide at least thirty (30) days notice to
28 COLLEGE of such change.
29
30
31
32

1 **ARTICLE 10. NOTIFICATION**

2 All notices hereunder and communications regarding the interpretation of the terms of this
3 Agreement, or changes thereto, shall be effected by delivery of said notices in person, via electronic
4 mail, or by depositing said notices in the U.S. mail, registered or certified mail, returned receipt
5 requested, postage prepaid and addressed as follows:
6

7 **To College:**

8 Victor Valley College

9 Office of Student Services

10 18422 Bear Valley Road

11 Victorville, CA 92395

12 ATTENTION: (Name of Representative)

13 Title of Representative

14 Phone: 760-XXX-XXXX Fax: 760-XXX-XXXX

15 email: email of representative

16 with a copy to:
17
18

To AGENCY:

 Victor Valley Transit Authority

 Administration

 17150 Smoketree St

 Hesperia, CA 92345

 ATTENTION: Kevin Kane

 Executive Director

 Phone: 760-948-4021 X114 Fax: 760-948-1380

 Email: kkane@vvta.org

19 **ARTICLE 11. COMPLETE AGREEMENT**

20 A. This Agreement and documents incorporated herein constitute the complete and exclusive
21 statement of the terms of the Agreement between AGENCY and COLLEGE and it supersedes all
22 prior representations, understandings, and communications regarding the services provided
23 hereunder. The invalidity in whole or in part of any provision of this Agreement shall not affect
24 the validity of other provisions. AGENCY'S failure to insist in any one or more instances upon
25 the performance of any term or terms of this Agreement shall not be construed as a waiver or
26 relinquishment of AGENCY'S right to such performance or to future performance of such a term
27 or terms, and COLLEGE'S obligation in respect thereto shall continue in full force and effect.
28 Both parties agree time shall be of the essence under this agreement.

29 B. Similarly, COLLEGE'S failure to insist in any one or more instances upon the performance of
30 any term or terms of this Agreement shall not be construed as a waiver or relinquishment of
31 COLLEGE'S right to such performance or to future performance of such a term or terms, and
32 AGENCY'S obligation in respect thereto shall continue in full force and effect.

- 1 C. Changes hereto shall not be binding upon AGENCY except when specifically confirmed in
2 writing by an authorized member of AGENCY'S Administrative Department. The issuance of
3 information, advice, approvals, or instructions by AGENCY'S technical personnel or other
4 representatives shall be deemed expressions of personal opinions only and shall not affect
5 AGENCY'S and COLLEGE'S rights and obligations hereunder.
- 6 D. Similarly, changes hereto shall not be binding upon COLLEGE except when specifically
7 confirmed in writing, approved by COLLEGE'S Board of Trustees, as appropriate, and signed
8 by COLLEGE'S President or designee. The issuance of information, advice, approvals, or
9 instructions by COLLEGE'S technical personnel or other representatives shall be deemed
10 expressions of personal opinions only and shall not affect COLLEGE'S and AGENCY'S rights
11 and obligations hereunder.

12
13 **ARTICLE 12. GOVERNING LAW AND VENUE**

14 The laws of the State of California, without regard to any conflicts of law provisions, shall govern
15 any action or claim arising out of this agreement. The parties agree that the venue for any action or
16 claim arising out of or related to this agreement shall be San Bernardino County. If any action or claim
17 concerning this agreement is brought by a third party, the parties agree to use their best efforts to obtain
18 a change of venue to San Bernardino County.

19
20 **ARTICLE 13. FORCE MAJEURE**

21 Either party shall be excused from performing its obligations under this Agreement during the time
22 and to the extent that it is prevented from performing by an unforeseeable cause beyond its control
23 including, but not limited to: any incidence of fire, flood; acts of God; commandeering of material,
24 products, plants or facilities by the federal, state or local government; national fuel shortage; or a material
25 act of omission by the other party; when satisfactory evidence of such cause is presented to the other party,
26 and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the
27 fault or negligence of the party not performing.

1 **IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed on
2 the day and year first above written.

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18

COLLEGE

VICTOR VALLEY TRANSIT AUTHORITY

By _____

By _____

Representative Name

Kevin Kane

Representative Title

Executive Director

APPROVED AS TO FORM:

By _____

Carol Greene

County Counsel

**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

BOARD CONSENT __ **BOARD ACTION** __ **BOARD INFORMATION (no action required)** X

TOPIC: QUARTERLY FINANCIAL REPORTS

SUBMITTED BY: Karen Hardy, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Roger W. Wagner 

Description/Background:

Unaudited financial reports are being presented for the period ending September 30, 2014, for the General Fund (01), Debt Service Payment Fund (21), Special Revenue Fund (39), Bond Projects Fund (42), Capital Outlay Projects Fund (71), Child Development Center Fund (72), Student Center Fee Fund (73), Health Trust Fund (75), Self Insurance Trust Fund (78), ASB, Auxiliary Services, Bookstore, and Federal Grant Funds.

A copy of the original quarterly financial report is available in the Superintendent/President's office.

Need: N/A

Fiscal Impact: None

Recommended Action:

This is an information only item.

Legal Review: YES __ NOT APPLICABLE X

Reference for Agenda: YES X NO __

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
GENERAL FUND - FUND 01
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 10,653,407			
Revenues				
Federal	\$ 2,491,819	\$ 197,130	\$ 2,294,689	92.09%
State	52,319,770	11,591,405	40,728,365	77.85%
Local	12,392,400	683,125	11,709,275	94.49%
Total Revenues	\$ 67,203,989	\$ 12,471,660	\$ 54,732,329	
Expenditures				
Academic Salaries	\$ 25,512,334	\$ 2,960,033	\$ 22,552,301	88.40%
Classified Salaries	14,933,457	3,434,533	11,498,924	77.00%
Benefits	12,286,684	2,275,935	10,010,749	81.48%
Supplies	1,881,426	230,218	1,651,208	87.76%
Operating Expenses	17,321,652	1,590,398	15,731,254	90.82%
Capital Outlay	2,229,413	292,936	1,936,477	86.86%
Transfers, Grants	442,810	-	442,810	100.00%
Reserve for Contingencies	497,990	-	497,990	100.00%
Total Expenditures	\$ 75,105,766	\$ 10,784,053	\$ 64,321,713	
 Excess Revenues/(Expenditures)	 \$ (7,901,777)	 \$ 1,687,607		
 Month Ending Fund Balance 09/30/14		 \$ 12,341,014		
 Projected Ending Fund Balance	 \$ 2,751,630			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
DEBT SERVICE PAYMENT - FUND 21
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 7,739,935			
<u>Revenues</u>				
Local Revenues	\$ 6,908,421	\$ 442,637	\$ 6,465,784	93.59%
Bond Proceeds	280,140	0	280,140	100.00%
<u>Total Revenues</u>	\$ 7,188,561	\$ 442,637	\$ 6,745,924	
<u>Expenditures</u>				
Debt Service Payments	\$ 6,893,300	\$ 1,600	\$ 6,891,700	99.98%
<u>Total Expenditures</u>	\$ 6,893,300	\$ 1,600	\$ 6,891,700	
Net Change in Fund Balance	\$ 295,261	\$ 441,037	\$ 482,601	
Month Ending Fund Balance 09/30/14		\$ 8,180,972		
Projected Ending Fund Balance	\$ 8,035,196			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
SPECIAL REVENUE - FUND 39
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 29,253,243			
<u>Revenues</u>				
Local Revenues	\$ 1,819,800	\$ 378,669	\$ 1,441,131	79.19%
Transfers In	0	0	0	0.00%
<u>Total Revenues</u>	\$ 1,819,800	\$ 378,669	\$ 1,441,131	
<u>Expenditures</u>				
Debt Service Payments	\$ -	\$ -	\$ -	0.00%
<u>Total Expenditures</u>	\$ -	\$ -	\$ -	
 Net Change in Fund Balance	 \$ 1,819,800	 \$ 378,669		
Month Ending Fund Balance 09/30/14		\$ 29,631,912		
 Projected Ending Fund Balance	 \$ 31,073,043			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
BOND PROJECTS FUND - FUND 42
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 23,226,344			
<u>Revenues</u>				
Interest Income	\$ 75,000	\$ -	\$ 75,000	100.00%
<u>Total Revenues</u>	\$ 75,000	\$ -	\$ 75,000	
<u>Expenditures</u>				
Site Improvements	681,958	5,098	676,860	99.25%
Building - New & Remodel	13,915,502	597,518	13,317,984	95.71%
<u>Total Expenditures</u>	\$ 14,597,460	\$ 602,616	\$ 13,994,844	
 Net Change in Fund Balance	 \$ (14,522,460)	 \$ (602,616)		
 Month Ending Fund Balance 09/30/14		 \$ 22,623,728		
 Projected Ending Fund Balance	 \$ 8,703,884			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
CAPITAL OUTLAY PROJECTS - FUND 71
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 3,537,652			
<u>Revenues</u>				
Interest Income	\$ 13,000	\$ -	\$ 13,000	100.00%
Redevelopment	1,200,000	-	1,200,000	100.00%
<u>Total Revenues</u>	\$ 1,213,000	\$ -	\$ 1,213,000	
<u>Expenditures</u>				
Supplies	\$ 51,000	\$ 156	\$ 50,844	99.69%
Software	6,500	-	6,500	100.00%
Contracts-Maint Agreements	14,000	-	14,000	100.00%
Assessment Fee	2,500	-	2,500	100.00%
Contracted services	1,006,188	122,973	883,216	87.78%
New Equipment	169,472	44,680	124,792	73.64%
Computers	40,000	2,043	37,957	94.89%
Replacement Equipment	19,082	-	19,082	100.00%
Transportation Equipment	50,000	-	50,000	100.00%
Reserve for Contingencies	431,916	-	431,916	100.00%
<u>Total Expenditures</u>	\$ 1,790,658	\$ 169,852	\$ 1,620,806	
 Net Change in Fund Balance	 \$ (577,658)	 \$ (169,852)		
 Month Ending Fund Balance 09/30/14		 \$ 3,367,800		
 Projected Ending Funding Balance	 \$ 2,959,994			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
CHILD DEVELOPMENT CENTER - FUND 72
As of 09/30/14

	Annual Budget	YTD Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 68,494			
Revenues				
State Income	\$ 140,155	\$ 29,029	\$ 111,126	79.29%
Rents & Leases	148,614	24,082	124,532	83.80%
Interest Income	400	-	400	100.00%
Miscellaneous Income	-	116	(116)	0.00%
Total Revenues	\$ 289,169	\$ 53,227	\$ 235,942	
Expenditures				
Academic Salaries	\$ 100,215	\$ 14,568	\$ 85,647	85.46%
Classified Salaries	62,143	14,506	47,637	76.66%
Benefits	75,556	10,451	65,105	86.17%
Instructional Supplies	8,000	323	7,677	95.96%
Food	1,000	664	336	33.60%
Operating Expenses	10,652	820	9,832	92.30%
Equipment	300	-	300	100.00%
Total Expenditures	\$ 257,866	\$ 41,331	\$ 216,535	
 Net Change in Fund Balance	 \$ 31,303	 \$ 11,896		
 Month Ending Fund Balance 09/30/14		 \$ 80,390		

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
STUDENT CENTER FEE - FUND 73
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 7,781			
<u>Revenues</u>	\$ 91,100	\$ 27,822	\$ 63,278	69.46%
<u>Expenditures</u>				
Transfers Out	\$ 90,110	\$ -	\$ 90,110	100.00%
Net Change in Fund Balance	\$ 990	\$ 27,822		
Month Ending Fund Balance 09/30/14		\$ 35,603		

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
HEALTH TRUST FUND - FUND 75
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 41,001			
<u>Revenues</u>				
Interest Income	\$ 150	\$ -	\$ 150	100.00%
<u>Total Revenues</u>	\$ 150	\$ -	\$ 150	
<u>Expenditures</u>				
Outgoing Transfers	-	-	-	0.00%
<u>Total Expenditures</u>	\$ -	\$ -	\$ -	
 Net Change in Fund Balance	 \$ 150	 \$ -		
Month Ending Fund Balance 09/30/14		\$ 41,001		
 Projected Ending Fund Balance	 \$ 41,151			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
SELF INSURANCE TRUST - FUND 78
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 135,517			
<u>Revenues</u>				
Interest Income	\$ 100	\$ -	\$ 100	100.00%
Interfund Transfers In	33,635	-	33,635	100.00%
<u>Total Revenues</u>	\$ 33,735	\$ -	\$ 33,735	
<u>Expenditures</u>				
Supplies	\$ 1,500	\$ -	\$ 1,500	0.00%
Contracted Services	25,235	5,215	20,020	79.33%
New Furniture/Equipment	7,000	-	7,000	0.00%
<u>Total Expenditures</u>	\$ 33,735	\$ 5,215	\$ 28,520	
 Net Change in Fund Balance	 \$ -	 \$ (5,215)		
Month Ending Fund Balance 09/30/14		\$ 130,302		
 Projected Ending Fund Balance	 \$ 135,517			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
ASB FUND
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 279,366			
<u>Revenues</u>	\$136,700	\$935	\$135,765	99.32%
<u>Total Revenues</u>				
<u>Expenditures</u>	\$136,700	<u>\$44,720</u>	\$91,980	67.29%
<u>Total Expenditures</u>				
Revenues/(Expenditures)	\$ -	\$ (43,785)		
Month Ending Fund Balance 09/30/14		\$ 235,581		
Projected Ending Fund Balance	\$ 279,366			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
AUXILIARY SERVICES
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 104,522			
<u>Revenues</u>	\$ 315,650	<u>\$ 103,979</u>	\$ 211,671	67.06%
<u>Total Revenues</u>		\$ 103,979		
<u>Expenditures</u>	\$ 347,100	<u>\$ 45,695</u>	\$ 301,405	86.84%
<u>Total Expenditures</u>		\$ 45,695		
Revenues/(Expenditures)	\$ (31,450)	\$ 58,284		
Month Ending Fund Balance 09/30/14		\$ 162,806		
Projected Ending Fund Balance	\$ 73,072			

VICTOR VALLEY COMMUNITY COLLEGE
2013-2014 Financial Statements
RAMS BOOKSTORE
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 952,296			
<u>Revenues</u>	\$ 2,345,800	\$ 849,830	\$ 1,495,970	63.8%
Less: Cost of Goods Sold	1,787,700	627,412	\$ 1,160,288	64.9%
Gross Margin from Local Revenues	<u>\$ 558,100</u>	<u>\$ 222,418</u>	<u>\$ 335,682</u>	
Total Other Income	\$ -	1,550	(1,550)	0.0%
<u>Total Revenues</u>	<u>\$ 558,100</u>	<u>\$ 223,968</u>	<u>\$ 334,132</u>	
<u>Expenditures</u>	\$ 75,100	\$ 26,756	\$ 48,344	64.4%
Labor	483,000	130,996	\$ 352,004	72.9%
<u>Total Expenditures</u>	<u>\$ 558,100</u>	<u>\$ 157,752</u>	<u>\$ 400,348</u>	
Revenues/(Expenditures)	\$ -	\$ 66,216		
Month Ending Fund Balance 09/30/14		\$ 1,018,512	\$ 1,149,507	\$ 130,995
Projected Ending Fund Balance	\$ 952,296			

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT
2013-2014 Financial Statements
FEDERAL/STATE GRANT FUNDS
As of 09/30/14

	Budget	Actual	Budget Remaining	Percentage Remaining
Beginning Fund Balance 7/1/14	\$ 66,512			
<u>Revenues</u>				
PELL	\$ 21,957,428	\$ 2,488,997	\$ 19,468,431	88.66%
SEOG	400,800	-	400,800	100.00%
VETRANS ADMINSTRATION	20,000	-	20,000	100.00%
Cal Grant	1,198,275	302,028	896,247	74.79%
CARE	100,000	100,000	-	0.00%
<u>Total Revenues</u>	\$ 23,676,503	\$ 2,891,025	\$ 20,785,478	
<u>Expenditures</u>				
PELL	\$ 21,955,470	\$ 2,493,358	\$ 19,462,112	88.64%
SEOG	400,800	-	400,800	100.00%
VETRANS ADMINSTRATION	20,118	-	20,118	100.00%
Cal Grant	1,266,603	-	1,266,603	100.00%
CARE	100,024	-	100,024	100.00%
<u>Total Expenditures</u>	\$ 23,743,015	\$ 2,493,358	\$ 21,249,657	
Net Change in Fund Balance	(66,512)	\$ 397,667		
Month Ending Fund Balance 09/30/14		\$ 464,179		
Projected Ending Fund Balance	\$ 0			