

College of the Sequoias Community College District
Measure I
Citizens' Oversight Committee

Tuesday, March 13, 2012
5:30 pm

College of the Sequoias
Room 1
915 South Mooney Boulevard
Visalia, CA 93277

Agenda

5:30 pm

1. Call to Order
2. Public Comments
3. Approval of Minutes of September 13 2011
4. Financial Report/Progress Report on Measure I Projects
5. Proposition 39 General Obligation Bonds Audit Report – June 30, 2011
6. Committee Members Report on Feedback from the Community
7. Date of Next Meeting
8. Items for Next Agenda
9. Adjourn

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
MEASURE I CITIZENS' OVERSIGHT COMMITTEE

College of the Sequoias
President's Conference Room, Administration Office
915 South Mooney Boulevard
Visalia, CA 93277

Tuesday, September 13, 2011
5:30 pm

Citizens' Bond Oversight Committee for Measure I

Betty Anthony, Bob Bricker, Mary Lou Burbery, Melissa Miller, Dena Cochran,
Phil Cox, Norma Freeborn, Bob Line, Tom Link, Jerry Long, Tom Brodersen

Members Present: Bob Line, Norma Freeborn, Betty Anthony, Bob Bricker, Dena Cochran,
Mary Lou Burbery, Melissa Miller, Tom Link

Members Absent: Phil Cox, Jerry Long, Tom Brodersen

COS Representatives Present:

Brent Calvin, Superintendent/President
Eric Mittlestead, Dean, Facilities and Planning
Linda McCauley, Chief Accounting Officer
Janet Barbeiro, Executive Assistant to the President

1. Call to Order

Committee Chair Bob Line called the meeting to order at 5:34 pm.

2. Public Comments

There were no public comments.

3. Approval of April 12, 2011 Minutes

Betty Anthony moved to approve the minutes of April 12, 2011; Mary Lou Burbery
seconded the motion. Motion carried by unanimous vote.

4. Financial Report/Progress Report on Measure I Projects

Linda McCauley provided a list of Bond financed projects with a financial reporting of each as of June 30, 2011.

Eric Mittlestead, Dean of Facilities, reviewed each project item by item and it's status for the committee's information.

Eric Mittlestead explained how the parking lot was expanded with actual costs coming in below estimates along with being able to complete it ahead of schedule.

Mary Lou Burberry had a concern with the water runoff when watering the new plantings.

Eric Mittlestead explained that it is a work in progress and will be looked into as the punch list is reviewed.

5. Review and Approval of Annual Report

Chairman Line asked the committee to review the annual report. He then asked for any changes or corrections.

The committee noted a couple of minor changes and staff said the corrections will be made.

Chairman Line requested that if the report looks all right to the committee, that the committee make a motion to approve. One approved, he will present to the Board of Trustees for their approval.

Motion was made by Tom Link, to accept the 2010-2011 Annual Report and present it to the Board of Trustees for their approval. Dena Cochran seconded the motion. Motion carried by unanimous vote.

6. Community Use of Track and Field

Brent Calvin explained what is going to happen with the new track and the policy COS has put in place to protect the investment made. The last thing he wants to do is shut down public access. However, we have this new field turf that cannot have animals, sunflower seeds, etc. on it in order to keep it nice. He explained that he met with several of the local running groups along with a campus representative and Bob Line. We had a great meeting with lots of dialogue and were able to come up with a plan to test run having supervised access from 5 to 8 am and 5 to 8 pm as well as continuing the policy of allowing the public to walk while a class is going on. One other thing is to have only one main entrance near the pool. This cuts down the cross traffic for people using it as a

thoroughfare. This access will only be on Mondays to Friday's; however, we are open to adjustment to see how it goes for the future. The days of being able to come out and walk at midnight are probably gone. He requested any comments on how this is working.

Mary Lou Burberry said she thinks it is working well. The hours seem to be working well. The main thing she misses is that there is nothing open on the weekends.

Brent Calvin noted that if we can come up with a plan to open up the weekends that can be utilized then he is willing to look at it. People have been very cooperative in the public use times.

Chairman Line reminded the committee that we need to let the public know that that this is a nice new track that needs to be taken care of.

Brent Calvin stated that we have to be good stewards with that field. Staff has had discussions in regards to the maintenance that this new grass takes.

Mary Lou Burberry stated she has a concern with a safety item concerning the new sidewalk in that at each end it goes down which creates a tripping hazard.

Eric Mittlestead said it is built to meet ADA requirements for the handicap along with the ADA parking stall located there. The state has very stringent rules that we have to follow and this is built to the state requirements. We don't have any say in how it is built, and we must build it to their mandates. Additionally, the state does follow up and check to make sure it is built to their specifications.

Chairman Line questioned if the soccer team can play on the new grass?

Brent Calvin said yes. In fact, we had a double header two weeks ago on it. Most of the practice occurs out there along with most of their games. Some practices do take place at neighborhood bowl just due to scheduling conflicts. Brent pointed out that if you hear anything, have questions or a complaint or an issue that needs to be addressed to please call him or e-mail. If there are any issues, don't hesitate to give him a call.

7. Committee Member Report on Feedback from the Community

Chairman Line reminded committee to feel free to call the President for anything that they hear in order to obtain correct information. As a committee member, it is our job to relay correct information to the public.

Melissa Miller has heard a lot since COS became a smoke free campus however, where the smokers congregate it is very filthy. She asked if there is some way to improve these areas for the smokers. If those areas can be made nicer, such as providing a bench and a trash can.

President Line said he will refer this issue to administration to handle.

Brent Calvin reviewed that the campus voted overwhelming to be smoke free campus; however, we didn't anticipate people congregating in the parking lot and leaving a mess.

Eric Mittlestead said that the Facilities Committee is the best avenue to address this issue item. We are honing in on these areas to keep them up.

8. Date of Next Meeting

After discussion, the consensus of the committee was to meet again on March 13, 2012 for their next meeting starting at 5:30 PM.

9. Items for Next Agenda

None.

10. Adjourn

The meeting was adjourned at 6:25 pm.

Visalia Area 2009 Individual Bond Projects 4th Quarter FY2011/2012

as of September 30, 2011

do not print

	Item	Estimated Local Cost	Current Quarter	Paid & Encumbered to Date	Available Balance	Completion Date	Comments	Banner FOAP
1A	Kern Building Upgrade Project	\$ 2,050,000	168,901.80	\$ 1,015,465	\$ 1,034,535	8/15/12	2nd Floor Su11/1st Floor Su12	49600-2121-9001
1B	Tule Building Remodel and Equipment Upgrade	\$ 352,490		\$ 352,490	\$ (0)	8/1/10	\$200 K was moved to #16 & 17 Completed as of 6/30/11	49600-2121-9002
2	Purchase Houses South of Campus	\$ 2,768,667		\$ 2,768,667	\$ 0	9/30/10	Cost of purchasing 14 houses plus relocation expenses Completed	49600-2121-9003
2A	Auction off Valuable Houses	\$ -		\$ -	\$ -		No houses where purchased at auction	
2B	Demolish Remaining Houses and Prepare Site for Parking	\$ 2,350,000	701,787.80	\$ 2,154,768	\$ 195,232	8/15/11	City of Visalia wants input, a traffic study for location of approaches should be done, and grass and flower beds should be added.	49600-2121-9004
4A	Annual Computer Lease Payments	\$ 5,496,810	119,827.61	\$ 2,869,723	\$ 2,627,087	on going	FY11/12 budget \$909,472, FY12/13 940,771, FY13/14 \$978,401	49600-2121-9005
4B	Create 25 Smart Classrooms	\$ 365,276		\$ 365,276	\$ 0	8/1/10	Completed	49600-2121-9006
4C	Miscellaneous Technology Equipment Purchases	\$ 69,413		\$ 69,413	\$ -	as needed	Career Pathways Completed	49600-2121-9007
5	Nursing Technology and Additional Equipment	\$ 195,235		\$ 195,235	\$ 0	4/1/10	Completed	49600-2121-9008
6	Health Professions Continuing Education	\$ 100,000		\$ 100,000	\$ -	on hold	Completed	49600-2121-9009
7	Code Blue Phones/Burglar Alarm/Lighting	\$ 599,128		\$ 599,128	\$ 0	8/1/10	Completed	49600-2121-9010
8A	Solar Installation	\$ -		\$ -	\$ -	done	State funded	49600-2121-9013
8B	EMS Replacement Project	\$ 602,356		\$ 602,356	\$ -	8/1/10	Completed	49600-2121-9014
8C	COP Payoff	\$ 1,387,688		\$ 740,264	\$ 647,424	on going	COPs for FY12/13, FY13/14	49600-2121-9015
9A	Payback John Muir Building Local Costs	\$ 4,424,431		\$ 4,424,431	\$ -	3/1/09	Completed	49600-2121-9016
9B	Replace John Muir Kalwall with Glass Block	\$ 310,000	101,767.60	\$ 287,638	\$ 22,362	8/15/11	Construction is Completed	49600-2121-9017
10	Resurface Track, Add Scoreboard and Add Astroturf	\$ 2,500,000	593,872.51	\$ 2,384,442	\$ 115,558	8/22/11	Construction is Completed	49600-2121-9018
11A	Add Local Costs for Concession Stand and Furniture Consultant	\$ 60,750		\$ 60,750	\$ -	7/1/11	Completed	49600-2121-9019
11B	Payback Local Costs for Redesign	\$ 287,296		\$ 287,296	\$ -	3/1/09	Completed	49600-2121-9020
11C	Additional Gym Amenities	\$ 247,740	354.24	\$ 232,176	\$ 15,564	3/1/11	Original use now met w/state \$\$, New uses: drop off cut out, cover for old gym floor, cover final 3 contracts	49600-2121-9021
12A	Payback Local Cost for Temporary Parking Lot	\$ 55,055		\$ 55,055	\$ (0)	3/1/09	Completed	49600-2121-9022
12B	Construct Permanent Parking Lot	\$ 707,350		\$ 707,350	\$ -	8/1/09	Completed	49600-2121-9023
13	Scheduled Maintenance Match (need \$120,000 per year)	\$ 1,826,873	7,263.54	\$ 422,942	\$ 1,403,931		Use as needed for priority projects	49600-2121-9024
14A	Theater Seat Replacement	\$ 363,892		\$ 363,892	\$ 0	8/1/09 or 10	Completed	49600-2121-9025
14B	Theater Lighting and Sound Upgrade	\$ 384,793		\$ 381,574	\$ 3,219	12/1/11	Additional lighting fixtures	49600-2121-9026
14C	Theater Miscellaneous Improvements	\$ 53,663		\$ 53,663	\$ -	After 14A & B	Completed	49600-2121-9027
15	Equipment & Furniture for ImagineU Seminar & Observation Rooms	\$ 50,000		\$ 50,000	\$ -	6/30/10	Completed	49600-2121-9028
16	Bond General Expense	\$ 391,094	260.36	\$ 291,012	\$ 100,082		Remaining project management costs	49600-2121-0000
18	Cashflow Nursing Bldg 41026-7103			\$ (0)	\$ 0		Cashflow State reimbursable project	49600-2121-9039
19	Cashflow Gym 41055-7103			\$ 0	\$ (0)		Cashflow State reimbursable project	49600-2121-9040

Total	\$	28,000,000	\$	1,694,035	\$	21,835,006	\$	6,164,994
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Fiscal Year 2011/2012											
Date	Payee	Banner Invoice Number	Architect-Engineer	Advertisement Legal	Planning	Construction	Tests	Inspection	Furniture & Equipment	Other	Project No
31-Aug-11	Matta Communications	I0109598				419.60					1A
31-Aug-11	Matta Communications	I0109597				1,915.41					1A
11-Aug-11	Matta Communications	I0109178				1,100.42					1A
20-Jul-11	Matson Alarm Co, Inc	I0108767				985.00					1A
8-Sep-11	Mechanical Design Concepts Inc.	I0109800	2,425.00								1A
3-Aug-11	Mechanical Design Concepts Inc.	I0109029	4,850.00								1A
3-Aug-11	Sales tax D Martin July CC B1	J0019016				39.23					1A
24-Aug-11	American Incorporated	I0109392				3,960.00					1A
15-Sep-11	A-C Electric Company	I0110012				1,677.00					1A
8-Sep-11	U.S. Bank	I0109861				139.94					1A
1-Sep-11	Ro's Precise Painting Inc.	I0109633				1,397.25					1A
31-Aug-11	Ken Lamb Construction	I0109603				1,500.00					1A
24-Aug-11	Key Evidence pd on wrong PO	J0018745				420.00					1A
24-Aug-11	American Incorporated	I0109392				3,960.00					1A
11-Aug-11	Western Building Material	I0109249				24,791.00					1A
11-Aug-11	Ro's Precise Painting Inc.	I0109205				34,217.00					1A
11-Aug-11	Ken Lamb Construction	I0109177				4,200.00					1A
11-Aug-11	Ken Lamb Construction	I0109176				4,400.00					1A
11-Aug-11	Enviroclean	I0109156				3,500.00					1A
11-Aug-11	Franeys Floor Covering, Inc	I0109150				63,343.00					1A
3-Aug-11	U.S. Bank	I0108985				632.75					1A
3-Aug-11	U.S. Bank	I0108984				129.20					1A
12-Jul-11	Ken Lamb Construction	I0108443				1,100.00					1A
7-Jul-11	Ken Lamb Construction	I0108375				7,800.00					1A
8-Sep-11	Quad Knopf Inc	I0109860	907.57								2B
8-Sep-11	Quad Knopf Inc	I0109865	4,990.81								2B
21-Jul-11	AT&T	I0108804				1,888.40					2B
21-Jul-11	Edison Company	I0108807				22,466.64					2B
21-Sep-11	Pacific West Controls Inc	I0110139				3,906.70					2B
8-Sep-11	U.S. Bank	I0109859							825.05		2B
8-Sep-11	BSK Inc	I0109747					4,889.55				2B
31-Aug-11	Central Valley Asphalt	I0109566				615,620.58					2B
11-Aug-11	PARC Environmental Construction	I0109200				45,655.00					2B
10-Aug-11	BSK Inc	I0109126					637.50				2B
8-Sep-11	Anderson Audio Visual	I0109729							183.11		4A
8-Sep-11	Anderson Audio Visual	I0109729							14.65		4A
1-Sep-11	Shared Technologies Inc.	I0109644							440.00		4A
1-Sep-11	Shared Technologies Inc.	I0109643							550.00		4A
21-Sep-11	Ikon Office Solutions	I0110098							20,766.23		4A
14-Sep-11	Ikon Office Solutions	I0109947							190.75		4A
14-Sep-11	Ikon Office Solutions	I0109947							230.56		4A
8-Sep-11	Oracle America Inc.	I0109883							1,752.46		4A
8-Sep-11	Oracle America Inc.	I0109805							21,576.57		4A
17-Aug-11	Ikon Office Solutions	I0109310							19,227.61		4A
17-Aug-11	Ikon Office Solutions	I0109310							1,538.62		4A
17-Aug-11	Ikon Office Solutions	I0109309							12,288.05		4A
17-Aug-11	Ikon Office Solutions	I0109309							190.75		4A
20-Jul-11	Ikon Office Solutions	I0108757							20,766.23		4A
9-Sep-11	move Dell credit to Visalia Bond	J0018818							(743.18)		4A
26-Jul-11	Comcast Corporation	I0108863							20,855.20		4A
8-Sep-11	Lane Engineers Inc	I0109796	103.50								9B
8-Sep-11	BSK Inc	I0109748					695.00				9B
11-Aug-11	TWB Inspections	I0109237						6,000.00			9B
10-Aug-11	BSK Inc	I0109125					4,122.30				9B
28-Sep-11	Dale Atkins Contractor	I0110307				24,929.90					9B
11-Aug-11	Dale Atkins Contractor	I0109153				65,916.90					9B
8-Sep-11	Quad Knopf Inc	I0109864	7,173.31								10
27-Sep-11	San Joaquin Valley Air Pollution	20063354				(350.00)					10
21-Sep-11	Pacific West Controls Inc	I0110138				753.30					10

Date	Payee	Banner Invoice Number	Architect-Engineer	Advertisement Legal	Planning	Construction	Tests	Inspection	Furniture & Equipment	Other	Project No
15-Sep-11	Sign Time	I0110009				1,511.20					10
8-Sep-11	Key Evidence Locksmith Shop	I0109795				483.89					10
8-Sep-11	BSK Inc	I0109749					312.00				10
1-Sep-11	Park West Sports Systems Inc.	I0109629				213,653.87					10
10-Aug-11	BSK Inc	I0109123					2,834.00				10
3-Aug-11	Park West Sports Systems Inc.	I0109034				367,500.94					10
3-Aug-11	U.S. Bank	I0108986							354.24		11C
15-Sep-11	Cal Bennetts	I0110017				1,171.00					13
8-Sep-11	Public Agency Law Group	I0109855		82.50							13
1-Jul-11	Akzo Noble Paints Refund	H0014742				(15.75)					13
24-Aug-11	Cal Bennetts	I0109406				3,205.00					13
11-Aug-11	PARC Environmental Construction	I0109201				1,100.00					13
11-Aug-11	Forensic Analytical Consulting Serv	I0109160	1,720.79								13
8-Sep-11	Quad Knopf Inc	I0109862	341.70								16
2-Sep-11	Tulare Co / Adj for gov exemption	H0014864								(81.34)	16
	Total As of 9/30/11		22,170.98	82.50	-	1,531,024.37	13,490.35	6,000.00	121,006.90	-	

Visalia Area 2009 Individual Bond Projects 2nd Quarter FY2011/2012

as of December 31, 2011

	Item	Estimated Local Cost	Current Quarter	Encumbered (hidden)	Paid & Encumbered to Date	Available Balance	Completion Date	Comments
1A	Kern Building Upgrade Project	\$ 2,288,870	54,454.32	\$ 16,650	\$ 1,088,870	\$ 1,200,000	8/15/12	2nd Floor Su11/1st Floor Su12
1B	Tule Building Remodel and Equipment Upgrade	\$ 352,490			\$ 352,490	\$ (0)	8/1/10	\$200 K was moved to #16 & 17 Completed as of 6/30/11
2	Purchase Houses South of Campus	\$ 2,768,667			\$ 2,768,667	\$ 0	9/30/10	Cost of purchasing 14 houses plus relocation expenses Completed
2A	Auction off Valuable Houses	\$ -			\$ -	\$ -		No houses where purchased at auction
2B	Demolish Remaining Houses and Prepare Site for Parking	\$ 2,350,000	240,054.94	\$ 22,143	\$ 2,172,882	\$ 177,118	8/15/11	Construction is Completed
4A	Annual Computer Lease Payments	\$ 5,496,810	111,097.79	\$ 299,982	\$ 2,874,564	\$ 2,622,246	on going	FY11/12 budget \$1,106,826, FY12/13 1,116,435, FY13/14 \$1,181,493
4B	Create 25 Smart Classrooms	\$ 365,276			\$ 365,276	\$ 0	8/1/10	Completed
4C	Miscellaneous Technology Equipment Purchases	\$ 69,413			\$ 69,413	\$ -	as needed	Career Pathways Completed
5	Nursing Technology and Additional Equipment	\$ 195,235			\$ 195,235	\$ 0	4/1/10	Completed
6	Health Professions Continuing Education	\$ 100,000			\$ 100,000	\$ -	on hold	Completed
7	Code Blue Phones/Burglar Alarm/Lighting	\$ 599,128			\$ 599,128	\$ 0	8/1/10	Completed
8A	Solar Installation	\$ -			\$ -	\$ -	done	State funded
8B	EMS Replacement Project	\$ 602,356			\$ 602,356	\$ -	8/1/10	Completed
8C	COP Payoff	\$ 1,387,688			\$ 740,264	\$ 647,424	on going	COPs for FY11/12 \$462,716, FY12/13 \$460,066, FY13/14 \$456,691
9A	Payback John Muir Building Local Costs	\$ 4,424,431			\$ 4,424,431	\$ -	3/1/09	Completed
9B	Replace John Muir Kalwall with Glass Block	\$ 292,316	8,605.50		\$ 292,247	\$ 69	8/15/11	Construction is Completed
10	Resurface Track, Add Scoreboard and Add Astroturf	\$ 2,500,000	20,412.90	\$ 259,742	\$ 2,400,604	\$ 99,396	8/22/11	Construction is Completed
11A	Add Local Costs for Concession Stand and Furniture Consultant	\$ 60,750			\$ 60,750	\$ -	7/1/11	Completed
11B	Payback Local Costs for Redesign	\$ 287,296			\$ 287,296	\$ -	3/1/09	Completed
11C	Additional Gym Amenities	\$ 247,740	1,067.87	\$ 12,908	\$ 233,244	\$ 14,496	3/1/11	Original use now met w/state \$\$; New uses: drop off cut out, cover for old gym floor, cover final 3 contracts
12A	Payback Local Cost for Temporary Parking Lot	\$ 55,055			\$ 55,055	\$ (0)	3/1/09	Completed
12B	Construct Permanent Parking Lot	\$ 707,350			\$ 707,350	\$ -	8/1/09	Completed
13	Scheduled Maintenance Match (need \$120,000 per year)	\$ 1,603,632	154,131.56	\$ 2,000	\$ 433,509	\$ 1,170,123		Use as needed for priority projects
14A	Theater Seat Replacement	\$ 363,892			\$ 363,892	\$ 0	8/1/09 or 10	Completed
14B	Theater Lighting and Sound Upgrade	\$ 386,848	5,273.62		\$ 386,848	\$ 0	12/1/11	Additional lighting fixtures
14C	Theater Miscellaneous Improvements	\$ 53,663			\$ 53,663	\$ -	After 14A & B	Completed
15	Equipment & Furniture for ImagineU Seminar & Observation Rooms	\$ 50,000			\$ 50,000	\$ -	6/30/10	Completed
16	Bond General Expense	\$ 391,094		\$ 1,242	\$ 291,012	\$ 100,082		Remaining project management costs
18	Cashflow Nursing Bldg 41026-7103				\$ (0)	\$ 0		Cashflow State reimbursable project
19	Cashflow Gym 41055-7103				\$ 0	\$ (0)		Cashflow State reimbursable project

Total	\$	28,000,000	\$	595,099	\$	614,667	\$	21,969,045	\$	6,030,955
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Fiscal Year 2011/2012											
Date	Payee	Banner Invoice Number	Architect-Engineer	Advertisement Legal	Planning	Construction	Tests	Inspection	Furniture & Equipment	Other	Project No
6-Oct-11	Matta Communications	I0110583				367.32					1A
8-Nov-11	American Incorporated	20066173				(3,960.00)					1A
19-Oct-11	A-C Electric Company	I0110775				58,047.00					1A
3-Nov-11	Quad Knopf Inc	I0111307	2,083.80								2B
6-Oct-11	Quad Knopf Inc	I0110581	3,281.58								2B
16-Nov-11	Central Valley Asphalt	I0111565				19,417.25					2B
3-Nov-11	Central Valley Asphalt	I0111235				78,074.98					2B
20-Dec-11	Central Valley Asphalt	I0112566				131,143.28					2B
8-Dec-11	BSK Inc	I0112095					895.00				2B
6-Oct-11	BSK Inc	I0110557					5,159.05				2B
13-Oct-11	U.S. Bank	I0110728							98.46		4A
13-Oct-11	U.S. Bank	I0110727							525.02		4A
17-Nov-11	Ikon Office Solutions	I0111644							20,767.29		4A
26-Oct-11	Ikon Office Solutions	I0111039							12,288.05		4A
26-Oct-11	Ikon Office Solutions	I0111039							190.75		4A
19-Oct-11	Ikon Office Solutions	I0110804							20,766.23		4A
13-Oct-11	Ikon Office Solutions	I0110701							12,288.05		4A
13-Oct-11	Ikon Office Solutions	I0110701							190.75		4A
13-Oct-11	U.S. Bank	I0110727							3,474.98		4A
13-Oct-11	323.tv LLC	I0110622							40.00		4A
13-Oct-11	323.tv LLC	I0110622							480.00		4A
12-Dec-11	Dell credit cancelled pay genfund	J0019146							743.18		4A
15-Dec-11	Ikon Office Solutions	I0112434							190.75		4A
15-Dec-11	Ikon Office Solutions	I0112434							12,288.05		4A
14-Dec-11	Ikon Office Solutions	I0112302							20,766.23		4A
13-Oct-11	323.tv LLC	I0110622							6,000.00		4A
3-Nov-11	Quad Knopf Inc	I0111305	6,027.15								9B
3-Nov-11	Lane Engineers Inc	I0111271	172.50								9B
8-Dec-11	Lane Engineers Inc	I0112138	868.35								9B
20-Dec-11	BSK Inc	I0112592					445.00				9B
8-Dec-11	BSK Inc	I0112097					402.50				9B
6-Oct-11	Lane Engineers Inc	I0110561	690.00								9B
3-Nov-11	Quad Knopf Inc	I0111306	254.70								10
6-Oct-11	Quad Knopf Inc	I0110580	3,996.12								10
8-Nov-11	Sales Tax Oct CC Eric M B1	J0018973							272.99		10
3-Nov-11	U.S. Bank	I0111218							9,628.40		10
13-Oct-11	Sales Tax Sept CC E Mittlestead B1	J0018915							178.51		10
20-Dec-11	Public Agency Law Group	I0112582		77.70							10
20-Dec-11	Public Agency Law Group	I0112581		51.80							10
20-Dec-11	California Odyssey South Soccer Clu	I0112574							1,220.00		10
13-Oct-11	U.S. Bank	I0110729							4,732.68		10
8-Dec-11	U.S. Bank	I0112150							1,067.87		11C
13-Oct-11	Quad Knopf Inc	I0110730	4,606.90								13
30-Nov-11	American Incorporated	I0111822				26,392.00					13
3-Nov-11	Central Valley Asphalt	I0111236				115,392.52					13
3-Nov-11	Pacific West Controls Inc	I0111301				3,780.00					13
20-Dec-11	Kelly-Moore Paint Company Inc	I0112565				1,685.91					13
20-Dec-11	Kelly-Moore Paint Company Inc	I0112564				1,599.23					13
3-Nov-11	Cal Bennetts	I0111221				675.00					13
8-Dec-11	Consolidated Electrical Distributor	I0112115							5,005.40		14B
8-Dec-11	Consolidated Electrical Distributor	I0112117							29.06		14B
8-Dec-11	Consolidated Electrical Distributor	I0112116							239.16		14B
	Total As of 12/6/11		21,981.10	129.50	-	432,614.49	6,901.55	-	128,198.24	-	

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

**PROPOSITION 39
GENERAL OBLIGATION BONDS
AUDIT REPORT**

JUNE 30, 2011

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

**PROPOSITION 39
GENERAL OBLIGATION BONDS
FINANCIAL AUDIT**

JUNE 30, 2011

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Governing Board and
Citizens Oversight Committee
College of the Sequoias Community College District
Visalia, California

We have audited the accompanying financial statements of the College of the Sequoias Community College District (the District), Revenue Bond Construction Fund (Proposition 39), as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Revenue Bond Construction Fund specific to Proposition 39 and are not intended to present fairly the financial position and results of operations of College of the Sequoias Community College District in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the financial statements, the accompanying financial statements reflect certain changes required as a result of the implementation of GASB Statement No. 54 for the year ended June 30, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Revenue Bond Construction Fund (Proposition 39) of the College of the Sequoias Community College District at June 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011, on our consideration of the District Revenue Bond Construction Fund's (Proposition 39) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement that comprises the District's Revenue Bond Construction Fund (Proposition 39). The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the District's Revenue Bond Construction Fund (Proposition 39) financial statements. Such information has been subjected to the auditing procedures applied in the audit of the District's Revenue Bond Construction Fund (Proposition 39) financial statements and, in our opinion is fairly stated in all material respects in relation to the District's Revenue Bond Construction Fund (Proposition 39) financial statements taken as a whole.

Vannatta, Ellis, Day & Co., LLP

Fresno, California
December 28, 2011

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**BALANCE SHEET
JUNE 30, 2011**

ASSETS

Cash and cash equivalents	\$ 26,210,841
Prepaid expenses	57,894
Total Assets	\$ 26,268,735

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 2,267,570
Total Liabilities	2,267,570

FUND EQUITY

Nonspendable	57,894
Restricted	23,943,271
Total Fund Equity	24,001,165
Total Liabilities and Fund Equity	\$ 26,268,735

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

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

REVENUES

Local revenues	\$ 426,000
Total Revenues	<u>426,000</u>

EXPENDITURES

Current Expenditures	
Books and supplies	3,433
Services and operating expenditures	255,748
Capital outlay	<u>15,865,699</u>
Total Expenditures	<u>16,124,880</u>

EXCESS OF REVENUES OVER

(UNDER) EXPENDITURES	<u>(15,698,880)</u>
-----------------------------	---------------------

OTHER FINANCING SOURCES (USES)

Other sources	<u>15,004,747</u>
Total Other Financing Sources (Uses)	<u>15,004,747</u>

EXCESS OF REVENUES AND OTHER

FINANCING SOURCES OVER (UNDER)

EXPENDITURES AND OTHER USES	(694,133)
------------------------------------	-----------

FUND BALANCE, BEGINNING OF YEAR

24,695,298

FUND BALANCE, END OF YEAR

\$ 24,001,165

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

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the College of the Sequoias Community College District Revenue Bond Construction Fund (Proposition 39) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The College of the Sequoias Community College District Revenue Bond Construction Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The financial statements include only the Revenue Bond Construction Fund of the College of the Sequoias Community College District used to account for Proposition 39 projects. This Fund was established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Elections of 2006 (Hanford Campus) and 2008 (Visalia Campus and Tulare Campus). These financial statements are not intended to present fairly the financial position and results of operations of the College of the Sequoias Community College District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Revenue Bond Construction Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Revenue Bond Construction Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

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 Balances - Governmental Funds

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

Spending Order

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

Changes in Accounting Principles

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The District has implemented the provisions of this statement for the year ended June 30, 2011.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

New Accounting Pronouncements

In November 2010, the GASB issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged.

NOTE 2 - INVESTMENTS

Policies and Practices

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

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fairly 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.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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 is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool. The District maintains a Revenue Bond Construction fund investment of \$26,210,841 with the Tulare County Investment Pool. The fair value of this investment is approximately \$26,210,841 with an average maturity of 639 days.

NOTE 3 - PREPAID EXPENDITURES

Prepaid expenditures at June 30, 2011 consisted of the following:

Vendor payments	<u>\$ 57,894</u>
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**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2011, consisted of the following:

Vendor payables	<u>\$ 2,267,570</u>
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NOTE 5 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2011, the Revenue Bond Construction Fund (Proposition 39) had the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment
Tulare Phase I - State funding	\$ 21,106,966
Tulare Phase I - Local funding	613,172
Tulare Phase III	17,042,519
Kalwall Project	244,979
Track Project	827,719
Southwest parking lot	1,256,276
Total	<u>\$ 41,091,631</u>

Litigation

The District is not currently a party to any legal proceedings.

SUPPLEMENTARY INFORMATION

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2011**

2006 General Obligation Bonds – Hanford Campus (Measure C Bonds)

On November 7, 2006, registered voters of the Improvement District No. 1 (Hanford Campus) authorized the issuance and sale of \$22,000,000 in general obligation bonds by a 55 percent vote. The first series of the authorization, Series A, was issued on March 8, 2007, for \$14,999,982. The Series A bonds were issued as current interest bonds and capital appreciation bonds. On January 28, 2009, the Series B bonds were issued in the amount of \$6,995,778. The Series B bonds were also issued as current interest bonds and capital appreciation bonds. The bond proceeds will be used to finance the acquisition, construction, modernization and equipping of certain District property and facilities.

2008 General Obligation Bonds – Visalia Campus (Measure I Bonds)

On November 4, 2008, registered voters of the Improvement District No. 2 (Visalia Campus) authorized the issuance and sale of \$28,000,000 in general obligation bonds by a 55 percent vote. The first series of the authorization, Series A, was issued on January 28, 2009, for \$17,997,404. The Series A bonds were issued as current interest bonds and capital appreciation bonds. On May 18, 2010, the Series B bonds were issued in the amount of \$4,999,652. The Series B bonds were issued as current interests bonds and capital appreciation bonds. The District issued the Series C bonds on March 2, 2011. The Series C bonds were issued as current interest bonds and capital appreciation bonds as well. The total amount of the Series C issuance was \$4,995,439. The bond proceeds will be used to finance the acquisition, construction, modernization, and equipping of certain District property and facilities, and to pay costs of issuance associated with the bonds.

2008 General Obligation Bonds – Tulare Campus (Measure J Bonds)

On November 4, 2008, registered voters of the Improvement District No. 3 (Tulare Campus) authorized the issuance and sale of \$60,000,000 in general obligation bonds by a 55 percent vote. The first series of the authorization, Series A, was issued on January 28, 2009, for \$19,998,219. The Series A bonds were issued as current interest bonds and capital appreciation bonds. On May 18, 2010, the Series B bonds were issued in the amount of \$10,004,927. The Series B bonds were issued as current interests bonds and capital appreciation bonds. The bond proceeds will be used to finance the acquisition, construction, modernization, and equipping of certain District property and facilities.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2011**

Visalia Series A, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 738,300	\$ 738,300
2013	-	738,300	738,300
2014	-	738,300	738,300
2015	-	738,300	738,300
2016	-	738,300	738,300
2017-2021	-	3,691,500	3,691,500
2022-2026	1,145,000	3,691,500	4,836,500
2027-2031	7,965,000	2,639,926	10,604,926
2032-2034	4,640,000	403,150	5,043,150
Total	<u>\$ 13,750,000</u>	<u>\$ 14,117,576</u>	<u>\$ 27,867,576</u>

Visalia Series A, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2012	\$ 435,000	\$ 435,000	\$ -
2013	480,000	429,696	50,304
2014	530,000	424,742	105,258
2015	580,000	416,092	163,908
2016	630,000	404,586	225,414
2017-2021	4,030,000	1,848,786	2,181,214
2022-2025	4,415,000	1,234,485	3,180,515
Total	<u>\$ 11,100,000</u>	<u>\$ 5,193,387</u>	<u>\$ 5,906,613</u>

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2011**

Visalia Series B, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 232,500	\$ 232,500
2013	-	232,500	232,500
2014	-	232,500	232,500
2015	-	232,500	232,500
2016	-	232,500	232,500
2017-2021	-	1,162,500	1,162,500
2022-2026	-	1,162,500	1,162,500
2027-2031	-	1,162,500	1,162,500
2032-2036	-	1,162,500	1,162,500
2037-2040	4,650,000	822,500	5,472,500
Total	<u>\$ 4,650,000</u>	<u>\$ 6,635,000</u>	<u>\$ 11,285,000</u>

Visalia Series B, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2034-2038	\$ 5,820,000	\$ 398,036	\$ 5,421,964
Total	<u>\$ 5,820,000</u>	<u>\$ 398,036</u>	<u>\$ 5,421,964</u>

Visalia Series C, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 76,873	\$ 76,873
2013	-	206,525	206,525
2014	-	206,525	206,525
2015	-	206,525	206,525
2016	-	206,525	206,525
2017-2021	-	1,032,625	1,032,625
2022-2026	-	1,032,625	1,032,625
2027-2031	-	1,032,625	1,032,625
2032-2036	1,790,000	1,032,625	2,822,625
2037-2040	1,965,000	108,075	2,073,075
Total	<u>\$ 3,755,000</u>	<u>\$ 5,141,548</u>	<u>\$ 8,896,548</u>

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2011**

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2011.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Long-Term Obligations

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Proposition 39 obligations.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of the Revenue Bond Construction Fund (Proposition 39) reported on the Unaudited Actual Financial Report to the audited financial statements.

INDEPENDENT AUDITORS' REPORT



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

Governing Board and
Citizens Oversight Committee
College of the Sequoias Community College District
Visalia, California

We have audited the accompanying financial statements of the College of the Sequoias Community College District (the District) Revenue Bond Construction Fund (Proposition 39), as of and for the year ended June 30, 2011, and have issued our report thereon dated December 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether College of the Sequoias Community College District's Revenue Bond Construction Fund (Proposition 39) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing board, management, and the Proposition 39 Citizen Oversight Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Vannoy, Kiv, Day & Co., LLP

Fresno, California
December 14, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2011**

None reported.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2011**

None reported.

**COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT**

**PROPOSITION 39
GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

JUNE 30, 2011

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
PROPOSITION 39
GENERAL OBLIGATION BONDS**

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INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Governing Board and
Citizens Oversight Committee
College of the Sequoias Community College District
Visalia, California

We were engaged to conduct a performance audit of the College of the Sequoias Community College District (the District), Proposition 39 General Obligation Bond funds for the year ended June 30, 2011.

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 Proposition 39 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

Fresno, California
December 14, 2011

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

JUNE 30, 2011

AUTHORITY FOR ISSUANCE

The Proposition 39 Bonds are issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District acting as the governing board of the Improvement Districts.

The Improvement District 1 (Hanford Campus) received authorization at an election held on November 7, 2006, to issue bonds of the District in an aggregate principal amount not to exceed \$22,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2006 Authorization). The Bonds represent the first and second series of the authorized bonds to be issued under the 2006 Authorization.

The Improvement District 2 (Visalia Campus) received authorization at an election held on November 4, 2008, to issue bonds of the District in an aggregate principal amount not to exceed \$28,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2008 Authorization). The Bonds represent the first, second and third series of the authorized bonds to be issued under the 2008 Authorization.

The Improvement District 3 (Tulare Campus) received authorization at an election held on November 7, 2006, to issue bonds of the District in an aggregate principal amount not to exceed \$60,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2006 Authorization). The Bonds represent the first and second series of the authorized bonds to be issued under the 2006 Authorization.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds and any other series of general obligation bonds issued under the Authorizations will be used for the purposes specified in the District bond proposition submitted at the Elections. Excerpts from the ballot languages are as follows:

Hanford Campus, Measure C Bonds

"To build a permanent educational center in Hanford by acquiring, constructing and equipping buildings, sites, libraries, classrooms, science and computer labs, to prepare students for university transfer, skilled jobs, law enforcement, firefighting and vocational programs, shall the College of the Sequoias Community College District issue \$22 million in bonds, at legal rates, with citizen oversight, guaranteed annual financial audits, no money for administrators salaries?"

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

JUNE 30, 2011

Visalia Campus, Measure I Bonds

"To better prepare students for high demand jobs, qualify for \$47 million in State building grants, construct a nursing education and training center, upgrade nursing instruction equipment, heating and ventilation, classroom/computer technology, labs, and safety systems, repair aging roofs, electrical, plumbing, upgrade/construct/equip/acquire classrooms, facilities, sites, shall College of the Sequoias Visalia Area Improvement District No. 2 of the College of the Sequoias Community College District issue \$28 million in bonds, at legal rates, with citizen oversight, mandatory audits, and all funds staying in the Visalia area?"

Tulare Campus, Measure J Bonds

"To build a permanent Tulare College Center, including buildings for welding/ farming equipment repair classes/ vocational education, qualify for \$98 million in State building grants, construct classrooms, library, computer labs, an agricultural education complex, livestock pavilion, including farm animal buildings and labs, upgrade/construct/equip/acquire classrooms, facilities/ sites; shall College of the Sequoias Tulare Area Improvement District No. 3 of the College of the Sequoias Community College District issue \$60 million in bonds, at legal rates, with citizen oversight, mandatory audits, and all funds staying in the Tulare area for college facilities?"

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 citizen's 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.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)

JUNE 30, 2011

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Revenue Bond Construction Fund have been made in accordance with the bond project list approved by the voters through the approval of Proposition 39.
2. Determine whether salary transactions, charged to the Revenue Bond Construction Fund were in support of Proposition 39 and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2010 to June 30, 2011. 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, 2011 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, 2011 for the Revenue Bond Construction Fund (Proposition 39). 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 Proposition 39 as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2010 and ending June 30, 2011, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included transactions totaling \$7,117,874 of the total expenditures of \$16,124,880.
3. We verified that funds from the Revenue Bond Construction Fund (Proposition 39) were generally expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

CONCLUSION

The results of our tests indicated that, in all significant respects, the College of the Sequoias Community College District has properly accounted for the expenditures held in the Revenue Bond Construction Fund (Proposition 39) and that such expenditures were made for costs authorized by the voters of the District.

**COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
REVENUE BOND CONSTRUCTION FUND (PROPOSITION 39)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

None reported.