

**COLLEGE OF THE SEQUOIAS  
COMMUNITY COLLEGE DISTRICT**

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**ANNUAL FINANCIAL REPORT**

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**JUNE 30, 2009**

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***FINANCIAL SECTION***

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# COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

### NOTE 10 - LONG-TERM OBLIGATIONS

#### Summary for June 30, 2009

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

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due in One Year
Certificates of participation					
1997 Energy project	\$ 428,841	\$ -	\$ 93,841	\$ 335,000	\$ 111,667
Certificates of participation 2001	465,000	-	110,000	355,000	113,333
Certificates of participation 2002	3,030,000	-	105,000	2,925,000	110,000
Certificates of participation 2004	3,585,000	-	80,000	3,505,000	85,000
General Obligation Bonds 2006 (Hanford):					
Current interest	13,540,000	-	-	13,540,000	-
Capital appreciation	1,674,460	-	160,000	1,514,460	235,000
General Obligation Bonds 2008 (Hanford):					
Current interest	-	4,545,000	-	4,545,000	-
Capital appreciation	-	2,534,855	-	2,534,855	-
General Obligation Bonds 2008 (Tulare):					
Current interest	-	14,205,000	-	14,205,000	-
Capital appreciation	-	6,080,036	-	6,080,036	-
General Obligation Bonds 2008 (Visalia):					
Current interest	-	13,750,000	-	13,750,000	-
Capital appreciation	-	4,475,644	-	4,475,644	-
Unamortized premium on 2008 bonds	-	5,602,672	-	5,602,672	224,107
Capital leases	815,452	-	51,870	763,582	54,177
Total	<u>\$23,538,753</u>	<u>\$51,193,207</u>	<u>\$ 600,711</u>	<u>\$ 74,131,249</u>	<u>\$ 933,284</u>
Accumulated vacation - net	<u>\$ 963,044</u>	<u>\$ 178,055</u>	<u>\$ -</u>	<u>\$ 1,141,099</u>	<u>\$ -</u>

Payments on the Certificates of Participation are paid by the General Fund. Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund with local property tax revenues. Payments on the capital leases are made by the General and Bookstore Funds. The Early Retirement Obligation was paid by the fund for which the employee worked.

#### Certificates of Participation

In February 1995, the College of Sequoias Board of Trustees, through the California State Department of General Services, Office of Energy Assessments, issued certificates of participation in the amount of \$2,144,205. The proceeds of the sale were used to finance energy efficiency projects at the District in retrofit of lighting and HVAC systems.

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The certificates mature through 2011 as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 111,667	\$ 31,280	\$ 142,947
2011	111,667	31,280	142,947
2012	111,666	31,281	142,947
Total	<u>\$ 335,000</u>	<u>\$ 154,322</u>	<u>\$ 489,322</u>

In November 2001, the College of Sequoias Community College District, through a partnership with the City of Hanford and Hanford Joint Union High School District issued certificates of participation in the amount of \$3,175,000. The proceeds of the sale are being used for the developing and operating a new comprehensive high school, a city sports park, a vocational training campus and an off campus center for the College of Sequoias. Each of the partners in the project are responsible for one-third of the liability which for the District amounts to \$965,000.

The certificates mature through 2012 as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 113,333	\$ 12,000	\$ 125,333
2011	118,333	7,423	125,756
2012	123,334	2,528	125,862
Total	<u>\$ 355,000</u>	<u>\$ 21,951</u>	<u>\$ 376,951</u>

In November 2002, the College of the Sequoias Community College District, through the California School Board Association Financing Corporation, issued certificates of participation in the amount of \$3,700,000 with interest rates ranging from 2.00 percent to 3.50 percent. The proceeds of the sale were used for the retirement of the previous 1997 certificate of participation for \$3,460,000.

The certificates mature through 2027 as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 110,000	\$ 137,300	\$ 247,300
2011	115,000	133,725	248,725
2012	120,000	129,700	249,700
2013	125,000	125,200	250,200
2014	125,000	120,200	245,200
2015-2019	725,000	512,200	1,237,200
2020-2024	930,000	312,750	1,242,750
2025-2027	675,000	68,500	743,500
Total	<u>\$ 2,925,000</u>	<u>\$ 1,539,575</u>	<u>\$ 4,464,575</u>

# COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT

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In January 2005, the College of the Sequoias Community College District, through the California School Board Association Financing Corporation, issued certificates of participation in the amount of \$3,945,000 with interest rates ranging from 2.00 percent to 4.35 percent. The proceeds of the sale were used to finance the renovation of the bookstore and student center facility.

The certificates mature through 2034 as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 85,000	\$ 156,355	\$ 241,355
2011	85,000	153,805	238,805
2012	90,000	150,830	240,830
2013	90,000	147,680	237,680
2014	95,000	144,305	239,305
2015-2019	530,000	661,725	1,191,725
2020-2024	655,000	539,901	1,194,901
2025-2029	825,000	370,739	1,195,739
2030-2034	1,050,000	154,375	1,204,375
Total	<u>\$ 3,505,000</u>	<u>\$ 2,479,715</u>	<u>\$ 5,984,715</u>

### General Obligation Bonds

The District's General Obligation Bonded debt is summarized as follows:

Year Issued	Campus	Maturity Date	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2008	Accreted/ Issued	Redeemed	Bonds Outstanding June 30, 2009
2006	Hanford	2/1/2032	3.58-4.25	\$ 14,999,982	\$ 15,214,460	\$ -	\$ 160,000	\$ 15,054,460
2008	Hanford	2/1/2034	1.85-6.99	6,995,778	-	7,079,855	-	7,079,855
2008	Tulare	8/1/2033	2.4-6.36	19,998,219	-	20,285,036	-	20,285,036
2008	Visalia	8/1/2033	2.4-6.22	17,997,404	-	18,225,644	-	18,225,644
	Total				<u>\$ 15,214,460</u>	<u>\$ 45,590,535</u>	<u>\$ 160,000</u>	<u>\$ 60,644,995</u>

# COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

### 2008 Hanford Series B, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2030	\$ 4,560,000	\$ 1,192,896	\$ 3,367,104
2033	2,205,000	458,199	1,746,801
2034	5,855,000	883,760	4,971,240
Total	<u>\$ 12,620,000</u>	<u>\$ 2,534,855</u>	<u>\$ 10,085,145</u>

### 2008 Tulare Series A, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2010	\$ -	\$ 360,925	\$ 360,925
2011	-	764,313	764,313
2012	-	764,313	764,313
2013	-	764,313	764,313
2014	-	764,313	764,313
2015-2019	-	3,821,565	3,821,565
2020-2024	-	3,821,565	3,821,565
2025-2029	4,820,000	3,586,365	8,406,365
2030-2032	9,385,000	1,378,063	10,763,063
Total	<u>\$ 14,205,000</u>	<u>\$ 16,025,735</u>	<u>\$ 30,230,735</u>

### 2008 Tulare Series A, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2011	\$ 800,000	\$ 722,240	\$ 77,760
2012	930,000	757,950	172,050
2013	535,000	393,653	141,347
2014	560,000	372,064	187,936
2015-2019	3,630,000	1,763,436	1,866,564
2020-2024	5,245,000	1,532,673	3,712,327
2025-2026	2,625,000	538,020	2,086,980
Total	<u>\$ 14,325,000</u>	<u>\$ 6,080,036</u>	<u>\$ 8,244,964</u>

# COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

### General Obligation Bonds

The District issued \$14,999,982 of General Obligation Bonds dated February 1, 2006. The bonds mature through February 1, 2032, and yield 3.58 - 4.25 percent interest. The bonds were sold for capital projects.

Issue Date	Maturity Date	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2008	Accreted/ Issued	Bonds Outstanding June 30, 2009
2006	2/1/2032	3.58-4.25	\$ 14,999,982	\$ 15,053,788	\$ 160,672	\$ 15,214,460

### 2006 Series A, Current Interest General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 677,000	\$ 677,000
2010	-	677,000	677,000
2011	-	677,000	677,000
2012	-	677,000	677,000
2013	-	677,000	677,000
2014-2018	-	3,385,000	3,385,000
2019-2023	615,000	3,385,000	4,000,000
2024-2028	4,665,000	2,823,000	7,488,000
2029-2032	8,260,000	1,277,875	9,537,875
Total	\$ 13,540,000	\$ 14,255,875	\$ 27,795,875

### 2006 Series A, Capital Appreciation General Obligation Bonds:

Year Ending June 30,	Value at Maturity	Accreted Obligation	Interest to Accrete
2009	\$ 160,000	\$ 160,000	\$ -
2010	235,000	212,440	22,560
2011	30,000	24,516	5,484
2012	60,000	44,328	15,672
2013	100,000	66,800	33,200
2014-2018	1,215,000	582,131	632,869
2019-2022	1,880,000	584,245	1,295,755
Total	\$ 3,680,000	\$ 1,674,460	\$ 2,005,540

### Accumulated Unpaid Employee Compensation

The long-term portion of accumulated unpaid employee compensation for the District at June 30, 2008, amounted to \$963,044.