

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
TEACHING AND LEARNING COMMITTEE  
December 1, 2009 –6:00 p.m.  
Student Services Foyer, Norco Campus

Committee Members:

|                  |   |
|------------------|---|
| Chair:           | Jose Medina, Member, Board of Trustees  |
| Vice Chair:      | Janet Green, Vice President, Board of Trustees  |
| Staff Member:    | Ray Maghroori, Vice Chancellor, Academic Affairs  |
| Academic Senate: | Travis Gibbs/Sal Soto (Moreno Valley)<br>Dina Humble (Norco)<br>Richard Davin (Riverside) |
| ASRCCD:          | Maxine Nanthavong/Marilynn Zaragoza (Moreno Valley)                                       |
| CTA:             | Chris Rocco (Moreno Valley)<br>Michael Cluff (Norco)<br>Patricia Avila (Riverside)        |
| CSEA:            | Gustavo Segura (Moreno Valley)<br>Jonell Guzman (Moreno Valley)                           |

AGENDA

VI. Board Committee Reports

A. Teaching and Learning

1. Operational Agreement with the County of Riverside  
- The committee to review the agreement with County of Riverside to supply office space, classroom and laboratory facilities.
2. Agreement with Adventureland Safari LLC  
- The committee to review the agreement to provide travel services to Morocco for the study abroad program.
3. Comments from the public.

Adjourn

Prepared by: Sheila McDonald  
Executive Administrative Assistant, Academic Affairs

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
TEACHING AND LEARNING COMMITTEE

Report No.: VI-A-1

Date: December 15, 2009

Subject: Operational Agreement with County of Riverside

Background: Attached for the Board's review and consideration is a new operational agreement between Riverside Community College District and County of Riverside to supply office space, classroom and laboratory facilities for the purpose of teaching criminal justice, fire technology, emergency medical services, and related general education courses at its facility known as the Ben Clark Public Safety Training Center, from July 1, 2009 through June 30, 2012. In March 2009, the County Board of Supervisors approved a new fee structure for the Ben Clark Public Safety Training Center. Unlike the previous operational agreement, in which fee for services was based upon headcount at a \$1.34 per student contact hour, the new fee for services is based upon the type, rate, and usage of space identified in the County's Schedule of Fees attached to this agreement, for the Ben Clark Training Center during the Fiscal Year 2008-2009.

The RCCD staff evaluated the new fee for services to determine if the new fee structure would have a negative impact on the District. Based upon the information that RCCD received, it does not appear that the new rates will have a negative, fiscal impact on the District. Funding source: Public Safety Education and Training Fund.

Recommended Action: It is recommended the Board of Trustees ratify the agreement from July 1, 2009 through June 30, 2012, to supply office space, classroom and laboratory facilities, based upon the fiscal year 2008-2009 Schedule of Fees for Ben Clark Training Center, and authorize the Vice Chancellor, Administration and Finance, to sign the agreement.

Gregory Gray  
Chancellor

Prepared by: Monte Perez  
President, Moreno Valley Campus

Cordell Briggs  
Dean, Public Safety Education and Training

LICENSE AGREEMENT  
BETWEEN  
RIVERSIDE COMMUNITY COLLEGE DISTRICT  
AND  
COUNTY OF RIVERSIDE

The RIVERSIDE COMMUNITY COLLEGE DISTRICT, LICENSEE, hereinafter referred to as "RCCD", and the COUNTY OF RIVERSIDE, a Political Subdivision of the State of California LICENSOR, hereinafter referred to as "COUNTY", do hereby agree as follows:

The term "Parties" may be used throughout this document to collectively refer to RCCD and COUNTY.

1. AGREEMENT. COUNTY agrees to supply adequate office and classroom space, as well as the use of Mat room, range, laboratory facilities, and drill grounds for the purpose of teaching criminal justice, fire technology, emergency medical services and related general education courses at the COUNTY'S facility known as the Ben Clark Public Safety Training Center (BCTC), or other locations as deemed appropriate between the parties. The designated classrooms, offices, Mat, range, laboratory space and drill grounds being currently utilized by RCCD are attached hereto and incorporated herein as Exhibit A. Classroom assignments will be mutually agreed upon between the parties. Any change to assignments for any of the space mentioned above must be in writing and will be mutually agreed upon between the parties.

2. TERM. The term of this agreement shall be from July 1, 2009, through June 30, 2012.

3. PAYMENT BASIS. RCCD agrees to compensate COUNTY at rates established and adopted by the County Board of Supervisors (County Board Policy H-30). Said rates are based on total square footage of all space utilized by RCCD, on an hourly, a half or whole day's usage. The exception to a square footage charge would be the use of the Range, which is a flat rate per half or whole day usage. RCCD shall be notified by COUNTY of any proposed change in rates to be charged prior to COUNTY's submittal to the Board of Supervisors for adoption, and RCCD shall be given an opportunity to review and approve the proposed change with COUNTY personnel. Any rate increases shall take effect at the beginning of the District's next fiscal year, beginning on July 1. A copy of the current rate sheet is attached hereto and incorporated herein as Exhibit B.

4. IMPROVEMENTS. In the event that RCCD desires to make any improvements, alterations or installations of fixtures, it shall first notify COUNTY, providing COUNTY with proposed plans (if applicable) and obtain COUNTY's written approval from the Economic Development Agency, to make the improvements, alterations or installation of fixtures. COUNTY shall not withhold consent unreasonably.

Any improvements or alterations which are made, or fixtures installed, or caused to be made and installed by RCCD shall become the property of COUNTY with the exception of trade

fixtures as that term is defined in Section 1019 of the Civil Code. At or prior to expiration of this Agreement, RCCD may remove such trade fixtures. In the event removal causes injury or damage to the premises, RCCD shall restore the premises to the original condition, as nearly as practicable. If such trade fixtures are not removed by RCCD, COUNTY may, at its election either: 1) remove and store them, restoring the premises to its original condition and within thirty (30) days of removal and storage, seek reimbursement of any costs associated therewith; or 2) take and hold such fixtures as its sole property.

5. SIGNS. Other than the signs, displays or other forms of advertising which RCCD already has in place, RCCD shall not add any additional signage, displays or advertising without the written consent of COUNTY. Said approval shall not be unreasonably withheld.

6. FURNITURE AND EQUIPMENT. COUNTY shall provide furniture in the classroom areas. RCCD shall have the right to install portable equipment and fixtures as may be necessary for conducting classes and such equipment shall remain the property of RCCD. RCCD shall provide all office furniture and equipment that may be required for conducting business at BCTC.

7. INGRESS AND EGRESS. RCCD shall be permitted ingress and egress to and from the premises through such doors and routes as are designated by the COUNTY through its Sheriff's Department and CAL Fire Department.

8. CUSTODIAL MAINTENANCE. COUNTY shall provide for custodial services in connection with the premises and shall maintain the premises in good working order and repair.

9. UTILITIES. COUNTY shall provide, or cause to be provided, all utility services, including, but not limited to, electric, water, gas, refuse collection and sewer services necessary for the operation, maintenance and use of the premises. In addition, COUNTY shall provide internet infrastructure for all office space used by RCCD.

10. INSPECTION OF PREMISES. COUNTY shall have, at any time during normal business hours, the right to enter the premises used by RCCD for the purpose of inspecting, monitoring and evaluating the obligations of RCCD hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this Agreement. COUNTY will do everything possible in connection with any inspections to see that classes in session at the time of inspection are disrupted as little as possible.

11. QUIET ENJOYMENT. RCCD shall have, hold and quietly enjoy the use of the premises so long as it shall fully and faithfully perform the terms and conditions that it is required to do under this Agreement.

12. TERMINATION BY COUNTY. COUNTY shall have the right to terminate this agreement forthwith if RCCD:

- a. Files for voluntary or involuntary bankruptcy;

- b. Makes a general assignment or RCCD's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors;
- c. Abandons the premises; or
- d. Refuses to meet any of its obligations hereunder or as otherwise provided by law.

13. **TERMINATION BY EITHER PARTY.** Notwithstanding the provisions in Paragraph 12 above, either party may terminate this Agreement upon notice in writing to the other party of not less than six (6) months prior to the effective date of termination. Whether termination is by COUNTY or RCCD, it will coincide with the end of a semester.

14. **INSURANCE.** RCCD shall provide Workers' Compensation Insurance in accordance with the laws of the State of California. RCCD, being self-insured, shall not be entitled to recover any costs, settlements or expenses of workers' Compensation claims, arising from this Agreement, from COUNTY. RCCD shall provide an endorsement of coverage to waive subrogation in favor of COUNTY.

RCCD shall procure and maintain commercial general liability insurance coverage that shall protect from claims for damages for personal injury, including, but not limited to, accidental and wrongful death, as well as from claims for property damage, which may arise from RCCD's use of the premises or the performance of its obligations hereunder, whether such use or performance is by RCCD, or by anyone employed directly or indirectly by RCCD while acting in the scope of their employment. Said insurance shall provide for limits of not less than One Million Dollars (\$1,000,000) per occurrence. RCCD shall have insurer endorse its policy to add COUNTY as an additional insured.

RCCD shall provide, upon COUNTY's request, a Certificate of Insurance showing that such insurance is in full force and effect and in the limits required.

The above insurance requirements may be met with a program of self-insurance, through a Joint Powers Authority, or a combination of both; however, it is agreed between the parties that the administration of any self-insurance will be done in a manner as if all insurance requirements contained herein are part of RCCD's self-insurance program.

The specified insurance limits herein shall in no way limit or circumscribe obligations to indemnify and hold COUNTY free and harmless herein.

15. **INDEMNIFICATION/HOLD HARMLESS.**

RCCD shall indemnify and hold COUNTY, its officers, agents, employees, and independent contractors free and harmless from any claim or liability whatsoever, based or asserted upon any act or omission of RCCD, its officers, agents, employees, volunteers, subcontractors or independent contractors, for property damage, bodily injury or death, or any other element of damage of any kind or nature arising out of the performance of this Agreement to the extent that such liability is imposed on COUNTY by the provisions of California Government Code Section 895.2 or other applicable law, and RCCD shall defend at its expense, including attorney fees, expert fees and investigation fees COUNTY, its officers, agents,

employees and independent contractors in any legal action or claim of any kind based upon such alleged acts or omissions.

The obligations to indemnify and hold COUNTY free and harmless herein shall survive until any claim, action or cause of action with respect to any such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

COUNTY shall indemnify and hold RCCD, its officers, agents, employees, and independent contractors free and harmless from any claim or liability whatsoever, based or asserted upon any act or omission of COUNTY, its officers, agents, employees, volunteers, subcontractors or independent contractors, for property damage, bodily injury or death, or any other element of damage of any kind or nature arising out of the performance of this Agreement to the extent that such liability is imposed on RCCD by the provisions of California Government Code Section 895.2 or other applicable law, and COUNTY shall defend at its expense, including attorney fees, expert fees and investigation fees RCCD, its officers, agents, employees and independent contractors in any legal action or claim of any kind based upon such alleged acts or omissions.

The obligations to indemnify and hold RCCD free and harmless herein shall survive until any claim, action or cause of action with respect to any such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

16. LIMITATIONS. COUNTY reserves the right to close BCTC during times of emergency or when needed by the Sheriff or Fire Departments for their activities. COUNTY shall notify RCCD of any such closure as soon as practicable, but not less than 48 hours prior to closure unless the closure is for an emergency due to a natural disaster or a catastrophic event and in that case, notice shall be as soon as possible after the decision to do the closure.

All range firing will be under direct supervision of BCTC Range Safety Officers who have completed a POST approved firearms instructors certification course or satisfactorily completed the Ben Clark Training Center's prescribed Range Safety Officer's course. RCCD shall comply with all Facility Use Rules.

17. NOTICES. Any notices required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

COUNTY:  
Stan Sniff, Sheriff  
P.O. Box 512  
Riverside, CA 92502

John R. Hawkins, Fire Chief  
210 W. San Jacinto  
Perris, CA 92570

Assistant County Executive Officer

RCCD:  
Cordell Briggs, Dean  
Public Safety, Education and Training  
Ben Clark Training Center  
16791 Davis Ave.

Riverside, CA 92518

Ruth W. Adams, Esq.  
Director, Contracts, Compliance & Legal Serv.  
Riverside Community College District

Economic Development Agency      1533 Spruce St.  
County of Riverside                      Riverside, CA 92507  
3133 Mission Inn Ave.  
Riverside, CA 92507

Or to such other addresses as from time to time shall be designated by the respective parties. An information copy of any notice to COUNTY shall also be sent to:

Clerk of the Board of Supervisors  
County of Riverside  
4080 Lemon St., 1<sup>st</sup> Flr.  
Riverside, CA 92501

18. CONFORMITY WITH LAW AND SAFETY. RCCD shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies, having jurisdiction over the subject matter hereof, including all provisions of the Occupational Safety and Health Act of 1979 and all amendments thereto, and all applicable federal, state, municipal and local safety regulations.

ACCIDENTS: If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, RCCD shall immediately notify the BCTC staff or Riverside County Sheriff Dispatch department. RCCD shall promptly submit to COUNTY a written report, in such form as may be required by COUNTY of all accidents that occur in connection with this Agreement. This report must include the following information:

1. Name and address of the injured or deceased person(s);
2. Name and address of RCCD'S risk manager for purposes of Insurance coverage;
3. A detailed description of accident and whether any of COUNTY'S Equipment, tools, material or staff involved.

19. DRUG-FREE WORKPLACE. RCCD and its employees shall comply with the COUNTY'S policy of maintaining a drug-free workplace. RCCD'S employees shall not unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code, Section 812, including marijuana, heroin, cocaine and amphetamines at any COUNTY facility, including the training facilities. If any employee of RCCD is convicted or pleads nolo contendere to any criminal drug statute violation occurring at any county facility or work site, RCCD, within five (5) days thereafter, shall notify the Sheriff. Violation of this provision shall constitute a material breach of this Agreement.

20. ASSIGNMENT. RCCD shall not assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties, or obligations hereunder to any person or entity without first obtaining the written consent of COUNTY with the exception of two (2) offices which shall be sublet to the California Highway Patrol.

21. EMPLOYEES AND AGENTS OF RCCD. It is understood and agreed that all persons hired or engaged by RCCD shall be considered to be employees or agents of RCCD and not of COUNTY, unless otherwise agreed to between the parties.

22. BINDING ON SUCCESSORS. RCCD, its assignees and successors in interest, shall be bound by all the terms and conditions contained in this agreement, and all of the parties thereto shall be jointly and severally liable hereunder.

23. SEVERABILITY. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or enforceable, the remaining provisions shall continue in full force and effect.

24. NON-DISCRIMINATION. The parties assure that they will comply with Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1990, the American's With Disabilities Act of 1990, and that no person shall, on the grounds of race, creed, color, disability, sex, national origin, age, religion, sexual orientation, Vietnam Era Veteran's status, political affiliation or any other non-merit factor to be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination under this Agreement.

25. JURISDICTION AND VENUE. This Agreement shall be construed under the laws of the State of California. In the event any action or proceeding is filed to interpret, enforce, challenge, or invalidate any term of this Agreement, venue shall lie only in the state or federal courts in or nearest to Riverside County.

26. ENTIRE AGREEMENT. This agreement may be changed or modified only upon the written consent of the parties. This Agreement is intended by the parties as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes the 2008 agreement (and its Amendment) currently in place for use of the facilities at BCTC by RCCD.

27. This License Agreement shall not be binding or consummated until its approval by the Riverside County Board of Supervisors.

Dated: \_\_\_\_\_

COUNTY OF RIVERSIDE

By: \_\_\_\_\_

Jeff Stone, Chairman  
Board of Supervisors

ATTEST:  
Kecia Harper-Ihem  
Clerk of the Board

By: \_\_\_\_\_

Deputy

LICENSEE



RIVERSIDE COMMUNITY COLLEGE  
DISTRICT:

By: \_\_\_\_\_  
James L. Buisse, Vice Chancellor  
Administration and Finance

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Cordell Briggs, Dean  
Public Safety, Education and Training

Date: \_\_\_\_\_

SG:jw  
07/21/09  
12.854

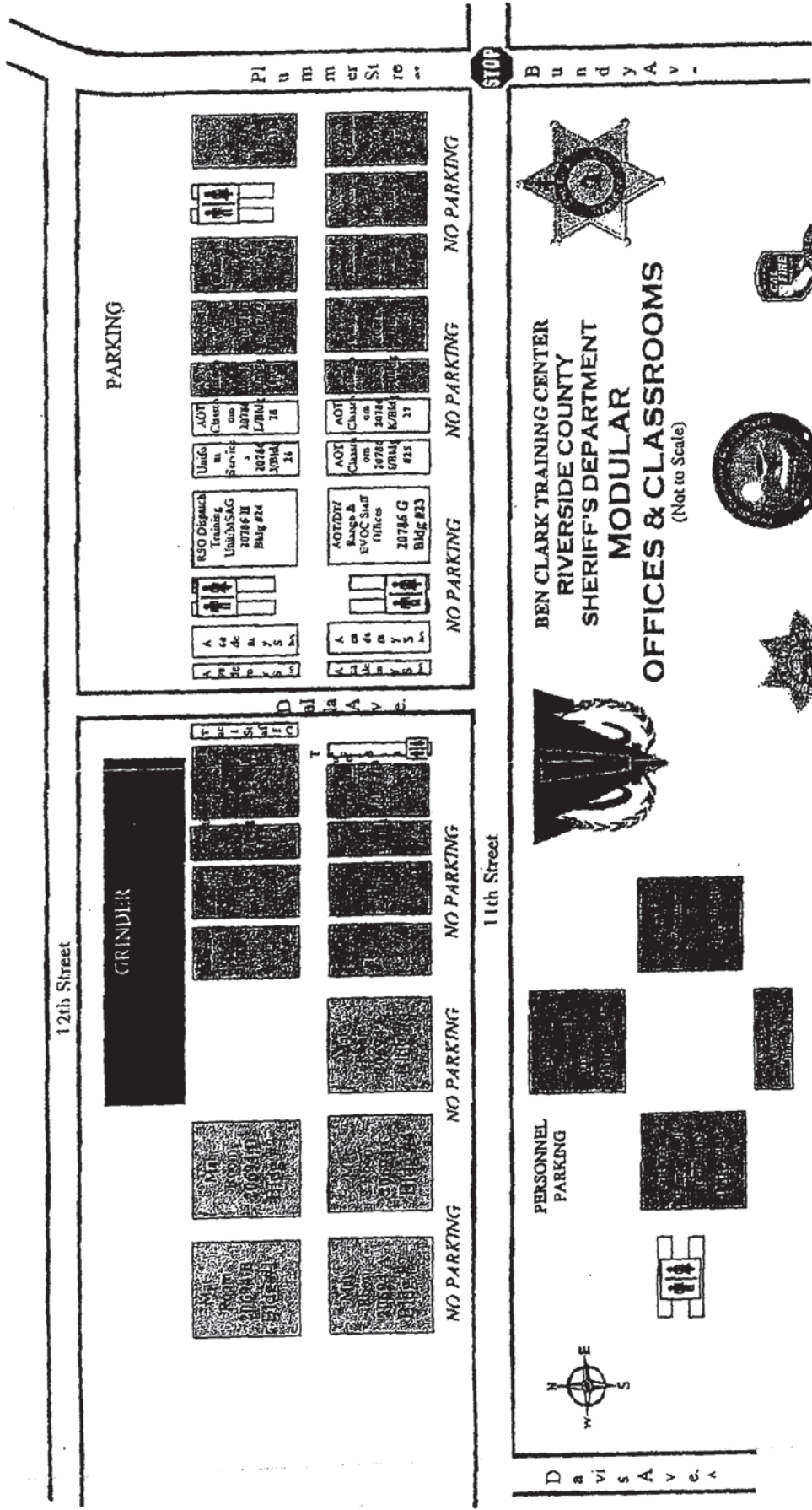
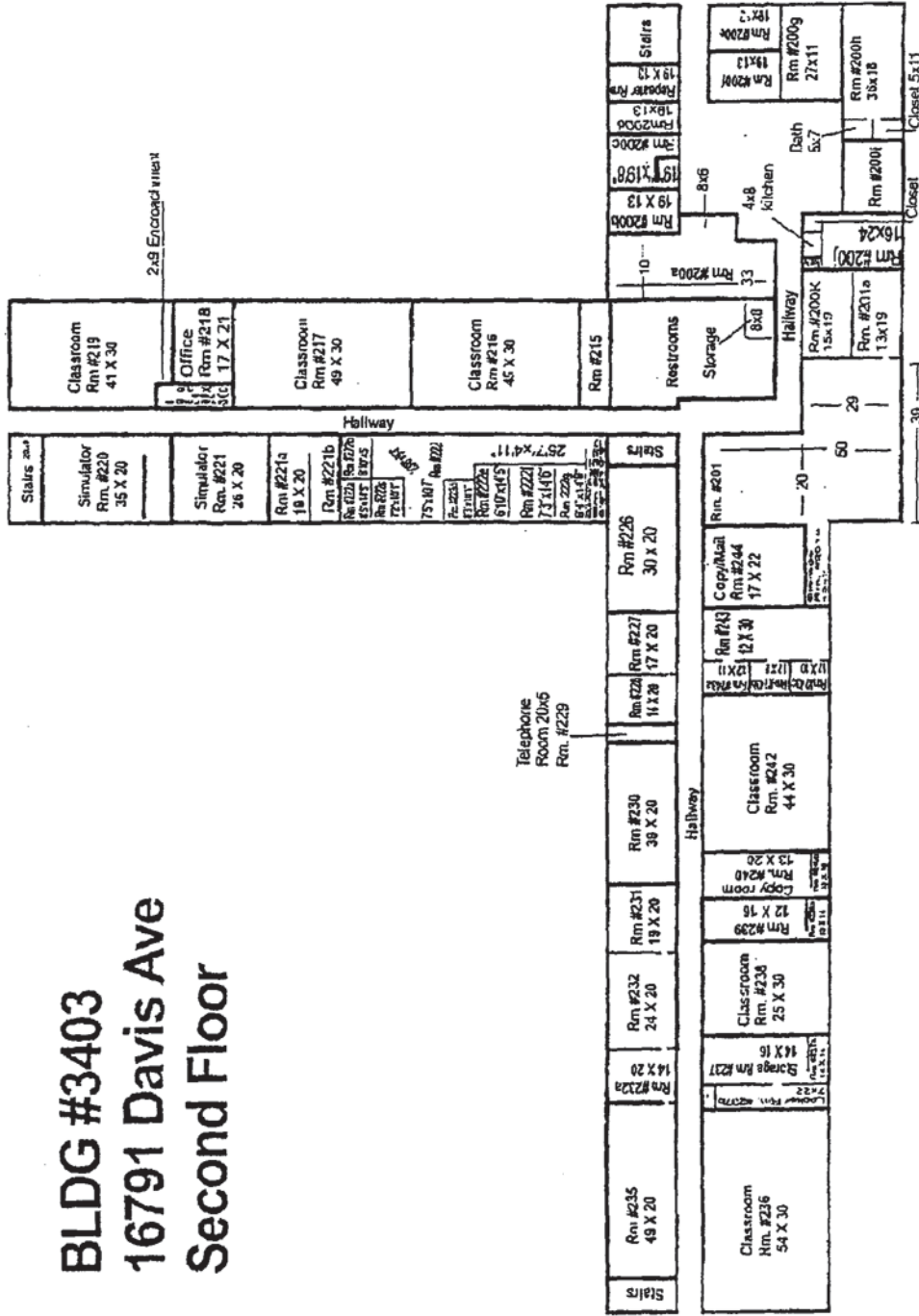


EXHIBIT A

# BLDG #3403 16791 Davis Ave Second Floor



By: CD M. Jones  
 11/06/08

EXHIBIT A

Schedule of Fees  
 For Ben Clark  
 Training Center  
 FY08/09

| Fee Type                    | Rate      | Usage   |
|-----------------------------|-----------|---|
| Office                      | \$ 2.13   | Per Square Foot Per Month   |
| Classroom                   | \$ 0.16   | Per Square Foot Per Day   |
|                             | \$ 0.08   | Per Square Foot Per Half Day<br>(Minimum use 4 hours = Half Day ) |
| Conference Room             | \$ 0.02   | Per Square Foot Per Hour<br>(Minimum use 1 hour)                  |
| Mat Room:                   | \$ 0.10   | Per Square Foot Per Day   |
|                             | \$ 0.05   | Per Square Foot Per Half Day<br>(Minimum use 4 hours = Half Day)  |
| Lodging                     | \$ 34.00  | Per Night Per Guest   |
| Range                       | \$ 413.76 | Per Day Per Bay   |
|                             | \$ 206.88 | Per Half Day Per Bay<br>(Minimum use 4 hours = Half Day )         |
| Weapon & Ammunition Storage | \$ 0.32   | Per Square Foot Per Day   |
| Vehicle & Equipment Storage | \$ 0.04   | Per Square Foot Per Day   |
| Drill Grounds               | \$ 0.0060 | Per Square Foot Per Day   |
|                             | \$ 0.0030 | Per Square Foot Per Half Day<br>(Minimum use 4 hours = Half Day)  |

EXHIBIT B

COUNTY OF RIVERSIDE, CALIFORNIA  
BOARD OF SUPERVISORS POLICY

| <u>Subject:</u>   | <u>Policy Number</u> | <u>Page</u> |
|---|----------------------|-------------|
| BEN CLARK PUBLIC SAFETY<br>TRAINING CENTER FACILITY USE | H-30                 | 1 of 1      |

PURPOSE

This policy provides guidelines for the use of the Ben Clark Public Safety Training Center.

FACILITY DESCRIPTION

The Ben Clark Public Safety Training Center is located in Riverside County and jointly operated by the Riverside County Sheriff's and Riverside County Fire Departments. The center offers a variety of training facilities and venues for public safety personnel.

CONDITIONS OF USE

1. Use of the facility is on a space available basis. The Riverside County Sheriff and Fire departments have priority usage.
2. Use of the facility is restricted and available only to agencies that provide a nexus to local and state public safety training. Any request for use outside public safety training operations must be addressed to Riverside County Facilities Management.
3. Reservations for facility use can be made by contacting either the Riverside County Sheriff or Riverside County Fire at the Ben Clark Public Safety Training Center.
4. Non-county entities will be required to complete an "Agreement for Use of the Ben Clark Public Safety Training Center" at least two weeks prior to the requested use date. The user agrees to pay the County the facility use fees approved by the Board of Supervisors. The Board reserves the right to periodically revise these rates.
5. Displays of art and the distribution of information or other media must be reviewed and approved in advance by either the Riverside County Sheriff or Fire Department Ben Clark Public Safety Training Center commander.
6. All buildings at the training center are non-smoking. Smoking on the grounds is only permitted in identified designated areas.

Reference:

Minute Order 3.13 of 05/05/09

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
TEACHING AND LEARNING COMMITTEE

Report No.: VI-A-2

Date: December 15, 2009

Subject: Agreement with Adventureland Safari LLC

Background: Attached for the Board's review and consideration is an agreement between Riverside Community College District and Adventureland Safari LLC to provide orientation meetings, faculty and student housing accommodations, transfer transportation, academic guides, group airfare, and insurance for the summer session study abroad program in Morocco from June 18, 2010 through June 29, 2010. Adventureland Safari LLC will receive \$750.00 to cover unforeseen costs for students/participants. Funding source: General Fund.

Recommended Action: It is recommended that the Board of Trustees approve the agreement to provide travel services to Morocco for the study abroad program, for June 18, 2010 through June 29, 2010, for an amount not to exceed \$750.00, and authorize the Vice Chancellor, Administration and Finance, to sign the agreement.

Gregory W. Gray  
Chancellor

Prepared by: Ray Maghroori  
Vice Chancellor, Academic Affairs

Jan Schall  
Coordinator, International Education/Study Abroad Programs

ADVENTURELAND SAFARI LLC  
NATIONAL / INTERNATIONAL STUDY PROGRAMS

PROGRAM PROPOSAL  
RIVERSIDE COMMUNITY COLLEGE DISTRICT  
MOROCCO EDUCATIONAL TOUR  
June 18 to June 29, 2010

1. What is Adventureland Safari LLC International Study Programs and what services does it provide?

Adventureland/Safari LLC acts as a travel contractor for study programs; it will provide the following services:

- a. Travel and living accommodations for students and faculty members participating in the Morocco educational tour.
- b. Assistance while in Morocco for participants having medical and logistical problems or needing individual travel arrangements.
- c. Escort services and assistance by one of its representatives for the duration of the program.
- d. Orientation meetings both prior to departure from the U.S. as well as on arrival in Casablanca, Morocco
- e. Synopsis booklets on the historical and cultural aspects of Morocco, if requested by Riverside Community College District.

2. Dates for Program

- Depart LAX for CASABLANCA: Friday, June 18, 2010
- Depart CASABLANCA for LAX: Tuesday, June 29, 2010

3. Itinerary of Program

The following itinerary was negotiated between the Riverside Community College District and Adventureland Safari LLC:

JUNE 18, 2010: Departure from LAX  
JUNE 19, 2010: Casablanca  
JUNE 20, 2010: Fes  
JUNE 21, 2010: Fes  
JUNE 22, 2010: Merzouga  
JUNE 23, 2010: Quarzazate  
JUNE 24, 2010: Marrakesh  
JUNE 25, 2010: Marrakesh  
JUNE 26, 2010: Marrakesh  
JUNE 27, 2010: Marrakesh  
JUNE 28, 2010: Casablanca

## JUNE 29, 2010: Return to LAX

### 4. Air and land transportation

- Adventureland Safari LLC will be responsible for all transportation related to the tour program. Adventureland Safari LLC will make arrangements for smooth departures, transfers, and arrivals related to the trip.
- Adventureland Safari LLC will provide peak-season, round-trip air transportation from Los Angeles to Africa on a regularly scheduled carrier. Due to recent events and their impact on air travel, airlines have been reducing the number of flights and changing schedules on short notices. At the present time no carrier flies non-stop from LAX to Morocco and from Morocco to LAX.
- Land transportation from town to town will be by air-conditioned motor -coach. Stops will be made, as requested, at gas stations or markets with restroom facilities.
- Adventureland Safari LLC will provide airport transfers in Casablanca on arrival and on departure.

### 5. Living accommodations for students

- In Morocco the group will lodge in centrally located 4 and 5 star hotels.
- In all hotels breakfast is served daily.
- In all hotels a 24-hour receptionist will relay messages received by telephone or fax. In case of emergency the receptionist will promptly contact the tour representative and/or the Adventureland Safari LLC office, as well as designated faculty, if so instructed.

### 6. Social programs / orientations

- Adventureland Safari LLC will conduct a pre-departure orientation meeting to cover such general aspects of Moroccan culture and social customs, as well as practical information concerning how to exchange money, how to obtain laundry service, how to send and receive faxes and e-mail, and how to find inexpensive but good restaurants. Students holding passports other than USA will be required to bring their passports with the appropriate visa for Morocco
- A second orientation meeting will take place on day of arrival in Morocco, along with a complimentary welcome dinner. Participants will also be given detailed instructions in case of medical emergencies or in case Police assistance should be needed. A list of pharmacies, postal offices, laundry establishments, internet facilities, banks, ATM



machines (“Bankomats”), good and inexpensive restaurants, etc. will also be provided.

#### 7. Local Staff Assistance

- The Adventureland Safari LLC representative will meet the group at the Casablanca airport on arrival and any other time during the program, as requested by the Director of the Program. The representative will be available to instructors and participants throughout the program.

#### 8. Safety / Crisis management plan

- A 24-hour English speaking receptionist will be instructed to promptly report to the Adventureland Safari LLC representative as well as the Adventureland Safari LLC office any emergency or other situation requiring prompt attention and assistance.
- The Adventureland Safari escort will be available for help and assistance throughout the entire program.
- A list of local pharmacies and Medical Clinics with English-speaking doctors will be provided by Adventureland Safari LLC for students wishing to seek care for non-emergency medical problems.
- The Riverside Community College District Coordinator of the International Education Program will be promptly notified of any bona-fide emergency situation and will be informed about steps being taken to control it.

#### 9. Entrance fees and sites of cultural interest

- Adventureland Safari LLC will provide all entrance fees to museums and monuments

#### 10. Meals

- Daily breakfast.
- Welcome dinner on arrival in Casablanca
- Farewell dinner in Marrakesh
- All other dinners except on day before departure

#### 11. Insurance for students and Faculty

- Students/faculty who carry no insurance in the United States can, for a reasonable fee, buy extra coverage through Adventureland Safari LLC.

#### 12. Contractor’s Insurance and Registration.

- Adventureland Safari LLC holds foreign general liability and errors and omissions insurance policies to the amount of \$1,000,000 / \$3,000,000.
- ADVENTURELAND SAFARI, LLC is registered with the California Seller of Travel Program, CST #2018845-10, and is a participant in the Travel Consumer Restitution Fund (TCRC). Registration as a Seller of Travel does not constitute approval by the State of California.

Passengers may request reimbursement from TCRC if they are owed a refund of more than \$50 for transportation or travel services which was not refunded in a timely manner by a Seller of Travel who was registered and participating in the TCRC at the time of the sale. The maximum amount that may be paid by the TCRC to any one passenger is the total amount paid on behalf of the passenger to the Seller of Travel, not to exceed \$15,000. A claim must be submitted to the TCRC within six months after the scheduled completion date of the travel. A claim must include sufficient information and documentation and a \$35 processing fee. Passenger must agree to waive his/her right to other civil remedies against a registered participating Seller of Travel for matters arising out of a sale for which the claim is filed with the TCRC, if claimant was located in California at the time of the sale. A claim form can be requested by writing to: Travel Consumer Restitution Corporation  
P.O. Box 6001  
Larkspur, CA 94977-6001

or by faxing a request to: (415) 927-7698

- Passengers purchasing travel outside of California are not covered by the California Travel Consumer Restitution Corporation.

13. Cost of program: \$3,450 per person, which includes:

- Basic air fare from LAX to Casablanca and from Casablanca to LAX
- Airport transfers in Casablanca on arrival and return
- Accommodations on a double-occupancy basis in 4 and 5-star hotels
- All transfers to and from hotels at each port
- Daily buffet breakfast
- All dinners except on last day before departure for LAX
- VAT taxes and all other local taxes and service charges
- Services of a local, professional guide at each site to be visited
- Entrance fees to museums, monuments, etc. as per program
- Escort throughout by an Adventureland Safari LLC representative

Single supplement: \$780

Not included in above cost:

- Airport taxes / fuel surcharges
- Meals not listed above
- Items of a personal nature (laundry, telephone, minibar, etc.)

14. Payment schedule and procedures

|   |                      |
|---|----------------------|
| 1 <sup>st</sup> payment of \$500 (non-refundable deposit) | due upon application |
| 2 <sup>nd</sup> payment of \$1,000                        | due March 11, 2010   |
| Balance of payment  | due May 12, 2010     |

Checks are payable to Adventureland Safari LLC.

First payment should be sent to RCCD

Adventureland Safari LLC will be responsible for collecting the balance.

VISA and MASTERCARD payments are accepted with a 4% processing fee

There will be a \$25 per person service fee for any final payment received after the due date, and a \$25 fee for each bounced check.

15. Cancellations

Cancellation charges are as follows:

|                      |  |
|----------------------|--|
| Before March 15      | \$500.00 (the non-refundable deposit)          |
| On and after April 1 | \$1,400 (including the non-refundable deposit) |
| On and after May 13  | no refund                                      |

Notification of withdrawal from the program must be made in writing, with proof of mailing, to ADVENTURELAND SAFARI LLC 10738 Riverside Drive, Suite D, North Hollywood, CA 91602. Refunds will be calculated according to the post office date on the certificate of mailing.

16. Subcontracting and responsibilities

- Adventureland Safari LLC will perform the services listed above, subcontracting with other entities (airlines, hotels, tour companies, etc.) as required. Adventureland Safari LLC is not responsible for airline delays of any kind, or for expenses or loss incurred as a result of such delays. In regard to transportation/travel, regardless of the type of vehicle, N/ISP acts for the passenger as agent only. Adventureland Safari LLC assumes no liability for accident, injury, damage, or loss in any transportation conveyance, or as a result of default by any person or company engaged in transporting the passenger.
- Adventureland Safari LLC will not be responsible for losses due to acts of negligence, replacement of lost items (such as passports, conveyance tickets, etc.), for items of a personal nature (such as use of mini-bar, personal

telephone calls, faxes and e-mail, personal laundry) or for damages to furniture, etc.

- Adventureland Safari LLC – not Riverside Community College District – is responsible for all travel arrangements and any liability arising therefrom. The Riverside Community College District is NOT liable for any damages arising out of the services described herein, including, but not limited to any promises or representations, whether expressed or implied. Nothing contained herein shall be construed to in any way bind Riverside Community College District, the Riverside Governing Board, any of its agents, employees, or representatives to any promises, obligations, covenants or duties, whether expressed or implied herein.

## 17. Indemnification

“It is mutually agreed and understood that, during the term of this Agreement, RCCD shall indemnify and hold ADVENTURELAND SAFARI LLC and its officers, directors, agents, affiliates and employees, harmless from all claims, actions and judgments, including attorney fees, costs and interest and related expenses for losses, liability, damages and costs and expenses of any kind in any way caused by, related to, or arising out of the acts or omissions of the RCC, the instructors, employees and students, arising out of, under, pursuant to or in connection with this Agreement.

It is mutually agreed and understood that, during the term of this Agreement, ADVENTURELAND SAFARI LLC shall indemnify and hold RCC, its Board of Trustees, officers, employees and students harmless from all claims, actions and judgments, including attorney fees, costs and interest and related expenses for losses, liability, damages and costs and expenses of any kind in any way caused by, related to, or arising out of the acts or omissions of ADVENTURELAND SAFARI LLC, its officers and employees, arising out of, under, pursuant to or in connection with this Agreement.”

## 18. Release and hold harmless agreement

Riverside Community College District (RCCD) will provide academic instruction for the Summer study abroad program, Morocco 2010. Adventureland/Safari LLC will provide housing accommodations and travel arrangements in Morocco.

1. This Addendum is attached to and modifies the contract between Adventureland/Safari LLC and RCCD for the Summer 2010 study abroad program to Morocco for the period of June 18 – June 29, 2010.

2. Adventureland/Safari LLC shall indemnify and hold RCCD, its Trustees, officers, agents, employees and independent contractors, free and harmless from any liability whatsoever, based or asserted upon any acts or omission of Adventureland/Safari, its agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death or any other element of damage of any kind or nature, including violations of the Americans with Disability Act, the California Fair Housing and

Employment Act, Section 504 of the Rehabilitation Act of 1973, and Title VII of the Civil Rights Act of 1964, relating to or in anywise connected with or arising from the performance of the services contemplated hereunder, and Adventureland/Safari LLC shall defend, at its expense, including without limitation, attorney fees, RCCD, its officers, agents, employees and independent contractors, in any legal actions based upon such alleged acts or omissions. The obligations to indemnify and hold RCCD free and harmless herein shall survive until any and all claims, actions and causes of action with respect to any and all such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

3. Adventureland/Safari LLC shall procure and maintain comprehensive general liability insurance coverage covering such international operations contemplated by this contract that shall protect RCCD from any claims for damages for personal injury, including, but not limited to, accidental or wrongful death, as well as from claims for property damage, which may arise from Adventureland/Safari LLC activities as well as RCCD's activities under this contract. Such insurance shall name RCCD as additionally insured with respect to this agreement and the obligations of RCCD hereunder. Adventureland / Safari LLC will provide evidence of such insurance to RCCD.

For Adventureland / Safari LLC

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

For the Riverside Community College District

\_\_\_\_\_ Date \_\_\_\_\_

Dr. James Buysse, Vice Chancellor, Administration & Finance

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
RESOURCES COMMITTEE MEETING  
December 1, 2009 – 6:45 p.m.  
Student Services Foyer, Norco Campus

Committee Members:

Chair: Mark Takano, Secretary, Board of Trustees  
Vice Chair: Jose Medina, Member, Board of Trustees  
Staff Members: James Buysse, Vice Chancellor, Administration and Finance  
Melissa Kane, Vice Chancellor, Diversity and Human Resources  
Academic Senate: Travis Gibbs (Moreno Valley Campus)  
Sal Soto (Moreno Valley)  
Ward Schinke (Riverside)  
Patricia Worsham (Norco)  
ASRCCD: Meghan Sheeran (Norco)  
CTA: Cynthia Mahon (Moreno Valley)  
Amber Casolari (Riverside)  
Shari Yates (Riverside)  
CSEA: Gustavo Segura (Moreno Valley)  
Tamara Caponetto (Norco)

AGENDA

VI. Board Committee Reports

B. Resources Committee

1. Norco Secondary Effects Project – Construction Management Services Agreement  
- The Committee to consider using Construction Management Multiple Prime contracting and a construction management services agreement.
2. Riverside Nursing/Science Building Project – Design Amendment No. 6  
- The Committee to consider an amendment to a design services agreement.
3. Riverside Aquatics Complex Project – Design Amendment No. 1  
- The Committee to consider an amendment to a design services agreement.
4. Riverside Aquatics Complex – Excavation Resolution  
- The Committee to review an agreement for construction management multiple prime services.

5. 2008-2009 Independent Audit Report for the Riverside Community College District Foundation  
- The Committee to consider an independent audit report for the Riverside Community College District Foundation.
6. 2008-2009 Independent Audit Report for the Riverside Community College District  
- The Committee to review an independent audit report of the District's 2008-2009 financial statements.
7. Comments from the public

Adjourn

Prepared by: Charlotte Zambrano  
Executive Administrative Assistant  
Administration and Finance

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-1

Date: December 15, 2009

Subject: Norco Secondary Effects Project – Construction Management Services Agreement

Background: On May 19, 2009, the Board of Trustees approved project planning and design funding for the Secondary Effects project at the Norco Campus. In addition to the planning and design funding approval, the Board of Trustees approved on May 19, 2009 an agreement with Hill Partnership (HPI) Architects to provide design and engineering services for the Norco Secondary Effects project. On October 20, 2009, staff and the architect presented to the Board of Trustees a project design presentation of the project. A tentative project budget was also approved by the Board using District Measure “C” funds in the amount of \$16,009,004.

Staff is now recommending that the Norco Secondary Effects Project be delivered using Construction Management Multiple Prime (CMMP) contracting.

On February 2, 2009 and February 3, 2009 interviews were conducted with nine of the District’s pre-approved construction management firms. The interviews were administered by a multi-college staff committee. Based on the results of the interviews and proposals, staff is requesting approval to enter into the attached agreement with Tilden Coil Constructors, Inc. to provide said multiple prime construction management services for the Secondary Effects project at the Norco Campus. Services under this agreement would include management and oversight of bid preparation, cost estimating, construction execution and ensuring compliance with: bid drawings and specifications, contract documents, code and labor compliance, and Division of State Architect (DSA) requirements, and assistance with building commissioning.

The total fixed fee for the construction management services is identified as follows:

Basic Compensation Fee – \$613,504  
General Conditions Costs – \$1,125,260  
Total Fee – 1,738,764



RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-1

Date: December 15, 2009

Subject: Norco Secondary Effects Project – Construction Management Services Agreement (continued)

To be funded from the Board approved project budget District Measure “C” Funds (Resource 4160).

Recommended Action: It is recommended the Board of Trustees approve the Norco Secondary Effects project be delivered using Construction Management Multiple Prime contracting; and approve the agreement with Tilden Coil Constructors, Inc., in the amount of \$1,738,764; and authorize the Vice Chancellor, Administration and Finance, to sign the agreement.

Gregory W. Gray  
Chancellor

Prepared by: Brenda Davis  
President  
Norco Campus

Gaither Loewenstein  
Vice President Educational Services  
Norco Campus

Orin L. Williams  
Associate Vice Chancellor,  
Facilities Planning, Design and Construction



Construction Management – Multiple Prime  
Public Works Agreement

RIVERSIDE COMMUNITY COLLEGE DISTRICT

And

TILDEN-COIL CONSTRUCTORS, INC.

Construction Management Services

Secondary Effects Project  
Norco Campus

## **CONSTRUCTION MANAGEMENT SERVICES**

(Secondary Effects, Norco Campus)

This Construction Management Services Agreement (“Agreement”) is made and entered into this 16th day of December, 2009 by and between Riverside Community College District (hereinafter “District”) and Tilden-Coil Constructors, Inc. (hereinafter referred to as “Construction Manager”) for construction management services relating to a multi-prime construction contract for construction of the Secondary Effects project located at Norco Campus, Norco, California (the “Project”).

### **ARTICLE 1**

#### **CONSTRUCTION MANAGER’S SERVICES AND RESPONSIBILITIES**

Construction Manager represents to District that it has the necessary license for a Construction Manager as provided for in Government Code Section 4525, *et seq.* that it has expertise and experience in construction supervision; bid evaluation; project scheduling; cost benefit analysis; claims review and negotiation; and general management and administration of construction projects. Construction Manager covenants to provide its best skill and judgment in furthering the interests of District in the management of the construction of the Project. Construction Manager agrees to furnish efficient business administration and management services and to perform in an expeditious and economical manner consistent with the interests of District. The Construction Manager hereby designates the following:

Steve Worley, Vice President Building Development (Project Executive)  
Jason Howarth, Preconstruction Manager  
Tracy Ellis, Project Manager  
Mike Heck, Superintendent

The designee’s are Construction Manager’s representatives to the Owner. Any substitution of the Construction Manager’s representatives shall be approved in writing by the Owner. Construction Manager shall provide the following services with respect to the Project.

#### **1.1 DESIGN PHASE.**

The services to be provided during the Design Phase for the Project include, but are not limited to, providing responsible reporting, documentation, recommendations and supervision of the following services: pre-construction scheduling, review and recommendations during the design development stages from the schematic phase to the completion of working drawings, preparation of conceptual and periodic estimates, budget assessment and cost containment advice, value engineering studies and recommendations, and Construction Manager reviews.

1.1.1 Construction Management Plan. In consultation with the District's architect ("Architect"), the Construction Manager shall prepare a Construction Management Plan for the Project which shall establish the scope for the Project and the general basis for the sequence of contracting for construction of the Project. In preparation for this Construction Management plan, the Construction Manager shall evaluate the local construction market, the District's schedule and budget goals for the Project, develop various alternative approaches, and make recommendations to the District. Upon approval by the District of the Construction Management Plan for the Project, the Construction Manager shall prepare the Construction Management Plan in final form. This document shall indicate the Project's rationale and recommend the strategy for purchasing, construction, the various bid packages for Project, and a Master Project Schedule.

1.1.2 Master Project Schedule. The Construction Manager shall develop a Master Project Schedule for the Project, subject to approval by District, which shall contain key milestones to be accomplished by the participants, including milestone completion dates for the Architect's and any consultant's design activities. The Master Project Schedule shall be consistent with the schedule attached hereto as Exhibit "A" and incorporated herein. The Master Project Schedule shall contain a critical path Master Construction Schedule for the Project and shall provide all major elements.

If necessary, the Construction Manager shall periodically update the Master Project Schedule for the Project and submit each update to the District for the District's approval.

1.1.3 Project Budget. The Construction Manager shall provide a budget based upon the amounts provided by the District pursuant to Paragraph 2.2 ("Project Budget"). This budget shall include: the anticipated total of all of the separate contracts for the Project pursuant to Section 1.1.10 ("Construction Cost"); Construction Manager's compensation; and the General Conditions costs as provided in this Agreement. The Construction Manager shall review any Project requirements of District, the District's schedule goals, and existing budget data.

The Construction Manager shall make a report of the Project Budget to the District indicating: (1) shortfalls or surpluses in the budget, and (2) recommendations for cost reductions, value engineering, or revisions to the District's Project requirements. The Construction Manager shall consult with the Architect and the District to suggest reasonable adjustments in the scope of the Projects, if any, and to suggest alternate Bids in construction documents to adjust the construction costs to conform to the Project Budget.

1.1.4 Cost Management Procedures. The Construction Manager shall implement and maintain cost management procedures throughout the Design Phase for the Project. When design or programmatic changes are made and approved by the District, these changes shall be recorded and the cost effect shall be documented.

1.1.5 Construction Management Coordination and Value Engineering Review. The Construction Manager shall perform constructability reviews, utilizing a checklist type

method such as Redicheck or some other form acceptable to District, and shall provide input to the District relative to means and methods of construction, duration of construction, and constructability. This checklist shall be made available to the District and the Architect.

1.1.6 Coordination/Value Engineering Review. With respect to the Project, the Construction Manager shall review the Architect's 50% and 90% contract document submissions and provide written comments on the coordination of the various disciplines, including civil, structural, architectural, mechanical, electrical, HVAC, plumbing, and landscape.

1.1.7 Design Review and Comments. The Construction Manager shall provide coordination between the Architect and the District on the proper flow of information for the Project. The Construction Manager shall develop written procedures for orderly communication to all Project consultants. Construction Manager shall advise on-site use and improvements.

1.1.8 Cost Adjustment Sessions. The Construction Manager shall prepare for the District's approval a more detailed estimate of Construction Cost, as defined in Article 3, developed by using estimating techniques which anticipates the various elements of the Project. The Construction Manager shall update and refine this estimate at 50% and 90% completion of the Construction Documents. The Construction Manager shall advise the District and the Architect if it appears that the Construction Cost may exceed the budgeted amount for Construction Cost as set forth in the Project Budget. The Construction Manager shall make recommendations for corrective action to bring the Construction Costs within the District Budget.

A fixed limit has been established to the project budget under Paragraph 2.2. The Construction Manager shall consult with the Architect and the District to suggest reasonable adjustments in the scope of the Project, and to suggest alternate bids in the Construction Documents to adjust the Construction Cost to the budgeted amount for Construction Cost as set forth in the Project Budget, if necessary.

1.1.9 Assignment of Responsibility. The Construction Manager shall provide recommendations and information to the District regarding the assignment of responsibilities for safety precautions and programs; temporary Project facilities; and equipment, materials and services for common use of contractors. The Construction Manager shall verify that the requirements and assignment of responsibilities are included in the proposed contract documents.

1.1.10 Separate Contracts (Multi-Prime Contracting). The Construction Manager shall advise on the separation of the Project into separate contracts for various categories of work ("Contracts"). The Construction Manager shall advise on the method to be used for selecting contractors and awarding individual bids. The Construction Manager shall prepare and revise contractor pre-qualification documents and identify potential contractors for District approval. The Construction Manager shall inspect, review, revise and assure proper delivery, assembly of the Project manuals and specifications and shall manage and coordinate the development of construction documents with the Architect. The Construction Manager shall review drawings

and specifications for the Contracts to provide that (1) the work of the separate contractors is coordinated, (2) all requirements for the Project have been assigned to the appropriate separate Contract, (3) the likelihood of jurisdictional disputes has been minimized, and (4) proper coordination has been provided for phased construction.

1.1.11 Monthly Reports. With the District's assistance, Construction Manager shall provide a detailed cash flow tracking system for the Project. The system must be approved and accepted by the District. The Construction Manager shall update the cash flow spread sheet monthly or as required by the District.

1.1.12 Coordination of Relocation of District Property. If applicable, Construction Manager shall coordinate the moving, relocation, temporary housing and storing of District's property prior to the construction phase for the Project.

1.1.13 State Chancellor and Other Public Agencies. The Construction Manager, in cooperation with the District and Architect, shall assist with the coordination and processing of all necessary paperwork and close-out documents with the State Chancellor, Division of the State Architect and any other applicable public agencies.

1.1.14 Professional Consultants. The Construction Manager shall assist the District, if required, in selecting and retaining the professional services of surveyors, special consultants and testing laboratories, and coordinate their services.

## **1.2 PLAN CHECK AND BIDDING PHASE.**

1.2.1 Bidding Procedures. The Construction Manager shall develop and expedite bidding procedures for bid document issuance, bid tracking and receipt of proposals with regard to each of the Contracts. The Construction Manager shall also take the necessary procedures to administer any prequalification of potential contractors as directed by the District and ensure that all Contracts are competitively bid when required by law.

1.2.2 Public Relations Activities. The Construction Manager shall assist the District in all public relations including, but not limited to, preparation of Project information and attending internal and public meetings as required, including site meetings.

The Construction Manager shall be the point of contact for the entire community during all phases of construction in regards to any complaints, questions, safety issues, noise problems, dust problems, etc.

1.2.3 Generate Bidder Interest. The Construction Manager shall develop bidder's interest in the Project and shall maintain contact with potential bidders for the Contracts on a regular basis throughout the bid period. A telephone campaign shall be conducted by Construction Manager to stimulate and maintain interest in bidding on the Project.

1.2.4 Bid Advertisements. The Construction Manager shall coordinate the preparation and placement of the notices and advertisements to solicit bids for each of the Contracts as required by law in cooperation with the District.

1.2.5 Prepare and Expedite Bid Documents Delivery. The Construction Manager shall coordinate and expedite the preparation, assembly and delivery of bid documents and any addenda for each of the Contracts to the bidders including the following, as applicable:

- (a) Establish bid schedule by trade;
- (b) Prepare summaries of work bid packages;
- (c) Arranging for printing, binding and wrapping;
- (d) Arranging for delivery; and
- (e) Follow-up calls to the bidders.

The Construction Manager shall include the following requirements in all proposed Contract Documents:

- (a) The following bonding requirements:
  - (i) Performance bond at 100% of the contract amount.
  - (ii) Labor and material bond at 100% of the contract amount.
- (b) Insurance in amounts and coverage as directed by the District prior to bid.
- (c) All bonds must be provided by a California admitted surety.

1.2.6 Pre-Bid Conference(s). In conjunction with the Architect and District, the Construction Manager shall conduct the pre-bid conference(s). These conferences shall be a forum for the District, the Construction Manager, and Architect to present the District's Project requirements to the bidders, including prequalification requirements, as appropriate, and shall familiarize bidders with the particular Project, bid documents, management techniques and with any special systems, materials or methods.

1.2.7 Coordination and Inquiries. The Construction Manager shall coordinate communications related to bidder inquiries and seek resolution for the appropriate party and provide timely forwarding of such information to the bidders and District.

1.2.8 Addenda Review. The Construction Manager shall administer the addenda process and shall provide a review of each addendum during the bid phase for time, cost, or constructability impact, and make appropriate comments or recommendations.

1.2.9 Bidding of Work. All construction work for the Project shall be competitively bid when required by law and awarded in no more than two bid phases in

accordance with normal requirements for general contractors. If the Project is funded with any State funds, Construction Manager shall comply with all applicable requirements. A bid phase summary shall be submitted with each bid phase package listing only the low bidders, their contract amounts, the Construction Manager's fee and General Conditions costs assigned to each bid phase, summed as a total committed cost. Construction Manager shall assist District and Architect to ensure compliance with any Disabled Veteran Business Enterprise goals.

1.2.10 Bid Evaluation. The Construction Manager in cooperation with Architect shall assist the District in pre-qualification, the bid opening, evaluation of the bids for completeness, full responsiveness and price, including alternate prices and unit prices (if applicable), shall make a formal report to the District with regard to the potential award of a Contract, shall receive bids, prepare bids. The Construction Manager shall include a copy of the proposed Contract for each bidder recommended by the Construction Manager.

If applicable, the summary of bids shall classify all bids according to cost allowance categories. When a bid includes work in more than one cost category, the summary shall assign an appropriate amount to each.

Construction Manager shall certify in writing that the Contracts contained in the submittal for the District represents all the contracts required to perform the work in the plans and specifications for the Project, and that no additional contracts are foreseen to complete the necessary work for such Project. In the event the contracts and the work deferred for the future does not represent 100% of the work, the additional necessary work shall be offset by a reduction in the Construction Manager's fees.

1.2.11 Rebidding. In the event the bids exceed the Project Budget and the District authorizes rebidding of all or portions of the Project, the Construction Manager shall cooperate in revising the scope and the quality of work as required to reduce the construction costs for the Project. The Construction Manager, without additional compensation, shall cooperate with the District and Architect as necessary to bring construction costs within the Project Budget.

1.2.12 Non-interest in Project. The Construction Manager shall not be a bidder, or perform work for any bidder on any individual Contract.

1.2.13 Purchase, Delivery and Storage of Materials and Equipment. If applicable, the Construction Manager shall investigate and recommend a schedule for the District's purchase of materials and equipment which are a part of the Project and require long lead time procurement, and coordinate the schedule with the early preparation of portions of the contract documents. The Construction Manager shall expedite and coordinate delivery of all purchases.

If applicable, the Construction Manager shall arrange for delivery and storage, protection and security for District-purchased materials, systems and equipment which are a part of the Project, until such items are incorporated into the Project. The Construction Manager



shall coordinate with or assign these activities to the appropriate contractor who is responsible for the installation of such materials, systems, and equipment.

1.2.14 Analysis of Labor. The Construction Manger shall provide an analysis of the types and quantities of labor required for the Project and review the availability of appropriate categories of labor required for critical phases. The Construction Manager shall make recommendations to minimize adverse effects of labor shortages.

### **1.3 CONSTRUCTION PHASE.**

The Construction Phase for the Project shall commence with the award of the initial Contract and shall continue until sixty-five (65) days after the recording of a notice of completion for the Project or sixty-five (65) days after completion of the Project as defined in Public Contract Code Section 7107 whichever is earlier.

The Construction Phase consists of the coordination of all activities that are included in the construction of a particular Project. The Construction Manager shall be responsible for coordinating the work for the Project pursuant to the Master Project Schedule. The Construction Manager shall maintain communication with the District throughout the Construction Phase and shall provide responsible reporting and documentation prior to the contractors' pre-construction conference and shall be responsible for coordinating the site construction services provisions (general conditions items) including supervision and administration of the Project, conducting construction progress meetings, providing progress reports, processing contractors requests for information (RFI's), reviewing and recommending with the Architect the approval or disapproval of change orders and payments to the contractors, and maintaining record keeping to assist the District in negotiations, mediation or arbitration of claims or disputes.

1.3.1 Pre-Construction Conference(s). The Construction Manager shall conduct, in conjunction with the District and the Architect, pre-construction orientation conference(s) for the benefit of the successful contractors and shall serve to orient the contractors to the various reporting procedures and site rules prior to the commencement of actual construction. The Construction Manager shall obtain the certificates of insurance and bonds from the contractors and forward such documents after approval by the Construction Manager to the District.

1.3.2 Contract Administration. The Construction Manager, in cooperation with the Architect, shall administer the construction Contracts as set forth herein and as provided in the General Conditions of the Contacts for construction. The Construction Manager shall coordinate the preparation of construction staging areas on-site for the Project and shall coordinate the preparation of the site for construction, including, but not limited to, coordinating fencing, barricades or other items reasonably necessary for efficient construction. The Construction Manager shall also coordinate the mobilization of all contractors and shall coordinate construction sequencing.

In addition, the Construction Manager shall provide management and related services as required to coordinate work of the contractors with each other and the activities and responsibilities of the Architect and District in order to complete the Project in accordance with the Contract Documents and this Agreement and within the Project Budget. The Construction Manger shall provide sufficient organization, qualified and experienced personnel and management to carry out the requirements of this Agreement.

The Construction Manager shall maintain a competent full-time staff at the Project site for the purpose of coordinating and providing general direction for the work and progress of the contractors.

1.3.3 Submittal Procedures. The Construction Manager shall establish and implement procedures with the Architect and coordinate and review shop drawing submittals, requests for information, samples, product data, change orders, payment requests, material delivery dates and other procedures; and maintain logs, files and other necessary documentation. Construction Manager shall assist the Architect and the District's inspector with monitoring the certified payroll for the Project. The Construction Manager shall coordinate the dissemination of any information regarding submittals and consult with the Architect and the District if any Contractor requests interpretations of the meaning and intent of the Contract Documents, and assist in the resolution of questions which may arise.

1.3.4 Meetings. The Construction Manager shall coordinate and conduct preconstruction, construction and weekly job-site progress meetings with the Contractors and shall work with the Architect to ensure that the Architect records, transcribes and distributes minutes to all attendees, the District, and all other appropriate parties. The Construction Manager shall assist in the resolution of any technical construction issues.

1.3.5 Coordination of Technical Inspection and Testing. The Construction Manager shall coordinate with the District's certified inspector all testing required by the Architect or other third parties. If requested, the Construction Manager shall assist the District in selecting any special consultants or testing laboratories. All inspection reports shall be provided to the Construction Manager on a regular basis.

1.3.6 Construction Observation. The Construction Manager shall assist the District's inspector in observing that the materials and equipment being incorporated into the work are handled, stored and installed properly and adequately and are in compliance with the contract documents for the Project. The Construction Manager shall report to the District regarding the status of such activity. The Construction Manager shall endeavor to guard against defects and deficiencies and shall advise the District of any deviations, defects or deficiencies the Construction Manager observes in the work. The Construction Manager's observation duties shall include reasonable diligence to discover work that is not in compliance with the contract documents. These observations shall not, however, cause the Construction Manager to be responsible for those duties and responsibilities which belong to the District's inspector.

1.3.7 Non-Conforming Work. The Construction Manager shall, in conjunction with the District's inspector, review contractor's recommendations for corrective action on observed non-conforming work. The Construction Manager shall make recommendations to the District, the Architect and District' inspector in instances where the Construction Manager observes work that, in its opinion, is defective or not in conformance with the contract documents. The Construction Manager shall assist the District's inspector in observing the Contractor's work to verify that all authorized changes are properly incorporated in the Project. The Construction Manager shall report to the District regarding the status of such activity and provide a written record of the same.

1.3.8 Exercise of Contract Prerogatives. The Construction Manager shall advise the District and make recommendations to the District for exercising the District's Contract prerogatives, such as giving the Contractor notice to accelerate the progress when the schedule goals are in jeopardy due to Contractor failings, withholding payment for cause and other prerogatives when required in an effort to achieve Contract compliance.

1.3.9 Implementation of Master Project Schedule. The Construction Manager shall implement the Master Project Schedule and shall regularly update and maintain the Master Project Schedule incorporating the activities of Contractors on the Project, including activity sequences and durations, allocation of labor and materials, processing of shop drawings, product data and samples, and delivery of products requiring long lead time procurement. The Master Project Schedule shall include the District's occupancy requirements showing portions of the Project having occupancy priority. The Construction Manager shall update, reissue and distribute the Master Project Schedule as required to show current conditions and revisions required by the actual experience.

1.3.10. Safety Programs. To the extent required by OSHA or any other public agency, Construction Manager shall obtain each Contractor's safety programs and monitor their implementation along with any necessary safety meetings. Construction Manager shall ensure that such safety programs are submitted to the District.

1.3.11 Endorsements of Insurance, Performance/Payment Bonds. The Construction Manager shall receive and review Endorsements of Insurance, Performance/Payment Bonds from the Contractors and forward them to the District with a copy to the Architect prior to commencement of any work by such contractors. Construction Manager shall inform the District of any noted deficiencies in insurance, or books submitted.

1.3.12 Changes in Construction Cost. The Construction Manager shall revise and refine the approved estimate of Construction Cost, incorporate approved changes as they occur, and develop cash flow reports and forecasts as needed.

The Construction Manager shall provide regular monitoring of the approve estimate of Construction Cost, showing actual costs for activities in progress and estimates for uncompleted tasks. The Construction Manager shall identify variances between

actual and budgeted or estimated costs and advise the District and the Architect whenever the Project's costs appear to be exceeding budgets or estimates.

1.3.13 Construction Progress Review. The Construction Manager shall keep a daily log containing a record of weather, the Contractors working on the site, number of workers, work accomplished, problems encountered, and other relevant data or such additional data as the District may require. The Construction Manager shall make the log available to the District upon request. The Construction Manager shall prepare and distribute the construction schedule updates to the Master Project Schedule on a monthly basis to maintain the Master Project Schedule. After an evaluation of the actual progress as observed by the Construction Manager, scheduled activities shall be assigned percentage-complete values. The report shall reflect actual progress as compared to scheduled progress and note any variances. The Construction Manager shall identify problems encountered in accomplishing the work and recommend appropriate action to the District to resolve these problems with a minimum effect on the timely completion of the Project. If requested by the District, the Construction Manager shall assist the Contractor(s) in preparing a recovery schedule. The recovery schedule shall reflect the corrective action costs (if any) and efforts to be undertaken by the contractor(s) to recapture lost time. This recovery schedule shall be distributed to the Contractor(s), the District, Architect and other appropriate parties.

1.3.14 Maintain On-Site Records. The Construction Manager shall develop and implement a comprehensive document management program. The Construction Manager shall maintain at the Project site, on a current basis: a record copy of all Contracts, drawings, specifications, addenda, change orders and other modifications, in good order and marked to record all changes made during construction; shop drawings; product data; samples; submittals; purchases; materials; equipment; applicable handbooks; Titles 21 and 24 of the California Code of Regulations; the California Uniform Building Code; maintenance and operating manuals and instructions; other related documents and revisions which arise out of the Contracts. The Construction Manager shall maintain records in duplicate, of principal building layout lines, elevations for the bottom of footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer, if necessary. The Construction Manager shall make all records available to the District. At the completion of the Project, the Construction Manager shall deliver all such records to the Architect, so the Architect may complete the record as-built drawings.

1.3.15 Schedule of Values and Processing of Payments. The Construction Manager shall review and approve each Contractor's schedule of values for each of the activities included in that Contractor's schedule of events. The Construction Manager shall develop and maintain a master schedule of values. The Construction Manager shall develop and implement procedures for the review and processing of applications by Contractors for progress and final payments. As part of the evaluation of progress payments, the Construction Manager shall review all "as-built" documents and ensure that the Contractor's "as-built" documents are updated and current. The Construction Manager shall review with the Architect and make recommendations to the District pertaining to payments to the Contractors.

1.3.16 Evaluate Proposal Costs. The Construction Manager shall evaluate Contractors' proposal costs and make a formal recommendation to the District regarding the acceptance of any proposals for a change order.

1.3.17 Negotiations of Change Order Costs and Time Extensions. The Construction Manager shall assist the District and the Architect representative in negotiating any change order costs and time extensions.

1.3.18 Change Order Reports. The Construction Manager shall not issue instructions contrary to the contract between District and a Contractor, or between the District and Architect. The Construction Manager shall ensure that all changes to the Contract between the District and a Contractor shall be by change order executed by the District. Any communication between the Construction Manager and the Contractors shall not in any way be construed as binding on the District, or releasing the Contractor from fulfillment of any of the terms of the Contract. For the Project, the Construction Manager shall prepare and distribute change order reports on a monthly basis throughout the Construction Phase. This report shall provide information pertaining to proposed and executed change orders and their effect on the Contract price and Master Project Schedule as of the date of the report.

1.3.19 Contractor Claims. The Construction Manager shall be given copies of all notices of claims by Contractors against the District for any alleged cause. The Construction Manager, jointly with Architect, shall perform evaluation of the contents of the claim within twenty-five (25) days, and make recommendations to the District. If requested by the District, the Construction Manager shall prepare estimates based on any alleged cause of claims submitted by the Contractor(s) and shall prepare alternate estimates based on varying scenarios of the claim cause. These estimates shall be transferred to the District and shall be used in claim rulings and negotiations. If requested by the District, the Construction Manager shall analyze the claims for extension of time and prepare an impact evaluation report which reflects the actual impact to the Master Construction Schedule. The report shall also provide a narrative including a recommendation for action to the District. If requested by the District, the Construction Manager shall negotiate claims with the Contractor(s) on behalf of the District. The Construction Manager shall make a written recommendation to the District concerning settlement or other appropriate action. Excepting those claims of which the Construction Manager is responsible, Construction Manager's obligations pursuant to this Paragraph shall cease upon completion of the Project as defined in Paragraph 1.3 of this Agreement.

1.3.20 Project Status Reports. The Construction Manager shall prepare and distribute monthly a Project Status Report. The Construction Manager shall ensure that the Verified Reports required by Title 24 of the California Code of Regulations be completed quarterly by the contractors for the Project.

1.3.21 Equipment Instruction Manuals, Warranties and Releases. The Construction Manager shall obtain all written material such as operations and maintenance manuals, warranties, affidavits, releases, bonds, waivers and guarantees for all equipment

installed in the Project. All such materials, including equipment instruction material, keys and documents shall be reviewed and delivered to appropriate District personnel.

1.3.22 Completion of Contracts and Project. When the Construction Manager considers a Contractor's work or a designated portion thereof complete, the Construction Manager shall prepare for the Architect a list of incomplete or unsatisfactory items ("Punch-list") and a schedule for their completion. The Construction Manager shall assist the Architect in conducting inspections.

The Construction Manager shall coordinate the correction and completion of the work. The Construction Manager shall assist the Architect in determining when the Project or a designated portion thereof is complete. The Construction Manager shall prepare a summary of the status of the work of each contractor, listing changes in the previously issued Punch-list and recommending the times within which contractors shall complete the uncompleted items on the Punch-list.

1.3.23 As-Built Documents. The Construction Manager shall perform coordination, supervisory and expediting functions in connection with the contractor's obligation to provide "as-built" documents and make recommendations for adequate withholding of retention in the event that a contractor fails to provide acceptable "as-built" documents.

1.3.24 Training Sessions. The Construction Manager shall coordinate and schedule training sessions, if necessary, for the District's personnel and shall require that the Contractor's obligation in providing this training is fulfilled.

1.3.25 Recommendations to District. The Construction Manager shall endeavor to achieve satisfactory performance from each Contractor. The Construction Manager shall recommend courses of action to the District when requirements of a Contract are not being fulfilled, and the nonperforming party shall not take satisfactory corrective action.

1.3.26 Accounting Records. The Construction Manager shall establish and administer an appropriate Project accounting system in conjunction with the District and shall maintain cost accounting records on authorized work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records.

1.3.27 Permits. The Construction Manager shall assist the District in obtaining all necessary permits for the Project, including without limitation, building, grading, and occupancy permits. This task may encompass accompanying governmental officials (Fire Marshal, DSA, Health Department, etc.) during inspections, assisting in preparing and submitting proper documentation to the appropriate approving agencies, assisting in final testing and other necessary and reasonable activities.

1.3.28 Initial Start-up and Testing. With the Architect and the District's maintenance personnel, the Construction Manager shall observe the Contractors' proper

installation of utilities, operational systems and equipment for readiness and assist in their initial start-up and testing for the Project. The Construction Manager shall coordinate and assist District in the move-in for the Project.

1.3.29 Final Completion and Project Report. The Construction Manager, in conjunction with the Architect and the District's inspector, shall at the conclusion of all corrective action of Punch-list items, make a final comprehensive review of the Project, make a report to the District which indicates whether the Construction Manager and the Architect find the work performed acceptable under the Contract Documents and the relevant Project data, and make recommendations as to final payment and the notice of completion to the Contractor(s) for the Project. At the conclusion the Project, the Construction Manager shall prepare final accounting and close-out reports of all above indicated report systems. These reports shall summarize, for historical purposes, any items which are not self-explanatory.

1.3.30 Warranty. The Construction Manager, shall assist the owner by coordinating and scheduling all warranty work as pertains to Section 1.3.21 (above), throughout the 1 year construction warranty period.

#### **1.4 TIME.**

1.4.1 The Construction Manager shall perform the services set forth in this Agreement as expeditiously as is consistent with reasonable skill and care and the orderly progress of the Projects.

1.4.2 In the event the construction time requirements set forth in Section 1.1.2 of this Agreement are exceeded, and the delay is caused by the Construction Manager, the Construction Manager's fee shall be reduced by an amount of \$500.00 per calendar day as liquidated damages, but not as a penalty, starting from the scheduled construction completion date for the Project until construction is substantially complete.

1.4.3 Construction Manager shall be entitled to an extension of time for the time of completion and shall not be subject to a claim for liquidated damages for delays which may arise due to an Act of God as defined in Public Contract Code Section 7105 if the act of God affects the governmental agency from which approvals are necessary for completion of the Project, but Construction Manager shall have no claim for any other compensation for such delay. Should the schedule for the Project be extended due to an act of God as discussed above, the Construction Manager's performance contract shall be extended and the Construction Manager shall be compensated for this extension under the provisions of Section 4.4 of this Agreement.

**ARTICLE 2**  
**THE DISTRICT'S RESPONSIBILITIES**

2.1 The District shall provide full information regarding the requirements of the Project including the District's objectives, constraints and criteria.

2.2 Prior to the commencement of the Design Phase for the Project, the District shall provide a financial plan and budget to be utilized by Construction Manager as set forth in Section 1.1.3 of this Agreement.

2.3 The District shall designate a representative ("District Representative") to act on the District's behalf with respect to each Project. The District, or the District Representative, if authorized, shall render decisions promptly to avoid unreasonable delay in the progress of the Construction Manager's services.

2.4 The District shall furnish tests, inspections and reports as required by law or the contract documents.

2.5 The services, information and reports required by Paragraphs 2.1 through 2.4, inclusive, shall be furnished at District's expense.

2.6 If the District observes or otherwise becomes aware of any fault or defect in the Project, or nonconformance with the contract documents, prompt notice thereof shall be given by the District to the Construction Manager.

2.7 The District reserves the right to perform work related to the Project with the District's own forces and/or to award contracts in connection with the Project. The Construction Manager shall notify the District within ten (10) days of actual knowledge of the District's intent to perform work related to the Project with the District's own forces and/or to award contracts in connection with the Project, if any such independent action shall in any way compromise the Construction Manager's ability to meet the Construction Manager's responsibilities under this Agreement.

2.8 The District shall retain an Architect whose services, duties and responsibilities are described in the Agreement between the District and the Architect. The terms and conditions of the District-Architect agreement shall be furnished to the Construction Manager.



### **ARTICLE 3**

### **CONSTRUCTION COST AND PROJECT BUDGET**

3.1 The Construction Cost of the Project shall be the total of the final contract sums of all of separate contracts of contractors for the Project, and shall not exceed the budgeted amount for the Construction Cost as set forth in the Project Budget.

3.2 Construction Cost shall not include the compensation of Construction Manager, the Architect and other consultants, general conditions, the cost of land, rights-of-way and other costs which are the responsibility of District as provided in Article 2 hereof, inclusive.

3.3 The Project Budget has been established under paragraph 2.2 hereof by the allowance for construction. Construction Manager shall consult with the Architect and District to suggest reasonable adjustments in the scope of the Project, and to suggest alternate bids in the construction documents to adjust the construction Project costs so that it does not exceed the Project Budget.

3.4 If the fixed limit of Construction Cost as set forth in the Project Budget is exceeded by the sum of the lowest figures from bona fide bids, District shall (1) give written approval of an increase in such fixed limit, (2) authorize rebidding of the Project or portions of the Project within a reasonable time, (3) cooperate in revising the scope and the quality of the work as required to reduce the Construction Cost or (4) reject all bids and abandon the Project. In the case of items (2) and (3), Construction Manager, without additional compensation, shall cooperate with District and Architect as necessary, including providing services as set forth in Article I, to bring the Construction Cost within the fixed limit of the Project Budget.

3.5 With the District's assistance, Construction Manager shall provide, on a monthly basis, a detailed cash flow tracking system for the Project. The system must be approved and accepted by the District. The Construction Manager shall update the cash flow spread sheet monthly or as required by the District.

Construction Manager shall provide for the District's review and acceptance, a monthly report for the Project. This report shall show the status for the Project that is under construction pertaining to this contract. With the District's assistance, the Construction Manager shall provide all construction related agenda items. Examples: change orders, notices to proceed, notice of completion, authorization to bid, award of contracts, etc.

3.6 Audit. Construction Manager shall maintain auditable books, records, documents, and other evidence pertaining to costs and expenses in this Agreement. These records shall be maintained for a period of at least three (3) years after final payment has been made, subject to any applicable rules, regulations or statutes.

District's authorized representative(s) shall have access, with reasonable notice, to any books, documents, papers, electronic data, and other records which they determine

to be pertinent to this Agreement for performing an audit, evaluation, inspection, review, assessment, or examination. These representative(s) are authorized to obtain excerpts, transcripts, and copies, as they deem necessary.

Should Construction Manager disagree with any audit conducted by District, Construction Manager shall have the right to employ a licensed, Certified Public Accountant (CPA) to prepare and file with District a certified financial and compliance audit that is in compliance with generally-accepted government accounting standards of related services provided during the term of this Agreement. Construction manager shall not be reimbursed by District for such an audit.

In the event Construction manager does not make available its books and financial records at the location where they are normally maintained, Construction manager agrees to pay all necessary and reasonable expenses, including legal fees, incurred by District in conducting any audit.

#### **ARTICLE 4**

#### **BASIS OF COMPENSATION AND PAYMENT**

District shall compensate Construction Manager for the services required hereunder, as follows:

#### **4.1 BASIC COMPENSATION FEE - FIXED.**

4.1.1 Construction Manager's Services, as described in Article 1 shall be the amount of \$613,504 (Six Hundred Thirteen Thousand Five Hundred-Four Dollars).

#### **4.1.2 GENERAL CONDITIONS COSTS.**

General Conditions as described in Article 5 shall be reimbursed at cost in accordance with Article 5 with the total not to exceed \$1,125,260.

#### **4.2 PAYMENT**

#### **4.2.1 BASIC COMPENSATION PAYMENT:**

4.2.1.1 Pre-Construction Invoicing. Construction Manager shall invoice 20% of the Basic Services for the services set forth in Articles 1.1 and 1.2 in equal monthly increments, from the time the Construction Manager begins work on the Project to the commencement of the Construction Phase time the contractor is selected by the District.

4.2.1.2 Construction Invoices. Construction Manager shall invoice 70% of the Basic Services Fee in equal monthly increments during the Construction Phase.

4.2.1.3 Project Retention. Construction Manager shall invoice 10% of the Basic Services Fee 35 days after the District files the last Notice of Completion for the Project.

#### **4.2.2 GENERAL CONDITIONS PAYMENT.**

Construction Manager shall invoice General Conditions costs monthly during the duration of the construction work. All General Condition costs must be supported by an invoice, receipt, an employee time sheet, or other acceptable documentation.

#### **4.3.2 PAYMENT OF INVOICES.**

District shall make payments to Construction Manager within thirty (30) days of receipt of the appropriate and approved invoice from Construction Manager.

#### **4.4 ADDITIONAL COMPENSATION.**

Construction Manager shall not be entitled to additional compensation unless there are unusual and unanticipated circumstances and only when approved in writing by District, in advance of such services being provided. If the Construction Manager shall claim compensation for any damage sustained by reason of the acts of the District or its agents, Construction Manager shall, within ten (10) days after sustaining of such damage, make to the District a written statement of the damage sustained. On or before the 15th day of the month succeeding that in which such damage shall have been sustained, the Construction Manager shall file with the District an itemized statement of the details and amount of such damage in accordance with this Article, and unless such statement is submitted, any claims by Construction Manager shall be forfeited and invalidated and Construction Manager shall not be entitled to consideration for payment on account of any such damage. In the event extra compensation is approved, extra compensation shall be computed at cost plus ten percent (10%) of billings to Construction Manager by Construction Manager's consultants and for other costs incurred by the Construction Manager and at the following hourly rates for Construction Manager's employees:

|                                       |           |
|---------------------------------------|-----------|
| Principal In Charge/Project Executive | \$ 160.00 |
| Project Manager                       | \$ 140.00 |
| General Superintendent                | \$ 130.00 |
| Project Superintendent                | \$ 120.00 |
| Estimating/Precon Services Manager    | \$ 120.00 |
| BIM/Constructability Manager          | \$ 120.00 |
| Scheduling Manager                    | \$ 85.00  |
| Field Engineer                        | \$ 85.00  |
| Clerical Assistance                   | \$ 50.00  |

## **ARTICLE 5**

### **GENERAL CONDITIONS**

Construction Manager shall provide the General Conditions for the Project. General Conditions of the Project are defined as those generic support activities which must be in place to support all construction aspects of the Project. These support activities are set forth in the Reimbursable Expenses and General Conditions Estimate attached hereto as Exhibit "B".

In no event shall the General Condition costs exceed \$1,125,260.

All General Condition reimbursables shall be billed at their actual cost, and the Construction Manager shall take all reasonable steps necessary to obtain the most competitive prices available for these items. If Construction Manager desires to be reimbursed for any other General Conditions costs not specifically set forth in this Article, prior to the commencement of the Construction Phase, Construction Manager shall submit a list of these General Condition items to District for District's approval. The cost of any additional items shall not be reimbursable unless advance written authorization is provided by the District to Construction Manager to obtain the item.

## **ARTICLE 6**

### **TERMINATION, ABANDONMENT OR SUSPENSION OF WORK**

#### **6.1 TERMINATION OF CONSTRUCTION MANAGER SERVICES.**

The District may give seven (7) days written notice to Construction Manager of District's intent to suspend or terminate the Construction Manager's services under this Agreement for failure to satisfactorily perform or provide prompt, efficient or thorough service or Construction Manager's failure to complete its services or otherwise comply with the terms of this Agreement. If after the expiration of such seven (7) days, Construction Manager fails to cure the performance as set forth in the District's notice of intent to suspend or terminate the Construction Manager's services, District may issue a notice of termination or suspension. At that time, Construction Manager's services shall be suspended or terminated as set forth in District's notice.

District shall also have the right in its absolute discretion to terminate this Agreement in the event the District is not satisfied with the working relationship with Construction Manager and without cause following twenty-one (21) days prior written notice from District to Construction Manager.

#### **6.2 CONTINUANCE OF WORK.**

In the event of a dispute between the parties as to performance of the work or the interpretation of this Agreement, or payment or nonpayment for work performed or not performed, the parties shall attempt to resolve the dispute. Pending resolution of this dispute, Construction Manager agrees to continue the work diligently to completion. If the dispute is not

resolved, Construction Manager agrees it shall neither rescind the Agreement nor stop the progress of the work, but Construction Manager's sole remedy shall be to submit such controversy to determination by a court having competent jurisdiction of the dispute, after the Project has been completed, and not before.

### **6.3 ABANDONMENT OF A PROJECT.**

The District has the absolute discretion to suspend or abandon all or any portion of the work on the Project and may do so upon fourteen (14) day written notice to the Construction Manager. Upon notice of suspension or abandonment, Construction Manager shall immediately discontinue any further action on the Project. If the entire work to be performed on the Project is abandoned, the parties shall each be relieved of the remaining executory obligations of the Agreement, as it relates to the Project, but shall not be relieved of any obligations arising prior to said abandonment.

### **6.4 COMPENSATION IN THE EVENT OF TERMINATION, ABANDONMENT OR SUSPENSION.**

In the event the District terminates, abandons or suspends the work on the Project, there shall be due and payable within thirty (30) days following such termination, abandonment or suspension a sum of money sufficient to increase the total amount paid to Construction Manager to an amount which bears the same proportion to the total fee as the amount of services performed or provided by Construction Manager prior to the time of such termination, suspension or abandonment of this Agreement bears to the entire services Construction Manager is required to perform or provide for the Project.

In the event of termination due to a breach of this Agreement by Construction Manager, the compensation due Construction Manager upon termination shall be reduced by the amount of damages and liquidated damages sustained by District due to such breach.

In the event that District chooses to abandon the Project or terminate the Agreement without cause, Construction Manager shall, in addition to the compensation described above, also be reimbursed for reasonable termination costs through the payment of (1) 3% of the Construction Management Fees incurred to date if less than 50% of the Construction Management Fees have been paid; or (2) 3% of the remaining Construction Management Fees if more than 50% of the Construction Management Fees have been paid. This payment is agreed to compensate Construction Manager for any damages resulting from early termination and is consideration for entry into this termination for convenience clause.

### **6.5 DELIVERY OF DOCUMENTS.**

Upon termination, abandonment or suspension, Construction Manager shall deliver to District all documents and matters related to the Project.

## **ARTICLE 7**

### **INDEMNIFICATION**

To the fullest extent permitted by law, Construction Manager agrees to indemnify, defend and hold District entirely harmless from all liability arising out of:

(a) Any and all claims under workers' compensation acts and other employee benefit acts with respect to Construction Manager's employees or Construction Manager's subcontractors' employees arising out of Construction Manager's work under this Agreement; and

(b) Liability for damages for (1) death or bodily injury to person; (2) injury to, loss or theft of property; (3) any failure or alleged failure to comply with any provision of law or (4) any other loss, damage or expense arising under either (1), (2), or (3) above, sustained by the Construction Manager or any person, firm or corporation employed by the Construction Manager upon or in connection with the Project, except for liability resulting from the sole or active negligence, or willful misconduct of the District, its officers, employees, agents or independent contractor's who are directly employed by the District;

(c) Any loss, injury to or death or persons or damage to property caused by any act, neglect, default or omission of the Construction Manager, or any person, firm or corporation employed by the Construction Manager, either directly or by independent contract, including all damages due to loss or theft, sustained by any person, firm or corporation including the District, arising out of, or in any way connected with the Project, including injury or damage either on or off District property; but not for any loss, injury, death or damages caused by sole or active negligence, or willful misconduct of the District.

The Construction Manager at Construction Manager's own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the District, its officers, agents or employees, on any such claim or liability, and shall pay or satisfy and judgment that may be rendered against the District, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

## **ARTICLE 8**

### **SUCCESSORS AND ASSIGNS OR CONFLICT OF INTEREST**

8.1 Successors and Assigns. This Agreement is binding upon and inures to the benefit of the successors, executors, administrators, and assigns of each party to this Agreement, provided, however, that the Construction Manager shall not assign or transfer by operation of law or otherwise any or all rights, burdens, duties, or obligations without prior written consent of the District. Any attempted assignment without such consent shall be invalid.

8.2 Corporate Status. In the event of a change in the corporate status of the Construction Manager, the Owner shall have the right to review the conditions of said change, and if warranted, exercise Section 6.1 Termination of Construction Manager Services.

8.3 Conflict of Interest. For the term of this Agreement, no member, officer or employee of the Owner, during the term of his or her service with the Owner, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

8.4 Conflict of Employment. Employment by the Construction Manager of personnel on the payroll of Owner shall not be permitted in the performance of the Services, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Construction Manager of personnel who have been on the Owner's payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Construction Manager securing this or related Agreements with the Owner, is prohibited.

8.5 Fiduciary Responsibilities. The Construction Manager accepts the relationship of trust and confidence established with the Owner by this Agreement. The Construction Manager covenants with the Owner to furnish his best skill and judgment and to cooperate with the Owner's Design Professional in furthering the interests of the Owner. The Construction Manager agrees to furnish efficient business administration and superintendence and to use the Construction Manager's best efforts at all times in the most expeditious and economical manner consistent with the interest of the Owner.

## **ARTICLE 9** **APPLICABLE LAW**

This Agreement shall be governed by the laws of the State of California, however, in the event that the District receives any State funding for the Project, this Agreement shall also be governed by any applicable laws and/or regulations relating to such State funding ("Applicable Law"). To the extent that there is any inconsistency between this Agreement and the Applicable Law, or this Agreement omits any requirement of the Applicable Law, the language of the Applicable Law, in effect on the date of the execution of this Agreement, shall prevail.

## **ARTICLE 10** **CONSTRUCTION MANAGER NOT AN OFFICER** **OR EMPLOYEE OF DISTRICT**

While engaged in carrying out and complying with the terms and conditions of this Agreement, the Construction Manager is an independent contractor and not an officer or employee of the District.

## **ARTICLE 11** **INSURANCE**

11.1 The Construction Manager shall purchase and maintain policies of insurance with an insurer or insurers, qualified to do business in the State of California and acceptable to District which will protect Construction Manager and District from claims which may arise out of or result from Construction Manager's actions or inactions relating to the Agreement, whether such actions or inactions be by themselves or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The aforementioned insurance shall include coverage for:

(a) The Construction Manager shall carry Workers' Compensation and Employers Liability Insurance in accordance with the laws of the State of California in an amount not less than One Million Dollars (\$1,000,000).

(b) Comprehensive general and auto liability insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit, bodily injury and property damage liability per occurrence, including:

1. Owned, non-owned and hired vehicles;
2. Blanket contractual;
3. Broad form property damage
4. Products/completed operations; and
5. Personal injury.

(c) Professional liability insurance, including contractual liability, with limits of \$1,000,000, per occurrence. Such insurance shall be maintained during the term of this AGREEMENT and renewed for a period of at least three (3) years thereafter and/or at rates consistent with the time of execution of this Agreement adjusted for inflation.

11.2 Each policy of insurance required in (b) above shall name District and its officers, agents and employees as additional insureds; shall state that, with respect to the operations of Construction Manager hereunder, such policy is primary and any insurance carried by District is excess and non-contributory with such primary insurance; shall state that no less than thirty (30) days' written notice shall be given to District prior to cancellation; and, shall waive all rights of subrogation. Construction Manager shall notify District in the event of material change in, or failure to renew, each policy. Prior to commencing work, Construction Manager shall deliver to District certificates of insurance as evidence of compliance with the requirements herein. In the event Construction Manager fails to secure or maintain any policy of insurance required hereby, District may, at its sole discretion, secure such policy of insurance in the name of an for the account of Construction Manager, and in such event Construction Manager shall reimburse District upon demand for the costs thereof.



**ARTICLE 12**  
**EXTENT OF AGREEMENT**

12.1 This Agreement represents the entire and integrated agreement between the District and the Construction Manager for this Project and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the District and the Construction Manager

The parties, through their authorized representatives, have executed this Agreement as of the day and year first written above.

CONSTRUCTION MANAGER:

DISTRICT:

Tilden-Coil Constructors, Inc.

Riverside Community College District

By: \_\_\_\_\_

By: \_\_\_\_\_

Brian Jaramillo  
President  
3612 Mission Inn Ave  
Riverside, CA 92501

James L. Buysse  
Vice Chancellor  
Administration and Finance

## EXHIBIT "A"

### PROPOSED PROJECT SCHEDULE

| <b>Design Phase</b>                          |            |
|--|------------|
| Start Working Drawings                       | N/A        |
| Complete Working Drawings                    | 6/29/2010  |
| <b>Plan Check &amp; Bidding Phase</b>        |            |
| DSA Final Approval                           | 2/8/2011   |
| Advertise Bid for Construction               | 2/9/2011   |
| Award Construction Contract (Board Approval) | 3/22/2011  |
| <b>Construction Phase</b>                    |            |
| Start of Project                             | 3/23/2011  |
| Complete Project (20 months after start)     | 11/12/2012 |

## **EXHIBIT “B”**

### **REIMBURSABLE EXPENSES**

The following Reimbursable Expenses shall be provided under the Construction Manager’s direction and shall be reimbursable items under this Agreement. All reimbursables shall be billed at their actual cost, and the Construction Manager shall take all reasonable steps necessary to obtain the most competitive prices available for these items. The cost for any additional items shall not be reimbursable unless advance written authorization is provided by the Owner to the Construction Manager to obtain the item.



Original: 10/14/09  
 Project Duration: 20 months (87 weeks)

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**Norco - Secondary Effects**  
 General Conditions Estimate

| Description  | Qty    | Unit  | Unit Cost | Total | General Conditions | District Expense | By Others |
|--|--------|-------|-----------|-------|--------------------|------------------|-----------|
| Preconstruction Expense                            | 1      | ls    |           |       | X                  |                  |           |
| Preconstruction Manager                            | 6      | wk    |           |       | X                  |                  |           |
| Supervision (Field)                                | 87     | wk    |           |       | X                  |                  |           |
| Project Manager (1/2 time)                         | 43.5   | wk    |           |       | X                  |                  |           |
| Project Engineer                                   | 87     | wk    |           |       | X                  |                  |           |
| Project Administrator (1/2 time)                   | 44     | wk    |           |       | X                  |                  |           |
| General Labor                                      |        | wk    |           |       |                    |                  | X         |
| General Clean Up (labor & bins)                    |        |       |           |       |                    |                  | X         |
| Final Clean Up                                     | 31,000 | sf    |           |       | X                  |                  |           |
| Punch List   |        | inc.  |           |       | X                  |                  |           |
| Safety Measures / Badges                           | 1      | ls    |           |       | X                  |                  |           |
| Traffic Control / Signage                          | 1      | ls    |           |       | X                  |                  |           |
| Dust Control                                       |        |       |           |       |                    |                  | X         |
| Dewatering   |        |       |           |       |                    |                  | X         |
| SWPPP Plan & BMP Development                       |        |       |           |       |                    |                  | X         |
| SWPPP Implementation/Maintenance & Erosion Control |        |       |           |       |                    |                  | X         |
| Weather Protection                                 |        |       |           |       |                    |                  | X         |
| Temporary Heating                                  |        |       |           |       |                    |                  | X         |
| Trailer Rental & Expenses (Includes IOR)           | 20     | mo    |           |       | X                  |                  |           |
| Trailer Mobilization & Set up & tear down          | 2      | ea    |           |       | X                  |                  |           |
| Trailer Alarm (includes commissioning)             | 20     | mo    |           |       | X                  |                  |           |
| Caretaker/Security                                 |        |       |           |       |                    | X                |           |
| Warehouse  |        |       |           |       |                    | X                |           |
| Signs & Bulletin Boards                            | 3      | ea    |           |       | X                  |                  |           |
| Temp Power Poles/Distribution                      | 1      | ls    |           |       | X                  |                  |           |
| Toilets / Hand Wash                                | 20     | mo    |           |       | X                  |                  |           |
| Trash Bins (2yd for office)                        | 20     | ea    |           |       | X                  |                  |           |
| Storage Bins                                       |        |       |           |       |                    |                  | X         |
| Fencing  | 2,000  | lf    |           |       | X                  |                  |           |
| Temp Lighting                                      |        |       |           |       |                    |                  | X         |
| Extend Temp Utilities                              | 1      | allow |           |       | X                  |                  |           |
| Management Fuel                                    | 20     | mo    |           |       | X                  |                  |           |
| Supervision Fuel                                   | 20     | mo    |           |       | X                  |                  |           |
| Radios   |        | inc.  |           |       | X                  |                  |           |
| Management Vehicle                                 |        | inc.  |           |       | X                  |                  |           |
| Supervision Vehicle                                |        | inc.  |           |       | X                  |                  |           |
| Document Archive/Storage                           | 1      | ls    |           |       | X                  |                  |           |
| Blueprints/Plans (does not include bid printing)   | 1      | ls    |           |       | X                  |                  |           |
| Photos/Film/Video                                  | 1      | ls    |           |       | X                  |                  |           |
| Surveying  | 1      | ls    |           |       | X                  |                  |           |
| C.P.M. Schedule                                    |        | inc.  |           |       | X                  |                  |           |
| Material Testing                                   |        |       |           |       |                    | X                |           |
| Special Inspections                                |        |       |           |       |                    | X                |           |
| Soils Testing                                      |        |       |           |       |                    | X                |           |
| Internet Services                                  | 20     | mo    |           |       | X                  |                  |           |
| Telephones   | 20     | mo    |           |       | X                  |                  |           |



Original: 10/14/09  
 Project Duration: 20 months (87 weeks)

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**Norco - Secondary Effects**  
 General Conditions Estimate

| Description                              | Qty | Unit | Unit Cost | Total              | General Conditions | District Expense | By Others |
|--|-----|------|-----------|--------------------|--------------------|------------------|-----------|
| Pay Phones                               |     |      |           |                    |                    | X                |           |
| Cellular Phones                          | 20  | mo   |           |                    | X                  |                  |           |
| Skylog Service                           | 20  | mo   |           |                    | X                  |                  |           |
| Water                                    |     |      |           |                    |                    |                  | X         |
| Hydrant Meters                           | 20  | mo   |           |                    | X                  |                  |           |
| Power                                    |     |      |           |                    |                    | X                |           |
| Office Equipment                         | 20  | mo   |           |                    | X                  |                  |           |
| Office Supplies                          | 20  | mo   |           |                    | X                  |                  |           |
| Office Cleaning                          | 20  | mo   |           |                    | X                  |                  |           |
| Drinking Water                           | 20  | mo   |           |                    | X                  |                  |           |
| Postage/Shipping                         | 20  | mo   |           |                    | X                  |                  |           |
| Owner Purchases                          |     |      |           |                    |                    | X                |           |
| Legal Advertising                        |     |      |           |                    |                    | X                |           |
| Permits/Fees/Licenses                    | 1   | ls   |           |                    | X                  |                  |           |
| Liability Insurance                      | 1   | ls   |           |                    | X                  |                  |           |
| Professional Liability                   | 1   | ls   |           |                    | X                  |                  |           |
| District Directed Reimbursable Allowance | 1   | ls   | \$75,000  | \$75,000           | X                  |                  |           |
| <b>Total</b>                             |     |      |           | <b>\$1,125,260</b> |                    |                  |           |

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-2

Date: December 15, 2009

Subject: Riverside Nursing/Science Building Project – Design Amendment No. 6

Background: On June 20, 2006, the Board of Trustees approved an agreement with GKK Works (GKK) to provide plans, specifications and working drawings for the Nursing/Science Building project at the Riverside City College for \$4,290,825.15. The agreement included the provision to assign GKK additional services on a negotiated basis. On September 11, 2007, the Board of Trustees approved a first amendment with GKK for the development of design and specifications of a site plan layout and special signage, engineering and design services for audio-visual and information technology systems, and design services for development of safety and security systems for \$389,952. On June 17, 2008, the Board of Trustees approved a second amendment for design services to assess changes required by the California Building Code (2007 CBC) related to structural/mechanical systems and fire/life safety issues for \$850,482. On August 18, 2009, the Board of Trustees approved a third amendment for the development of hazardous materials management services in response to Division of State Architect (DSA) Fire Marshal's Plan review of the Riverside Nursing/Science Building project for \$22,857. On October 20, 2009, the Board of Trustees approved a fourth amendment for a Leadership in Energy and Environmental Design (LEED) feasibility study. The LEED feasibility study will provide the District with a summary analysis for LEED prerequisites and a summary estimating potential savings to the District for changes to green project design, development and operations for the Riverside Nursing/Science Building project in the amount of \$24,900. On November 17, 2009, the Board of Trustees approved a fifth amendment in the amount of \$87,564 for revisions to the Life Science Department for architectural services, mechanical, plumbing and electrical engineering, Information Technology and Audio Video consulting services.

Staff now requests approval of a sixth request for additional services with GKK for the Riverside Nursing/Science Building project in the amount of \$153,808. The additional services are for LEED implementation, not originally designed within the project. The LEED implementation includes; administrative LEED online project support, update of construction documents and review/update/coordinate services within the construction phases. The GKK agreement, including all six amendments and reimbursable expenses, totals \$5,820,388.15

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-2

Date: December 15, 2009

Subject: Riverside Nursing/Science Building Project – Design Amendment No. 6  
(continued)

To be funded from the Board approved project budget, State Construction Act (Resource 4100) and District Measure “C” Funds (Resource 4160).

Recommended Action: It is recommended that the Board of Trustees approve Amendment No. 6 with GKK Works for revisions LEED implementation services for the Riverside Nursing/Science Building project in an amount not to exceed \$153,808, and authorize the Vice Chancellor, Administration and Finance, to sign the amendment.

Gregory W. Gray  
Chancellor

Prepared by: Jan Muto  
President  
Riverside City College

Norm Godin  
Vice President Business Services  
Riverside City College

Orin L. Williams  
Associate Vice Chancellor  
Facilities Planning, Design and Construction

SIXTH AMENDMENT TO AGREEMENT  
BETWEEN  
RIVERSIDE COMMUNITY COLLEGE DISTRICT  
AND  
GKK WORKS  
(Riverside Nursing/Science Building Project)

This document amends the original agreement between the Riverside Community College District and GKK Works, which was approved by the Board of Trustees on June 20, 2006.

The agreement is hereby amended as follows:

- I. Additional compensation of this amended agreement shall not exceed \$153,808, including reimbursable expenses. The term of this agreement shall be from the original agreement date of June 21, 2006, to the estimated completion date of September 30, 2012. Payments and final payment shall coincide with original agreement.
- II. The additional scope of work is described in Exhibit I, attached.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date written below.

GKK WORKS

RIVERSIDE COMMUNITY COLLEGE  
DISTRICT

By: \_\_\_\_\_

Kris Kay  
Principle of Higher Education  
2355 Main St., Ste. 220  
Irvine, CA 92614

By: \_\_\_\_\_

James L. Buysse  
Vice Chancellor  
Administration and Finance

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Exhibit I

Project: Nursing/Science Building Project  
Riverside City College

### Scope of Work:

Additional services include Architectural services, Landscape Architectural services, Mechanical, Plumbing, & Electrical Engineering Consulting services to obtain LEED for New Construction 2009 (LEED-NC) Basic Certification for the Riverside Nursing/Science Building Project. The project has been registered with the Green Building Certification Institute (GBCI), which was not originally designed with LEED goals as part of the project consideration. The GKK team will only be partially responsible for providing services that support meeting LEED certification goals (the District, Construction Manager, and its Commissioning Agents share in this responsibility).

### Scope of Services:

#### TASK 1 – LEED Administration:

1. Confirm proposed component credit achievement paths.
2. Administrate the LEED Online project site.
3. GKK has registered the project with the GBCI during the Feasibility Phase.

#### TASK 2 –Construction Documents:

1. Update Construction Documents for LEED considerations.
  - a. Specifications
  - b. Drawings
  - c. Addenda
2. Provide ongoing administration of the LEED Online project site.
3. Work with the Construction Manager (CM), Barnhart, LEED Project Coordinator to coordinate information management related to LEED and communications with the GBCI.
4. Update project documentation after each review.
5. Performing required calculations for approval of various target LEED credits.

#### TASK 3 –Construction Phase Services:

1. Provide explanations and guidance for the construction team to meet the LEED requirements for indoor air quality management during construction.
2. Review Submittals for key materials specifications and LEED requirements.
3. Review requirements and sample submittal forms for the contractor to provide materials costs in the proper LEED format.
4. Review Commissioning Agents specification requirements.
5. Coordinate point verification status, work with Contractors and CM to assure paperwork is completed.
6. Coordinate, update and facilitate information management related to LEED and communications with GBCI.
7. Perform LEED construction phase credit calculations,
8. Update Project LEED submittals to the project's LEED-Online database.

9. Meetings and Coordination: Attendance at up to six (6) jobsite/construction phase meetings for the purpose of LEED coordination, information management and photo documentation.
10. Review and respond to project construction meeting minutes, memos and correspondence related to LEED/Sustainability issues.
11. Construction Phase LEED Documentation & Certification:
  - a. Provide assembly of LEED submittal documents and coordinate LEED Construction Phase submission.
  - b. Receive and review initial and final LEED Review Team responses and coordinate Project team response.

Assumptions:

1. LEED Certification fees are not included.

(Commissioning agent to be provided by the Construction Manager.)

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-3

Date: December 15, 2009

Subject: Riverside Aquatics Complex Project – Design Amendment No. 1

Background: On June 17, 2008, the Board of Trustees approved an agreement with AVRP Studios, Inc. (formerly Austin Veum Robbins Partners) to prepare plans, specifications, and working drawings for the Aquatics Complex project located at Riverside City College in the amount of \$1,015,300 including reimbursable expenses. On September 16, 2009, AVRP Studios, Inc. (AVRP) presented a design presentation of the Riverside Aquatics Complex to the Board for informational purposes.

Staff now requests approval for additional services with AVRP for the Riverside Aquatics Complex project. The additional architectural services are for security purposes and require Division of State Architect (DSA) approval. Therefore, AVRP's additional services include coordination of the design and construction documents package, one meeting with the District, and preparation of details for gates, doors and camera mounting. The additional services are in an amount not to exceed \$16,000. The total of AVRP's agreement with this amendment, including reimbursables, is \$1,031,300.

This project is to be jointly funded by Riverside Community College District using the Board approved project budget (Measure C funding – Resources 4160), the City of Riverside, the County of Riverside and private contributions.

Recommended Action: It is recommended that the Board of Trustees approve Amendment No. 1 with AVRP Studios, Inc. for additional services for the Riverside Aquatics Complex project in an amount not to exceed \$16,000, and authorize the Vice Chancellor, Administration and Finance, to sign the amendment.

Gregory W. Gray  
Chancellor

Prepared by: Jan Muto  
President  
Riverside City College

Norm Godin  
Vice President Business Services, Riverside City College

Orin L. Williams  
Associate Vice Chancellor, Facilities Planning, Design and Construction

FIRST AMENDMENT TO AGREEMENT  
BETWEEN  
RIVERSIDE COMMUNITY COLLEGE DISTRICT  
AND  
AVRP STUDIOS, INC.  
(Riverside Aquatics Complex Project)

This document amends the original agreement between the Riverside Community College District and AVRP Studios, Inc. (formerly Austin Veum Robbins Partners), which was approved by the Board of Trustees on June 17, 2008.

The agreement is hereby amended as follows:

- I. Additional compensation of this amended agreement shall not exceed \$16,000, including reimbursable expenses. The term of this agreement shall be from the original agreement date of June 21, 2006, to the estimated completion date of December 31, 2010. Payments and final payment shall coincide with original agreement.
- II. The additional scope of work includes coordination of the design and construction documents package, one meeting with the District, and preparation of details for gates, doors and camera mounting for security purposes of the project.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date written below.

AVRP STUDIOS, INC.

RIVERSIDE COMMUNITY COLLEGE  
DISTRICT

By: \_\_\_\_\_  
Randy S. Robbins, AIA  
Principal  
1620 Fifth Avenue, Suite 600  
San Diego, CA 92101

By: \_\_\_\_\_  
James L. Buysse  
Vice Chancellor  
Administration and Finance

Date: \_\_\_\_\_

Date: \_\_\_\_\_

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-4

Date: December 15, 2009

Subject: Riverside Aquatics Complex Project – Excavation Resolution No. 17-09/10

Background: On September 11, 2007, the Board of Trustees approved the expenditure of \$5 million from Measure “C” funds and the development of a joint use agreement for the Aquatics Complex project located on the Riverside City College. On June 17, 2008, the Board of Trustees approved an agreement with AVRP Studios, Inc. (formerly Austin Veum Robbins Partners) to provide design services and an agreement with Tilden-Coil Constructors to provide multiple prime construction management services. On September 15, 2009, the Board of Trustees approved the award of bids for all scopes of work for the Riverside Aquatics Complex project in the amount of \$7,704,815. Included within the award of bid was a contract with Crew, Inc. for demolition, earthwork and grading in the amount of \$118,000 for the Riverside Aquatics Complex project.

On October 12, 2009, the construction commenced for the Riverside Aquatics Complex project, however the project excavation operations have revealed significant buried or concealed debris, and moderately saturated soil that require a considerable amount of manipulation with labor and equipment. The conditions encountered on the Riverside Aquatics Complex project are materially different than documented within the project soils report within isolated areas now found to be undocumented disposal sites. Additionally, the excavation uncovered transite (asbestos) pipe used predominately during the late 1940’s and early 1950’s as drainage pipe. This transite pipe requires special disposal methods not otherwise anticipated prior to bid time. Both of these factors will contribute to an additional cost of approximately \$100,000.

Staff now requests the Board of Trustees to adopt the attached Riverside Aquatics Complex Project - Excavation Resolution No. 17-09/10 authorizing the additional grading and earthwork required for the project due to the conditions encountered during the excavation, and approve funding in an amount not to exceed \$100,000 to cover the additional labor and equipment. This change will be covered within the project contingency of \$450,000 without issue, however the amount exceeds Crew, Inc. change order limit. A change order for the project will be submitted for the Board’s ratification once the final cost is determined. Additionally, although the added amount will exceed ten percent (10%) of the allowable limit of the contract with Crew, Inc., the attached Resolution No. 17-09/10 authorizes the contractor to proceed.

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-4

Date: December 15, 2009

Subject: Riverside Aquatics Complex Project – Excavation Resolution No. 17-09/10  
(continued)

To be funded by the Board approved project budget; jointly funded by Riverside Community College District's Measure C Funds (Resources 4160), the City of Riverside, the County of Riverside and private contributions.

Recommended Action: It is recommended that the Board of Trustees adopt the Riverside Aquatics Complex Project - Excavation Resolution No. 17-09/10 authorizing additional grading and earthwork required for the project, and an amount not to exceed \$100,000 to proceed with Crew, Inc for the Riverside Aquatics Complex Project excavation.

Gregory W. Gray  
Chancellor

Prepared by: Jan Muto  
President  
Riverside City College

Norm Godin  
Vice President Business Services  
Riverside City College

Orin L. Williams  
Associate Vice Chancellor  
Facilities Planning, Design and Construction

BEFORE THE GOVERNING BOARD OF THE  
RIVERSIDE COMMUNITY COLLEGE DISTRICT

RESOLUTION FOR APPROVAL OF ADDITIONAL GRADING AND EARTHWORK FOR  
THE RIVERSIDE AQUATICS COMPLEX PROJECT  
ON THE RIVERSIDE CITY COLLEGE

RESOLUTION NO. 17-09/10

WHEREAS, the Governing Board of the Riverside Community College District (“District”) previously awarded a contract for construction work located on the Riverside City College for the Aquatics Complex, (“Project”) to Crew, Inc. (“Contractor”);

WHEREAS, subsequent to the award of the contract for the Project, it was determined that additional grading and earthwork was necessary on the Project for unforeseen conditions revealing moderately saturated soil and significant debris, including transite (asbestos) pipe requiring special disposal;

WHEREAS, the Contractor is intimately familiar with the Project and is ready, willing and able to perform the additional work;

WHEREAS, the total cost for the Change Order is approximately \$100,000 and exceeds the limitations set forth in Public Contract Code Section 20659;

WHEREAS, it would be more costly and time-consuming to bid this additional work since it is integral to the Project and the work being performed by the Contractor;

WHEREAS, competitive bidding the additional work covered by the Change Order would result in the delay of the completion of the Project;

WHEREAS, the additional work must be performed before the Project can be completed and failure to complete the Project will disrupt the construction schedule;

WHEREAS, it would work an incongruity and not produce any advantage to the District to competitively bid the Change Order since such competitive bid work could result in multiple contractors being required to perform work more efficiently and effectively performed by one contractor; and

WHEREAS, Meakin v. Steveland (1977) 68 Cal.App.3d 490 and Los Angeles Dredging v. Long Beach (1930) 210 Cal. 348 holds that statutes requiring competitive bidding do not apply when competitive bidding would work an incongruity or not produce any advantage.

NOW, THEREFORE, the Governing Board of the Riverside Community College District does hereby find, resolve, determine, and order as follows:

Section 1. That all of the recitals set forth above are true and correct, and the Board so finds and determines.

Section 2. That it would work an incongruity and not produce any advantage to the District to competitively bid the additional work.

Section 3. That the District approves the immediate completion of the additional work without competitively bidding such work and approves the District's payment to the Contractor in accordance with the terms and conditions set forth in the Change Order.

Section 4. That the completion and approval of the additional work stated in this Resolution is necessary to ensure completion of the Project and use of the facilities by students and staff.

Section 6. That the Governing Board delegates to its Vice Chancellor, Administration and Finance, authority to execute all agreements and complete all necessary documents for the additional work and to otherwise fulfill the intent of this Resolution.

APPROVED, PASSED AND ADOPTED by the Governing Board of the Riverside Community College District this 15<sup>th</sup> day of December, 2009, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINED: \_\_\_\_\_

I, Virginia Blumenthal, President of the Riverside Community College District Governing Board, do hereby certify that the foregoing is full, true, and correct copy of the Resolution passed



and adopted by said Board at a regularly scheduled and conducted meeting held on said date, which Resolution is on file in office of said Board.

---

President of the Board of Trustees  
Riverside Community College District

I, Mark Takano, Secretary of the Board of Trustees of the Riverside Community College District Governing Board, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the Board of Education of the Riverside Community College District Governing Board at a regular meeting thereof held on the 15<sup>th</sup> day of December, 2009, by the above described vote of the Governing Board;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Riverside Community College District Governing Board this 15<sup>th</sup> day of December, 2009.

---

Secretary of the Board of Trustees  
Riverside Community College District

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-5

Date: December 15, 2009

Subject: 2008-2009 Independent Audit Report for the Riverside Community College District Foundation

Background: An independent audit of the Foundation's 2008-2009 financial statements was performed by Vavrinek, Trine, Day & Co., LLP Certified Public Accountants (VTD). A representative of the firm will be available to present the report. The Foundation's Board of Directors accepted the audit report on November 17, 2009. Results of the audit are summarized below.

Audit Adjustments to the Financial Statements

VTD recommended two audit adjustments to the Foundation's financial statement as follows:

- To defer revenue recorded as of June 30, 2009 from the City of Riverside (\$3,000,000) and from Riverside County (\$1,250,000) to fiscal year 2009-2010. The decision to defer revenue was based on executable clauses in the Memorandum of Understanding between the District and the City of Riverside (30 days following the awarding of the Bid) and the County of Riverside (definitive payment schedule). These amounts were pledged to the Foundation to support construction of the new Aquatic Complex on the Riverside City College Campus.
- To recognize in-kind donated assets contributed to the Riverside Community College District Foundation.

Auditor's Required Communication – Audit Completion

In accordance with the Statement on Auditing Standards No. 114, at the conclusion of the audit engagement VTD is required to communicate information to the Board of Directors regarding their responsibility under United States Generally Accepted Auditing Standards, significant accounting policies, accounting estimates, significant audit adjustments and uncorrected misstatements, disagreements with management, consultation with other independent accountants, issues discussed prior to retention of the independent auditors and difficulties encountered in performing the audit. Attached for your information is the required communication issued by VTD.

Management Recommendations

There were two reported management recommendations for fiscal year 2008-2009 as shown in the attached letter.

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-5

Date: December 15, 2009

Subject: 2008-2009 Independent Audit Report for the Riverside Community College  
District Foundation (continued)

Recommended Action: It is recommended that the Board of Trustees receive the Riverside Community College District Foundation's independent audit report for the year ended June 30, 2009 for the permanent file of the District.

Gregory W. Gray  
Chancellor

Prepared by: James L. Buysse  
Vice Chancellor, Administration and Finance

Bill J. Bogle, Jr.  
Controller

Amy Cardullo  
Director, RCCD Foundation and Alumni Affairs

**RIVERSIDE COMMUNITY COLLEGE  
DISTRICT FOUNDATION**

**(A California Nonprofit Corporation)**

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**ANNUAL FINANCIAL REPORT**

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**JUNE 30, 2009 AND 2008**



**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**JUNE 30, 2009 AND 2008**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Riverside Community College Foundation  
Riverside, California

We have audited the accompanying statements of financial position of Riverside Community College District Foundation (a California nonprofit corporation) as of June 30, 2009 and 2008, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of Riverside Community College District Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverside Community College District Foundation as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2009, on our consideration of Riverside Community College District Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California  
November 11, 2009



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**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Current Assets   |                     |                     |
| Cash and Cash Equivalents                                    |                     |                     |
| Unrestricted   | \$ -                | \$ 61,852           |
| Restricted   | 2,437,711           | 1,972,479           |
| Accounts receivable  | 2,545               | 267                 |
| Receivable due from unrestricted funds                       | 13,841              | -                   |
| Unconditional promises to give                               | 122,940             | 72,607              |
| Total Current Assets   | <u>2,577,037</u>    | <u>2,107,205</u>    |
| Noncurrent Assets  |                     |                     |
| Investments - restricted                                     | 2,815,387           | 2,739,990           |
| Long-term unconditional promises to give, net of allowance   | 362,729             | 276,585             |
| Total Noncurrent Assets                                      | <u>3,178,116</u>    | <u>3,016,575</u>    |
| Total Assets   | <u>\$ 5,755,153</u> | <u>\$ 5,123,780</u> |
| <br><b>LIABILITIES AND NET ASSETS</b>                        |                     |                     |
| Current Liabilities  |                     |                     |
| Accounts payable   | \$ 197,525          | \$ 181,470          |
| Borrowing from restricted funds                              | 13,841              | -                   |
| Refundable advances  | -                   | 77,148              |
| Obligation to Riverside Community College District           | 346,478             | -                   |
| Total Current Liabilities                                    | <u>557,844</u>      | <u>258,618</u>      |
| Long-Term Liabilities  |                     |                     |
| Long-term obligation to Riverside Community College District | 357,550             | 610,870             |
| Total Long-Term Liabilities                                  | <u>357,550</u>      | <u>610,870</u>      |
| Total Liabilities  | <u>915,394</u>      | <u>869,488</u>      |
| <br><b>NET ASSETS</b>  |                     |                     |
| Unrestricted   |                     |                     |
| Undesignated   | (887,243)           | (712,741)           |
| Board designated   | 12,289              | 14,768              |
| Total Unrestricted   | <u>(874,954)</u>    | <u>(697,973)</u>    |
| Temporarily restricted                                       | 3,011,599           | 2,018,794           |
| Permanently restricted                                       | 2,703,114           | 2,933,471           |
| Total Net Assets   | <u>4,839,759</u>    | <u>4,254,292</u>    |
| Total Liabilities and Net Assets                             | <u>\$ 5,755,153</u> | <u>\$ 5,123,780</u> |

See the accompanying notes to financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30,**

|   | 2009                |                        |                        | Total               |
|---|---------------------|------------------------|------------------------|---------------------|
|   | Unrestricted        | Temporarily Restricted | Permanently Restricted |                     |
| <b>REVENUES</b>                             |                     |                        |                        |                     |
| Donations                                   | \$ 6,266            | \$ 1,728,202           | \$ 276,666             | \$ 2,011,134        |
| In-kind donations                           |                     |                        |                        |                     |
| Donated assets                              | 73,727              | -                      | -                      | 73,727              |
| Donated material                            | 45,310              | -                      | -                      | 45,310              |
| Donated services                            | 433,102             | -                      | -                      | 433,102             |
| Assets released from restrictions           | 899,717             | (685,482)              | (214,235)              | -                   |
| Total Revenues                              | <u>1,458,122</u>    | <u>1,042,720</u>       | <u>62,431</u>          | <u>2,563,273</u>    |
| <b>EXPENSES</b>                             |                     |                        |                        |                     |
| Operating expenses                          | 213,757             | -                      | -                      | 213,757             |
| Program expenses                            | 1,223,890           | -                      | -                      | 1,223,890           |
| Fundraising expenses                        | 127,734             | -                      | -                      | 127,734             |
| Total Expenses                              | <u>1,565,381</u>    | <u>-</u>               | <u>-</u>               | <u>1,565,381</u>    |
| <b>OTHER INCOME (EXPENSE)</b>               |                     |                        |                        |                     |
| Realized gain (loss) on sale of investments | (8,429)             | (7,933)                | (33,219)               | (49,581)            |
| Unrealized loss on investments              | (59,371)            | (55,879)               | (233,993)              | (349,243)           |
| Interest and dividends income               | 345                 | 325                    | 1,362                  | 2,032               |
| Interest expense                            | (15,633)            | -                      | -                      | (15,633)            |
| Transfers                                   | 13,366              | 13,572                 | (26,938)               | -                   |
| Total Other Income (Expense)                | <u>(69,722)</u>     | <u>(49,915)</u>        | <u>(292,788)</u>       | <u>(412,425)</u>    |
| <b>CHANGE IN NET ASSETS</b>                 | (176,981)           | 992,805                | (230,357)              | 585,467             |
| <b>NET ASSETS, BEGINNING OF YEAR</b>        | <u>(697,973)</u>    | <u>2,018,794</u>       | <u>2,933,471</u>       | <u>4,254,292</u>    |
| <b>NET ASSETS, END OF YEAR</b>              | <u>\$ (874,954)</u> | <u>\$ 3,011,599</u>    | <u>\$ 2,703,114</u>    | <u>\$ 4,839,759</u> |

See the accompanying notes to financial statements.

2008

| <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>        |
|---------------------|-----------------------------------|-----------------------------------|---------------------|
| \$ 38,274           | \$ 629,173                        | \$ 197,254                        | \$ 864,701          |
| 21,044              | -                                 | -                                 | 21,044              |
| 50,146              | -                                 | -                                 | 50,146              |
| 406,859             | -                                 | -                                 | 406,859             |
| 702,196             | (628,425)                         | (73,771)                          | -                   |
| <u>1,218,519</u>    | <u>748</u>                        | <u>123,483</u>                    | <u>1,342,750</u>    |
| 287,705             | -                                 | -                                 | 287,705             |
| 1,120,991           | -                                 | -                                 | 1,120,991           |
| 133,856             | -                                 | -                                 | 133,856             |
| <u>1,542,552</u>    | <u>-</u>                          | <u>-</u>                          | <u>1,542,552</u>    |
| 138                 | 70                                | 1,583                             | 1,791               |
| (8,122)             | (2,018)                           | (92,867)                          | (103,007)           |
| 5,887               | 62,676                            | 67,306                            | 135,869             |
| (22,341)            | -                                 | -                                 | (22,341)            |
| 31,054              | (20,223)                          | (10,831)                          | -                   |
| <u>6,616</u>        | <u>40,505</u>                     | <u>(34,809)</u>                   | <u>12,312</u>       |
| (317,417)           | 41,253                            | 88,674                            | (187,490)           |
| (380,556)           | 1,977,541                         | 2,844,797                         | 4,441,782           |
| <u>\$ (697,973)</u> | <u>\$ 2,018,794</u>               | <u>\$ 2,933,471</u>               | <u>\$ 4,254,292</u> |

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30,**

|  | <u>2009</u>        | <u>2008</u>             |
|--|--------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                         |
| Change in Net Assets   | \$ 585,467         | \$ (187,490)            |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Flows From Operating Activities |                    |                         |
| Unrealized loss on investments   | 349,243            | 103,007                 |
| Contributions of long-term investments   | (2,004,868)        | (632,068)               |
| Changes in Assets and Liabilities  |                    |                         |
| (Increase) decrease in accounts receivable   | (2,278)            | 6,862                   |
| (Increase) decrease in unrestricted unconditional promises to give                           | 71,501             | (29,053)                |
| Increase in accounts payable   | 16,055             | 67,570                  |
| Decrease in refundable advances  | (77,148)           | (72,852)                |
| Net Cash Flows From Operating Activities   | <u>(1,062,028)</u> | <u>(744,024)</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                         |
| Purchase of investments  | (467,983)          | (332,740)               |
| Proceeds from sale of investments  | 629,867            | 380,568                 |
| Net Cash Flows From Investing Activities   | <u>161,884</u>     | <u>47,828</u>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                         |
| Proceeds from issuance of debt   | 93,158             | 189,502                 |
| Increase in long-term unconditional promises to give   | (207,978)          | (276,585)               |
| Collections of contributions restricted for long-term purposes                               | 953,112            | 632,068                 |
| Net Cash Flows From Financing Activities   | <u>838,292</u>     | <u>544,985</u>          |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | <b>(61,852)</b>    | <b>(151,211)</b>        |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | <b>61,852</b>      | <b>213,063</b>          |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | <b><u>\$ -</u></b> | <b><u>\$ 61,852</u></b> |
| <b>REQUIRED DISCLOSURE</b>   |                    |                         |
| Interest paid  | <u>\$ 15,633</u>   | <u>\$ 22,341</u>        |

See the accompanying notes to financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30,**

|  | 2009              |                     |                   |                     |
|--|-------------------|---------------------|-------------------|---------------------|
|  | Operating         | Program             | Fundraising       | Total               |
| In-Kind Distributions                        |                   |                     |                   |                     |
| Donated assets                               | \$ -              | \$ 73,727           | \$ -              | \$ 73,727           |
| Donated services                             | -                 | 478,412             | -                 | 478,412             |
| Support - Instructional and student programs | 109,898           | 224,986             | 1,080             | 335,964             |
| Scholarships                                 | 5,000             | 435,354             | -                 | 440,354             |
| Printing                                     | 17,815            | -                   | 127               | 17,942              |
| Allowance for uncollected pledges            | 6,607             | -                   | -                 | 6,607               |
| Investment fees                              | 16,553            | 8,338               | 15,633            | 40,524              |
| Office supplies                              | 109               | -                   | 172               | 281                 |
| Postage                                      | 713               | -                   | -                 | 713                 |
| Other services                               | 57,062            | 3,073               | 110,722           | 170,857             |
| <b>TOTAL EXPENSES</b>                        | <b>\$ 213,757</b> | <b>\$ 1,223,890</b> | <b>\$ 127,734</b> | <b>\$ 1,565,381</b> |

See the accompanying notes to financial statements.

| 2008              |                     |                    |                     |
|-------------------|---------------------|--------------------|---------------------|
| <u>Operating</u>  | <u>Program</u>      | <u>Fundraising</u> | <u>Total</u>        |
| \$ -              | \$ 21,044           | \$ -               | \$ 21,044           |
| -                 | 457,005             | -                  | 457,005             |
| 169,884           | 131,725             | -                  | 301,609             |
| -                 | 511,217             | -                  | 511,217             |
| 12,308            | -                   | 3,076              | 15,384              |
| 1,529             | -                   | -                  | 1,529               |
| 29,255            | -                   | -                  | 29,255              |
| 2,013             | -                   | 894                | 2,907               |
| 372               | -                   | -                  | 372                 |
| 72,344            | -                   | 129,886            | 202,230             |
| <u>\$ 287,705</u> | <u>\$ 1,120,991</u> | <u>\$ 133,856</u>  | <u>\$ 1,542,552</u> |



**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION  
(A California Nonprofit Corporation)**

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

***NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

**Organization and Nature of Activities**

The Riverside Community College District Foundation (the Foundation) was formed as a nonprofit corporation on October 21, 1975, to solicit funds, provide support for the programs and projects of the Riverside Community College District (the District), and to account for the issuance of scholarships to the students of the District. The Foundation also serves as a link between the District and the community. The Foundation is considered a Voluntary Health and Welfare Organization (VHWO) as defined by Statement of Financial Accounting Standard (SFAS) No. 117.

**Basis of Accounting**

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting. The statement of activities is a statement of financial activities related to the current reporting period. Using this method, revenues are recognized when earned, and expenses are recognized when incurred.

**Financial Statement Presentation**

The Foundation presents its financial statements in accordance SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. As permitted by the statement, the Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by SFAS No. 136, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. Under SFAS No. 136, the Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

**New Accounting Pronouncement**

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement establishes a fair value hierarchy that distinguishes between valuations obtained from sources independent of the entity and those from the entity's own observable inputs that are not corroborated by observable market data. SFAS No. 157 expands disclosures about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. This disclosure focuses on the inputs used to measure fair value and for recurring fair value measurements using significant unobservable inputs, the effect of the measurements on earnings, or changes in net assets for the period. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

The Foundation adopted SFAS No. 157 on July 1, 2008, and the adoption did not have a material impact on the Foundation's financial statements.

In August 2008, FASB issued SFAS No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. This FASB Staff Position (FSP) provides guidance on the net asset classification of *donor-restricted endowment funds* for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA is a model act approved by the Uniform Law Commission (ULC) (formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. This FSP also improves disclosures about an organization's *endowment funds* (both donor-restricted endowment funds and *board-designated endowment funds*), whether or not the organization is subject to UPMIFA. The provisions of this FSP shall be effective for fiscal years ending after December 15, 2008.

The Foundation adopted SFAS No. 117-1 on July 1, 2008, and the adoption did not have a material impact on the Foundation's financial statements.

**Public Support and Revenue**

The Foundation receives substantially all of its revenue from direct donations and pledges. Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized gains/losses and unrealized gains/losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) is reported as assets released from restriction between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

**Comparative Financial Information**

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

**Donated Assets, Service, and Facilities**

The Foundation records the value of donated assets, services, and facilities when there is an objective basis available to measure their value. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation and fair market value of facilities for the year. Donated assets are capitalized at the stated donated value and depreciated in accordance with Foundation policies, unless they are passed through to the District. Donated services are reflected in the accompanying statements when the criteria for recognition under SFAS No. 116 have been met and are recorded at fair value.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There were no unrelated business activities during the years ended June 30, 2009 and 2008.

**Cash Equivalents for Statements of Cash Flows**

For purposes of the statements of cash flows, the Foundation considers all highly liquid unrestricted investments available for current use purchased with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Foundation has adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, as amended. Under SFAS No. 124, investments in marketable securities with readily determinable fair values are presented at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

**Pledges Receivable**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined the amount of allowance for uncollectible promises to give at June 30, 2009 and 2008, to be \$25,561 and \$18,378, respectively.

**Functional Allocation of Expenses**

The costs of providing various programs and activities have been summarized on a functional basis. Accordingly, based upon management's estimates, certain costs have been allocated among the programs, support services, and fundraising activities.

***NOTE 2 - CONCENTRATION OF RISK***

Cash accounts maintained by the Foundation are insured up to \$250,000 by the Federal Deposit Insurance Corporation. Additionally, the Foundation deposits are covered under the collateralization of governmental funds agreement which provides for collateralization of deposits with eligible securities at a rate of 110 percent of the deposit on hand. As of June 30, 2009, the balances held in financial institutions of \$2,252,756 were not fully insured, but were collateralized with securities held by the financial institution, but not in the Foundation's name. Management reviews the balances and the financial condition of these financial institutions on a periodic basis.

***NOTE 3 - RESTRICTIONS ON NET ASSETS***

Permanently restricted net assets are gifts of cash and securities restricted by donors in ways that permit only the earnings to be used for specific programs, scholarships, and general operations of the Foundation. As restrictions on the net assets expire, due to time passing and earnings becoming available for expenditure, the funds are released to either temporarily restricted net assets or unrestricted net assets as applicable. Permanently restricted net assets consist of endowments to be held in perpetuity, the income in expendable for the donor's stated purpose.

Temporarily restricted net assets have donor-imposed restrictions that permit the Foundation to use up or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Foundation. As the restrictions expire and become available for expenditure, the funds are released to unrestricted net assets.

Temporarily restricted net assets are available for the following purposes:

|   | <u>2009</u>         | <u>2008</u>         |
|---|---------------------|---------------------|
| Riverside Community College District Programs | \$ 1,434,913        | \$ 383,494          |
| Scholarships                                  | 1,576,686           | 1,635,300           |
|   | <u>\$ 3,011,599</u> | <u>\$ 2,018,794</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

**NOTE 4 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at June 30, 2009 and 2008, consists of pledges and are due within the following schedule:

|  | <u>2009</u>       | <u>2008</u>       |
|--|-------------------|-------------------|
| Unconditional promises to give - other             | \$ 511,230        | \$ 367,570        |
| Less: Allowance for uncollectible promises to give | (25,561)          | (18,378)          |
| Total  | <u>\$ 485,669</u> | <u>\$ 349,192</u> |

|  | <u>2009</u>       | <u>2008</u>       |
|--|-------------------|-------------------|
| Due within 1 year                                  | \$ 122,940        | \$ 72,607         |
| Due within 1 to 5 years                            | 388,290           | 294,963           |
| Less: Allowance for uncollectible promises to give | (25,561)          | (18,378)          |
| Total  | <u>\$ 485,669</u> | <u>\$ 349,192</u> |

**Allowance for Uncollectible Promises to Give**

|                   | <u>2009</u>      | <u>2008</u>      |
|-------------------|------------------|------------------|
| Beginning Balance | \$ 18,378        | \$ 16,849        |
| Additions         | 9,533            | 1,529            |
| Write-offs        | (2,350)          | -                |
| Ending Balance    | <u>\$ 25,561</u> | <u>\$ 18,378</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

**NOTE 5 - INVESTMENTS**

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2009:

|   | Adjusted<br>Cost    | Fair Market<br>Value | Unrealized<br>Gain<br>(Loss) |
|---|---------------------|----------------------|------------------------------|
| Equity  | \$ 1,702,368        | \$ 1,494,030         | \$ (208,338)                 |
| Corporate bonds   | 685,003             | 543,974              | (141,029)                    |
| Government bonds  | 697,259             | 697,383              | 124                          |
| Interest in the California Community Colleges<br>Scholarship Osher Endowment Fund | 80,000              | 80,000               | -                            |
|   | <u>\$ 3,164,630</u> | <u>\$ 2,815,387</u>  | <u>\$ (349,243)</u>          |

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2008:

|                  | Adjusted<br>Cost    | Fair Market<br>Value | Unrealized<br>Gain<br>(Loss) |
|------------------|---------------------|----------------------|------------------------------|
| Equity           | \$ 1,977,658        | \$ 1,806,706         | \$ (170,952)                 |
| Corporate bonds  | 465,581             | 533,526              | 67,945                       |
| Government bonds | 399,758             | 399,758              | -                            |
|                  | <u>\$ 2,842,997</u> | <u>\$ 2,739,990</u>  | <u>\$ (103,007)</u>          |

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2009:

|                                   | Unrestricted       | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|-----------------------------------|--------------------|---------------------------|---------------------------|---------------------|
| Interest and dividends            | \$ 345             | \$ 325                    | \$ 1,362                  | \$ 2,032            |
| Net realized and unrealized gains | (67,800)           | (63,812)                  | (267,212)                 | (398,824)           |
|                                   | <u>\$ (67,455)</u> | <u>\$ (63,487)</u>        | <u>\$ (265,850)</u>       | <u>\$ (396,792)</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2008:

|  | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total            |
|--|-------------------|---------------------------|---------------------------|------------------|
| Interest and dividends                     | \$ 5,887          | \$ 62,676                 | \$ 67,306                 | \$ 135,869       |
| Net realized and unrealized gains (losses) | (7,984)           | (1,948)                   | (91,284)                  | (101,216)        |
|  | <u>\$ (2,097)</u> | <u>\$ 60,728</u>          | <u>\$ (23,978)</u>        | <u>\$ 34,653</u> |

**Fair Value Measurements**

Effective January 1, 2008, the Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in SFAS No. 157, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels, as defined by SFAS No. 157, used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, and corporate debt securities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined by means other than described above and require significant judgment or estimation. This category generally includes pledge receivables where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

The table below presents the balance of assets and liabilities measured at fair value.

| Description of Assets  | Carrying Value at<br>June 30, 2009 | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>Level 1 | Significant<br>Other<br>Observable<br>Inputs<br>Level 2 | Significant<br>Unobservable<br>Inputs<br>Level 3 |
|--|------------------------------------|--|---|--|
| Investments - Bonds  | \$ 1,241,357                       | \$ 492,650   | \$ 748,707  | \$ -   |
| Investments - Equity   | 1,494,030                          | 792,660  | 701,370   | -  |
| Interest in the California<br>Community Colleges Scholarship<br>Osher Endowment Fund | 80,000                             | -  | -   | 80,000   |
| Unconditional promises to give   | 485,669                            | -  | -   | 485,669  |
| <b>Total Assets</b>  | <b>\$ 3,301,056</b>                | <b>\$ 1,285,310</b>  | <b>\$ 1,450,077</b>                                     | <b>\$ 565,669</b>                                |
| <b>Description of Liability</b>  |                                    |  |   |  |
| Obligation to Riverside<br>Community College District                                | \$ 704,028                         | \$ -   | \$ -  | \$ 704,028                                       |

The following table presents changes in the Foundation's Level 3 assets and liabilities measured at fair value on a recurring basis for the year ending June 30, 2009:

| Level 3                             | Assets            |
|-------------------------------------|-------------------|
| Balance, Beginning of Year          | \$ 349,192        |
| Additions                           | 589,590           |
| Allowance for uncollectible pledges | (7,183)           |
| Deletions                           | (365,930)         |
| Balance, End of Year                | <u>\$ 565,669</u> |
| <b>Level 3</b>                      |                   |
| Balance, Beginning of Year          | \$ 610,870        |
| Additions                           | 93,158            |
| Balance, End of Year                | <u>\$ 704,028</u> |



**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

**NOTE 6 - OBLIGATIONS PAYABLE TO DISTRICT**

During the year ended June 30, 2006, the Foundation entered into an agreement with the District whereby the District will advance funds up to \$1.3 million to the Foundation to cover costs associated with the Major Gifts Campaign. Repayment of advances will be in equal semi-annual payments beginning July 1, 2009, with the final payment due on or before June 30, 2011. Balances accrue interest at the rate realized by the District from the Riverside County Treasurer, which is 3.15 percent at June 30, 2009. Total amounts due to the District at June 30, 2009 and 2008, is \$704,028 and \$610,870, respectively. The repayment schedule is presented below:

| Year Ending<br>June 30, | Principal         | Interest         | Total Payment     |
|-------------------------|-------------------|------------------|-------------------|
| 2010                    | \$ 346,478        | \$ 19,598        | \$ 366,076        |
| 2011                    | 357,550           | 8,525            | 366,075           |
| Total Due               | <u>\$ 704,028</u> | <u>\$ 28,123</u> | <u>\$ 732,151</u> |

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Foundation provides various levels of monetary support and service to the District. The transactions are recorded within the financial statements as instructional and student programs and scholarship expense. The District provides office space and other support to the Foundation. As described in Note 6, the Foundation has a long-term debt balance of \$704,028 at June 30, 2009, with the District. Interest expenses for the year ended June 30, 2009, was \$15,633. The Foundation office is currently housed in a building, which is owned by the District, and is jointly used by both the District and the Foundation. The Foundation leases the property at a cost of \$1.00 per year. This agreement expires November 30, 2018.

The Foundation received contributed employee services, other professional services, and materials valued at \$478,412 and \$457,005 from the District for the years ended June 30, 2009 and 2008, respectively. During the years ended June 30, 2009 and 2008, the Foundation also received donated assets of \$73,227 and \$21,044, respectively, which they passed through to the District for use in its facilities and programs.

**NOTE 8 - COMMITMENTS**

During the year ended June 30, 1997, the Foundation began the "Passport to College" program which was designed to encourage local elementary-age school children to pursue a college education. As part of this program, the Foundation guaranteed scholarships to eligible local elementary school students who would be beginning their first year of college at the District in the fall of 2005. At June 30, 2009, \$26,287 is remaining in the Passport to College scholarship fund in the Foundation's temporarily restricted scholarship funds. During the year ended June 30, 2009, the Foundation paid \$0 to the District for scholarships and expenses related to the program.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

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

The Foundation is the fiscal agent for a scholarship component of a District Gear-Up Grant through the Department of Education. As of June 30, 2009, the Foundation has received a total of \$1,289,400 for years one through five of the five-year grant. At June 30, 2009, the funds, including interest income less a small amount expended for investment management fees, are included in the Foundation's temporarily restricted scholarship funds and total \$1,033,731. The Foundation will hold the funds until the scholarships are distributed beginning in the summer of 2007. During the year ended June 30, 2009, the Foundation has expended \$99,177 in scholarships and expenses related to the program.

***NOTE 9 - TRANSFERS BETWEEN FUNDS***

During the year ended June 30, 2009, management reviewed donor instructions and determined donations in the amount of \$26,938 has been classified as permanently restricted when the donor's intent was to have the funds be temporary and unrestricted.

***NOTE 10 - DEFICIT NET ASSETS***

The unrestricted fund of the Foundation has incurred operating deficits in past years that created a net deficit ending balance. Management has increased unrestricted fundraising efforts and has reduced operating costs to correct this deficit. During the years ended June 30, 2009 and 2008, the unrestricted fund noted negative in ending balances of (\$851,137) and (\$697,973), respectively. The deficit account balance is a result of the Major Gift Campaign expenses which were \$127,733 and \$325,605 for the years ended June 30, 2009 and 2008, respectively. The Board has approved the deficit until such time as there are sufficient gifts from the Campaign. Management is continuing to address this deficit and will be developing a plan to be in a positive position.

***NOTE 11 - BEQUESTS***

The Foundation is involved in a bequest which is considered to be a special kind of pledge. The bequest received generally requires compliance with terms and conditions specified in the agreement. During the year ended June 30, 2009, the Foundation received a bequest which the donor bequeathed a life insurance policy to the Foundation which has a value of \$560,000. As this donation is conditional based on the terms of the bequest, it has not been recognized in the financial statements.

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

The Board of Directors  
Riverside Community College District Foundation  
Riverside, California

We have audited the financial statements of Riverside Community College District Foundation as of and for the year ended June 30, 2009. 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 Riverside Community College District Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverside Community College District Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Riverside Community College District Foundation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Riverside Community College District Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Riverside Community College District Foundation's financial statements that is more than inconsequential will not be prevented or detected by Riverside Community College District Foundation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Riverside Community College District Foundation's internal control.

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

## Compliance and Other Matters

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

We noted certain matters that we reported to management of Riverside Community College District Foundation in a separate letter dated November 11, 2009.

This report is intended solely for the information and use of the Board of Directors, Management, others within Riverside Community College District Foundation, and Federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Vauriac, June, Day & Co. LLP*

Rancho Cucamonga, California  
November 11, 2009

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**Supplementary Information**

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF UNRESTRICTED NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|  | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|--|-------------------------|-------------------------|---------------------------|--------------------------|
| <b>Unrestricted</b>                    |                         |                         |                           |                          |
| Undesignated                           | \$ 214,420              | \$ 581,997              | \$ (628,766)              | \$ 167,651               |
| Major Gifts Campaign                   | (927,161)               | -                       | (127,733)                 | (1,054,894)              |
| Total Unrestricted - Undesignated      | <u>(712,741)</u>        | <u>581,997</u>          | <u>(756,499)</u>          | <u>(887,243)</u>         |
| <b>Unrestricted - Board Designated</b> |                         |                         |                           |                          |
| Powell, Berkeley Douglas Endowment     | 14,768                  | (2,031)                 | (448)                     | 12,289                   |
| Total Board Designated                 | <u>14,768</u>           | <u>(2,031)</u>          | <u>(448)</u>              | <u>12,289</u>            |
| <b>Total Unrestricted</b>              | <u>\$ (697,973)</u>     | <u>\$ 579,966</u>       | <u>\$ (756,947)</u>       | <u>\$ (874,954)</u>      |

See accompanying notes to supplementary information.



**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|---------------------------|--------------------------|
| <b>TEMPORARY RESTRICTED PROGRAMS</b>        |                         |                         |                           |                          |
| Alumni House Bricks                         | \$ (15,866)             | \$ 500                  | \$ (229)                  | \$ (15,595)              |
| Alumni House Library                        | 14,559                  | -                       | -                         | 14,559                   |
| Advanced Technology Center - Norco          | 10,481                  | 50                      | 57                        | 10,588                   |
| Alumni House Program                        | 74,666                  | (11,121)                | (179)                     | 63,366                   |
| Art Gallery                                 | 535                     | -                       | -                         | 535                      |
| Annual Recognition Event                    | 628                     | 25,375                  | (13,664)                  | 12,339                   |
| Airey, Wilfred J. Library Fund              | 650                     | -                       | -                         | 650                      |
| RCC Associates                              | 9,569                   | 2,998                   | (3,043)                   | 9,524                    |
| Arbor Fund                                  | 8,000                   | 5,000                   | (5,000)                   | 8,000                    |
| African American Heritage Fund              | 4,968                   | 79                      | (196)                     | 4,851                    |
| Art Department Supply Fund                  | 1,169                   | -                       | 11                        | 1,180                    |
| Aquatics Complex                            | 66,659                  | 1,014,791               | (23,802)                  | 1,057,648                |
| Athletics                                   | 14,625                  | 3,000                   | (2,589)                   | 15,036                   |
| Baseball Program Fund                       | 200                     | -                       | -                         | 200                      |
| Best Technician Academy                     | 347                     | -                       | -                         | 347                      |
| Campus Account - Moreno Valley              | 905                     | -                       | -                         | 905                      |
| Basic Skills and Readiness - Riverside      | 3,738                   | -                       | (58)                      | 3,680                    |
| Basic Skills and Readiness - Norco          | 570                     | -                       | 5                         | 575                      |
| Basic Skills and Readiness - Moreno Valley  | 1,846                   | -                       | 16                        | 1,862                    |
| Center for Primary Education La Sierra      | 1,957                   | -                       | 30                        | 1,987                    |
| Chancellor Retirement                       | 4,002                   | -                       | -                         | 4,002                    |
| Chemistry Department Equipment              | 419                     | -                       | 4                         | 423                      |
| Chemistry Instructional Improvements (Bond) | 306                     | -                       | -                         | 306                      |
| College Safety and Police                   | 98                      | -                       | -                         | 98                       |
| Community Events                            | 131                     | -                       | -                         | 131                      |
| Construction Technology                     | 2,000                   | -                       | -                         | 2,000                    |
| Culinary Arts                               | 21                      | -                       | -                         | 21                       |
| Dance Studio Renovation                     | 195                     | -                       | (195)                     | -                        |
| DSP&S                                       | 209                     | -                       | -                         | 209                      |
| Dental Assisting Program                    | 427                     | -                       | -                         | 427                      |
| Dental Hygiene Grant                        | 264                     | -                       | -                         | 264                      |
| Dental Hygiene Program                      | 21,886                  | 71,705                  | (87,075)                  | 6,516                    |
| Dental Hygiene Clinic                       | 1,025                   | -                       | (1,025)                   | -                        |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|---------------------------|--------------------------|
| Digital Library Opening                     | \$ 3,199                | \$ -                    | \$ (3,199)                | \$ -                     |
| Early Childhood Studies                     | 6,456                   | 174                     | -                         | 6,630                    |
| Early Childhood Studies - Moreno Valley     | 2,330                   | 600                     | (956)                     | 1,974                    |
| EMS Program                                 | 775                     | 984                     | -                         | 1,759                    |
| Faculty Association - Riverside             | -                       | 8,849                   | -                         | 8,849                    |
| Faculty Association - Norco                 | -                       | 1,249                   | -                         | 1,249                    |
| Faculty Association - Moreno Valley         | -                       | 1,666                   | -                         | 1,666                    |
| Faculty Development - Moreno Valley         | 1,454                   | -                       | 15                        | 1,469                    |
| Ford Asset                                  | 96                      | -                       | -                         | 96                       |
| Forensics                                   | 40,264                  | 17,195                  | (6,687)                   | 50,772                   |
| Foundation Restricted                       | 255                     | -                       | -                         | 255                      |
| Guthrie Insurance Policy Gift               | 22,428                  | 20,000                  | (741)                     | 41,687                   |
| Handicapped Students                        | 1,164                   | -                       | -                         | 1,164                    |
| Instructional Media Services                | 79                      | -                       | -                         | 79                       |
| International Students Program              | 250                     | -                       | -                         | 250                      |
| Journalism Department                       | 1,635                   | -                       | -                         | 1,635                    |
| Library Acquisition                         | 1,354                   | 3,000                   | (138)                     | 4,216                    |
| Library, Moreno Valley                      | 153                     | -                       | -                         | 153                      |
| Loma Linda Toy Project                      | 283                     | -                       | -                         | 283                      |
| Machine Shop                                | 604                     | -                       | -                         | 604                      |
| McGaugh Building Fund                       | 4,000                   | 2,000                   | -                         | 6,000                    |
| Men's Tennis Program                        | 3,160                   | -                       | (653)                     | 2,507                    |
| Moreno Valley Outreach                      | 60                      | -                       | -                         | 60                       |
| Music Department                            | 3,340                   | 1,000                   | -                         | 4,340                    |
| Musical Theater Conservatory                | 100                     | -                       | -                         | 100                      |
| Moreno Valley Campus Grounds Beautification | 1,902                   | -                       | 16                        | 1,918                    |
| Moreno Valley Music Department              | 692                     | -                       | (142)                     | 550                      |
| New Nursing Prep Program - Moreno Valley    | 754                     | -                       | 6                         | 760                      |
| Norco Children's Playground                 | 154                     | -                       | -                         | 154                      |
| Norco ECS Fund                              | 840                     | -                       | (48)                      | 792                      |
| Norco Campus Fund                           | -                       | 4,024                   | (150)                     | 3,874                    |
| Norco Student Service                       | -                       | 200                     | (200)                     | -                        |
| Norco Student Success                       | -                       | 400                     | (400)                     | -                        |
| Nursing Immersion                           | 4,357                   | -                       | -                         | 4,357                    |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|  | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|--|-------------------------|-------------------------|---------------------------|--------------------------|
| Off-Broadway                                   | \$ 509                  | \$ -                    | \$ -                      | \$ 509                   |
| Okubo, Mine Memorial Fund                      | 3,770                   | -                       | -                         | 3,770                    |
| Passport Plus                                  | 260                     | -                       | -                         | 260                      |
| Performance Riverside                          | 10,776                  | 60,803                  | (60,404)                  | 11,175                   |
| Physician Assistant Program                    | 1,009                   | 11,344                  | (11,081)                  | 1,272                    |
| Planetarium Development                        | 934                     | -                       | -                         | 934                      |
| President's Discretionary                      | 149                     | -                       | -                         | 149                      |
| Professional Auto Tech Center                  | 1,090                   | -                       | 10                        | 1,100                    |
| Public Art - Norco                             | 3,000                   | 500                     | -                         | 3,500                    |
| Public Safety and Homeland Security            | 2,125                   | -                       | (297)                     | 1,828                    |
| Puente Alumni Fund                             | 493                     | 422                     | -                         | 915                      |
| Retiree Luncheon                               | 175                     | -                       | -                         | 175                      |
| Riverside Master Chorale                       | 1,145                   | 350                     | -                         | 1,495                    |
| RSA Rotella Fund                               | 5,245                   | -                       | -                         | 5,245                    |
| School of Nursing                              | 11,134                  | 1,000                   | (115)                     | 12,019                   |
| Showcase Singers                               | 200                     | -                       | -                         | 200                      |
| Stover Fund for Music and Arts                 | 100                     | 265                     | -                         | 365                      |
| Study Abroad Program                           | 500                     | -                       | -                         | 500                      |
| Teacher Prep Program                           | 600                     | 150                     | -                         | 750                      |
| Theatre Department                             | 135                     | -                       | -                         | 135                      |
| Toyota T-Ten                                   | 3,131                   | 987                     | (987)                     | 3,131                    |
| Toyota T-Ten Books                             | 2,999                   | -                       | -                         | 2,999                    |
| Toyota T-Ten Regionals                         | 518                     | -                       | -                         | 518                      |
| Wells Fargo Grant                              | -                       | 25,000                  | -                         | 25,000                   |
| Young at Heart                                 | 170                     | 425                     | (462)                     | 133                      |
| <b>Total Temporarily Restricted - Programs</b> | <b>\$ 383,494</b>       | <b>\$ 1,274,964</b>     | <b>\$ (223,545)</b>       | <b>\$ 1,434,913</b>      |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|  | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|--|-------------------------|-------------------------|---------------------------|--------------------------|
| <b>TEMPORARY RESTRICTED SCHOLARSHIPS</b>     |                         |                         |                           |                          |
| AAUW Scholarship                             | \$ 350                  | \$ -                    | \$ -                      | \$ 350                   |
| Aiko, Dora Katono Scholarship                | -                       | 150                     | (150)                     | -                        |
| Air Force Association Scholarship            | 1,250                   | 1,000                   | (500)                     | 1,750                    |
| Allied Health Scholarship                    | 200                     | -                       | -                         | 200                      |
| Alpha Delta Kappa Iota Chapter Scholarship   | 3,610                   | 2,000                   | (200)                     | 5,410                    |
| American Legion Scholarship                  | 300                     | 200                     | (300)                     | 200                      |
| Angel, Nicholas Scholarship                  | 668                     | 332                     | (1,000)                   | -                        |
| Applied Technology Scholarship               | 3,765                   | 68                      | (600)                     | 3,233                    |
| Art Club Scholarship                         | -                       | 250                     | -                         | 250                      |
| Ayres, Tillie Scholarship                    | 505                     | 500                     | (500)                     | 505                      |
| Anderberg Nursing Scholarship                | 3,109                   | 1,481                   | (1,529)                   | 3,061                    |
| Armstrong, Devonne Music Scholarship         | 1,000                   | 1,000                   | (1,000)                   | 1,000                    |
| Baum, Drs. Bradley and Carla Lidner          | 1,000                   | -                       | -                         | 1,000                    |
| Bigbee, Elizabeth Scholarship                | 25                      | -                       | -                         | 25                       |
| Belote, Roberta Memorial Scholarship         | 2,007                   | 10                      | (971)                     | 1,046                    |
| Best, Patricia Leigh                         | -                       | 100                     | -                         | 100                      |
| Business Office Scholarship                  | 1,446                   | -                       | (391)                     | 1,055                    |
| Blaker, Bill Memorial Scholarship            | 1,220                   | -                       | -                         | 1,220                    |
| Boyd, Allan Memorial Scholarship             | 800                     | -                       | (500)                     | 300                      |
| Courbat, Thomas Citizen Activist Scholarship | 1,000                   | 1,000                   | (1,000)                   | 1,000                    |
| Corona Rotary Textbook Scholarship           | 1,862                   | 96                      | (1,958)                   | -                        |
| Communication Department Scholarship - Norco | 1,613                   | -                       | 20                        | 1,633                    |
| Cancer Federation Award Scholarship          | 500                     | 250                     | (250)                     | 500                      |
| Carnes, Carl and Margaret Scholarship        | 250                     | -                       | -                         | 250                      |
| Carranza, Rosalie Memorial Scholarship       | 692                     | 120                     | (198)                     | 614                      |
| Clark, Christopher A. Scholarship            | 250                     | -                       | -                         | 250                      |
| Thomas/Vallejo Family Scholarship            | 5,232                   | 170                     | (925)                     | 4,477                    |
| Clark, Megan E. Memorial Scholarship         | 3,766                   | -                       | (500)                     | 3,266                    |
| College for Kids Scholarship                 | 3,102                   | 240                     | -                         | 3,342                    |
| Community Foundation Scholarship             | 15,323                  | 35,227                  | (35,227)                  | 15,323                   |
| Community Foundation Designated Scholarship  | 500                     | 3,000                   | (1,000)                   | 2,500                    |
| Community Foundation Edna Bailey Lockhart    | -                       | 3,181                   | (1,211)                   | 1,970                    |
| Creative Writing Scholarship                 | 4,971                   | 450                     | (388)                     | 5,033                    |
| Cutter, Albert B. Memorial Scholarship       | -                       | 1,800                   | (1,350)                   | 450                      |
| Deutsch, Osker Memorial Nursing              | -                       | 250                     | (250)                     | -                        |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|  | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|--|-------------------------|-------------------------|---------------------------|--------------------------|
| Dance Department Scholarship               | \$ 4,207                | \$ 850                  | \$ (700)                  | \$ 4,357                 |
| Dassow Memorial Scholarship                | 86                      | -                       | -                         | 86                       |
| Dance - Dorella Anderson Scholarship       | 1,000                   | 1,000                   | (500)                     | 1,500                    |
| Deluhery, James Memorial Scholarship       | 500                     | -                       | (500)                     | -                        |
| Dieguez, Alcira Memorial Scholarship       | 1,472                   | -                       | (238)                     | 1,234                    |
| DLLRC Scholarship                          | 500                     | 500                     | (500)                     | 500                      |
| Dyer, Bob Memorial Scholarship             | 1,575                   | -                       | -                         | 1,575                    |
| Ehret, Dr. Charles F. Memorial Scholarship | 932                     | 470                     | (528)                     | 874                      |
| Ellis, Robert Memorial Scholarship         | 50                      | -                       | -                         | 50                       |
| EOPS Scholarship Fund                      | 2,907                   | -                       | 30                        | 2,937                    |
| Eslamidoust, Pouran Memorial Scholarship   | 295                     | -                       | -                         | 295                      |
| Exchange Club Scholarship                  | 3,500                   | 2,000                   | (2,500)                   | 3,000                    |
| Faculty Memorial Scholarship               | 10,876                  | 1,711                   | (14)                      | 12,573                   |
| Farmer, William M. (Max) Memorial          | -                       | 785                     | -                         | 785                      |
| Foreman Scholarship                        | 1,000                   | -                       | (1,000)                   | -                        |
| Gateway to College                         | 26,124                  | -                       | (11,247)                  | 14,877                   |
| Gear-Up Scholarship                        | 1,110,859               | 22,049                  | (99,177)                  | 1,033,731                |
| Gentry Scholarship                         | 500                     | -                       | -                         | 500                      |
| Gospel Singers Scholarship                 | 805                     | -                       | (250)                     | 555                      |
| Grant, David Memorial Scholarship          | 169                     | -                       | 1                         | 170                      |
| Griffin, Dale and Theresa                  | 104,792                 | -                       | -                         | 104,792                  |
| Guzman, Manuel F. Scholarship              | -                       | 1,600                   | -                         | 1,600                    |
| Hanson, Paul Memorial EMT/Paramedic        | -                       | 1,000                   | (1,000)                   | -                        |
| History Department Scholarship             | 1,050                   | -                       | (500)                     | 550                      |
| Hispanic Educators Scholarship             | 380                     | -                       | (380)                     | -                        |
| History Day Scholarship                    | 75                      | -                       | -                         | 75                       |
| Honore, Annie and Raymond Scholarship      | -                       | 500                     | -                         | 500                      |
| International Student Scholarship          | 401                     | -                       | 6                         | 407                      |
| Iravani, Roya Telecom Scholarship          | 300                     | -                       | (300)                     | -                        |
| Irvine, James Foundation Fund              | 54,804                  | 77,148                  | (117,955)                 | 13,997                   |
| Jackson, Henry Welding Scholarship         | -                       | 1,685                   | (56)                      | 1,629                    |
| Jacobs, Doug Memorial Scholarship          | 1,516                   | 120                     | 6                         | 1,642                    |
| Kaiser Hospital Volunteer Scholarship      | 500                     | -                       | (500)                     | -                        |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|---------------------------|--------------------------|
| Kinser, William M. Nursing Scholarship                        | \$ 5,667                | \$ 1,177                | \$ (500)                  | \$ 6,344                 |
| Kirkpatrick, Jeanne N. Nursing Scholarship                    | -                       | 570                     | -                         | 570                      |
| Latino Network Leadership Institution                         | 300                     | 300                     | (300)                     | 300                      |
| Locke Family Scholarship                                      | 6,003                   | -                       | (6,003)                   | -                        |
| Locke, Owen Memorial Scholarship                              | 10,000                  | 100,000                 | (31,000)                  | 79,000                   |
| Maghroori, Ray Scholarship                                    | -                       | 100                     | (100)                     | -                        |
| Maguire Family Scholarship                                    | 1,100                   | -                       | -                         | 1,100                    |
| Medrano, Martin J. Memorial Scholarship                       | 1,611                   | -                       | (592)                     | 1,019                    |
| Mehegan, Dr. James Memorial Scholarship                       | 3,067                   | 745                     | (192)                     | 3,620                    |
| Mosaic Scholars Foster Youth                                  | 662                     | -                       | 12                        | 674                      |
| Moors, Susen Study Abroad Scholarship                         | 2,049                   | -                       | 15                        | 2,064                    |
| Moreno Valley Middle College HS Program                       | 290                     | -                       | -                         | 290                      |
| Music Department Faculty Scholarship                          | 2,200                   | -                       | (600)                     | 1,600                    |
| Moreno Valley Math/Science Scholarship                        | 5,424                   | -                       | 6                         | 5,430                    |
| Nightingales, Memorial Scholarship                            | 500                     | 500                     | (500)                     | 500                      |
| Norco Campus Student Book Scholarship                         | 1,575                   | 1,750                   | -                         | 3,325                    |
| Norco Math Tutor Scholarship                                  | 1,000                   | 1,000                   | (500)                     | 1,500                    |
| Nursing Leadership Scholarship                                | 2,305                   | 350                     | (1,000)                   | 1,655                    |
| Ogata-Sarafian Family Memorial                                | 100                     | 100                     | (100)                     | 100                      |
| Oksman, Dr. Linda Cosmetology                                 | 300                     | -                       | (150)                     | 150                      |
| Panhellenic Association Scholarship                           | 600                     | 500                     | (500)                     | 600                      |
| Pardee, Dr. Ron Scholarship                                   | -                       | 500                     | -                         | 500                      |
| Parker, Chrystine Memorial Scholarship                        | 1,445                   | 975                     | (100)                     | 2,320                    |
| Passport to College Program                                   | 30,556                  | (4,269)                 | -                         | 26,287                   |
| Pauley, Blaga S. Memorial                                     | 4,557                   | 70                      | (163)                     | 4,464                    |
| Perkic, Alex Memorial Telecom Scholarship                     | 3,117                   | -                       | -                         | 3,117                    |
| Pepsi Bottling Group Scholarship                              | 750                     | -                       | (750)                     | -                        |
| Pond, Lena T. Scholarship                                     | -                       | 18,098                  | (18,098)                  | -                        |
| Quin Piano Scholarship  | 100                     | 850                     | (350)                     | 600                      |
| RCC Moreno Valley Campus Student Services                     | 6,289                   | 100                     | 3                         | 6,392                    |
| Renaissance Scholars - Moreno Valley                          | 961                     | -                       | 10                        | 971                      |
| Richards, Regina Education Scholarship                        | 1,000                   | 1,000                   | (750)                     | 1,250                    |
| Rickson, Roger Memorial Scholarship                           | 3,804                   | -                       | (500)                     | 3,304                    |
| Riverside Community Hospital Auxiliary<br>Nursing Scholarship | 3,000                   | 2,000                   | (3,500)                   | 1,500                    |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|---------------------------|--------------------------|
| Riverside Library Scholarship   | \$ -                    | \$ 500                  | \$ (500)                  | \$ -                     |
| Riverside School for the Arts   | 22,371                  | 70                      | (2,397)                   | 20,044                   |
| Riverside Scholars Scholarship  | 31,500                  | 20,000                  | (13,500)                  | 38,000                   |
| Riverside Women's Club Scholarship                                      | -                       | 2,000                   | (2,000)                   | -                        |
| Roby, Paul Memorial Nursing Scholarship                                 | 1,750                   | 500                     | (500)                     | 1,750                    |
| Rotary Club of Magnolia Center Scholarship                              | 1,550                   | 2,050                   | (3,225)                   | 375                      |
| Rotary Club of Norco Scholarship  | 375                     | 2,700                   | (1,700)                   | 1,375                    |
| Russell, Hazel M. Hawkins Scholarship                                   | 372                     | -                       | -                         | 372                      |
| Ruiz, Shawn Marie Memorial CIS Scholarship                              | 3,792                   | 38                      | (474)                     | 3,356                    |
| Ryan Memorial Scholarship   | 2,705                   | 500                     | (800)                     | 2,405                    |
| Scandura, Al Scholarship  | 50                      | -                       | -                         | 50                       |
| Schmitt, Chuck Memorial Scholarship                                     | 138                     | -                       | -                         | 138                      |
| Scileppi, Professor Patricia Interpersonal<br>Communication Scholarship | -                       | 1,165                   | -                         | 1,165                    |
| Smith, Brodie James Scholarship   | 6,237                   | 310                     | -                         | 6,547                    |
| Smith, V.C. "Smitty" Memorial Scholarship                               | -                       | 350                     | -                         | 350                      |
| So Cal Restaurant Writers Scholarship                                   | 1,000                   | 500                     | (1,000)                   | 500                      |
| Spoto, Luciana Memorial Scholarship                                     | 590                     | -                       | (200)                     | 390                      |
| Spencer, Mary Jo Memorial Scholarship                                   | -                       | 100                     | -                         | 100                      |
| Stalder, Cecil Scholarship  | 1,000                   | 500                     | (500)                     | 1,000                    |
| Stalder, Evelyn RN Scholarship  | 500                     | 500                     | (500)                     | 500                      |
| Strickland, Dean E. Memorial Scholarship                                | 6,650                   | 1,000                   | (500)                     | 7,150                    |
| Student Financial Aid Scholarship                                       | 239                     | -                       | -                         | 239                      |
| Student Equity Scholarship  | 17,540                  | (925)                   | (1,283)                   | 15,332                   |
| Student Insurance Age   | -                       | 300                     | -                         | 300                      |
| Tassari, Patrick Memorial   | 250                     | -                       | (250)                     | -                        |
| Taylor, Gary and Patty  | -                       | 2,000                   | (38)                      | 1,962                    |
| Telecom Award Fund  | 800                     | -                       | (800)                     | -                        |
| Textbook Assistance   | 2,021                   | -                       | -                         | 2,021                    |
| Thompson, Wilson Memorial   | -                       | 1,000                   | -                         | 1,000                    |
| Tolson, Jay Memorial Scholarship  | 125                     | -                       | (125)                     | -                        |
| Tworek, Dr. R K President Scholarship                                   | 11,964                  | -                       | 91                        | 12,055                   |
| Ursua, Genera Memorial Scholarship                                      | 250                     | -                       | (250)                     | -                        |
| Ursua, Joseph and Jacob Memorial Scholarship                            | 500                     | 250                     | (750)                     | -                        |
| RCC Norco Campus Faculty Scholarship                                    | 788                     | 298                     | (1,005)                   | 81                       |
| Vargas, Gina Memorial Scholarship                                       | 9,560                   | 2,050                   | (241)                     | 11,369                   |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|  | Balance<br>July 1, 2008 | Additions/<br>Transfers | Expenditures<br>Transfers | Balance<br>June 30, 2009 |
|--|-------------------------|-------------------------|---------------------------|--------------------------|
| Victor, Lucille Book Fund                              | \$ 10,800               | \$ -                    | \$ -                      | \$ 10,800                |
| Veltum, Ann Memorial Scholarship                       | 1,482                   | -                       | -                         | 1,482                    |
| Vocational/Occupational Scholarship                    | 2,123                   | -                       | -                         | 2,123                    |
| Voiture 394 Scholarship                                | 1,625                   | 2,500                   | (1,500)                   | 2,625                    |
| Walsh, Bonita Scholarship                              | 2,230                   | -                       | -                         | 2,230                    |
| Wilds, Dr. Dennis and Leilani                          | -                       | 1,300                   | (1,300)                   | -                        |
| Wright Family Scholarship                              | -                       | 250                     | -                         | 250                      |
| Zimmerman Family Scholarship                           | 600                     | -                       | -                         | 600                      |
| <b>Total Temporarily Restricted Scholarships</b>       | <u>1,635,300</u>        | <u>332,515</u>          | <u>(391,129)</u>          | <u>1,576,686</u>         |
| <b>GRAND TOTAL TEMPORARY<br/>RESTRICTED NET ASSETS</b> | <u>\$ 2,018,794</u>     | <u>\$ 1,607,479</u>     | <u>\$ (614,674)</u>       | <u>\$ 3,011,599</u>      |

See accompanying notes to supplementary information.



**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|  | Balance<br>July 1, 2008 | Additions/<br>Transfers | Transfers<br>and Losses | Balance<br>June 30, 2009 |
|--|-------------------------|-------------------------|-------------------------|--------------------------|
| Arlington/Riverside Gakuen Endowment                 | \$ 12,560               | \$ (1,737)              | \$ (276)                | \$ 10,547                |
| ASRCC Endowment                                      | 207,037                 | (27,656)                | (11,020)                | 168,361                  |
| Alan and Jan Pauw FOF Endowment                      | 11,256                  | (1,580)                 | (112)                   | 9,564                    |
| Alan and Jan Pauw Endowment                          | 63,577                  | (1,913)                 | (836)                   | 60,828                   |
| Angrimson, Sharon Evans Nursing Endowment            | -                       | 13,231                  | (179)                   | 13,052                   |
| Barron, Paul Memorial Endowment                      | 30,072                  | (4,210)                 | (601)                   | 25,261                   |
| Bates, Cheri Jo Endowment                            | 11,987                  | (1,683)                 | (120)                   | 10,184                   |
| Birren, Coach Don Endowed Scholarship                | 9,787                   | (1,305)                 | 119                     | 8,601                    |
| Blakely, Marjorie C. Memorial Endowed                | 10,017                  | (1,107)                 | 159                     | 9,069                    |
| Board of Realtors/Devonne Armstrong Endowment        | 30,155                  | (3,645)                 | (851)                   | 25,659                   |
| Brauti, T. Martin Memorial Endowment                 | 18,430                  | (2,538)                 | (534)                   | 15,358                   |
| Brown, Bartholomew Endowed Memorial                  | 12,379                  | 1,034                   | (435)                   | 12,978                   |
| Bushman, Fran Memorial Endowment                     | -                       | 14,621                  | -                       | 14,621                   |
| Castro, Rodolpho Endowment                           | 94,311                  | (13,150)                | (3,333)                 | 77,828                   |
| Chemistry/Allied Health Endowment                    | 10,160                  | (1,081)                 | (803)                   | 8,276                    |
| Chin, Harry S.P. Endowment                           | 15,557                  | (2,128)                 | (556)                   | 12,873                   |
| Coil, Horace O. Endowment                            | 15,516                  | (2,205)                 | (555)                   | 12,756                   |
| Coil, James L. Endowment                             | 16,466                  | (2,256)                 | (565)                   | 13,645                   |
| Corona, Frank and Mary Endowment                     | 21,537                  | (2,982)                 | (831)                   | 17,724                   |
| Coudures, John M. Health Sciences Endowed            | 39,658                  | 3,162                   | (2,293)                 | 40,527                   |
| Coudures, John M.<br>Health Sciences Endowed - OSHER | -                       | 35,000                  | -                       | 35,000                   |
| Day, Betty Endowed Scholarship                       | 17,393                  | 8,900                   | (624)                   | 25,669                   |
| DeAro, Steven Memorial Endowment                     | 12,365                  | (1,658)                 | (349)                   | 10,358                   |
| DeFrancisco, Nate Endowment                          | 16,780                  | (1,969)                 | (394)                   | 14,417                   |
| Diederich, Antoinette "Tony" Endowment               | -                       | 8,714                   | -                       | 8,714                    |
| Distribution Management Association Endowment        | 26,306                  | 4,022                   | (763)                   | 29,565                   |
| Faculty Memorial Endowment                           | 50,984                  | (6,516)                 | (3,085)                 | 41,383                   |
| Fauth, Bette Memorial Endowment                      | 26,189                  | (3,611)                 | (1,262)                 | 21,316                   |
| Ferne McCoy FOF Endowment                            | 12,635                  | (1,727)                 | (126)                   | 10,782                   |
| Finch, Vernon and Sylvia Endowment                   | 20,237                  | (2,826)                 | (603)                   | 16,808                   |
| Ford, Charles and Elaine Endowment                   | 124,500                 | (15,721)                | (2,745)                 | 106,034                  |
| Foster, Sandra Filion Memorial Endowment             | 10,032                  | (1,421)                 | (301)                   | 8,310                    |
| Hawkins-Newstead Endowed Scholarship                 | 104,025                 | (13,501)                | (2,040)                 | 88,484                   |
| Hayashi, Norio Endowed Scholarship                   | 11,609                  | (1,268)                 | (416)                   | 9,925                    |
| Hockett, Bruce Memorial Directors Choice Award       | 10,906                  | 1,161                   | (468)                   | 11,599                   |
| Hord, Roy Athletic Endowed Scholarship               | 17,358                  | (2,405)                 | (399)                   | 14,554                   |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Transfers<br>and Losses | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|-------------------------|--------------------------|
| Hunt, Debby R.N. Endowed Nursing Scholarship              | \$ 25,357               | \$ (1,956)              | \$ (1,254)              | \$ 22,147                |
| Information Services Endowed Scholarship                  | 20,898                  | (2,120)                 | (802)                   | 17,976                   |
| Jaeger, Edmund Endowment                                  | 15,469                  | (2,140)                 | (304)                   | 13,025                   |
| Kincell, Dorothy - Foreign Language Endowment             | 29,486                  | (4,062)                 | (834)                   | 24,590                   |
| Kincell, Dorothy - Spanish Endowment                      | 28,737                  | (3,957)                 | (838)                   | 23,942                   |
| Knox, Harley Endowed Scholarship                          | 104,049                 | (14,596)                | (881)                   | 88,572                   |
| Friends of Forensics Endowment                            | 16,137                  | (2,223)                 | (461)                   | 13,453                   |
| Geluso, Annie Memorial Endowment                          | 1,502                   | 28                      | (1,530)                 | -                        |
| General Scholarship Endowment                             | 114,043                 | (11,459)                | (6,520)                 | 96,064                   |
| General Scholarship Endowment - Moreno Valley             | 54,346                  | (7,574)                 | (503)                   | 46,269                   |
| General Scholarship Endowment - Norco                     | 40,597                  | (5,557)                 | (2,091)                 | 32,949                   |
| General Scholarship Endowment - Riverside                 | 63,754                  | (6,270)                 | (3,146)                 | 54,338                   |
| Grindstaff, Leonard Memorial Endowment                    | 11,580                  | (1,591)                 | (366)                   | 9,623                    |
| Groves, Eleanore Endowed Nursing                          | 16,429                  | (2,275)                 | (629)                   | 13,525                   |
| Heers, John C. Memorial Endowment                         | 18,277                  | (2,531)                 | (433)                   | 15,313                   |
| Holmes, Clifford W., Jr. Endowment                        | 21,992                  | (2,777)                 | (620)                   | 18,595                   |
| Holmes, Dale S. Endowment                                 | 23,234                  | (3,262)                 | (232)                   | 19,740                   |
| Hunt, Glenn Endowment                                     | 4,835                   | 4,617                   | (597)                   | 8,855                    |
| John W. and Dina Stallings FOF Endowment                  | 13,018                  | (1,825)                 | (130)                   | 11,063                   |
| Johnson, Tom Memorial Endowed Scholarship                 | 14,025                  | (1,494)                 | (888)                   | 11,643                   |
| Kaiser Allied Health Endowment                            | -                       | 24,467                  | -                       | 24,467                   |
| Kaiser Permanente Nursing Endowment                       | 92,839                  | (12,856)                | (2,928)                 | 77,055                   |
| Kane, Charles A. Endowment                                | 28,886                  | (3,985)                 | (789)                   | 24,112                   |
| Kinnear, Ellen Ed.D Endowment                             | -                       | 10,995                  | (500)                   | 10,495                   |
| Kipper, Daniel J. Memorial Civil<br>Engineering Endowment | 32,669                  | (3,746)                 | (827)                   | 28,096                   |
| Kiwanis Club of Riverside Endowment                       | 36,383                  | (5,135)                 | (789)                   | 30,459                   |
| Knopf, Arthur C. Memorial Endowment                       | 47,258                  | (6,331)                 | (1,472)                 | 39,455                   |
| Knopf, Dorothy Memorial Endowment                         | 29,359                  | (3,891)                 | (844)                   | 24,624                   |
| L.P.E.C. Club Endowed Scholarship                         | 13,735                  | (1,511)                 | (137)                   | 12,087                   |
| Lamar, Margaret Farr Endowment                            | 14,791                  | (2,027)                 | (498)                   | 12,266                   |
| Leila Vahdani FOF Endowment                               | 20,615                  | (2,908)                 | (412)                   | 17,295                   |
| Leonard, John L. Memorial Endowment                       | 24,193                  | (3,368)                 | (442)                   | 20,383                   |
| Lionel Rentschler FOF Endowment                           | 11,075                  | (1,555)                 | (111)                   | 9,409                    |
| Locke Family Endowed                                      | -                       | 10,661                  | -                       | 10,661                   |
| Louise Griffiths FOF Endowment                            | 10,086                  | (1,409)                 | (14)                    | 8,663                    |
| MacDonald Family Endowed Scholarship                      | 9,838                   | 1,066                   | (197)                   | 10,707                   |
| Management Association Endowment                          | 16,509                  | (2,293)                 | (340)                   | 13,876                   |
| Marsh, Jack and Jean Endowment                            | 20,590                  | (2,835)                 | (606)                   | 17,149                   |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Transfers<br>and Losses | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|-------------------------|--------------------------|
| McCoy, Ferne Future Teachers                            | \$ 17,568               | \$ (2,496)              | \$ (626)                | \$ 14,446                |
| McCroskey, Alyssa Rayne "Aly"<br>Memorial Endowment     | -                       | 12,182                  | (26)                    | 12,156                   |
| Moeller, Karen/Harold Memorial Endowment                | 153,257                 | (21,334)                | (5,033)                 | 126,890                  |
| Moors/Goodwill Memorial Endowment                       | 12,696                  | (1,747)                 | (377)                   | 10,572                   |
| Kathleen Gonzales Puente Program Book Fund              | 16,485                  | (1,558)                 | (530)                   | 14,397                   |
| Moreno Valley Community Partners Endowment              | 11,488                  | 385                     | (9,580)                 | 2,293                    |
| Moreno Valley Community Health Fnd Endowment            | -                       | 3,810                   | -                       | 3,810                    |
| Moreno Valley Community Health Fnd Endowment<br>- OSHER | -                       | 45,000                  | -                       | 45,000                   |
| Nursing Faculty Endowed Scholarship                     | 15,428                  | 2,129                   | (723)                   | 16,834                   |
| Patterson, Lewis/Jessie Memorial Endowment              | 15,259                  | (1,977)                 | (353)                   | 12,929                   |
| Performance Riverside                                   | -                       | 5,329                   | -                       | 5,329                    |
| Playday for Women Endowment                             | 23,679                  | (3,308)                 | (687)                   | 19,684                   |
| Poison Garden Endowment                                 | 12,180                  | (1,718)                 | (243)                   | 10,219                   |
| Ramirez Family Endowment                                | 11,387                  | (1,564)                 | (364)                   | 9,459                    |
| Riemer, Judith Endowment                                | -                       | 9,310                   | (375)                   | 8,935                    |
| RCC Associates Endowment                                | 54,749                  | (5,923)                 | (1,798)                 | 47,028                   |
| Riverside Public Utilities Energy Tech Endowment        | 44,552                  | (4,437)                 | (1,646)                 | 38,469                   |
| Riverside Sunrise Rotary Endowment                      | 18,040                  | (2,507)                 | (880)                   | 14,653                   |
| Roberts, Dell Endowed Scholarship                       | 24,011                  | (2,848)                 | (440)                   | 20,723                   |
| Rotary Club of Riverside Endowment                      | 15,384                  | (2,160)                 | (154)                   | 13,070                   |
| Schlein, David and Sadie Memorial Endowment             | 11,095                  | (828)                   | (1,111)                 | 9,156                    |
| Singletary Family Endowment                             | 19,103                  | (2,633)                 | (541)                   | 15,929                   |
| Soroptimist Intl Corona/Norco Endowment                 | 16,834                  | (2,351)                 | (493)                   | 13,990                   |
| Stover Fellowship Endowment                             | 50,995                  | (7,159)                 | (510)                   | 43,326                   |
| Swoffer, Betty J. and Gordon N. Endowment               | 9,758                   | (1,349)                 | (247)                   | 8,162                    |
| Taber Family Endowment                                  | 19,731                  | (2,700)                 | (697)                   | 16,334                   |
| Thompson and Colegate Endowment                         | 15,546                  | (2,168)                 | (555)                   | 12,823                   |
| Thonis Family Endowment Scholarship                     | 10,402                  | 15                      | (608)                   | 9,809                    |
| Toro Company Endowment                                  | 16,051                  | (2,197)                 | (561)                   | 13,293                   |
| Tworek, Dr. Richard K. Health Services Endowment        | -                       | 1,211                   | (20)                    | 1,191                    |
| Virginia Blumenthal FOF Endowment                       | 10,446                  | (1,474)                 | (209)                   | 8,763                    |
| Wadding, Richard Nursing Endowment                      | 12,582                  | (1,455)                 | (360)                   | 10,767                   |
| Waite, Martha/Ernest K. Endowment                       | 26,742                  | (3,736)                 | (767)                   | 22,239                   |
| Wecksler, Becky Endowment                               | 13,341                  | 910                     | (2,633)                 | 11,618                   |
| Western Community Bank Endowment                        | 16,379                  | (2,368)                 | (263)                   | 13,748                   |
| Williams, Clarence R. Memorial Endowment                | 5,874                   | (828)                   | (211)                   | 4,835                    |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

|   | Balance<br>July 1, 2008 | Additions/<br>Transfers | Transfers<br>and Losses | Balance<br>June 30, 2009 |
|---|-------------------------|-------------------------|-------------------------|--------------------------|
| Willmon, David C., Jr. Endowment        | \$ 16,098               | \$ (2,245)              | \$ (561)                | \$ 13,292                |
| Wilson, Dorcas B. Nursing Endowment     | 26,585                  | (2,851)                 | (1,307)                 | 22,427                   |
| Woodruff, Timilie Endowment             | 10,166                  | 204                     | (203)                   | 10,167                   |
| Ybarra, Cecil and Mildred Endowment     | 12,917                  | (1,772)                 | (429)                   | 10,716                   |
| Young, Arthur Edward Memorial Endowment | 3,274                   | 5,970                   | (65)                    | 9,179                    |
| Yount, Gwen Endowment                   | 13,612                  | (1,911)                 | (136)                   | 11,565                   |
| Zonta Club of Riverside Endowment       | 11,405                  | (609)                   | (1,478)                 | 9,318                    |
| Total Permanently Restricted            | <u>\$ 2,933,471</u>     | <u>\$ (121,395)</u>     | <u>\$ (108,962)</u>     | <u>\$ 2,703,114</u>      |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION**  
**(A California Nonprofit Corporation)**

**NOTE TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2009**

***NOTE 1 - SCHEDULES OF UNRESTRICTED, TEMPORARILY RESTRICTED, AND PERMANENTLY RESTRICTED NET ASSETS***

These schedules are presented as optional schedules at the request of management. The schedules show the changes under the various funds within the larger classifications. These schedules are prepared on the same basis as the financial statements.



To the Board of Directors and Management of  
Riverside Community College District Foundation  
Riverside, California

We have audited the financial statements of Riverside Community College District Foundation (the Foundation) for the year ended June 30, 2009, and have issued our report thereon dated November 11, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. During the 2008-2009 fiscal year, two new accounting standards were adopted: Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements*, and Statement on Financial Accounting Standards (SFAS) Statement No. 117-1, *Endowments for Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds and Enhanced Disclosures for all Endowment Funds*. FASB Statement No. 157 defines fair value measurements, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. The effect of this new statement can be reviewed in Note 5 on pages 12 and 13 of the annual report. SFAS No. 117-1 provides guidance on endowment funds - whether permanently or temporarily restricted and the accounting for spending policies and investment returns. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the unrealized gains and losses is based on current market information as of June 30, 2009. We evaluated the key factors and assumptions used to develop the reported unrealized losses as of June 30, 2009, in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We provided to management identified adjustments for financial statement presentation and management has agreed with our conclusion that the adjustments were necessary to present fairly, in all material respects, the financial activity of the Foundation as of June 30, 2009.

To the Board of Directors and Management of  
Riverside Community College District Foundation  
Page 2

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 11, 2009. Management has reviewed this letter, signed it, and returned the letter to our office.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

We have presented to management certain comments and recommendations for follow up and review to enhance the internal controls and the ongoing sustainability of the Foundation operations into the future.

This information is intended solely for the use of the Board of Directors of the Foundation, management, and certain members of the Riverside Community College District Board of Trustees and management, and is not intended to be and should not be used by anyone other than these specified parties.

*Jaurinek, Irine, Day & Co. LLP*

Rancho Cucamonga, California  
November 11, 2009



To the Board of Directors and Management of  
Riverside Community College District Foundation  
Riverside, California

We have audited the financial statements of Riverside Community College District Foundation (the Foundation) for the year ended June 30, 2009, and have issued our report thereon dated November 11, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. During the 2008-2009 fiscal year, two new accounting standards were adopted: Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements*, and Statement on Financial Accounting Standards (SFAS) Statement No. 117-1, *Endowments for Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds and Enhanced Disclosures for all Endowment Funds*. FASB Statement No. 157 defines fair value measurements, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. The effect of this new statement can be reviewed in Note 5 on pages 12 and 13 of the annual report. SFAS No. 117-1 provides guidance on endowment funds - whether permanently or temporarily restricted and the accounting for spending policies and investment returns. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the unrealized gains and losses is based on current market information as of June 30, 2009. We evaluated the key factors and assumptions used to develop the reported unrealized losses as of June 30, 2009, in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We provided to management identified adjustments for financial statement presentation and management has agreed with our conclusion that the adjustments were necessary to present fairly, in all material respects, the financial activity of the Foundation as of June 30, 2009.



To the Board of Directors and Management of  
Riverside Community College District Foundation  
Page 2

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 11, 2009. Management has reviewed this letter, signed it, and returned the letter to our office.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

We have presented to management certain comments and recommendations for follow up and review to enhance the internal controls and the ongoing sustainability of the Foundation operations into the future.

This information is intended solely for the use of the Board of Directors of the Foundation, management, and certain members of the Riverside Community College District Board of Trustees and management, and is not intended to be and should not be used by anyone other than these specified parties.

*Vaurinek, Irine, Day & Co. LLP*

Rancho Cucamonga, California  
November 11, 2009

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-6

Date: December 15, 2009

Subject: 2008-2009 Independent Audit Report for the Riverside Community College District

Background: In accordance with Education Code Section 84040(b), an independent audit of the District's 2008-2009 financial statements was performed by Vavrinek, Trine, Day & Co., LLP Certified Public Accountants (VTD). A representative of the firm will be available to present the report. Results of the audit are summarized below.

Current Year Audit Findings

There were three current year audit findings as shown on pages 75 through 81 of the accompanying audit report.

Prior Year Audit Findings

The recommendation for the prior year audit finding related to ineligible CalWORKs recipients Were Provided Services has been implemented as discussed on pages 82 through 83.

Adjustments to the Financial Statements

VTD recommended one audit adjustment to the Foundation's financial statement as follows:

- To increase the estimated claims liabilities for self-insured liability and worker's compensation (\$1,578,805).

Auditor's Required Communication – Audit Completion

In accordance with Statement on Auditing Standards No. 114, at the conclusion of the audit engagement VTD is required to communicate information to the Board of Trustees regarding their responsibility under United States Generally Accepted Auditing Standards and OMB Circular A-133, significant accounting policies, accounting estimates, significant audit adjustments and uncorrected misstatements, disagreements with management, consultation with other independent accountants, issues discussed prior to retention of independent auditors and difficulties encountered in performing the audit. Attached for your information is the required communication issued by VTD.

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOURCES COMMITTEE

Report No.: VI-B-6

Date: December 15, 2009

Subject: 2008-2009 Independent Audit Report for the Riverside Community College  
District (continued)

Management Recommendations

There were two reported management recommendations for fiscal year 2008-2009 as shown in the attached letter.

Recommended Action: It is recommended that the Board of Trustees receive the Riverside Community College District's independent audit report for the year ended June 30, 2009 for the permanent file of the District.

Gregory W. Gray  
Chancellor

Prepared by: James L. Buysse  
Vice Chancellor, Administration and Finance

Bill J. Bogle, Jr.  
Controller



RIVERSIDE COMMUNITY  
COLLEGE DISTRICT

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ANNUAL FINANCIAL REPORT

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**JUNE 30, 2009**

# RIVERSIDE COMMUNITY COLLEGE DISTRICT

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***FINANCIAL SECTION***

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Riverside Community College District  
Riverside, California

We have audited the accompanying basic financial statements of the business-type activities of Riverside Community College District (the District) as of and for the years ended June 30, 2009 and 2008, and its discretely presented component unit, Riverside Community College District Foundation (the Foundation), as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Riverside Community College District and its discretely presented component unit as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 10 to the Financial Statements, the accompanying financial statements reflect certain changes required as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45 for the year ended June 30, 2009.

As discussed in Note 13 to the financial statements, the State of California continues to suffer the effects of a recessionary economy, which directly impacts the funding allocations of Riverside Community College District.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.



The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Additional Supplementary Information on pages 85 through 92 has been presented at the request of District management for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vaurinek, Sine, Day & Co LLP

Rancho Cucamonga, California  
November 20, 2009

# RIVERSIDE COMMUNITY COLLEGE DISTRICT

Moreno Valley Campus • Norco Campus • Riverside City College

## **USING THIS ANNUAL REPORT**

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Riverside Community College District (the District) as of June 30, 2009. The report consists of three basic financial statements: the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; 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, 2009. 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 District management.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Riverside Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements (GASB) 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 Assets 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 Assets 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 System's Office has recommended that all State community colleges follow the Business-Type Activity (BTA) model for financial statement reporting purposes.

## **FINANCIAL HIGHLIGHTS**

- The District's primary funding source is from apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full Time Equivalent Students (FTES). During the 2008-2009 fiscal year, total reported resident FTES were 30,969 as compared to 27,011 in the 2007-2008 fiscal year. The District's credit FTES was fully funded except for 3,650 credit FTES for fiscal year 2008-2009 and was fully funded except for 141 credit FTES for fiscal year 2007-2008.
- Several construction and modernization projects at the District's three campuses resulted in completed buildings, building improvements, and improvements to sites of \$56,018,917 in the 2008-2009 fiscal year. The projects, listed below, are funded both through State construction revenues and through the District's voter approved general obligation bond, Measure C.

Quad Remodel – Riverside  
Modular Redistribution Project – Riverside  
Industrial Technology Building – Norco  
Food Service Remodel – Riverside  
ECS Secondary Effects Project – Moreno Valley  
Hot Water Loop – Moreno Valley

Utility Retrofit – Riverside  
Utility Retrofit – Moreno Valley  
Utility Retrofit – Norco  
Paper Removal and Painting Project – Moreno Valley  
Soccer Field – Norco



Moreno Valley Campus • 16130 Lasselle Street, Moreno Valley, California 92551-2045 • (951) 571-6100 • FAX (951) 571-6188  
Norco Campus • 2001 Third Street, Norco, California 92860-2600 • (951) 372-7000 • FAX (951) 372-7050  
Riverside City College • 4800 Magnolia Avenue, Riverside, California 92506-1299 • (951) 222-8000 • FAX (951) 222-8036

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

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- Costs for employee salaries increased by 4.28 percent or \$4.7 million from the 2007-2008 fiscal year, and costs associated with employee benefits increased by 16.91 percent or \$4.1 million. The increase in salaries is primarily due to a 1.0 percent contractual increase, a one year 0.68 percent unfunded COLA increase, scheduled salary step increases, employee reclassifications, and an increased number of categorically funded positions. The increase in the benefit costs is due to rising costs of health and welfare benefits paid on behalf of both current employees and retirees.
- During the 2008-2009 fiscal year, the District provided almost \$35.3 million in financial aid to students attending classes at the three campuses. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State System's Office, and local funding as shown below.

|   |                      |
|---|----------------------|
| Federal Pell Grants (PELL)                                  | \$ 21,737,716        |
| Federal Supplement Education Opportunity Grant (FSEOG)      | 673,337              |
| Federal Family Education Loans (FFEL)                       | 3,901,647            |
| Federal Work Study Program (FWS)                            | 736,399              |
| Federal Academic Competitiveness Grant (ACG)                | 41,075               |
| State of California Cal Grant B (CALG-B)                    | 1,565,391            |
| State of California Cal Grant C (CALG-C)                    | 83,286               |
| California Community College Board of Governor's Fee Wavier | 6,568,018            |
| Total Financial Aid Provided to Students                    | <u>\$ 35,306,869</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009**

***THE DISTRICT AS A WHOLE***

**Net Assets**

**Table 1**

(Amounts in thousands)

|  | <u>2009</u>       | <u>2008</u>       | <u>Change</u>   | <u>2007</u>       | <u>Change</u>    |
|--|-------------------|-------------------|-----------------|-------------------|------------------|
| <b>ASSETS</b>                            |                   |                   |                 |                   |                  |
| <b>Current Assets</b>                    |                   |                   |                 |                   |                  |
| Cash and investments                     | \$ 116,332        | \$ 150,191        | \$ (33,859)     | \$ 162,395        | \$ (46,063)      |
| Accounts receivable (net)                | 36,375            | 23,186            | 13,189          | 21,120            | 15,255           |
| Other current assets                     | 222               | 148               | 74              | 162               | 60               |
| Total Current Assets                     | <u>152,929</u>    | <u>173,525</u>    | <u>(20,596)</u> | <u>183,677</u>    | <u>(30,748)</u>  |
| Other noncurrent assets                  | 881               | 949               | (68)            | 1,017             | (136)            |
| Capital assets (net)                     | 215,168           | 190,938           | 24,230          | 172,156           | 43,012           |
| Total Assets                             | <u>368,978</u>    | <u>365,412</u>    | <u>3,566</u>    | <u>356,850</u>    | <u>12,128</u>    |
| <b>LIABILITIES</b>                       |                   |                   |                 |                   |                  |
| <b>Current Liabilities</b>               |                   |                   |                 |                   |                  |
| Accounts payable and accrued liabilities | 29,181            | 25,699            | 3,482           | 22,225            | 6,956            |
| Amounts held in trust for others         | 1,914             | 2,166             | (252)           | 2,043             | (129)            |
| Current portion of long-term obligations | 7,836             | 8,372             | (536)           | 9,183             | (1,347)          |
| Total Current Liabilities                | <u>38,931</u>     | <u>36,237</u>     | <u>2,694</u>    | <u>33,451</u>     | <u>5,480</u>     |
| Long-Term Obligations                    | 143,500           | 148,619           | -               | 153,936           | (10,436)         |
| Total Liabilities                        | <u>182,431</u>    | <u>184,856</u>    | <u>2,694</u>    | <u>187,387</u>    | <u>(4,956)</u>   |
| <b>NET ASSETS</b>                        |                   |                   |                 |                   |                  |
| Invested in capital assets               | 149,616           | 127,166           | 22,450          | 106,844           | 42,772           |
| Restricted                               | 26,209            | 34,874            | (8,665)         | 43,892            | (17,683)         |
| Unrestricted                             | 10,722            | 18,516            | (7,794)         | 18,727            | (8,005)          |
| Total Net Assets                         | <u>\$ 186,547</u> | <u>\$ 180,556</u> | <u>\$ 5,991</u> | <u>\$ 169,463</u> | <u>\$ 17,084</u> |

Cash and investments consist primarily of funds held in the Riverside County Treasury. The changes in our cash position are explained in the Statement of Cash Flows on pages 15 and 16.

# RIVERSIDE COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

### Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Assets on page 14.

**Table 2**

(Amounts in thousands)

|  | 2009             | 2008             | Change           | 2007             | Change          |
|--|------------------|------------------|------------------|------------------|-----------------|
| Operating Revenues                     |                  |                  |                  |                  |                 |
| Tuition and fees (net)                 | \$ 13,776        | \$ 12,494        | \$ 1,282         | \$ 12,923        | \$ 853          |
| Other operating revenues               | 22               | 98               | (76)             | 2                | 20              |
| Total Operating Revenues               | <u>13,798</u>    | <u>12,592</u>    | <u>1,206</u>     | <u>12,925</u>    | <u>873</u>      |
| Operating Expenses                     |                  |                  |                  |                  |                 |
| Salaries and benefits                  | 144,101          | 135,211          | 8,890            | 124,868          | 19,233          |
| Supplies and maintenance               | 43,770           | 53,690           | (9,920)          | 47,700           | (3,930)         |
| Student financial aid                  | 24,837           | -                | -                | -                | -               |
| Depreciation                           | 8,242            | 5,918            | 2,324            | 5,166            | 3,076           |
| Total Operating Expenses               | <u>220,950</u>   | <u>194,819</u>   | <u>1,294</u>     | <u>177,734</u>   | <u>18,379</u>   |
| Loss on Operations                     | <u>(207,152)</u> | <u>(182,227)</u> | <u>(88)</u>      | <u>(164,809)</u> | <u>(17,506)</u> |
| Nonoperating Revenues                  |                  |                  |                  |                  |                 |
| State apportionments                   | 92,108           | 89,611           | 2,497            | 88,437           | 3,671           |
| Property taxes                         | 43,095           | 43,895           | (800)            | 43,101           | (6)             |
| State revenues                         | 4,072            | 4,288            | (216)            | 4,529            | (457)           |
| Federal and State grants and contracts | 52,038           | 36,934           | 15,104           | 31,814           | 20,224          |
| Net investment income                  | 3,899            | 8,125            | (4,226)          | 4,170            | (271)           |
| Net interest expense                   | (7,499)          | (7,840)          | 341              | (3,516)          | (3,983)         |
| Other nonoperating revenues            | 12,282           | 11,399           | 883              | 12,190           | 92              |
| Loss on disposal of assets             | -                | (390)            | 390              | -                | -               |
| Total Nonoperating Revenue             | <u>199,995</u>   | <u>186,022</u>   | <u>13,973</u>    | <u>180,725</u>   | <u>19,270</u>   |
| Other Revenues                         |                  |                  |                  |                  |                 |
| State and local capital income         | 13,148           | 7,298            | 5,850            | 9,620            | 3,528           |
| Net Increase in Net Assets             | <u>\$ 5,991</u>  | <u>\$ 11,093</u> | <u>\$ 19,735</u> | <u>\$ 25,536</u> | <u>\$ 5,292</u> |

The District's primary revenue is from the State apportionment calculation which is comprised of three sources: local property taxes, student enrollment fees, and State apportionment. Property taxes levied and received from property within the County decreased slightly. State apportionments increased due to increased funded base FTES and growth funding decreased.

Grant and contract revenues relate primarily to student financial aid, as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009**

---

Interest income of \$3.9 million was off set by interest expense of \$7.5 million. The interest income is primarily the result of cash held in the Riverside County Treasury. Interest income has decreased approximately \$4.2 million over the 2007-2008 fiscal year. Interest income and expense have decreased over fiscal year 2007-2008 due to significantly lower interest rates, the State's apportionment deferral strategy passed along to community colleges, and a lower balance of the Series C General Obligation Bond in the Riverside County Treasury during fiscal year 2008-2009. Reduced General Obligation Bond principal resulting from debt service payments have resulted in lower interest expense.

In accordance with requirements set forth by the California Community Colleges System's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

**Table 3**

Year ended June 30, 2009:

(Amounts in thousands)

|  | Salaries<br>and Employee<br>Benefits | Supplies,<br>Material, and<br>Other Expenses<br>and Services | Equipment,<br>Maintenance,<br>and Repairs | Depreciation    | Total             |
|--|--------------------------------------|--|---|-----------------|-------------------|
| Instructional activities                       | \$ 70,311                            | \$ 4,069   | \$ 2,887                                  | \$ -            | \$ 77,267         |
| Academic support                               | 38,222                               | 24,193   | 1,193                                     | -               | 63,608            |
| Student services                               | 15,529                               | 1,913  | 42  | -               | 17,484            |
| Plant operations and maintenance               | 6,457                                | 4,214  | 356                                       | -               | 11,027            |
| Instructional support services                 | 4,715                                | 421  | 31  | -               | 5,167             |
| Community services and<br>economic development | 1,663                                | 831  | 1   | -               | 2,495             |
| Ancillary services and<br>auxiliary operations | 7,128                                | 2,990  | 38  | -               | 10,156            |
| Student aid                                    | -                                    | 24,837   | -   | -               | 24,837            |
| Physical property and related<br>acquisitions  | 76                                   | 417  | 174                                       | -               | 667               |
| Unallocated depreciation                       | -                                    | -  | -   | 8,242           | 8,242             |
| <b>Total</b>                                   | <b>\$ 144,101</b>                    | <b>\$ 63,885</b>   | <b>\$ 4,722</b>                           | <b>\$ 8,242</b> | <b>\$ 220,950</b> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009**

Year ended June 30, 2008:

(Amounts in thousands)

|  | Salaries<br>and Employee<br>Benefits | Supplies,<br>Material, and<br>Other Expenses<br>and Services | Equipment,<br>Maintenance,<br>and Repairs | Depreciation    | Total             |
|--|--------------------------------------|--|---|-----------------|-------------------|
| Instructional activities                       | \$ 65,765                            | \$ 3,866   | \$ 2,814                                  | \$ -            | \$ 72,445         |
| Academic support                               | 35,401                               | 15,259   | 905                                       | -               | 51,565            |
| Student services                               | 14,946                               | 1,649  | 323                                       | -               | 16,918            |
| Plant operations and maintenance               | 6,174                                | 3,908  | 475                                       | -               | 10,557            |
| Instructional support services                 | 4,472                                | 375  | 370                                       | -               | 5,217             |
| Community services and<br>economic development | 1,672                                | 924  | 77  | -               | 2,673             |
| Ancillary services and<br>auxiliary operations | 6,708                                | 2,817  | 143                                       | -               | 9,668             |
| Student aid                                    | -                                    | 18,458   | -   | -               | 18,458            |
| Physical property and related<br>acquisitions  | 73                                   | 1,182  | 145                                       | -               | 1,400             |
| Unallocated depreciation                       | -                                    | -  | -   | 5,918           | 5,918             |
| Total  | <u>\$ 135,211</u>                    | <u>\$ 48,438</u>   | <u>\$ 5,252</u>                           | <u>\$ 5,918</u> | <u>\$ 194,819</u> |

**Changes in Cash Position**

**Table 4**

(Amounts in thousands)

|                                 | 2009              | 2008              | Change             | 2007              | Change             |
|---------------------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| Cash Provided by (Used in)      |                   |                   |                    |                   |                    |
| Operating activities            | \$ (196,247)      | \$ (172,488)      | \$ (23,759)        | \$ (125,332)      | \$ (70,915)        |
| Noncapital financing activities | 178,331           | 171,475           | 6,856              | 130,134           | 48,197             |
| Capital financing activities    | (20,268)          | (18,167)          | (2,101)            | 73,275            | (93,543)           |
| Investing activities            | 4,325             | 6,976             | (2,651)            | 3,998             | 327                |
| Net Increase (Decrease) in Cash | (33,859)          | (12,204)          | (21,655)           | 82,075            | (115,934)          |
| Cash, Beginning of Year         | 150,191           | 162,395           | (12,204)           | 80,320            | 69,871             |
| Cash, End of Year               | <u>\$ 116,332</u> | <u>\$ 150,191</u> | <u>\$ (33,859)</u> | <u>\$ 162,395</u> | <u>\$ (46,063)</u> |

The Statement of Cash Flows on pages 15 and 16 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to faculty, administrators, and classified staff.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009**

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While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services, the students. The District depends upon this funding to continue the current level of operations.

***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets**

At June 30, 2009, the District had \$215.1 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2008, the District's net capital assets were \$190.9 million. Major capital improvement projects are ongoing throughout the college campuses. These projects are primarily funded through State Construction Revenues and District General Obligation Bonds. Projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be recorded to the depreciable Buildings and Improvement category.

**Table 5**

(Amounts in thousands)

|                                   | Balance<br>Beginning of<br>Year | Additions        | Deletions          | Balance End of<br>Year |
|-----------------------------------|---------------------------------|------------------|--------------------|------------------------|
| Land and construction in progress | \$ 74,049                       | \$ 28,582        | \$ (56,551)        | \$ 46,080              |
| Buildings and land improvements   | 143,207                         | 56,949           | -                  | 200,156                |
| Equipment and vehicles            | 22,440                          | 3,492            | (96)               | 25,836                 |
| Subtotal                          | 239,696                         | 89,023           | (56,647)           | 272,072                |
| Accumulated depreciation          | (48,758)                        | (8,242)          | 96                 | (56,904)               |
|                                   | <u>\$ 190,938</u>               | <u>\$ 80,781</u> | <u>\$ (56,551)</u> | <u>\$ 215,168</u>      |

**Obligations**

At the end of the 2008-2009 fiscal year, the District had \$145.2 million in General Obligation Bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through property tax assessments on property within the Riverside Community College District boundaries.



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009**

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In addition to the above obligations, the District is obligated to employees of the District for vacation and load banking benefits and lease purchase agreements for equipment.

**Table 6**

(Amounts in thousands)

|                             | Balance<br>Beginning of<br>Year | Additions       | Deletions         | Balance End<br>of Year |
|-----------------------------|---------------------------------|-----------------|-------------------|------------------------|
| General obligation bonds    | \$ 151,354                      | \$ 667          | \$ (6,724)        | \$ 145,297             |
| Other liabilities           | 5,637                           | 2,070           | (1,668)           | 6,039                  |
| Total Long-Term Obligations | <u>\$ 156,991</u>               | <u>\$ 2,737</u> | <u>\$ (8,392)</u> | <u>\$ 151,336</u>      |
| <br>                        |                                 |                 |                   |                        |
| Amount due within one year  |                                 |                 |                   | <u>\$ 7,836</u>        |

***GENERAL FUND BUDGETARY HIGHLIGHTS***

Over the course of the year, the District revises its budget to provide for unanticipated changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2008-2009 fiscal year on June 16, 2009.

The District's final revised budget for the unrestricted General Fund anticipated that expenditures would exceed revenue by \$7.0 million. The actual results for the year showed expenditures exceeded revenues by \$5.5 million.

***ECONOMIC FACTORS AFFECTING THE FUTURE OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT***

The economic position of the District is closely tied to the State of California as State apportionments, and property taxes represent approximately 87.11 percent of the total sources of revenue received within the unrestricted General Fund. The District increased reported FTES during fiscal year 2008-2009. Due to significant declines in apportionment funding from the State in fiscal years 2008-2009 and 2009-2010, the District plans to offer 1,000 fewer sections to reduce costs and the number of unfunded FTES. The District's fiscal year 2009-2010 adopted budget also contains other targeted expenditures reductions to be budgeted totaling approximately \$9.0 million to align spending with available funds. The District continues to monitor enrollment and operating costs of the District to ensure ongoing financial stability and retain the reserve levels required by Board Policy and the State System's Office.

***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide the District's citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Riverside Community College District at 4800 Magnolia Avenue, Riverside, California 92506.

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***BASIC FINANCIAL STATEMENTS***

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF NET ASSETS  
 JUNE 30, 2009 AND 2008**

|   | <u>2009</u>           | <u>2008</u>           |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>                                     |                       |                       |
| <b>Current Assets</b>                             |                       |                       |
| Cash and cash equivalents                         | \$ 2,411,961          | \$ 2,711,773          |
| Investments - Unrestricted                        | 16,635,941            | 36,942,057            |
| Investments - Restricted                          | 97,283,646            | 110,536,702           |
| Accounts receivable                               | 35,615,880            | 22,538,827            |
| Student accounts receivable, net                  | 759,386               | 648,152               |
| Prepaid expenses                                  | 125,040               | 60,348                |
| Deferred cost on issuance                         | 67,802                | 67,802                |
| Inventories                                       | 29,051                | 19,353                |
| <b>Total Current Assets</b>                       | <u>152,928,707</u>    | <u>173,525,014</u>    |
| <b>Noncurrent Assets</b>                          |                       |                       |
| Deferred cost on issuance - noncurrent portion    | 881,425               | 949,227               |
| Nondepreciable capital assets                     | 46,079,762            | 74,048,749            |
| Depreciable capital assets, net of depreciation   | 169,088,049           | 116,889,388           |
| <b>Total Noncurrent Assets</b>                    | <u>216,049,236</u>    | <u>191,887,364</u>    |
| <b>TOTAL ASSETS</b>                               | <u>368,977,943</u>    | <u>365,412,378</u>    |
| <b>LIABILITIES</b>                                |                       |                       |
| <b>Current Liabilities</b>                        |                       |                       |
| Accounts payable                                  | 15,338,730            | 14,567,402            |
| Accrued interest payable                          | 2,694,959             | 2,806,625             |
| Deferred revenue                                  | 5,782,440             | 5,023,107             |
| Claims liability                                  | 5,364,973             | 3,302,565             |
| Amounts held in custody on behalf of others       | 1,913,653             | 2,165,652             |
| Compensated absences payable - current portion    | 713,698               | 1,046,309             |
| Bonds payable - current portion                   | 6,655,000             | 6,385,000             |
| Lease obligations - current portion               | 14,674                | 14,674                |
| Other long-term obligations - current portion     | 452,376               | 926,172               |
| <b>Total Current Liabilities</b>                  | <u>38,930,503</u>     | <u>36,237,506</u>     |
| <b>Noncurrent Liabilities</b>                     |                       |                       |
| Compensated absences payable - noncurrent portion | 2,141,095             | 1,562,349             |
| Bonds payable - noncurrent portion                | 131,634,077           | 137,622,557           |
| Net debt premium                                  | 7,007,782             | 7,346,681             |
| Lease obligations - noncurrent portion            | 26,902                | 41,576                |
| Other long-term obligations - noncurrent portion  | 2,690,212             | 2,045,692             |
| <b>Total Noncurrent Liabilities</b>               | <u>143,500,068</u>    | <u>148,618,855</u>    |
| <b>TOTAL LIABILITIES</b>                          | <u>182,430,571</u>    | <u>184,856,361</u>    |
| <b>NET ASSETS</b>                                 |                       |                       |
| Invested in capital assets, net of related debt   | 149,616,408           | 124,524,678           |
| Restricted for:                                   |                       |                       |
| Debt service                                      | 14,288,845            | 15,362,003            |
| Capital projects                                  | 2,375,787             | 15,157,376            |
| Educational programs                              | 9,543,831             | 6,995,880             |
| Unrestricted                                      | 10,722,501            | 18,516,080            |
| <b>TOTAL NET ASSETS</b>                           | <u>\$ 186,547,372</u> | <u>\$ 180,556,017</u> |

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES,  
 AND CHANGES IN NET ASSETS  
 FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

|  | <b>2009</b>           | <b>2008</b>           |
|--|-----------------------|-----------------------|
| <b>OPERATING REVENUES</b>                                      |                       |                       |
| Student Tuition and Fees                                       | \$ 20,344,186         | \$ 17,220,116         |
| Less: Scholarship discount and allowance                       | (6,568,018)           | (4,726,243)           |
| Net tuition and fees   | <u>13,776,168</u>     | <u>12,493,873</u>     |
| Other Operating Revenues                                       | 21,531                | 98,054                |
| <b>TOTAL OPERATING REVENUES</b>                                | <u>13,797,699</u>     | <u>12,591,927</u>     |
| <b>OPERATING EXPENSES</b>                                      |                       |                       |
| Salaries   | 115,416,313           | 110,676,431           |
| Employee benefits  | 28,685,083            | 24,535,244            |
| Supplies, materials, and other operating expenses and services | 39,047,761            | 29,979,694            |
| Student financial aid  | 24,837,204            | 18,458,245            |
| Equipment, maintenance, and repairs                            | 4,721,534             | 5,252,176             |
| Depreciation   | 8,242,147             | 5,917,666             |
| <b>TOTAL OPERATING EXPENSES</b>                                | <u>220,950,042</u>    | <u>194,819,456</u>    |
| <b>OPERATING LOSS</b>  | <u>(207,152,343)</u>  | <u>(182,227,529)</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                        |                       |                       |
| State apportionments, noncapital                               | 92,108,018            | 89,611,058            |
| Federal grants   | 32,754,061            | 25,132,430            |
| State grants   | 19,284,379            | 11,801,545            |
| Local property taxes levied for general purposes               | 31,955,768            | 32,330,029            |
| Local property taxes levied for capital debt                   | 11,139,248            | 11,565,586            |
| State taxes and other revenues                                 | 4,072,155             | 4,287,522             |
| Investment income  | 3,529,205             | 7,445,762             |
| Interest expense on capital related debt                       | (7,499,410)           | (7,839,793)           |
| Investment income on capital asset-related debt, net           | 369,969               | 679,403               |
| Deletion of capital assets                                     | -                     | (389,862)             |
| Other nonoperating revenue                                     | 12,281,649            | 11,398,245            |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>                  | <u>199,995,042</u>    | <u>186,021,925</u>    |
| <b>INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES</b>        | <u>(7,157,301)</u>    | <u>3,794,396</u>      |
| State revenues, capital  | 13,148,656            | 7,298,445             |
| <b>TOTAL INCOME BEFORE OTHER REVENUES AND EXPENSES</b>         | <u>13,148,656</u>     | <u>7,298,445</u>      |
| <b>CHANGE IN NET ASSETS</b>                                    | <u>5,991,355</u>      | <u>11,092,841</u>     |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                           | <u>180,556,017</u>    | <u>169,463,176</u>    |
| <b>NET ASSETS, END OF YEAR</b>                                 | <u>\$ 186,547,372</u> | <u>\$ 180,556,017</u> |

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

|  | <u>2009</u>          | <u>2008</u>          |
|--|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |                      |                      |
| Tuition and fees   | \$ 13,822,365        | \$ 12,208,973        |
| Payments to vendors for supplies and services              | (42,088,460)         | (33,048,438)         |
| Payments to or on behalf of employees                      | (142,913,546)        | (133,412,121)        |
| Payments to students for Federal direct student aid        | (23,188,527)         | (16,847,386)         |
| Payments to students for State direct student aid          | (1,648,677)          | (1,610,859)          |
| Other operating receipts                                   | (230,468)            | 220,836              |
| <b>Net Cash Flows From Operating Activities</b>            | <u>(196,247,313)</u> | <u>(172,488,995)</u> |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>     |                      |                      |
| State apportionments                                       | 81,847,295           | 89,646,982           |
| Federal grants and contracts                               | 32,488,626           | 25,141,266           |
| State grants and contracts                                 | 19,841,622           | 11,801,545           |
| Property taxes - nondebt related                           | 34,956,551           | 32,391,969           |
| State taxes and other apportionments                       | (319,866)            | 3,288,415            |
| Other nonoperating   | 9,517,096            | 9,204,648            |
| <b>Net Cash Flows From Noncapital Financing Activities</b> | <u>178,331,324</u>   | <u>171,474,825</u>   |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>        |                      |                      |
| Purchase of capital assets                                 | (31,422,634)         | (23,818,870)         |
| State revenue, capital projects                            | 13,148,657           | 7,298,445            |
| Property taxes - related to capital debt                   | 11,139,248           | 11,565,586           |
| Principal paid on capital debt                             | (6,738,573)          | (8,396,092)          |
| Interest paid on capital debt                              | (7,499,410)          | (6,156,127)          |
| Interest received on capital asset-related debt            | 369,969              | 679,403              |
| Accreted interest on general obligation bonds              | 666,520              | 593,201              |
| Deferred cost on issuance                                  | 67,802               | 67,802               |
| <b>Net Cash Flows From Capital Financing Activities</b>    | <u>(20,268,421)</u>  | <u>(18,166,652)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |                      |                      |
| Interest received from investments                         | 4,325,426            | 6,975,840            |
| <b>Net Cash Flows From Investing Activities</b>            | <u>4,325,426</u>     | <u>6,975,840</u>     |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>             | (33,858,984)         | (12,204,982)         |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>        | 150,190,532          | 162,395,514          |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>              | <u>\$116,331,548</u> | <u>\$150,190,532</u> |

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF CASH FLOWS, Continued  
 FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

|   | <u>2009</u>             | <u>2008</u>             |
|---|-------------------------|-------------------------|
| <b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b> |                         |                         |
| Operating Loss  | \$ (207,152,343)        | \$ (182,227,529)        |
| Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:    |                         |                         |
| Depreciation and amortization expense   | 8,242,147               | 5,917,666               |
| Changes in Operating Assets and Liabilities:  |                         |                         |
| Receivables, net  | (111,234)               | (162,285)               |
| Inventories   | (9,698)                 | 1,957                   |
| Prepaid expenses  | (64,692)                | 12,789                  |
| Accounts payable and other accrued liabilities  | 2,481,557               | 1,941,559               |
| Deferred revenue  | 202,090                 | 228,820                 |
| Funds held for others   | (251,999)               | 122,782                 |
| Compensated absences  | 416,859                 | 1,675,246               |
| Total Adjustments   | <u>10,905,030</u>       | <u>9,738,534</u>        |
| <b>Net Cash Flows From Operating Activities</b>   | <u>\$ (196,247,313)</u> | <u>\$ (172,488,995)</u> |
| <br><b>CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:</b>                          |                         |                         |
| Cash in banks   | \$ 2,411,961            | \$ 2,711,773            |
| Unrestricted cash in county treasury  | 16,635,941              | 36,942,057              |
| Restricted cash in county treasury  | 97,283,646              | 110,536,702             |
| <b>Total Cash and Cash Equivalents</b>  | <u>\$ 116,331,548</u>   | <u>\$ 150,190,532</u>   |
| <br><b>NON CASH TRANSACTIONS</b>  |                         |                         |
| On behalf payments for benefits   | \$ 3,029,760            | \$ 2,824,786            |
| Deletion of capital assets  | -                       | 389,862                 |
|   | <u>\$ 3,029,760</u>     | <u>\$ 3,214,648</u>     |

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

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***DISCRETELY PRESENTED COMPONENT UNIT  
RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION***

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT  
 RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2009 AND 2008**

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Current Assets   |                     |                     |
| Cash and Cash Equivalents                                    |                     |                     |
| Unrestricted   | \$ -                | \$ 61,852           |
| Restricted   | 2,451,552           | 1,972,479           |
| Accounts receivable  | 2,545               | 267                 |
| Unconditional promises to give                               | 122,940             | 72,607              |
| Total Current Assets   | <u>2,577,037</u>    | <u>2,107,205</u>    |
| Noncurrent Assets  |                     |                     |
| Investments - restricted                                     | 2,815,387           | 2,739,990           |
| Long-term unconditional promises to give, net of allowance   | 362,729             | 276,585             |
| Total Noncurrent Assets                                      | <u>3,178,116</u>    | <u>3,016,575</u>    |
| Total Assets   | <u>\$ 5,755,153</u> | <u>\$ 5,123,780</u> |
| <br><b>LIABILITIES AND NET ASSETS</b>                        |                     |                     |
| Current Liabilities  |                     |                     |
| Accounts payable   | \$ 197,525          | \$ 181,470          |
| Borrowing from restricted funds                              | 13,841              | -                   |
| Refundable advances  | -                   | 77,148              |
| Obligation to Riverside Community College District           | 346,478             | -                   |
| Total Current Liabilities                                    | <u>557,844</u>      | <u>258,618</u>      |
| Long-Term Obligations  |                     |                     |
| Long-term obligation to Riverside Community College District | 357,550             | 610,870             |
| Total Long-Term Obligations                                  | <u>357,550</u>      | <u>610,870</u>      |
| Total Liabilities  | <u>915,394</u>      | <u>869,488</u>      |
| <br><b>NET ASSETS</b>  |                     |                     |
| Unrestricted   |                     |                     |
| Undesignated   | (887,243)           | (712,741)           |
| Board designated   | 12,289              | 14,768              |
| Total Unrestricted   | <u>(874,954)</u>    | <u>(697,973)</u>    |
| Temporarily restricted                                       | 3,011,599           | 2,018,794           |
| Permanently restricted                                       | 2,703,114           | 2,933,471           |
| Total Net Assets   | <u>4,839,759</u>    | <u>4,254,292</u>    |
| Total Liabilities and Net Assets                             | <u>\$ 5,755,153</u> | <u>\$ 5,123,780</u> |

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



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT  
RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

|   | <b>2009</b>         |                                   |                                   | <b>Total</b>        |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
|   | <b>Unrestricted</b> | <b>Temporarily<br/>Restricted</b> | <b>Permanently<br/>Restricted</b> |                     |
| <b>REVENUES</b>                             |                     |                                   |                                   |                     |
| Donations                                   | \$ 6,266            | \$1,728,202                       | \$ 276,666                        | \$ 2,011,134        |
| In-kind donations                           |                     |                                   |                                   |                     |
| Donated assets                              | 73,727              | -                                 | -                                 | 73,727              |
| Donated material                            | 45,310              | -                                 | -                                 | 45,310              |
| Donated services                            | 433,102             | -                                 | -                                 | 433,102             |
| Assets released from restrictions           | 899,717             | (685,482)                         | (214,235)                         | -                   |
| <b>Total Revenues</b>                       | <b>1,458,122</b>    | <b>1,042,720</b>                  | <b>62,431</b>                     | <b>2,563,273</b>    |
| <b>EXPENSES</b>                             |                     |                                   |                                   |                     |
| Operating expenses                          | 213,757             | -                                 | -                                 | 213,757             |
| Program expenses                            | 1,223,890           | -                                 | -                                 | 1,223,890           |
| Fundraising expenses                        | 127,734             | -                                 | -                                 | 127,734             |
| <b>Total Expenses</b>                       | <b>1,565,381</b>    | <b>-</b>                          | <b>-</b>                          | <b>1,565,381</b>    |
| <b>OTHER INCOME (EXPENSE)</b>               |                     |                                   |                                   |                     |
| Realized gain (loss) on sale of investments | (8,429)             | (7,933)                           | (33,219)                          | (49,581)            |
| Unrealized loss                             | (59,371)            | (55,879)                          | (233,993)                         | (349,243)           |
| Interest and dividends income               | 345                 | 325                               | 1,362                             | 2,032               |
| Interest expense                            | (15,633)            | -                                 | -                                 | (15,633)            |
| Transfers                                   | 13,366              | 13,572                            | (26,938)                          | -                   |
| <b>Total Other Income (Expense)</b>         | <b>(69,722)</b>     | <b>(49,915)</b>                   | <b>(292,788)</b>                  | <b>(412,425)</b>    |
| CHANGE IN NET ASSETS                        | (176,981)           | 992,805                           | (230,357)                         | 585,467             |
| NET ASSETS, BEGINNING OF YEAR               | (697,973)           | 2,018,794                         | 2,933,471                         | 4,254,292           |
| NET ASSETS, END OF YEAR                     | <b>\$ (874,954)</b> | <b>\$3,011,599</b>                | <b>\$ 2,703,114</b>               | <b>\$ 4,839,759</b> |

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

| <b>2008</b>         |                           |                           |                     |
|---------------------|---------------------------|---------------------------|---------------------|
| Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
| \$ 38,274           | \$ 629,173                | \$ 197,254                | \$ 864,701          |
| 21,044              | -                         | -                         | 21,044              |
| 50,146              | -                         | -                         | 50,146              |
| 406,859             | -                         | -                         | 406,859             |
| 702,196             | (628,425)                 | (73,771)                  | -                   |
| <u>1,218,519</u>    | <u>748</u>                | <u>123,483</u>            | <u>1,342,750</u>    |
| 694,564             | -                         | -                         | 694,564             |
| 714,132             | -                         | -                         | 714,132             |
| 133,856             | -                         | -                         | 133,856             |
| <u>1,542,552</u>    | <u>-</u>                  | <u>-</u>                  | <u>1,542,552</u>    |
| 138                 | 70                        | 1,583                     | 1,791               |
| (8,122)             | (2,018)                   | (92,867)                  | (103,007)           |
| 5,887               | 62,676                    | 67,306                    | 135,869             |
| (22,341)            | -                         | -                         | (22,341)            |
| 31,054              | (20,223)                  | (10,831)                  | -                   |
| <u>6,616</u>        | <u>40,505</u>             | <u>(34,809)</u>           | <u>12,312</u>       |
| (317,417)           | 41,253                    | 88,674                    | (187,490)           |
| (380,556)           | 1,977,541                 | 2,844,797                 | 4,441,782           |
| <u>\$ (697,973)</u> | <u>\$ 2,018,794</u>       | <u>\$ 2,933,471</u>       | <u>\$ 4,254,292</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT  
 RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

|  | <u>2009</u>        | <u>2008</u>      |
|--|--------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                  |
| Change in Net Assets   | \$ 585,467         | \$ (187,490)     |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Flows From Operating Activities |                    |                  |
| Unrealized loss  | 349,243            | 103,007          |
| Contributions of long-term investments   | (2,004,868)        | (632,068)        |
| Changes in Assets and Liabilities  |                    |                  |
| (Increase) decrease in accounts receivable   | (2,278)            | 6,862            |
| (Increase) decrease in unconditional promises to give  | 71,501             | (29,053)         |
| Increase in accounts payable   | 16,055             | 67,570           |
| Decrease in refundable advances  | (77,148)           | (72,852)         |
| Net Cash Flows From Operating Activities   | <u>(1,062,028)</u> | <u>(744,024)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                  |
| Purchase of investments  | (481,824)          | (332,740)        |
| Proceeds from sale of investments  | 629,867            | 380,568          |
| Net Cash Flows From Investing Activities   | <u>148,043</u>     | <u>47,828</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                  |
| Proceeds from issuance of debt   | 93,158             | 189,502          |
| Increase in long-term unconditional promises to give   | (207,978)          | (276,585)        |
| Proceeds from restricted fund borrowing  | 13,841             | -                |
| Collections of contributions restricted for long-term purposes                               | 953,112            | 632,068          |
| Net Cash Flows From Financing Activities   | <u>852,133</u>     | <u>544,985</u>   |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | (61,852)           | (151,211)        |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | 61,852             | 213,063          |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | <u>\$ -</u>        | <u>\$ 61,852</u> |

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

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***NOTES TO FINANCIAL STATEMENTS***

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## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **NOTE 1 - ORGANIZATION**

The Riverside Community College District (the District) was established in 1916 as a political subdivision of the State of California and provides 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 Fund, special revenue funds, capital project funds, and proprietary funds, but these budgets are managed at the department level. Currently, the District operates three campuses located within western Riverside County. 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 provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

#### **Financial Reporting Entity**

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

- **Riverside Community College District Foundation**

The Riverside Community College District Foundation (the Foundation) is a legally separate, tax-exempt organization. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a not-for-profit organization under Internal Revenue Code (IRS) Section 501(c)(3) that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

Audited financial statements for the Foundation can be obtained from the Foundation's Business Office at 4800 Magnolia Avenue, Riverside, California 92506.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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- **Riverside Community College District Development Corporation**

The Riverside Community College District Development Corporation (the Corporation) is a legally separate organization component unit of the District. The Corporation was formed to provide financing and acquire assets for the District. A majority of the Corporation's Board of Directors either serves by reason of their position in the District or is appointed by the District's Board of Trustees. The financial activity has been "blended" or consolidated within the financial statements as the District as if the activity was the District's. Within the other supplementary information section of the report, the activity is included as the Riverside Community College District Development Corporation Fund as a Special Revenue Fund of the District. Individually prepared financial statements are not prepared for the Corporation.

#### ***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, No. 38, and No. 39. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

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

Operating expenses are 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.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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

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

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

#### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term 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 represented balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

#### **Investments**

Investments held at June 30, 2009 and 2008, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

#### **Accounts Receivable**

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$325,451 and \$277,779 for the years ended June 30, 2009 and 2008, respectively.

## **RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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#### **Prepaid Expenses**

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

#### **Inventories**

Inventories consist primarily of cafeteria food and supplies held for resale to the students and faculty of the college. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed.

#### **Capital Assets and Depreciation**

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 15 to 50 years; improvements, 10 years; equipment, 3 to 8 years; vehicles, 5 to 10 years.

#### **Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the entity-wide financial statements.

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

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

#### **Compensated Absences**

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



## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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

#### Deferred Revenue

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

#### Net Assets

GASB Statements No. 34 and No. 35 report equity as "Net Assets." Net assets are classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

**Invested in Capital Assets, Net of Related Debt:** Capital Assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

**Restricted - Expendable:** Net assets whose use by the District is subject to externally imposed constraints that can be fulfilled by actions of the District pursuant to those constraints or by the passage of time. Net assets may be restricted for capital projects, debt repayment, and/or educational programs.

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

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

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 \$26,208,463 of restricted net assets.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **State Apportionments**

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

#### **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 Systems (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.

#### **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 Riverside bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when the County notifies the District of the availability of the revenues.

The voters of the District passed a General Obligation Bond in 2004 for the acquisition, construction, and remodeling of District capital assets. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected. The property tax revenue received for the repayment of the bonds for the years ended June 30, 2009 and 2008, were \$11,139,248 and \$11,565,586, respectively.

#### **Scholarship Discounts and Allowances**

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

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **Federal Financial Assistance Programs**

The District participates in federally funded Pell Grants, FSEOG Grants, Federal Work-Study, Academic Competitiveness Grants, and Federal Family Education Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the related *Compliance Supplement*. During the year ended June 30, 2009 and 2008, the District distributed \$3,901,647 and \$1,976,657, respectively, in direct lending through the U.S. Department of Education. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students; however, the amounts are included on the Schedule of Expenditures of Federal Awards.

#### **Interfund Activity**

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

#### **Foundation Presentation**

The Riverside Community College District Foundation presents its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

**Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time.

**Unrestricted Net Assets** - Net assets not subject to donor-imposed restrictions.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are recorded at their fair market value on the date of the donation.

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

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### Changes in Accounting Principles

In July 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This Statement requires local governmental employers who provide other postemployment benefits (OPEB) as part of the total compensation offered to employees to recognize the expense and related liabilities (assets) in the entity-wide financial statements of net assets and activities. This Statement established standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of State and local government employers.

This Statement provided for prospective implementation – that is that employers set the beginning OPEB obligation at zero as of the beginning of the initial year. The District has implemented the provision of the Statement for the fiscal year ended June 30, 2009. The District had an annual required contribution of \$1,474,187 for the year June 30, 2009, and made a contribution of \$517,462 resulting in a net OPEB obligation of \$956,725.

#### New Accounting Pronouncements

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

In April 2009, the GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for State and local governments into the GASB authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements for State and local governmental entities that are presented in conformity with GAAP and the framework for selecting those principles. GASB Statement No. 55 is effective immediately.

In April 2009, the GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statement on Auditing Standards*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the AICPA's Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles: related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than auditing literature. GASB Statement No. 56 is effective immediately.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **Comparative Financial Information**

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

#### ***NOTE 3 - DEPOSITS AND INVESTMENTS***

##### **Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; 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 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. The County Treasurer also holds investments in a separate investment agreement account other than the County Pooled Investment noted above on behalf of the District. Funds in this investment agreement are strictly related to the District's general obligation bonds.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

**General Authorizations**

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

| Authorized<br>Investment Type           | Maximum<br>Remaining<br>Maturity | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>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                                   |

**Summary of Deposits and Investments**

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

|                                |                       |
|--------------------------------|-----------------------|
| Cash on hand and in banks      | \$ 2,361,961          |
| Cash in revolving              | 50,000                |
| Investments                    | 113,919,587           |
| Total Deposits and Investments | <u>\$ 116,331,548</u> |

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool and County Pooled Investment Fund.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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**Specific Identification**

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:

| <u>Investment Type</u>   | <u>Fair Market Value</u> | <u>Maturity Date</u> |
|--------------------------|--------------------------|----------------------|
| County Pooled Investment | <u>\$ 114,424,867</u>    | 1.06*                |

\*Weighted average of maturity in years.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool are rated Aaa by Fitch Ratings Ltd. as of June 30, 2009.

| <u>Investment Type</u>   | <u>Minimum Legal Rating</u> | <u>Rating June 30, 2009</u> | <u>Fair Market Value</u> |
|--------------------------|-----------------------------|-----------------------------|--------------------------|
| County Pooled Investment | Not Required                | Aaa                         | <u>\$ 114,424,867</u>    |

**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. As of June 30, 2009, the District's bank balance of \$1,469,304 was exposed to custodial credit risk because it was uninsured and collateralized at 110 percent of balance over \$100,000 with securities held by the pledging financial institution's trust department or agent, but not in the name of the District. Of the \$1,469,304 exposed to custodial credit risk, \$1,262,319 relates to funds of the associated students.

**Custodial Credit Risk - Investments**

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The cash held in the County Treasury is uncategorized and the fair value approximates carrying value are shown above in the credit risk schedule. Deposits with the County Treasury are not categories because they do not represent securities which exist in physical or book entry form. The deposits with the County Treasury are valued using the amortized cost method (which approximates fair value). The fair values are provided by the County Treasurer. As of June 30, 2009, \$113,919,587 is invested in the Riverside County Treasurer's Pooled Investment Fund. The Pooled Investment Fund is currently rated Aaa by Fitch Ratings Ltd.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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***NOTE 4 - ACCOUNTS RECEIVABLE***

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

The accounts receivable are as follows:

|   | <u>2009</u>          | <u>2008</u>          |
|---|----------------------|----------------------|
| Federal Government                              |                      |                      |
| Categorical aid                                 | \$ 2,323,228         | \$ 2,057,793         |
| State Government                                |                      |                      |
| Apportionment                                   | 15,024,738           | 5,572,690            |
| Categorical aid                                 | 865,091              | 473,300              |
| Lottery   | 1,806,440            | 1,978,201            |
| Other State sources                             | 8,937,772            | 4,853,760            |
| Local Sources                                   |                      |                      |
| Interest  | 412,953              | 1,209,174            |
| Property taxes                                  | 2,063,400            | 3,619,567            |
| Riverside Community College District Foundation | 704,028              | 390,556              |
| Riverside County Redevelopment Agency           | 898,653              | 1,145,600            |
| Other local sources                             | 2,579,577            | 1,238,186            |
| Total   | <u>\$ 35,615,880</u> | <u>\$ 22,538,827</u> |
| Student receivables                             | \$ 1,084,837         | \$ 925,931           |
| Less allowance for bad debt                     | <u>(325,451)</u>     | <u>(277,779)</u>     |
| Student receivables, net                        | <u>\$ 759,386</u>    | <u>\$ 648,152</u>    |
| Total receivables, net                          | <u>\$ 36,375,266</u> | <u>\$ 23,186,979</u> |

**Discretely Presented Component Unit**

The Foundation's accounts receivables consist primarily of donations and unconditional promises to give. The Foundation routinely analyzes the collectability of the outstanding balance and has provided for the determined valuation.



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

**NOTE 5 - CAPITAL ASSETS**

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

|  | Balance<br>Beginning<br>of Year | Additions            | Deductions           | Balance<br>End<br>of Year |
|--|---------------------------------|----------------------|----------------------|---------------------------|
| Capital Assets Not Being Depreciated       |                                 |                      |                      |                           |
| Land                                       | \$ 32,502,697                   | \$ -                 | \$ -                 | \$ 32,502,697             |
| Construction in progress                   | 41,546,052                      | 28,582,347           | 56,551,334           | 13,577,065                |
| Total Capital Assets Not Being Depreciated | <u>74,048,749</u>               | <u>28,582,347</u>    | <u>56,551,334</u>    | <u>46,079,762</u>         |
| Capital Assets Being Depreciated           |                                 |                      |                      |                           |
| Land improvements                          | 5,719,137                       | 3,578,719            | -                    | 9,297,856                 |
| Buildings and improvements                 | 137,488,061                     | 53,370,336           | -                    | 190,858,397               |
| Furniture and equipment                    | 22,440,352                      | 3,491,753            | 95,530               | 25,836,575                |
| Total Capital Assets Being Depreciated     | <u>165,647,550</u>              | <u>60,440,808</u>    | <u>95,530</u>        | <u>225,992,828</u>        |
| Total Capital Assets                       | <u>239,696,299</u>              | <u>89,023,155</u>    | <u>56,646,864</u>    | <u>272,072,590</u>        |
| Less Accumulated Depreciation              |                                 |                      |                      |                           |
| Land improvements                          | 4,604,364                       | 329,276              | -                    | 4,933,640                 |
| Buildings and improvements                 | 29,010,366                      | 4,640,170            | -                    | 33,650,536                |
| Furniture and equipment                    | 15,143,432                      | 3,272,701            | 95,530               | 18,320,603                |
| Total Accumulated Depreciation             | <u>48,758,162</u>               | <u>8,242,147</u>     | <u>95,530</u>        | <u>56,904,779</u>         |
| Net Capital Assets                         | <u>\$ 190,938,137</u>           | <u>\$ 80,781,008</u> | <u>\$ 56,551,334</u> | <u>\$ 215,167,811</u>     |

Depreciation expense for the year was \$8,242,147.

The District was the beneficiary of an extensive bequest of Mine Okubo's estate, a Japanese-American artist, inclusive of paintings, works of art, reference materials, photographs, books, writings, letters, and printed material. The District took possession of the materials bequeathed from the estate of Ms. Okubo as of June 30, 2009. The District has included the collection and materials as priceless in the District's capital assets (non-depreciable assets). During the course of the next few years and as the District learns the collection's long-term historical value, the values will be added to the District's capital assets. As of June 30, 2009, the District has not recorded a value of the collection in the financial statements.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

Capital asset activity for the District for the fiscal year ended June 30, 2008, was as follows:

|  | Balance<br>Beginning<br>of Year | Additions            | Deductions           | Balance<br>End<br>of Year |
|--|---------------------------------|----------------------|----------------------|---------------------------|
| Capital Assets Not Being Depreciated       |                                 |                      |                      |                           |
| Land                                       | \$ 32,502,697                   | \$ -                 | \$ -                 | \$ 32,502,697             |
| Construction in progress                   | 52,489,178                      | 21,432,362           | 32,375,488           | 41,546,052                |
| Total Capital Assets Not Being Depreciated | <u>84,991,875</u>               | <u>21,432,362</u>    | <u>32,375,488</u>    | <u>74,048,749</u>         |
| Capital Assets Being Depreciated           |                                 |                      |                      |                           |
| Land improvements                          | 5,135,661                       | 583,476              | -                    | 5,719,137                 |
| Buildings and improvements                 | 105,529,914                     | 32,386,566           | 428,419              | 137,488,061               |
| Furniture and equipment                    | 19,669,005                      | 3,063,215            | 291,868              | 22,440,352                |
| Total Capital Assets Being Depreciated     | <u>130,334,580</u>              | <u>36,033,257</u>    | <u>720,287</u>       | <u>165,647,550</u>        |
| Total Capital Assets                       | <u>215,326,455</u>              | <u>57,465,619</u>    | <u>33,095,775</u>    | <u>239,696,299</u>        |
| Less Accumulated Depreciation              |                                 |                      |                      |                           |
| Land improvements                          | 4,454,024                       | 150,340              | -                    | 4,604,364                 |
| Buildings and improvements                 | 25,635,147                      | 3,413,776            | 38,557               | 29,010,366                |
| Furniture and equipment                    | 13,081,750                      | 2,353,550            | 291,868              | 15,143,432                |
| Total Accumulated Depreciation             | <u>43,170,921</u>               | <u>5,917,666</u>     | <u>330,425</u>       | <u>48,758,162</u>         |
| Net Capital Assets                         | <u>\$ 172,155,534</u>           | <u>\$ 51,547,953</u> | <u>\$ 32,765,350</u> | <u>\$ 190,938,137</u>     |

Depreciation expense for the year was \$5,917,666.

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable for the District consisted of the following:

|                              | 2009                 | 2008                 |
|------------------------------|----------------------|----------------------|
| Accrued payroll and benefits | \$ 1,757,188         | \$ 986,197           |
| Apportionment                | 3,185,605            | 3,994,280            |
| State categorical programs   | 160,112              | 217,153              |
| Construction payables        | 7,195,994            | 6,146,806            |
| Vendor payables              | 2,913,071            | 2,994,940            |
| Other                        | 126,760              | 228,026              |
| Total                        | <u>\$ 15,338,730</u> | <u>\$ 14,567,402</u> |

**Discretely Presented Component Unit**

The accounts payable of the Foundation consist primarily of amounts owed to vendors for supplies and services.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at consisted of the following:

|                                     | <u>2009</u>         | <u>2008</u>         |
|-------------------------------------|---------------------|---------------------|
| Federal financial assistance        | \$ -                | \$ 20,427           |
| State categorical aid               | 2,851,954           | 2,294,711           |
| Enrollment fees                     | 898,508             | 752,650             |
| Theater subscriptions               | 314,986             | 300,275             |
| Health and liability self-insurance | 1,156,712           | 1,088,938           |
| Summer community education fees     | 119,862             | 123,000             |
| Other local                         | 440,418             | 443,106             |
| Total                               | <u>\$ 5,782,440</u> | <u>\$ 5,023,107</u> |

**NOTE 8 - INTERFUND TRANSACTIONS**

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

Balances owing between funds at year-end were for cost allocation. The balances result from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances at June 30, 2009 and 2008, have been eliminated in the consolidation process for financial statement presentation.

**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 between funds of the District have been eliminated in the consolidation process.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

**NOTE 9 - LONG-TERM OBLIGATIONS**

**Long-Term Obligations Summary**

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

|  | Balance<br>Beginning<br>of Year | Additions          | Deductions         | Balance<br>End<br>of Year | Due in<br>One Year |
|--|---------------------------------|--------------------|--------------------|---------------------------|--------------------|
| <b>Bonds Payable</b>                             |                                 |                    |                    |                           |                    |
| General obligation bonds, Series A and B         | \$ 3,475,000                    | \$ -               | \$ -               | \$ 3,475,000              | \$ -               |
| General obligation bonds,<br>Refunding Bond 2005 | 56,552,557                      | 666,520            | 1,260,000          | 55,959,077                | 1,495,000          |
| Net unamortized debt premium                     | 4,705,774                       | -                  | 162,838            | 4,542,936                 | -                  |
| General obligation bonds, Series 2007 C          | 83,980,000                      | -                  | 5,125,000          | 78,855,000                | 5,160,000          |
| Net unamortized debt premium                     | 2,640,907                       | -                  | 176,061            | 2,464,846                 | -                  |
| <b>Total Bonds Payable</b>                       | <b>151,354,238</b>              | <b>666,520</b>     | <b>6,723,899</b>   | <b>145,296,859</b>        | <b>6,655,000</b>   |
| <b>Other Liabilities</b>                         |                                 |                    |                    |                           |                    |
| Compensated absences                             | 2,608,658                       | 246,135            | -                  | 2,854,793                 | 713,698            |
| Capital leases                                   | 56,250                          | -                  | 14,674             | 41,576                    | 14,674             |
| Golden handshake                                 | 2,273,357                       | -                  | 916,229            | 1,357,128                 | 452,376            |
| Load banking                                     | 698,507                         | 350,174            | 219,946            | 828,735                   | -                  |
| Other post employment benefits (OPEB)            | -                               | 1,474,187          | 517,462            | 956,725                   | -                  |
| <b>Total Other Liabilities</b>                   | <b>5,636,772</b>                | <b>2,070,496</b>   | <b>1,668,311</b>   | <b>6,038,957</b>          | <b>1,180,748</b>   |
| <b>Total Long-Term Obligations</b>               | <b>\$156,991,010</b>            | <b>\$2,737,016</b> | <b>\$8,392,210</b> | <b>\$151,335,816</b>      | <b>\$7,835,748</b> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

The changes in the District's long-term obligations during the 2008 fiscal year consisted of the following:

|  | Balance<br>Beginning<br>of Year | Additions          | Deductions          | Balance<br>End<br>of Year | Due in<br>One Year |
|--|---------------------------------|--------------------|---------------------|---------------------------|--------------------|
| <b>Bonds Payable</b>                       |                                 |                    |                     |                           |                    |
| General obligation bonds, Series A and B   | \$ 5,020,000                    | \$ -               | \$ 1,545,000        | \$ 3,475,000              | \$ -               |
| General obligation bonds, Refunding Bond 2 | 56,434,356                      | 593,201            | 475,000             | 56,552,557                | 1,260,000          |
| Net unamortized debt premium               | 4,868,611                       | -                  | 162,837             | 4,705,774                 | -                  |
| General obligation bonds, Series 2007 C    | 90,000,000                      | -                  | 6,020,000           | 83,980,000                | 5,125,000          |
| Net unamortized debt premium               | 2,816,967                       | -                  | 176,060             | 2,640,907                 | -                  |
| <b>Total Bonds Payable</b>                 | <b>159,139,934</b>              | <b>593,201</b>     | <b>8,378,897</b>    | <b>151,354,238</b>        | <b>6,385,000</b>   |
| <b>Other Liabilities</b>                   |                                 |                    |                     |                           |                    |
| Compensated absences                       | 2,328,743                       | 279,915            | -                   | 2,608,658                 | 1,046,309          |
| Capital leases                             | 73,445                          | -                  | 17,195              | 56,250                    | 14,674             |
| Golden handshake                           | 927,706                         | 2,261,880          | 916,229             | 2,273,357                 | 916,229            |
| Load banking                               | 648,827                         | 242,945            | 193,265             | 698,507                   | 9,943              |
| <b>Total Other Liabilities</b>             | <b>3,978,721</b>                | <b>2,784,740</b>   | <b>1,126,689</b>    | <b>5,636,772</b>          | <b>1,987,155</b>   |
| <b>Total Long-Term Obligations</b>         | <b>\$163,118,655</b>            | <b>\$3,377,941</b> | <b>\$ 9,505,586</b> | <b>\$156,991,010</b>      | <b>\$8,372,155</b> |

**Description of Debt**

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property tax collections. The capital lease payments are made by the other special revenue fund. The compensated absences are made by the fund for which the employees' salaries are paid from. The District's General Fund makes payments for the Golden Handshake and load banking obligations.

**Bonded Debt**

**2004 General Obligation Bonds**

During March 2004, voters of the District authorized the issuance and sale of general obligation bonds in the amount of \$350,000,000. As a result of the authorization, General Obligation Bonds Series 2004A "Series A Bonds" and Series 2004B (federally taxable) "Series B Bonds" were issued in August 2004. At June 30, 2009, the principal outstanding was \$3,475,000.

Series A Bonds were issued in the aggregate principal amount of \$55,205,000 with interest rates ranging from 4.00 to 5.25 percent. Series A Bonds were used to finance the acquisition, construction, and modernization of property and school facilities, to refund outstanding certificates of participation (COPs), and to pay certain costs of the bond issue. The refunded COPs are considered defeased. This current refunding was undertaken to decrease total debt service payments by \$2,762,260. The Series A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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Series B Bonds were issued to advance refund the District's outstanding certificates of participation. The refunded COPs are considered defeased. This advance refunding was undertaken to reduce total debt service payments by \$2,298,036 and to obtain an economic gain of \$237,565. The Series B Bonds are not subject redemption prior to maturity.

The bonds are general obligations of the District. The Riverside County Board of Supervisors is obligated to levy ad valorem taxes upon all property within the District subject to taxation by the District for the payment of interest and principal on the bonds when due.

**2005 General Obligation Refunding Bonds**

During May 2005, the District issued 2005 General Obligation Refunding Bonds with interest rates ranging from 3.00 to 5.00 percent. The bonds were issued as current interest bonds and capital appreciation bonds, with the value of the capital appreciation bonds accreting \$5,755,644, and an aggregate principal debt service balance of \$56,434,356. The bonds mature through August 1, 2024. Principal and interest on the refunded debt will be paid until such time as they can be redeemed on August 1, 2014. At June 30, 2009, the principal outstanding was \$55,959,077, and net unamortized debt premium was \$4,542,936.

The bonds are being used to advance refund all or a portion of the outstanding principal amount of the District's General Obligation Bonds, Election of 2004, Series 2004A (the Refunding Bonds). The refunded bonds were the Series A general obligation bonds including the cost of issuance of the bonds except for \$3,745,000 of the debt. The refunded bonds are considered defeased. The bonds were issued as current interest bonds and capital appreciation bonds. Interest with respect to the current interest bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year.

Net debt premium consists of the following:

|                              |   |
|------------------------------|---|
|                              | June 30,<br>2009<br><hr style="border: 1px solid black;"/>                                    |
| Deferred loss on refunding   | \$ (3,050,917)  |
| Debt issue costs             | (726,523)   |
| Debt premium                 | 8,320,376   |
| Net unamortized debt premium | <hr style="border: 1px solid black;"/> \$ 4,542,936<br><hr style="border: 1px solid black;"/> |

**2007 General Obligation Bonds**

During June 2007, the District issued the 2007 General Obligation Bonds in the amount of \$90,000,000. The bonds mature beginning on August 1, 2007 through August 1, 2032, with interest yields ranging from 3.62 to 4.47 percent. At June 30, 2009, the principal outstanding was \$78,855,000 and unamortized premium and issuance costs of \$2,464,846 and \$949,227, respectively. Premium and issuance costs are amortized over the life of the bonds as a component of interest expense on the bonds.

The bonds are being used for the purposes of financing the repair, acquisition, construction, and equipping of certain District facilities, and to pay all legal, financial, and contingent costs in connection with the issuance of the bonds. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes. Interest with respect of the bonds accrues from the date of their delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2007.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

The outstanding general obligation bonded debt is as follows:

| Issue Date | Maturity Date | Interest Rate | Original Issue | Bonds                    | Issued      | Accreted          | Redeemed            | Bonds                     |
|------------|---------------|---------------|----------------|--------------------------|-------------|-------------------|---------------------|---------------------------|
|            |               |               |                | Outstanding July 1, 2008 |             | Interest Addition |                     | Outstanding June 30, 2009 |
| 2004       | 2030          | 4.00%-5.25%   | \$ 55,205,000  | \$ 3,475,000             | \$ -        | \$ -              | \$ -                | \$ 3,475,000              |
| 2005       | 2025          | 3.00%-5.00%   | 68,181,109     | 56,552,557               | -           | 666,520           | 1,260,000           | 55,959,077                |
| 2007       | 2033          | 4.00%-5.00%   | 90,000,000     | 83,980,000               | -           | -                 | 5,125,000           | 78,855,000                |
|            |               |               |                | <u>\$ 144,007,557</u>    | <u>\$ -</u> | <u>\$ 666,520</u> | <u>\$ 6,385,000</u> | <u>\$ 138,289,077</u>     |

The General Obligation Bonds, Series A and B mature through 2030 as follows:

| Fiscal Year | Principal           | Interest to Maturity | Total               |
|-------------|---------------------|----------------------|---------------------|
|             | 2010                | \$ -                 | \$ 146,075          |
| 2011        | -                   | 146,075              | 146,075             |
| 2012        | 500,000             | 136,075              | 636,075             |
| 2013        | 620,000             | 113,675              | 733,675             |
| 2014        | 795,000             | 85,375               | 880,375             |
| 2015-2019   | 1,070,000           | 161,269              | 1,231,269           |
| 2020-2024   | 155,000             | 112,694              | 267,694             |
| 2025-2029   | 265,000             | 58,175               | 323,175             |
| 2030        | 70,000              | 1,925                | 71,925              |
| Total       | <u>\$ 3,475,000</u> | <u>\$ 961,338</u>    | <u>\$ 4,436,338</u> |

The General Obligation Bonds, 2005 Refunding Bonds mature through 2025 as follows:

| Fiscal Year | Principal            | Accreted          | Current              | Total                |
|-------------|----------------------|-------------------|----------------------|----------------------|
|             |                      | Interest          | Interest to Maturity |                      |
| 2010        | \$ 1,495,000         | \$ -              | \$ 2,440,762         | \$ 3,935,762         |
| 2011        | 1,740,000            | -                 | 2,366,250            | 4,106,250            |
| 2012        | 1,544,393            | 92,886            | 2,310,500            | 3,947,779            |
| 2013        | 1,340,075            | 147,417           | 2,298,250            | 3,785,742            |
| 2014        | 1,281,442            | 140,963           | 2,298,250            | 3,720,655            |
| 2015-2019   | 13,333,167           | 285,254           | 10,727,750           | 24,346,171           |
| 2020-2024   | 27,820,000           | -                 | 5,611,000            | 33,431,000           |
| 2025        | 7,405,000            | -                 | 185,125              | 7,590,125            |
| Total       | <u>\$ 55,959,077</u> | <u>\$ 666,520</u> | <u>\$ 28,237,887</u> | <u>\$ 84,863,484</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
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The General Obligation Bonds, Series 2007 C mature through 2033 as follows:

| <u>Fiscal Year</u> | <u>Principal</u>     | <u>Interest to<br/>Maturity</u> | <u>Total</u>          |
|--------------------|----------------------|---------------------------------|-----------------------|
| 2010               | \$ 5,160,000         | \$ 3,746,850                    | \$ 8,906,850          |
| 2011               | 5,185,000            | 3,534,575                       | 8,719,575             |
| 2012               | -                    | 3,425,500                       | 3,425,500             |
| 2013               | -                    | 3,425,500                       | 3,425,500             |
| 2014               | -                    | 3,425,500                       | 3,425,500             |
| 2015-2019          | -                    | 17,127,500                      | 17,127,500            |
| 2020-2024          | -                    | 17,127,500                      | 17,127,500            |
| 2025-2029          | 33,600,000           | 13,950,250                      | 47,550,250            |
| 2030-2033          | 34,910,000           | 2,813,250                       | 37,723,250            |
| Total              | <u>\$ 78,855,000</u> | <u>\$ 68,576,425</u>            | <u>\$ 147,431,425</u> |

**Capital Leases**

The District has utilized capital leases purchase agreements to primarily purchase land, buildings, and equipment. The current lease purchase agreement in the amount of \$41,576 will be paid through 2012.

The District has entered into various capital lease arrangements for equipment:

|                                |                   |
|--------------------------------|-------------------|
| Equipment                      | \$ 138,445        |
| Less: Accumulated depreciation | (33,706)          |
| Total                          | <u>\$ 104,739</u> |

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

The District's principal obligations on lease agreements with options to purchase are summarized below:

| <u>Year Ending<br/>June 30,</u>         | <u>Lease<br/>Payment</u> |
|---|--------------------------|
| 2010                                    | \$ 17,195                |
| 2011                                    | 17,195                   |
| 2012                                    | 12,228                   |
| Total                                   | 46,618                   |
| Less: Amount Representing Interest      | 5,042                    |
| Present Value of Minimum Lease Payments | <u>\$ 41,576</u>         |



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

***NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION***

The District provides postemployment health care benefits for retired employees in accordance with approved Board policy.

**Plan Description**

The Riverside Community College District Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 65 retirees and beneficiaries currently receiving benefits and 802 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 2008-2009, the District contributed \$517,462 to the Plan, all of which was used for current premiums.

**Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with 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 obligation to the Plan:

|                                    |                          |
|------------------------------------|--------------------------|
| Annual required contribution       | \$ 1,474,187             |
| Annual OPEB cost (expense)         | <u>517,462</u>           |
| Increase in net OPEB obligation    | 956,725                  |
| Net OPEB obligation, July 1, 2008  | <u>-</u>                 |
| Net OPEB obligation, June 30, 2009 | <u><u>\$ 956,725</u></u> |

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 was as follows:

|   |                                   |                                |
|---|-----------------------------------|--------------------------------|
| <u>Annual Required<br/>Contribution</u> | <u>Percentage<br/>Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
| \$ 1,474,187                            | 35.1%                             | \$ 956,725                     |

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **Funding Status and Funding Progress**

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, 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. Since this is the first year of implementation, only the current year information is presented.

#### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the 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 July 1, 2007, actuarial valuation, the unit credit cost method was used. The actuarial assumptions include healthcare cost trend rates ranged from an initial ten percent to an ultimate rate of five percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2007, was 30 years. The actuarial value of assets was not determined in this actuarial valuation. As of June 30, 2009, the District finances its OPEB contributions using a pay-as-you-go method. The District has not established a plan or equivalent arrangement that contains an irrevocable trust.

#### ***NOTE 11 - RISK MANAGEMENT***

##### **Insurance Coverages**

The District is exposed to various risks of loss related to torts and liability; theft of, damage to and destruction of assets; errors and omissions and injuries to employees. The District obtains coverage for these risks as a member of various joint powers authorities or through the purchase of coverage from a risk retention group. The District has coverage up to \$20,000,000 for liability and tort risks. This coverage is subject to a \$100,000 self-insured retention. The District carries replacement coverage on its buildings and furniture and equipment with limits of \$295,277,000 and a \$100,000 deductible. Employee health benefits are covered by the employees enrolling in either one of two health maintenance organizations or in the District's self-insured health plan. The District's self-insured limit for the self-insured plan is \$100,000, and it purchases insurance coverage for the excess claims. The District purchases coverage for the dental benefits from a joint powers authority.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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**Joint Powers Authority Risk Pools**

During fiscal year ending June 30, 2009, the District contracted with the Alliance of Schools for Cooperative Insurance Program Joint Powers Authority 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 2008-2009, the District participated in the Schools Excess Liability Fund Joint Powers Authority (JPA), an insurance purchasing pool. The District is self insured for the first \$350,000 of each workers' compensation claim. 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.

| <u>Insurance Program / JPA Name</u>                           | <u>Type of Coverage</u> | <u>Limits</u> |
|---|-------------------------|---------------|
| Schools Excess Liability Fund (SELF)                          | Workers' Compensation   | \$ 2,000,000  |
| Schools Excess Liability Fund (SELF)                          | Excess Liability        | \$ 20,000,000 |
| Alliance of Schools for Cooperative Insurance Program (ASCIP) | Property and Liability  | \$ 1,000,000  |

**Employee Medical Benefits**

The District has contracted with Kaiser Permanente, Health Net, and the RCCD Plan to provide employee medical benefits. The District provides health and welfare benefits to all full-time and permanent part-time employees (20 hours or more) and their dependents. Those employees working less than full-time will receive a pro-rata share of the benefit package. Employees in positions less than 20 hours per week do not receive any fringe benefits.

If the employee elects not to enroll for health insurance coverage from one of the carriers provided by the District, such employee must provide evidence of other health insurance coverage.

- Medical - The employee has a choice of Kaiser Permanente, Health Net, or the RCCD Plan. The employee may elect to change carriers once per year during open enrollment. Normally, such election shall be effective October 1 of each year.
- Dental - Delta insurance coverage for employees and dependents shall be provided by the District. All employees shall participate in the program.
- Life Insurance - The District provides a \$50,000 life insurance policy by a carrier designated by the District. All employees shall participate in this life insurance program.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

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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.

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

**Claims Liabilities**

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2007 to June 30, 2009:

|   |                     |
|---|---------------------|
|   | Self-<br>Insurance  |
| Liability Balance, July 1, 2007                 | \$ 2,831,205        |
| Claims and changes in estimates                 | 6,664,980           |
| Claims payments                                 | <u>(6,193,620)</u>  |
| Liability Balance, June 30, 2008                | 3,302,565           |
| Claims and changes in estimates                 | 9,430,110           |
| Claims payments                                 | <u>(7,367,702)</u>  |
| Liability Balance, June 30, 2009                | <u>\$ 5,364,973</u> |
| Assets available to pay claims at June 30, 2009 | <u>\$ 8,722,572</u> |

The District records an estimated liability for indemnity health care, workers' compensation, torts, and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of the reported claims including future claim adjustment expenses and an estimate for claims incurred, but not reported based on historical experience. The estimated liabilities are calculated using historical experience and internal actuarial analysis.

**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).

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### 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. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

##### Funding Policy

Active members of the DB Plan are required to contribute eight percent of their salary while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-2009 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's total contributions to CalSTRS for the fiscal years ended June 30, 2009, 2008, and 2007, were \$5,560,357, \$5,207,094, and \$5,000,706, respectively, and equal 100 percent of the required contributions for each year.

##### Other Information

Under CalSTRS law, certain early retirement incentives require the employer to pay the present value of the additional benefit which may be paid on either a current or deferred basis. The District has obligations to CalSTRS totaling \$696,377 for early retirement incentives granted to terminated employees.

#### 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. 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.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **Funding Policy**

Active plan members are required to contribute seven percent of their salary (seven percent of monthly salary over \$133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2008-2009 was 9.428 percent of covered payroll. The District's contributions to CalPERS for fiscal years ending June 30, 2009, 2008, and 2007, were \$3,263,162, \$3,003,354, and \$2,702,097, respectively, and equaled 100 percent of the required contributions for each year.

#### **On-Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS which amounted to \$3,029,760, \$2,824,786, and \$2,720,297 (4.517 percent) of salaries subject to CalSTRS for the years ending June 30, 2009, 2008, and 2007, respectively. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

#### **Deferred Compensation**

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and Section 457. The plans, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the Financial Agent, until paid or made available to the employee or other beneficiary.

The San Diego County Office of Education Fringe Benefit Consortium is the Financial Agent for the District.

#### **Public Agency Retirement System (PARS)**

The Omnibus Budget Reconciliation Act of 1990 [Internal Revenue Code Section 3121 (b) (7) (F)] requires State and local public agencies to provide a retirement plan for all employees not covered under existing employer pension plans and/or Social Security.

The District is a member of the Public Agency Retirement System (PARS), a multiple-employer retirement trust established in 1990 by a coalition of public employers. The plan covers the District's part-time, temporary, and other employees not covered under CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with various bargaining units. PARS is a defined contribution qualified retirement plan under Section 401 (a) of the Internal Revenue Code.

The minimum total contribution is 7.5 percent of employees' salaries, of which the employee contributes the total 7.5 percent. District employees are covered under PARS Number 763 as of June 30, 2009. Total contributions to the plan amounted to \$761,526.

# RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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### *NOTE 13 - COMMITMENTS AND CONTINGENCIES*

#### **Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the 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, 2009.

#### **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, 2009.

#### **Operating Leases**

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are as follows:

| Year Ending<br>June 30, | Lease<br>Payment  |
|-------------------------|-------------------|
| 2010                    | \$ 216,339        |
| 2011                    | 53,226            |
| Total                   | <u>\$ 269,565</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

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

**Construction Commitments**

As of June 30, 2009, the District had the following budgetary commitments with respect to the unfinished capital projects:

| CAPITAL PROJECT                                     | Spent to<br>Date     | Budgeted<br>Construction<br>Commitment | Expected<br>Fiscal Year<br>Completion |
|---|----------------------|--|---------------------------------------|
| Aquatic Project                                     | \$ 1,176,122         | \$ 12,855,003                          | 11-12                                 |
| Cosmo, Ceramic Bldg. Bridge, and Music Room Project | 147,409              | 135,681                                | 09-10                                 |
| District ADA Transition Plan                        | 457,691              | 5,902,309                              | 11-12                                 |
| Humanities Upgrade                                  | 50,181               | 91,290                                 | 09-10                                 |
| MLK Stem Center                                     | 30,650               | 113,350                                | 09-10                                 |
| Moreno Valley - Network Operations Center           | 82,667               | 2,930,690                              | 09-10                                 |
| Moreno Valley Phase III                             | 645,284              | 18,964,998                             | 11-12                                 |
| Moreno Valley - Allied Health Redistribution        | 1,133,967            | 3,663,624                              | 11-12                                 |
| Moreno Valley - ECS Upgrade and Retrofit Project    | 248,179              | 4,117                                  | 09-10                                 |
| Moreno Valley - Health Science Center               | 94,271               | 27,375,729                             | 11-12                                 |
| Moreno Valley - Food Service Remodel                | 295,756              | 3,100,147                              | 10-11                                 |
| Moreno Valley - Parking Structure                   | 110,310              | 29,889,690                             | 10-11                                 |
| Norco - Campus Beautification Project               | 89,978               | 41,563                                 | 09-10                                 |
| Norco - Center for Health Wellness and Kinesiology  | 83,000               | 30,917,000                             | 11-12                                 |
| Norco - ECS Upgrade and Retrofit Project            | 117,827              | 255,204                                | 09-10                                 |
| Norco - Network Operations Center                   | 13,147               | 1,586,853                              | 09-10                                 |
| Norco Student Support Center                        | 2,573,756            | 17,420,744                             | 11-12                                 |
| Nursing/Science Project                             | 5,379,832            | 79,778,701                             | 11-12                                 |
| P.E. Phase II                                       | 730,841              | 17,870,910                             | 10-11                                 |
| Quad Basement Remodel                               | 12,960               | 454,540                                | 09-10                                 |
| Riverside - Black Box Theatre                       | 25,846               | 735,904                                | 09-10                                 |
| Riverside School of the Arts                        | 197,749              | 2,202,251                              | 12-13                                 |
| Stoko ECS Upgrade                                   | 46,325               | 543,127                                | 09-10                                 |
| Technology Building A Remodel                       | 11,375               | 923,625                                | 09-10                                 |
|   | <u>\$ 13,755,123</u> | <u>\$ 257,757,050</u>                  |                                       |

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



## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

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#### **Deferral of State Apportionments**

Due to the inability of the California State legislature to enact a budget by June 30, 2009, certain apportionments owed to the Community College District System and the Riverside Community College District for funding of FTES, categorical programs, and construction reimbursements which are attributable to the 2008-2009 fiscal year have been deferred to the 2009-2010 fiscal year. The total amount of funding deferred into the 2009-2010 fiscal year was \$15.024 million. As of July 14, 2009, \$0 remains outstanding. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years.

#### ***NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES***

The District is a member of the School Excess Liability Fund (SELF), the Riverside Community College - County Superintendent Self-Insurance Program for Employees (RCCSSIPE), the Riverside Employers/Employees Plan (REEP), and the Alliance of Schools for Cooperative Insurance Programs (ASCIP) Joint Powers Authorities (JPAs). The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPAs is such that they are not component units 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.

During the year ended June 30, 2009, the District made payments of \$340,535, \$4,518, \$1,384,318, and \$434,161 to SELF, RCCSSIPE, REEP, and ASCIP, respectively.

#### ***NOTE 15 - SUBSEQUENT EVENT***

The District issued \$10,725,000 of tax and revenue anticipation notes dated July 1, 2009. The notes mature on June 30, 2010, with an interest rate of 2.5 percent, and yield ranging from 0.53 to 0.60 percent interest. The notes were sold to supplement cash flow.

Repayment requirements are that a percentage of principal and interest be deposited with the fiscal agent each month beginning February 2010 until 100 percent of principal and interest due is on account in June 2010.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING  
 PROGRESS  
 FOR THE YEAR ENDED JUNE 30, 2009**

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| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial Value<br/>of Assets (a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL) -<br/>Unit Credit<br/>Cost Method (b)</b> | <b>Unfunded<br/>AAL<br/>(UAAL)<br/>(b - a)</b> | <b>Funded Ratio<br/>(a / b)</b> | <b>Covered<br/>Payroll (c)</b> | <b>UAAL as a<br/>Percentage of<br/>Covered Payroll<br/>((b - a) / c)</b> |
|---|--|--|--|---------------------------------|--------------------------------|--|
| July 1, 2007                            | \$ -                                     | \$ 9,766,024   | \$ 9,766,024                                   | \$ -                            | \$ 101,478,679                 | 9.62%  |

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***SUPPLEMENTARY INFORMATION***

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## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### DISTRICT ORGANIZATION JUNE 30, 2009

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The Riverside Community College District was founded in 1916 and is comprised of an area of approximately 440 square miles located in the western portion of Riverside County. There were no changes in the boundaries of the District during the current year. The District 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> |
|---------------------|----------------|---------------------|
| Virginia Blumenthal | President      | December 2010       |
| Janet Green         | Vice President | December 2010       |
| Jose Medina         | Secretary      | December 2010       |
| Mary Figueroa       | Member         | December 2012       |
| Mark A. Takano      | Member         | December 2012       |

#### ADMINISTRATION

|                                    |  |
|------------------------------------|--|
| Dr. Irving Hendrick <sup>(1)</sup> | Interim Chancellor                             |
| Dr. James L. Buysse                | Vice Chancellor, Administration and Finance    |
| Dr. Ray Maghroori                  | Vice Chancellor, Academic Affairs              |
| Ms. Melissa Kane                   | Vice Chancellor, Diversity and Human Resources |
| Dr. Linda Lacy                     | Vice Chancellor, Student Services/Operations   |

<sup>(1)</sup> Dr. Gregory Gray, Chancellor as of July 1, 2009

See accompanying note to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title | CFDA<br>Number | Federal<br>Expenditures |
|--|----------------|-------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                            |                |                         |
| Water Quality Research   | 10.223         | \$ 81,547               |
| GS-5 Certified: Increasing Soil Science Education                | 10.223         | 25,986                  |
| Pass through California Department of Education (CDE)            |                |                         |
| Child and Adult Care Food Program                                | 10.558         | 22,412                  |
| Total U.S. Department of Agriculture                             |                | <u>129,945</u>          |
| <b>U.S. DEPARTMENT OF DEFENSE</b>                                |                |                         |
| Procurement Assistance Center (PAC)                              | 12.002         | 251,871                 |
| <b>U.S. DEPARTMENT OF LABOR</b>                                  |                |                         |
| <b>WORKFORCE INVESTMENT ACT</b>                                  |                |                         |
| Pass through from the County of Riverside (EDA)                  |                |                         |
| WIA Cluster  |                |                         |
| Title I Community College Education Assistance Center            | 17.258         | 184,397                 |
| ARRA - Summer Youth Employment Program                           | 17.259         | 11,303                  |
| Subtotal WIA Cluster   |                | <u>195,700</u>          |
| Pass through from California Community College System's Office   |                |                         |
| California Transportation and Logistics Institute (CaTLI)        | 17.269         | 87,340                  |
| Total U.S. Department of Labor                                   |                | <u>283,040</u>          |
| <b>NATIONAL ENDOWMENT FOR THE ARTS</b>                           |                |                         |
| NEA Challenge America  | 45.024         | 10,000                  |
| <b>NATIONAL SCIENCE FOUNDATION</b>                               |                |                         |
| Advanced Technological Education (ATE)                           | 47.076         | 78,240                  |
| Logistics Technicians: Goods to Go                               | 47.076         | 115,638                 |
| National Center of Logistic and Supply Chain Tech Planning       | 47.076         | 40,887                  |
| Total National Science Foundation                                |                | <u>234,765</u>          |
| <b>SMALL BUSINESS ADMINISTRATION</b>                             |                |                         |
| Pass through from California State University, Fullerton         |                |                         |
| Auxiliary Services Corporation                                   |                |                         |
| Small Business Development Center                                | 59.037         | 325,477                 |
| Tri-Tech Small Business Development Center                       | 59.037         | 14,281                  |
| Total Small Business Administration                              |                | <u>339,758</u>          |
| <b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>                       |                |                         |
| Veteran Outreach Program - Administration                        | 64.000         | 5,103                   |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                              |                |                         |
| <b>TRIO Cluster</b>  |                |                         |
| Student Support Services Program                                 | 84.042         | 239,709                 |
| Upward Bound Program   | 84.047         | 808,609                 |
| Subtotal TRIO Cluster  |                | <u>1,048,318</u>        |

(Continued)

See accompanying note to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title    | CFDA<br>Number | Federal<br>Expenditures |
|---|----------------|-------------------------|
| U.S. DEPARTMENT OF EDUCATION, Continued                             |                |                         |
| Student Financial Assistance Cluster                                |                |                         |
| Federal Supplement Education Opportunity Grant (FSEOG)              | 84.007         | \$ 673,337              |
| FSEOG Administrative  | 84.007         | 37,216                  |
| Federal Family Education Loans (FFEL)                               | 84.032         | 3,901,647               |
| Federal Work Study Program (FWS)                                    | 84.033         | 736,399                 |
| Federal Work Study Administrative                                   | 84.033         | 43,892                  |
| Federal Pell Grants (PELL)  | 84.063         | 21,737,716              |
| Federal Pell Administrative   | 84.063         | 45,151                  |
| Academic Competitiveness Grant (ACG)                                | 84.375         | 41,075                  |
| Subtotal Student Financial Assistance Cluster                       |                | <u>27,216,433</u>       |
| HIGHER EDUCATIONAL ACT  |                |                         |
| Strengthening Institutions - Student Learning Cooperative           | 84.031         | 922,143                 |
| Strengthening Institutions - Hispanic Serving Institutions          | 84.031         | 568,826                 |
| Pass through from Chaffey Community College District                |                |                         |
| Title V - Cooperative   | 84.031         | 252,784                 |
| CCRAA - Access to Success   | 84.031         | 200,027                 |
| CCRAA - Project Success Program                                     | 84.031         | 321,212                 |
| CCRAA - Step up to Success Cooperative                              | 84.031         | 421,771                 |
| Subtotal Higher Education - Institutional Aid                       |                | <u>2,686,763</u>        |
| Fund for Improvement of Post-Secondary Education (FIPSE)            | 84.116B        | 90,839                  |
| Child Care Access Means Parents in School (CCAMPIS)                 | 84.335A        | 192,126                 |
| Pass through from University of California, Riverside               |                |                         |
| Teacher Quality Enhancement Grants                                  | 84.336         | 108,900                 |
| Aurora  | 84.336         | 2,995                   |
| Copernicus Alliance Science through Literacy (CASTL)                | 84.336B        | 11,608                  |
| CAREER AND TECHNICAL EDUCATION ACT                                  |                |                         |
| Passed through from California Community College System's Office    |                |                         |
| Career and Technical Education, Title I-B Regional Consortia Desert | 84.048         | 164,880                 |
| Career and Technical Education, Title I-C                           | 84.048         | 971,918                 |
| Technical Preparation Regional Coordination                         | 84.243         | 180,194                 |
| Title II, Technical Preparation                                     | 84.243         | 243,901                 |
| Success by Design - A Demonstration Model for                       |                |                         |
| Institutional Partnerships Serving Out-of-School Youth              | 84.353A        | 139,434                 |
| REHABILITATION ACT  |                |                         |
| Pass through from California Department of Rehabilitation           |                |                         |
| Rehabilitation Services -   |                |                         |
| Vocational Rehabilitation Grants to States                          | 84.126         | 202,200                 |
| ELEMENTARY AND SECONDARY EDUCATION ACT                              |                |                         |
| FIE Earmark Grant Awards  | 84.215K        | 84,682                  |
| Total U.S. Department of Education                                  |                | <u>33,345,191</u>       |

(Continued)

See accompanying note to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title        | CFDA<br>Number | Federal<br>Expenditures |
|---|----------------|-------------------------|
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                     |                |                         |
| Nurse Education, Practice, and Retention                                | 93.359         | \$ 381,537              |
| Career Ladder, Nursing Education  | 93.359         | 7,544                   |
| Pass through from California Community College System's Office          |                |                         |
| Temporary Assistance to Needy Families (TANF)                           | 93.558         | 91,155                  |
| Foster Care Education Program   | 93.658         | 60,574                  |
| Pass through from Yosemite Community College District                   |                |                         |
| Early Childhood Study - Consortium Grant                                | 93.575         | 17,466                  |
| Pass through from Foundation for California Community College (FCCC)    |                |                         |
| Temporary Assistance to Needy Families (TANF) - CDC Program             | 93.575         | 141,372                 |
| Pass through from Riverside County Department of Public Social Services |                |                         |
| Foster Care Education Program   | 93.658         | 48,399                  |
| Independent Living Skills - Emancipation                                | 93.674         | 1,084,742               |
| Pass through from Riverside County Office of Education (RCOE)           |                |                         |
| Independent Living Program  | 93.674         | 94,584                  |
| Pass through from California Department of Health Services              |                |                         |
| Medical Assistance Program (MAA)  | 93.778         | 79,663                  |
| Total U.S. Department of Health and Human Services                      |                | <u>2,007,036</u>        |
| <b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>                   |                |                         |
| Pass through from Foundation for California Community College (FCCC)    |                |                         |
| Americorps  | 94.006         | 48,999                  |
| Total Federal Expenditures  |                | <u>\$ 36,655,708</u>    |

See accompanying note to supplementary information.



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

| Program   | Program Entitlements |            |                   |
|---|----------------------|------------|-------------------|
|   | Current Year         | Prior Year | Total Entitlement |
| <b>GENERAL FUND</b>                                       |                      |            |                   |
| Board Financial Assistance Program (BFAP)                 | \$ 94,691            | \$ -       | \$ 94,691         |
| Basic Skills Reappropriation                              | -                    | 74,813     | 74,813            |
| Basic Skills and Immigrant Education                      | -                    | 406,281    | 406,281           |
| Basic Skills/ESL 2008-2009                                | 650,988              | 522,542    | 1,173,530         |
| Part Time Faculty Insurance                               | 28,217               | -          | 28,217            |
| Part Time Faculty Office Hours                            | 138,672              | -          | 138,672           |
| Part Time Faculty Compensation                            | 1,160,915            | -          | 1,160,915         |
| Homeowner Property Tax Relief                             | 432,426              | -          | 432,426           |
| Timber Tax Yield  | 42                   | -          | 42                |
| State Tax Subventions                                     | 2,101                | -          | 2,101             |
| State Lottery   | 3,147,254            | -          | 3,147,254         |
| Career Exploration and Develop 7th and 8th Grade          | -                    | 123,732    | 123,732           |
| CTE Fiscal Agent  | 6,916,000            | -          | 6,916,000         |
| CTE Strengthening Career Tech Ed SB 70                    | -                    | 170,256    | 170,256           |
| CTE Community Collaborative Project UNITE                 | 469,700              | -          | 469,700           |
| CTE Community Collaborative Project 2008-2009             | 400,000              | -          | 400,000           |
| CTE Community Collaborative Project Supplement            | 100,000              | -          | 100,000           |
| CTE Teacher Preparation Pipeline                          | -                    | 140,623    | 140,623           |
| CTE Entrepreneurship Career Pathways                      | 50,000               | -          | 50,000            |
| CTE Enrollment Growth and Retention AND-RN                | 736,738              | -          | 736,738           |
| CAHSEE Prep Program 2008-2009                             | 65,000               | -          | 65,000            |
| Associate Degree Nursing Enroll Growth                    | -                    | -          | -                 |
| California Articulation Number (CAN)                      | 4,000                | -          | 4,000             |
| Song Brown Nursing 2007-2009                              | -                    | 99,973     | 99,973            |
| Song Brown Nursing 2008-2010                              | 200,000              | -          | 200,000           |
| Song Brown RN Special Programs                            | 66,448               | -          | 66,448            |
| Physician's Assistant Base                                | 108,864              | -          | 108,864           |
| Nursing Capacity Building - Program Expansion             | -                    | 387,672    | 387,672           |
| Nursing Capacity Building - Renovation FP3                | -                    | 143,334    | 143,334           |
| Extended Opportunity Program and Service - (EOPS)         | 798,623              | -          | 798,623           |
| Extended Opportunity Program and Service - (EOPS/CARE)    | 135,643              | -          | 135,643           |
| Board Financial Assistance Program (BFAP)                 | 893,456              | -          | 893,456           |
| Telecommunication Technology Infrastructure Program - TCO | -                    | 10,291     | 10,291            |
| Instructional Equipment and Library Materials             | 285,790              | 88,073     | 373,863           |
| TTIP Plan E - Library Automation                          | 36,036               | -          | 36,036            |
| Matriculation Grant                                       | 1,791,762            | -          | 1,791,762         |
| Matriculation Grant - Noncredit                           | -                    | -          | -                 |

See accompanying note to supplementary information.

| Program Revenues |                        |                     |                     |                  |                         |
|------------------|------------------------|---------------------|---------------------|------------------|-------------------------|
| Cash<br>Received | Accounts<br>Receivable | Accounts<br>Payable | Deferred<br>Revenue | Total<br>Revenue | Program<br>Expenditures |
| \$ 94,691        | \$ -                   | \$ -                | \$ -                | \$ 94,691        | \$ 94,691               |
| 74,812           | -                      | 601                 | -                   | 74,211           | 74,211                  |
| 406,281          | -                      | 6,707               | -                   | 399,574          | 399,574                 |
| 1,173,530        | -                      | -                   | 868,053             | 305,477          | 305,477                 |
| 25,571           | -                      | -                   | -                   | 25,571           | 25,571                  |
| 114,259          | -                      | -                   | -                   | 114,259          | 114,259                 |
| 1,160,915        | -                      | -                   | -                   | 1,160,915        | 1,160,915               |
| 457,573          | -                      | -                   | -                   | 457,573          | 457,573                 |
| 42               | -                      | -                   | -                   | 42               | 42                      |
| 1,266            | 835                    | -                   | -                   | 2,101            | 2,101                   |
| 1,688,360        | 1,458,894              | -                   | -                   | 3,147,254        | 3,147,254               |
| 123,732          | -                      | 2,901               | -                   | 120,831          | 120,831                 |
| 6,570,200        | 345,800                | -                   | 344,249             | 6,571,751        | 6,571,751               |
| 170,255          | -                      | 40,086              | -                   | 130,169          | 130,169                 |
| 469,700          | -                      | -                   | 184,847             | 284,853          | 284,853                 |
| 400,000          | -                      | -                   | 400,000             | -                | -                       |
| 100,000          | -                      | -                   | 100,000             | -                | -                       |
| 114,082          | -                      | -                   | -                   | 114,082          | 114,082                 |
| 50,000           | -                      | -                   | 9,224               | 40,776           | 40,776                  |
| 714,620          | -                      | -                   | 461,117             | 253,503          | 253,503                 |
| 26,000           | -                      | -                   | 741                 | 25,259           | 25,259                  |
| 18               | -                      | 18                  | -                   | -                | -                       |
| 4,000            | -                      | -                   | 4,000               | -                | -                       |
| 74,953           | 25,013                 | -                   | -                   | 99,966           | 99,966                  |
| 74,980           | 25,405                 | -                   | -                   | 100,385          | 100,385                 |
| 52,970           | 3,847                  | -                   | -                   | 56,817           | 56,817                  |
| 49,516           | 56,584                 | -                   | -                   | 106,100          | 106,100                 |
| 387,672          | -                      | 425                 | -                   | 387,247          | 387,247                 |
| 143,334          | -                      | 93                  | -                   | 143,241          | 143,241                 |
| 790,407          | -                      | -                   | 23,494              | 766,913          | 766,913                 |
| 135,643          | -                      | -                   | -                   | 135,643          | 135,643                 |
| 893,456          | -                      | -                   | 52,906              | 840,550          | 840,550                 |
| 10,291           | -                      | -                   | 250                 | 10,041           | 10,041                  |
| 373,863          | -                      | -                   | 66,011              | 307,852          | 307,852                 |
| 36,036           | -                      | -                   | 7                   | 36,029           | 36,029                  |
| 1,791,762        | -                      | -                   | 21,915              | 1,769,847        | 1,769,847               |
| 355              | -                      | 355                 | -                   | -                | -                       |

(Continued)

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

| Program   | Program Entitlements |            |                   |
|---|----------------------|------------|-------------------|
|   | Current Year         | Prior Year | Total Entitlement |
| Staff Development   | \$ -                 | \$ 63,785  | \$ 63,785         |
| Foster Care Education Program   | 59,929               | -          | 59,929            |
| Middle College High School  | 121,846              | 11,575     | 133,421           |
| Responsive Training Funds   | -                    | 66,291     | 66,291            |
| Economic Development - Center for International Trade Development           | 205,000              | -          | 205,000           |
| Economic Development - Center for Applied Competitive Technology            | 205,000              | -          | 205,000           |
| EWD Regional Consortia Demonstration Project                                | 90,890               | -          | 90,890            |
| Game Art - Mini Grant   | 9,000                | -          | 9,000             |
| IDRC Logistics/Mt. SAC  | -                    | 9,541      | 9,541             |
| Teeth Are Us  | 128,655              | -          | 128,655           |
| Staff Diversity   | 25,236               | 73,917     | 99,153            |
| Economic Development - Center for Applied Competitive Technology - HUB FP1  | -                    | -          | -                 |
| Economic Development - Center for International Trade Development - HUB FP1 | -                    | -          | -                 |
| Economic Development - Center for Applied Competitive Technology - HUB FP2  | -                    | 57,117     | 57,117            |
| Economic Development - Center for International Trade Development - HUB FP2 | -                    | 21,740     | 21,740            |
| Economic Development - Center for Applied Competitive Technology - HUB FP3  | 121,000              | -          | 121,000           |
| Economic Development - Center for International Trade Development - HUB FP3 | 121,000              | -          | 121,000           |
| Economic Development - Center for International Trade Development - C/O     | -                    | 31,445     | 31,445            |
| CA Civil Liberties Public Ed Program  | 5,000                | -          | 5,000             |
| Disabled Student Program and Services - DSPTS                               | 1,989,652            | -          | 1,989,652         |
| Nursing Faculty Recruitment and Retention                                   | -                    | 207,442    | 207,442           |
| CalWORKS  | 441,433              | -          | 441,433           |
| CalWORKS Community College Set-Aside  | 150,000              | -          | 150,000           |
| RCOE Zenith Mentoring Foster Youth/ILP                                      | 61,500               | -          | 61,500            |
| Equipment for Nursing and Allied Health Programs                            | -                    | 35,641     | 35,641            |
| Economic Development - CITD State Leadership                                | 172,500              | -          | 172,500           |
| CA High School Exit Exam Prep   | -                    | 367,010    | 367,010           |
| SFAA Augment C/O  | -                    | 48,654     | 48,654            |
| Small Business Development Center State CCCCCO                              | 50,000               | -          | 50,000            |
| State Lottery   | 512,151              | -          | 512,151           |

See accompanying note to supplementary information.

| Program Revenues |            |          |           |           |    | Program      |
|------------------|------------|----------|-----------|-----------|----|--------------|
| Cash             | Accounts   | Accounts | Deferred  | Total     |    | Expenditures |
| Received         | Receivable | Payable  | Revenue   | Revenue   |    |              |
| \$ 63,785        | \$ -       | \$ -     | \$ 15,830 | \$ 47,955 | \$ | 47,955       |
| 47,127           | 14,975     | -        | -         | 62,102    |    | 62,102       |
| 24,309           | 108,526    | -        | -         | 132,835   |    | 132,835      |
| 51,596           | -          | -        | -         | 51,596    |    | 51,596       |
| 172,200          | 32,800     | -        | -         | 205,000   |    | 205,000      |
| 180,678          | -          | -        | 20,315    | 160,363   |    | 160,363      |
| 76,348           | -          | -        | 40,949    | 35,399    |    | 35,399       |
| -                | 7,810      | -        | -         | 7,810     |    | 7,810        |
| 8,441            | -          | -        | -         | 8,441     |    | 8,441        |
| -                | 77,927     | -        | -         | 77,927    |    | 77,927       |
| 99,153           | -          | -        | 61,720    | 37,433    |    | 37,433       |
| 4,406            | -          | 4,406    | -         | -         |    | -            |
| 15,434           | -          | 15,434   | -         | -         |    | -            |
| 37,936           | 15,309     | -        | -         | 53,245    |    | 53,245       |
| 2,380            | 19,360     | -        | -         | 21,740    |    | 21,740       |
| 101,640          | 12,641     | -        | -         | 114,281   |    | 114,281      |
| 101,640          | 17,743     | -        | -         | 119,383   |    | 119,383      |
| 31,444           | -          | 32       | -         | 31,412    |    | 31,412       |
| 3,750            | 1,250      | -        | -         | 5,000     |    | 5,000        |
| 1,988,009        | 1,643      | -        | -         | 1,989,652 |    | 1,989,652    |
| 207,440          | -          | -        | 172,984   | 34,456    |    | 34,456       |
| 441,433          | -          | 2,487    | -         | 438,946   |    | 438,946      |
| 125,018          | -          | -        | -         | 125,018   |    | 125,018      |
| 360              | 60,255     | -        | -         | 60,615    |    | 60,615       |
| 35,641           | -          | -        | 3,342     | 32,299    |    | 32,299       |
| 145,900          | 26,600     | -        | -         | 172,500   |    | 172,500      |
| 190,936          | -          | -        | -         | 190,936   |    | 190,936      |
| 48,654           | -          | -        | -         | 48,654    |    | 48,654       |
| 42,000           | 7,994      | -        | -         | 49,994    |    | 49,994       |
| 11,485           | 347,546    | -        | -         | 359,031   |    | 359,031      |

(Continued)

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

| Program                           | Program Entitlements |            |                   |
|-----------------------------------|----------------------|------------|-------------------|
|                                   | Current Year         | Prior Year | Total Entitlement |
| <b>CHILD DEVELOPMENT FUND</b>     |                      |            |                   |
| Campus Child Care Tax Bailout     | \$ 143,552           | \$ -       | \$ 143,552        |
| Child Nutrition Program           | -                    | -          | -                 |
| <b>STUDENT FINANCIAL AID FUND</b> |                      |            |                   |
| Cal Grant B and C                 | 1,732,874            | -          | 1,732,874         |
| Total State Programs              |                      |            |                   |

See accompanying note to supplementary information.

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| Program Revenues         |                                |                             |                             |                          |                                 |
|--------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------|---------------------------------|
| <u>Cash<br/>Received</u> | <u>Accounts<br/>Receivable</u> | <u>Accounts<br/>Payable</u> | <u>Deferred<br/>Revenue</u> | <u>Total<br/>Revenue</u> | <u>Program<br/>Expenditures</u> |
| \$ 143,552               | \$ -                           | \$ -                        | \$ -                        | \$ 143,552               | \$ 143,552                      |
| 943                      | 404                            | -                           | -                           | 1,347                    | 1,347                           |
| <u>1,732,874</u>         | <u>2,370</u>                   | <u>86,567</u>               | <u>-</u>                    | <u>1,648,677</u>         | <u>1,648,677</u>                |
| <u>\$ 24,891,657</u>     | <u>\$ 2,671,531</u>            | <u>\$ 160,112</u>           | <u>\$ 2,851,954</u>         | <u>\$ 24,551,122</u>     | <u>\$ 24,551,122</u>            |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF WORKLOAD MEASURES FOR STATE  
 GENERAL APPORTIONMENT - ANNUAL (ACTUAL) ATTENDANCE  
 AS OF JUNE 30, 2009**

|   | <u>Revised*<br/>Reported<br/>Data</u> | <u>Audit<br/>Adjustments</u> | <u>Revised<br/>Audited<br/>Data</u> |
|---|---------------------------------------|------------------------------|-------------------------------------|
| <b>CATEGORIES</b>   |                                       |                              |                                     |
| <b>Credit Full-Time Equivalent Student (FTES)</b>             |                                       |                              |                                     |
| A. Summer Intersession (Summer 2008 only)                     |                                       |                              |                                     |
| 1. Credit   | 2,645                                 | -                            | 2,645                               |
| B. Summer Intersession (Summer 2009 - Prior to July 1, 2009)  |                                       |                              |                                     |
| 1. Credit   | -                                     | -                            | -                                   |
| C. Primary Terms (Exclusive of Summer Intersession)           |                                       |                              |                                     |
| 1. Census Procedure   |                                       |                              |                                     |
| (a) - Weekly Census Contact Hours                             | 19,651                                | -                            | 19,651                              |
| (b) - Daily Census Contact Hours                              | 3,287                                 | -                            | 3,287                               |
| 2. Actual Hours of Attendance                                 |                                       |                              |                                     |
| (a) - Credit  | 1,880                                 | -                            | 1,880                               |
| 3. Independent Study/Work Experience                          |                                       |                              |                                     |
| (a) - Weekly Census Procedure Courses                         | 1,833                                 | -                            | 1,833                               |
| (b) - Daily Census Procedure Courses                          | 1,375                                 | -                            | 1,375                               |
| Subtotal  | <u>30,671</u>                         | <u>-</u>                     | <u>30,671</u>                       |
| <b>Noncredit FTES</b>   |                                       |                              |                                     |
| A. Summer Intersession (Summer 2008 only)                     |                                       |                              |                                     |
| 1. Noncredit  | 49                                    | -                            | 49                                  |
| B. Summer Intersession (Summer 2009 - Prior to July 1, 2009)  |                                       |                              |                                     |
| 1. Noncredit  | -                                     | -                            | -                                   |
| C. Primary Terms (Exclusive of Summer Intersession)           |                                       |                              |                                     |
| 1. Actual Hours of Attendance                                 |                                       |                              |                                     |
| (a) - Noncredit   | 249                                   | -                            | 249                                 |
| 2. Independent Study/Work Experience                          |                                       |                              |                                     |
| (a) - Noncredit Independent Study                             | -                                     | -                            | -                                   |
| Subtotal  | <u>298</u>                            | <u>-</u>                     | <u>298</u>                          |
| Total FTES  | <u>30,969</u>                         | <u>-</u>                     | <u>30,969</u>                       |
| <b>Supplemental Information (subset of above information)</b> |                                       |                              |                                     |
| In-Service Training Courses (FTES)                            |                                       |                              | 944                                 |
| <b>Basic Skills Courses</b>                                   |                                       |                              |                                     |
| 1. Noncredit  |                                       |                              | -                                   |
| 2. Credit   |                                       |                              | 2,556                               |
| Total Basic Skills FTES                                       |                                       |                              | <u>2,556</u>                        |
| <b>Comprehensive Center FTES</b>                              |                                       |                              |                                     |
| 1. Noncredit  |                                       |                              | 14,115                              |
| 2. Credit   |                                       |                              | 63                                  |
| Total Comprehensive Center FTES                               |                                       |                              | <u>14,178</u>                       |

\*Annual report revised as of October 1, 2009.

See accompanying note to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)  
 WITH FUND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2009**

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Summarized below are the fund balance reconciliations between the Annual Financial and Budget Report (CCFS-311) and the fund financial statements.

|   | <u>General<br/>Fund</u>     | <u>Internal<br/>Service Fund</u> |
|---|-----------------------------|----------------------------------|
| June 30, 2009, Annual Financial and Budget Report (CCFS-311)<br>Reported Fund Balance | <u>\$ 13,253,849</u>        | <u>\$ 4,022,520</u>              |
| Adjustments to Decrease Fund Balance  |                             |                                  |
| Accounts payable  | 80,868                      | -                                |
| Claims liability  | -                           | 1,578,805                        |
| Net Adjustments   | <u>80,868</u>               | <u>1,578,805</u>                 |
| Audited Fund Balance  | <u><u>\$ 13,172,981</u></u> | <u><u>\$ 2,443,715</u></u>       |

See accompanying note to supplementary information.



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEETS TO THE  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2009**

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

**Total Fund Balance and Due to Student Groups:**

|                         |                  |
|-------------------------|------------------|
| General Funds           | \$ 22,716,812    |
| Special Revenue Funds   | 276,285          |
| Capital Outlay Projects | 81,230,787       |
| Debt Service Funds      | 16,983,804       |
| Proprietary Fund        | 2,443,715        |
| Fiduciary Funds         | <u>1,913,653</u> |

**Total Fund Balance and Due to Student Groups**

**- All District Funds** **\$ 125,565,056**

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 | 272,072,591         |             |
| Accumulated depreciation is   | <u>(56,904,780)</u> | 215,167,811 |

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

(1,913,653)

In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term obligations is recognized when it is incurred.

(2,694,959)

Governmental funds report cost of issuance associated with the issuance of debt when first issued, whereas the amounts are deferred and amortized in the statements of activities.

Cost of issuance at year end amounted to: 949,227

Long-term obligations at year end consist of:

|   |                  |                      |
|---|------------------|----------------------|
| Bonds payable                                       | 145,296,859      |                      |
| Capital leases payable                              | 41,576           |                      |
| Compensated absences                                | 2,854,793        |                      |
| Load banking  | 828,735          |                      |
| Early retirement (Golden Handshake)                 | 1,357,128        |                      |
| Other postemployment benefits (OPEB)                | 956,725          |                      |
| Less compensated absences already recorded in funds | <u>(809,706)</u> | <u>(150,526,110)</u> |

**Total Net Assets**

**\$ 186,547,372**

See accompanying note to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**NOTE TO SUPPLEMENTARY INFORMATION  
 JUNE 30, 2009**

**NOTE 1 - PURPOSE OF SCHEDULES**

**District Organization**

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

**Schedule of Expenditures of Federal Awards**

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the statement of revenues, expenses, and changes in net assets and the related expenditures reported on the schedule of expenditures of Federal awards. The reconciling amounts represent Federal funds that have been recorded as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students.

| Description   | CFDA<br>Number | Amount               |
|---|----------------|----------------------|
| Total Federal Revenues per Statement of Revenues, Expenses,<br>and Changes in Net Assets: |                | \$ 32,754,061        |
| Federal Family Education Loans (FFEL)   | 84.032         | 3,901,647            |
| Total Expenditures of Federal Awards  |                | <u>\$ 36,655,708</u> |

**Subrecipients**

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

| Federal Grantor/Pass-Through<br>Grantor/Program            | CFDA<br>Number | Amount Provided<br>to Subrecipients |
|--|----------------|-------------------------------------|
| Water Quality Research                                     | 10.223         | \$ 56,027                           |
| GS-5 Certified: Increasing Soil Science Education          | 10.223         | 17,124                              |
| Logistics Technicians: Goods to Go                         | 47.076         | 36,839                              |
| National Center of Logistic and Supply Chain Tech Planning | 47.076         | 21,347                              |
| Strengthening Institutions - Student Learning Cooperative  | 84.031S        | 162,290                             |
| CCRAA - Step Up to Success Cooperative                     | 84.031C        | 89,192                              |
| Technical Preparation Regional Coordination                | 84.243         | 132,537                             |
| Title II, Technical Preparation                            | 84.243         | 75,714                              |
| Independent Living Skills - Emancipation                   | 93.674         | 67,134                              |
| Total Pass-Through   |                | <u>\$ 658,204</u>                   |

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2009

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#### **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 System's Office.

#### **Schedule of Workload Measures for State General Apportionment - Annual (Actual) Attendance**

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

#### **Reconciliation of 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.

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

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

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***INDEPENDENT AUDITORS' REPORTS***

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**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  
Riverside Community College District  
Riverside, California

We have audited the financial statements of the business-type activities of Riverside Community College District (the District) for the years ended June 30, 2009 and 2008, and have issued our report thereon dated November 20, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered Riverside 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 Riverside Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Riverside Community College District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as referenced at 2009-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of Riverside Community College District in a separate letter dated November 20, 2009.

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

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

*Vaurinek, Irine, Day & Co. LLP*

Rancho Cucamonga, California  
November 20, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees  
Riverside Community College District  
Riverside, California

**Compliance**

We have audited the compliance of Riverside Community College District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2009. Riverside Community College District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Riverside Community College District's management. Our responsibility is to express an opinion on Riverside Community College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Riverside Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Riverside Community College District's compliance with those requirements.

**Internal Control Over Compliance**

The management of Riverside Community College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Riverside Community College District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Riverside Community College District's internal control over compliance.

A *control deficiency* in a district's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

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

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

Vaurinek, Irine, Day, & Co. LLP

Rancho Cucamonga, California  
November 20, 2009





## REPORT ON STATE COMPLIANCE

Board of Trustees  
Riverside Community College District  
Riverside, California

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements with State laws and regulations have occurred. An audit includes examining, on a test basis, evidence about Riverside Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Riverside Community College District's compliance with those requirements.

### General Directive

Section 424: MIS Implementation - State General Apportionment Funding System

### Administration

Section 435: Open Enrollment

Section 437: Student Fees - Instructional Materials and Health Fees

### Apportionments

Section 423: Apportionment of Instructional Service Agreements/Contracts

Section 425: Residency Determination for Credit Courses

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

Section 432: Enrollment Fee

Section 426: Students Actively Enrolled

## **Fiscal Operations**

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

Section 431: Gann Limit Calculation

## **Student Services**

Section 428: Use of Matriculation Funds

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

## **Facilities**

Section 434: Scheduled Maintenance Program

In our opinion, Riverside Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2009. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported and are described in the accompanying schedule of findings and questioned costs as items 2009-2 and 2009-3.

Riverside Community College District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Riverside Community College District's responses and, accordingly, we express no opinion.

This report is intended solely for the information of the Board of Trustees, District Management, the California Community Colleges System's Office, the California Department of Finance, and the California Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

*Vaurinek, Irine Day & Co. LLP*

Rancho Cucamonga, California  
November 20, 2009

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

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**SUMMARY OF AUDITORS' RESULTS  
 FOR THE YEAR ENDED JUNE 30, 2009**

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**FINANCIAL STATEMENTS**

|   |                    |
|---|--------------------|
| Type of auditors' report issued:  | <u>Unqualified</u> |
| Internal control over financial reporting:                                    |                    |
| Material weaknesses identified?   | <u>No</u>          |
| Significant deficiencies identified not considered to be material weaknesses? | <u>Yes</u>         |
| Noncompliance material to financial statements noted?                         | <u>No</u>          |

**FEDERAL AWARDS**

|   |                      |
|---|----------------------|
| Internal control over major programs:   |                      |
| Material weaknesses identified?   | <u>No</u>            |
| Significant deficiencies identified not considered to be material weaknesses? | <u>None reported</u> |
| Type of auditors' report issued on compliance for major programs:             | <u>Unqualified</u>   |

|  |           |
|--|-----------|
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) | <u>No</u> |
|--|-----------|

Identification of major programs:

| <u>CFDA Numbers</u>                           | <u>Name of Federal Program or Cluster</u> |
|---|---|
| 84.007, 84.032, 84.033,<br>84.063, and 84.375 | Student Financial Assistance Cluster      |
| <u>17.258 and 17.259</u>                      | <u>WIA Cluster</u>                        |

|  |                     |
|--|---------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | <u>\$ 1,099,671</u> |
| Auditee qualified as low-risk auditee?                                   | <u>No</u>           |

**STATE AWARDS**

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

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED JUNE 30, 2009

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The following findings represent significant deficiencies and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

#### **2009-1 Finding - Audit Adjustments of Estimated Claims Liability**

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

Governmental Accounting Standards Board (GASB) Statement No. 10 requires the District to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE).

##### **Condition**

The assumptions used by the District to calculate the claims liability are determined based on estimates by District personnel. Loss development techniques are used to establish the claims liability. Understanding and assessing the variability of these estimates, and the reliability of historical experience as an indicator of future loss payments, requires a careful analysis of the historical loss data and the use of projection methods that are sensitive to the particular circumstances. While these indicators are in place, mathematical errors in the calculation resulted in an understatement of the overall claims liability.

##### **Isolated Instance or Systemic**

Isolated Instance - Mathematical errors were noted on loss development calculations that were used for the variability of claims liability estimates which resulted in an understatement of claims liability.

##### **Questioned Costs**

Audit adjustment totaling \$1,578,805 for estimated claims liability.

##### **Effect**

The financial statements could be materially misstated if an understanding and assessing the variability of claims liability estimates is not obtained which industry standards would indicate are best provided by an actuary.

##### **Recommendation**

The District should strengthen internal controls in the calculation of claims liability to include a review of formulas to ensure amounts recorded on the general ledger are accurate. The District claims liability calculation noted mathematical errors that resulted in an audit adjustment to the overall liability. The District should consider the use of a specialist which industry standards would indicate are best provided by an actuary. An updated actuarial study of the claims costs should be performed at least every three years.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED JUNE 30, 2009

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#### **District Response and Planned Corrective Actions**

The District has employed a well tested methodology for determining its estimated claims liability each year. Said methodology has been considered satisfactory internally and by audit firms over the ten years since it was first implemented. However, we concur that there were mathematical errors in the most recent calculation, and hence, that internal controls should be strengthened. In this regard, in the future, the District will periodically engage the services of an actuary to test the currency and validity of its methodology and assumptions. This process will begin with the fiscal 2010 audit and be repeated every five years thereafter.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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None reported.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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

#### 2009-2 Finding - Concurrent Enrollment

##### Criteria or Specific Requirement

- *Education Code* Sections 48800(a), 48800.5, 76300, 76001(d)
- Legal Opinions M 98-17 and M02-20 issued by the Chancellor's Office, California Community Colleges
- Legal Advisory 05-01, "Questions and Answers Re. Concurrent Enrollment" - issued January 5, 2005 by the Chancellor's Office, California Community Colleges

##### Condition

Enrollment fees are not being assessed to K-12 students for all units once 11 units has been exceeded and the student becomes a special full-time student. The District's Datatel System exempts all special part-time and full-time K-12 students from any enrollment fees.

##### Isolated Instance or Systemic

Systemic - *Education Code* Section 73600 provides that a district may not exempt special full-time students as a group from paying the \$20 per unit enrollment fee. However, it was noted that the District exempts all K-12 students from any enrollment fees.

##### Questioned Costs

\$10,050 - approximately

##### Effect

Without procedures that require special full-time K-12 students to be assessed enrollment fees, this could materially impact the District's State apportionment revenues. If enrollment fees are materially understated, then State apportionment revenues could be materially overstated since enrollment fee revenue is used to determine State apportionment revenues the District will receive.

##### Recommendation

Districts admitting special K-12 students should have procedures in place to ensure enrollment fees are assessed for all units once 11 units is exceeded and the student becomes a special full-time student.



## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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#### District Response and Planned Corrective Actions

Concurrently Enrolled Students (Special Enrolled Students K12) are billed within Datatel (Student System) at \$0.00 per unit plus the Student Services Fee and Health Services fees. Students are blocked from enrolling in greater than 11 units, unless that restriction is over written by appropriate College/Campus personnel. The District's Information Services and Accounting Services departments researched this problem and found that 40 student records were impacted during fiscal year 2008-2009. This resulted in the loss of tuition revenue in the amount of approximately \$10,500. The majority of the instances occurred at the Moreno Valley campus with students from their Middle College High School and Nuview programs. Information Services department has corrected the billing system to ensure all Special Enrolled Students are billed for all units taken if a student is enrolled in greater than 11 units in a semester.

For future terms starting in fiscal year 2009-2010, the following procedures will be in place:

- The campus administration will communicate to the program directors on the limitations in terms of units and the implication on the tuition fees.
- The campus administration will also keep the students/parents and other entities informed due to the impact by this regulation at all times.
- No concurrently enrolled students should be allowed to register in more than 11 units.
- If for any administrative reason the students are allowed to enroll in more than 11 units, the campus will ensure that procedures are in place for billing.

#### 2009-3 Finding - Ineligible CalWORKs recipients were provided services

##### Program

CalWORKs - Use of State and Federal TANF Funding

##### Award Year

2008-2009

##### Criteria or Specific Requirement

- *Education Code* Sections 79200-79203 and 84759
- 2007-08 *Final Budget Summary*, Page 630, Item 6870-101-0001, Provision 15; and Page 646, Item 6870-111-0001, Provision 2  
[http://www.documents.dgs.ca.gov/osp/GovernorsBudget/pdf/fbudsum\\_07.pdf](http://www.documents.dgs.ca.gov/osp/GovernorsBudget/pdf/fbudsum_07.pdf)
- Chancellor's Office CalWORKs Program Handbook Guidelines\_2007-08
- *Clarification on CalWORKs Supplantation Prohibition*, Chancellor's Office Letter, March 13, 2006 (See Appendix M)  
OMB A-133 Compliance Supplement

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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#### **Condition**

In our sample of 25 CalWORKs recipients, we noted three CalWORKs recipients who did not have the proper eligibility documented through the County Welfare Department for each academic term the recipient was served.

#### **Isolated Instance or Systemic**

Isolated Instance - Once the initial eligibility determination is made by the County Welfare Department, ongoing communication with the County is essential to ensure that a student remains in good standing. Eligibility determinations must be conducted at the beginning of each term to ensure students are eligible for services prior to receiving them.

#### **Questioned Costs**

None noted.

#### **Effect**

Without the proper controls in place, unauthorized program costs and services provided to ineligible recipients could be reimbursed by the State program.

#### **Recommendation**

We recommend that the District develop an independent internal tracking of student eligibility. Services provided through other college departments, like the Child Care Center, must be coordinated with the CalWORKs program office to also verify a student's ongoing eligibility for services, academic progress, and to monitor programs expenses that are directly attributable to support for the identified CalWORKs eligible students.

#### **District Response and Planned Corrective Actions**

To comply with CalWORKs and Education Code requirements in the future, we have implemented the following practices:

1. Eligibility documentation must be provided by all new referrals at or before the CalWORKs student's first appointment with a counselor. Acceptable documentation includes a Notice of Action (NOA), a Department of Public Social Services generated referral, or a Department of Public Social Services Welfare-to-Work Plan.
2. Each term (summer, fall, winter, and spring), Riverside Community College District creates a list of all CalWORKs students enrolled at the Riverside, Moreno Valley, or Norco campuses. This list is submitted electronically to Riverside County Department of Public Social Services (DPSS) for verification of eligibility. DPSS returns the list to the District identifying those students who are receiving cash assistance. This meets eligibility requirements for these students, and they are eligible for services.
3. Prior to the end of each term, every CalWORKs student's file will be internally audited to verify that appropriate and timely eligibility documentation is physically in the file.

## **RIVERSIDE COMMUNITY COLLEGE DISTRICT**

### **STATE AWARDS FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009**

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4. All files for CalWORKs participants who are identified as "post-employment" will be internally audited to verify appropriate employment and wage information is physically in the file.
5. Any student who is not verified by the above process will be required to provide eligibility documentation prior to receiving any services.
6. No student will be input to MIS data (submitted to California Community College Chancellor's Office) until eligibility has been verified.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of audit findings and questioned costs.

#### STATE AWARD FINDINGS

##### 2008-1 Finding

###### **Ineligible CalWORKs recipients were provided services.**

**Program:** CalWORKs – Use of State and Federal TANF Funding

**Award Year:** 2007-2008

**Questioned Costs:** None could be determined.

###### **Program Affected**

###### **CalWORKs**

###### **Criteria**

- *Education Code* Sections 79200-79203 and 84759
- 2007-08 *Final Budget Summary*, Page 630, Item 6870-101-0001, Provision 15; and Page 646, Item 6870-111-0001, Provision 2  
[http://www.documents.dgs.ca.gov/osp/GovernorsBudget/pdf/fbudsum\\_07.pdf](http://www.documents.dgs.ca.gov/osp/GovernorsBudget/pdf/fbudsum_07.pdf)
- Chancellor's Office CalWORKs Program Handbook Guidelines\_2007-08
- *Clarification on CalWORKs Supplantation Prohibition*, Chancellor's Office Letter, March 13, 2006 (See Appendix M)

###### **Condition**

In our sample of 25 recipients for eligibility requirements, we noted eight CalWORKs recipients who did not have the proper eligibility documented through the County Welfare Department for each academic term the recipient was served.

###### **Questioned Costs**

None could be determined.

###### **Isolated Instance or Systemic**

Systemic - Once the initial eligibility determination is made by the County Welfare Department, on-going communication with the County is essential to ensure that a student remains in good standing. Eligibility determinations must be conducted at the beginning of each term to ensure students are eligible for services prior to receiving them.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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#### **Effect**

Without the proper controls in place, unauthorized program costs and services provided to ineligible recipients could be reimbursed by the State program.

#### **Recommendation**

We recommend that the District develop an independent, internal tracking process for student eligibility. Services provided through other College departments, like the Child Care Center, must be coordinated with the CalWORKs program office to also verify a student's ongoing eligibility for services, academic progress, and to monitor programs expenses that are directly attributable to support for the identified CalWORKs eligible students.

#### **Current Status**

Implemented.

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***ADDITIONAL SUPPLEMENTARY INFORMATION***

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**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUNDS  
 BALANCE SHEETS  
 JUNE 30, 2009**

|  | <u>General<br/>Unrestricted</u> | <u>General<br/>Restricted</u> |
|--|---------------------------------|-------------------------------|
| <b>ASSETS</b>                                |                                 |                               |
| Cash and cash equivalents                    | \$ 227,296                      | \$ 75,328                     |
| Investments                                  | 1,717,324                       | 7,744,455                     |
| Accounts receivable                          | 20,800,230                      | 5,960,868                     |
| Due from other funds                         | 48,544                          | 656,637                       |
| Prepaid expenses                             | 104,068                         | 20,972                        |
| Inventories                                  | -                               | -                             |
| <b>Total Assets</b>                          | <u><u>\$22,897,462</u></u>      | <u><u>\$14,458,260</u></u>    |
| <b>LIABILITIES AND FUND EQUITY</b>           |                                 |                               |
| <b>LIABILITIES</b>                           |                                 |                               |
| Accounts payable                             | \$ 7,021,517                    | \$ 1,611,705                  |
| Due to other funds                           | 1,359,772                       | 20,188                        |
| Deferred revenue                             | 1,343,192                       | 3,282,536                     |
| <b>Total Liabilities</b>                     | <u><u>9,724,481</u></u>         | <u><u>4,914,429</u></u>       |
| <b>FUND EQUITY</b>                           |                                 |                               |
| Fund Balances                                |                                 |                               |
| Reserved                                     | 104,068                         | 9,543,831                     |
| Unreserved                                   |                                 |                               |
| Designated                                   | 900,000                         | -                             |
| Undesignated                                 | 12,168,913                      | -                             |
| <b>Total Fund Equity</b>                     | <u><u>13,172,981</u></u>        | <u><u>9,543,831</u></u>       |
| <b>Total Liabilities and<br/>Fund Equity</b> | <u><u>\$22,897,462</u></u>      | <u><u>\$14,458,260</u></u>    |

See accompanying note to additional supplementary information.

| <u>Special Revenue</u>  |                              |   | <u>Capital Project</u>                 | <u>Debt Service</u>                         | <u>Total<br/>Governmental<br/>Fund<br/>(Memorandum<br/>Only)</u> |
|-------------------------|------------------------------|---|--|---|--|
| <u>Food<br/>Service</u> | <u>Child<br/>Development</u> | <u>R.C.C.D.<br/>Development<br/>Corporation</u> | <u>Capital<br/>Outlay<br/>Projects</u> | <u>Bond Interest<br/>and<br/>Redemption</u> |  |
| \$ 14,110               | \$ 15,437                    | \$ 16,238                                       | \$ -                                   | \$ -  | \$ 348,409   |
| 149,052                 | 136,736                      | -   | 78,486,069                             | 16,983,804                                  | 105,217,440  |
| 8,306                   | 42,100                       | -   | 9,243,341                              | -   | 36,054,845   |
| 20,676                  | 5,719                        | -   | 618,283                                | -   | 1,349,859  |
| -                       | -                            | -   | -                                      | -   | 125,040  |
| 29,051                  | -                            | -   | -                                      | -   | 29,051   |
| <u>\$ 221,195</u>       | <u>\$ 199,992</u>            | <u>\$ 16,238</u>                                | <u>\$ 88,347,693</u>                   | <u>\$ 16,983,804</u>                        | <u>\$ 143,124,644</u>  |
| <br>                    |                              |   |  |   |  |
| \$ 75,882               | \$ 82,927                    | \$ -  | \$ 7,116,906                           | \$ -  | \$ 15,908,937  |
| 404                     | 1,927                        | -   | -                                      | -   | 1,382,291  |
| -                       | -                            | -   | -                                      | -   | 4,625,728  |
| <u>76,286</u>           | <u>84,854</u>                | <u>-</u>  | <u>7,116,906</u>                       | <u>-</u>                                    | <u>21,916,956</u>  |
| <br>                    |                              |   |  |   |  |
| 29,051                  | -                            | -   | -                                      | -   | 9,676,950  |
| -                       | -                            | -   | -                                      | 16,983,804                                  | 17,883,804   |
| <u>115,858</u>          | <u>115,138</u>               | <u>16,238</u>                                   | <u>81,230,787</u>                      | <u>-</u>                                    | <u>93,646,934</u>  |
| <u>144,909</u>          | <u>115,138</u>               | <u>16,238</u>                                   | <u>81,230,787</u>                      | <u>16,983,804</u>                           | <u>121,207,688</u>   |
| <br>                    |                              |   |  |   |  |
| <u>\$ 221,195</u>       | <u>\$ 199,992</u>            | <u>\$ 16,238</u>                                | <u>\$ 88,347,693</u>                   | <u>\$ 16,983,804</u>                        | <u>\$ 143,124,644</u>  |



**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUNDS  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2009**

|  | <b>General<br/>Unrestricted</b> | <b>General<br/>Restricted</b> |
|--|---------------------------------|-------------------------------|
| <b>REVENUES</b>  |                                 |                               |
| Federal revenues   | \$ 142,432                      | \$ 9,321,027                  |
| State revenues   | 95,809,679                      | 17,755,143                    |
| Local revenues   | 46,476,891                      | 6,485,856                     |
| <b>Total Revenues</b>  | <u>142,429,002</u>              | <u>33,562,026</u>             |
| <b>EXPENDITURES</b>  |                                 |                               |
| Current Expenditures   |                                 |                               |
| Academic salaries  | 69,645,020                      | 4,024,414                     |
| Classified salaries  | 31,013,643                      | 9,204,615                     |
| Employee benefits  | 26,232,389                      | 3,611,535                     |
| Books and supplies   | 2,509,640                       | 1,865,779                     |
| Services and operating expenditures  | 14,221,226                      | 10,725,872                    |
| Capital outlay   | 2,314,496                       | 2,037,115                     |
| Debt service - principal   | 14,674                          | -                             |
| Debt service - interest and other  | -                               | -                             |
| <b>Total Expenditures</b>  | <u>145,951,088</u>              | <u>31,469,330</u>             |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b>  | <u>(3,522,086)</u>              | <u>2,092,696</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                                 |                               |
| Operating transfers in   | (820,241)                       | 820,241                       |
| Operating transfers out  | (1,291,930)                     | -                             |
| Other sources  | 6,220                           | -                             |
| Other uses   | -                               | (364,986)                     |
| <b>Total Other Financing Sources (Uses)</b>  | <u>(2,105,951)</u>              | <u>455,255</u>                |
| <b>EXCESS OF REVENUES AND OTHER<br/>FINANCING SOURCES OVER (UNDER)<br/>EXPENDITURES AND OTHER USES</b> | <u>(5,628,037)</u>              | <u>2,547,951</u>              |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>   | <u>18,801,018</u>               | <u>6,995,880</u>              |
| <b>FUND BALANCE, END OF YEAR</b>   | <u>\$ 13,172,981</u>            | <u>\$ 9,543,831</u>           |

See accompanying note to additional supplementary information.

| Special Revenue   |                   |                                 | Capital Project         | Debt Service                 | Total Governmental Fund (Memorandum Only) |
|-------------------|-------------------|---------------------------------|-------------------------|------------------------------|---|
| Food Service      | Child Development | R.C.C.D Development Corporation | Capital Outlay Projects | Bond Interest and Redemption |   |
| \$ -              | \$ 102,075        | \$ -                            | \$ -                    | \$ -                         | \$ 9,565,534                              |
| -                 | 144,899           | -                               | 13,148,656              | 106,154                      | 126,964,531                               |
| 1,367,091         | 1,130,974         | 6                               | 2,123,891               | 11,697,572                   | 69,282,281                                |
| <u>1,367,091</u>  | <u>1,377,948</u>  | <u>6</u>                        | <u>15,272,547</u>       | <u>11,803,726</u>            | <u>205,812,346</u>                        |
| -                 | 996,132           | -                               | -                       | -                            | 74,665,566                                |
| 687,645           | 331,172           | -                               | 53,624                  | -                            | 41,290,699                                |
| 286,990           | 220,824           | -                               | 24,124                  | -                            | 30,375,862                                |
| 736,518           | 64,924            | -                               | 2,619                   | -                            | 5,179,480                                 |
| 286,560           | 61,576            | 20                              | 371,536                 | -                            | 25,666,790                                |
| 60,693            | 15,527            | -                               | 32,727,233              | -                            | 37,155,064                                |
| -                 | -                 | -                               | -                       | 6,385,000                    | 6,399,674                                 |
| -                 | -                 | -                               | -                       | 6,603,550                    | 6,603,550                                 |
| <u>2,058,406</u>  | <u>1,690,155</u>  | <u>20</u>                       | <u>33,179,136</u>       | <u>12,988,550</u>            | <u>227,336,685</u>                        |
| (691,315)         | (312,207)         | (14)                            | (17,906,589)            | (1,184,824)                  | (21,524,339)                              |
| 676,930           | 365,000           | -                               | -                       | -                            | 1,041,930                                 |
| -                 | -                 | -                               | -                       | -                            | (1,291,930)                               |
| -                 | -                 | -                               | -                       | -                            | 6,220                                     |
| -                 | -                 | -                               | -                       | -                            | (364,986)                                 |
| <u>676,930</u>    | <u>365,000</u>    | <u>-</u>                        | <u>-</u>                | <u>-</u>                     | <u>(608,766)</u>                          |
| (14,385)          | 52,793            | (14)                            | (17,906,589)            | (1,184,824)                  | (22,133,105)                              |
| 159,294           | 62,345            | 16,252                          | 99,137,376              | 18,168,628                   | 143,340,793                               |
| <u>\$ 144,909</u> | <u>\$ 115,138</u> | <u>\$ 16,238</u>                | <u>\$ 81,230,787</u>    | <u>\$ 16,983,804</u>         | <u>\$ 121,207,688</u>                     |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUNDS  
 BALANCE SHEETS  
 JUNE 30, 2009**

---

|  | <u>Internal<br/>Service Fund</u> |
|--|----------------------------------|
| <b>ASSETS</b>                                |                                  |
| Cash and cash equivalents                    | \$ 20,425                        |
| Investments                                  | 8,702,147                        |
| Accounts receivable                          | 282,427                          |
| Due from other funds                         | 970                              |
| <b>Total Assets</b>                          | <u><u>\$ 9,005,969</u></u>       |
| <b>LIABILITIES AND FUND EQUITY</b>           |                                  |
| <b>LIABILITIES</b>                           |                                  |
| Accounts payable                             | \$ 40,569                        |
| Deferred revenue                             | 1,156,712                        |
| Claim liabilities                            | 5,364,973                        |
| <b>Total Liabilities</b>                     | <u><u>6,562,254</u></u>          |
| <b>FUND EQUITY</b>                           |                                  |
| Retained earnings                            | <u>2,443,715</u>                 |
| <b>Total Liabilities and<br/>Fund Equity</b> | <u><u>\$ 9,005,969</u></u>       |

See accompanying note to additional supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUNDS  
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS  
 FOR THE YEAR ENDED JUNE 30, 2009**

|   | <u><b>Internal<br/>Service Fund</b></u> |
|---|---|
| <b>OPERATING REVENUES</b>                   |   |
| District premiums                           | <u>\$ 6,243,720</u>                     |
| <b>OPERATING EXPENSES</b>                   |   |
| Classified salaries                         | 246,049                                 |
| Employee benefits                           | 83,718                                  |
| Books and supplies                          | 2,519                                   |
| Services and other operating expenditures   | 7,893,810                               |
| Capital outlay                              | 38,291                                  |
| <b>Total Operating Expenses</b>             | <u>8,264,387</u>                        |
| <b>Operating Loss</b>                       | <u>(2,020,667)</u>                      |
| <b>NONOPERATING REVENUES</b>                |   |
| Interest income                             | 181,467                                 |
| Miscellaneous revenues                      | 21,531                                  |
| Operating transfers in                      | 250,000                                 |
| <b>Total Nonoperating Revenues</b>          | <u>452,998</u>                          |
| <b>NET LOSS</b>                             | (1,567,669)                             |
| <b>RETAINED EARNINGS, BEGINNING OF YEAR</b> | <u>4,011,384</u>                        |
| <b>RETAINED EARNINGS, END OF YEAR</b>       | <u><u>\$ 2,443,715</u></u>              |

See accompanying note to additional supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUNDS  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2009**

|  | <u>Internal<br/>Service Fund</u> |
|--|----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                  |
| Operating loss   | \$ (2,020,667)                   |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Flow Operating Activities |                                  |
| Increase in accounts receivable  | (197,863)                        |
| Decrease in due from other funds   | 3,301                            |
| Increase in accounts payable   | 1,908                            |
| Increase in claims liabilities   | 2,062,408                        |
| Increase in deferred revenue   | 67,774                           |
| Net Cash Flows from<br>Operating Activities  | <u>(83,139)</u>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                  |
| Interest on investments  | 181,467                          |
| Other nonoperating income  | 21,531                           |
| Transfers in   | 250,000                          |
| Net Cash Flows from<br>Investing Activities  | <u>452,998</u>                   |
| Net increase in cash and cash equivalents  | 369,859                          |
| Cash and cash equivalents - Beginning  | 8,352,713                        |
| Cash and cash equivalents - Ending   | <u><u>\$ 8,722,572</u></u>       |
| <b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>  |                                  |
| Cash in banks  | \$ 20,425                        |
| Cash in county pooled investment   | 8,702,147                        |
|  | <u><u>\$ 8,722,572</u></u>       |

See accompanying note to additional supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**FIDUCIARY FUNDS  
 BALANCE SHEETS  
 JUNE 30, 2009**

|  | <b>Associated<br/>Students<br/>Trust</b> | <b>Student<br/>Financial<br/>Aid</b> | <b>Total</b>        |
|--|--|--------------------------------------|---------------------|
| <b>ASSETS</b>                                |  |                                      |                     |
| Cash and cash equivalents                    | \$ 1,880,585                             | \$ 162,542                           | \$ 2,043,127        |
| Accounts receivable                          | 7,563                                    | 30,431                               | 37,994              |
| Due from other funds                         | 74,130                                   | 46,853                               | 120,983             |
| <b>Total Assets</b>                          | <b>\$ 1,962,278</b>                      | <b>\$ 239,826</b>                    | <b>\$ 2,202,104</b> |
| <b>LIABILITIES AND FUND EQUITY</b>           |  |                                      |                     |
| <b>LIABILITIES</b>                           |  |                                      |                     |
| Accounts payable                             | \$ 20,708                                | \$ 178,222                           | \$ 198,930          |
| Due to other funds                           | 27,917                                   | 61,604                               | 89,521              |
| Due to student groups                        | 1,015,519                                | -                                    | 1,015,519           |
| <b>Total Liabilities</b>                     | <b>1,064,144</b>                         | <b>239,826</b>                       | <b>1,303,970</b>    |
| <b>FUND EQUITY</b>                           |  |                                      |                     |
| Fund Balances                                |  |                                      |                     |
| Unreserved                                   |  |                                      |                     |
| Undesignated                                 | 898,134                                  | -                                    | 898,134             |
| <b>Total Fund Equity</b>                     | <b>898,134</b>                           | <b>-</b>                             | <b>898,134</b>      |
| <b>Total Liabilities and<br/>Fund Equity</b> | <b>\$ 1,962,278</b>                      | <b>\$ 239,826</b>                    | <b>\$ 2,202,104</b> |

See accompanying note to additional supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**FIDUCIARY FUNDS  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2009**

|   | <b>Associated<br/>Students<br/>Trust</b> | <b>Student<br/>Financial<br/>Aid</b> | <b>Total</b>      |
|---|--|--------------------------------------|-------------------|
| <b>REVENUES</b>   |  |                                      |                   |
| Federal revenues  | \$ -                                     | \$ 23,188,527                        | \$ 23,188,527     |
| State revenues  | -  | 1,648,677                            | 1,648,677         |
| Local revenues  | 699,588                                  | -                                    | 699,588           |
| <b>Total Revenues</b>   | <u>699,588</u>                           | <u>24,837,204</u>                    | <u>25,536,792</u> |
| <b>EXPENDITURES</b>   |  |                                      |                   |
| Current Expenditures  |  |                                      |                   |
| Services and operating expenditures                             | 276,505                                  | -                                    | 276,505           |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b>         | <u>(297,836)</u>                         | <u>24,837,204</u>                    | <u>24,539,368</u> |
| <b>OTHER FINANCING USES</b>                                     |  |                                      |                   |
| Other uses  | -  | (24,837,204)                         | (24,837,204)      |
| <b>EXCESS OF REVENUES UNDER<br/>EXPENDITURES AND OTHER USES</b> | (304,025)                                | -                                    | (304,025)         |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>                          | <u>1,202,159</u>                         | <u>-</u>                             | <u>1,202,159</u>  |
| <b>FUND BALANCE, END OF YEAR</b>                                | <u>\$ 898,134</u>                        | <u>\$ -</u>                          | <u>\$ 898,134</u> |

See accompanying note to additional supplementary information.

## RIVERSIDE COMMUNITY COLLEGE DISTRICT

### NOTE TO ADDITIONAL SUPPLEMENTARY INFORMATION JUNE 30, 2009

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#### *NOTE 1 - PURPOSE OF SCHEDULES*

##### **Fund Financial Statements**

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





To the Board of Trustees  
Riverside Community College District  
Riverside, California

We have audited the basic financial statements of the business-type activities of Riverside Community College District (the District) for the year ended June 30, 2009, and have issued our report thereon dated November 20, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated March 3, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Riverside Community College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Riverside Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Riverside Community College District's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major Federal programs for the purpose of expressing an opinion on Riverside Community College District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Riverside Community College District's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

To the Board of Trustees  
Riverside Community College District  
Page 2

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Riverside Community College District are described in Note 2 to the financial statements. During the 2008-2009 year, the District was required to implement provisions of Governmental Accounting Standards Board (GASB) Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB). The effect of the implementation required the District to recognize a current net obligation in the amount of \$956,725 in the financial statements, and disclose the Actuarial Accrued Liability in the Required Supplementary Information section of the audit report in the amount of \$9,766,204. This liability will be amortized over a 30 year period within the financial statements of the District.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the cost of capital assets net of accumulated depreciation. Depreciation is the recognition of the use of the capital assets over time. Conditions may exist that result in assets having a longer or shorter useful life than is reflected within these statements. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Mathematical errors were noted on loss development calculations that were used for the variability of claims liability that resulted in an adjustment of \$1,578,805 in the Internal Service Fund for claims liability.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

To the Board of Trustees  
Riverside Community College District  
Page 3

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 20, 2009.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

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

*Vaurinek, Fine, Day & Co. LLP*

Rancho Cucamonga, California  
November 20, 2009



To the Board of Trustees and  
Dr. Gregory Gray, Chancellor  
Riverside Community College District  
Riverside, California

In planning and performing our audit of the financial statements of Riverside Community College District (the District) for the year ended June 30, 2009, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements, that is more than inconsequential, will not be prevented or detected by the organization's internal control. We consider the following deficiencies to be control deficiencies in internal control. However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. We consider the following deficiencies to be control deficiencies in internal controls.

#### ***CURRENT YEAR MANAGEMENT COMMENTS***

##### ***Proper Job Title Descriptions and Budget Codes***

During our testing of employee coding within the object code classifications of the general ledger, one classified instructional aide selected during testing was charged to an instructional object code (2230). However, the job description in the employee file did not provide for instructional duties. This information is necessary to support whether the classification is in accordance with the *Budget and Accounting Manual* and the *Education Code*.

##### ***Recommendation***

The District should review and, if necessary, revise job titles to match the actual duties assigned and documented within the personnel files. Instructional duties should be provided for instructional aides charged to object code 2230. Employees that are given multiple budgets of instructional and non-instructional duties should utilize timecards to document actual time spent within each portion of the assignment.

##### ***Management Response***

The instance noted above was for a non-classified short-term employee who performed instructional duties yet was paid at the higher hourly rate of an Office Assistant rather than the rate for an Instructional Aide. This issue was discussed with the Math/Math Learning Department on the Riverside campus who indicated that the employee performs instructional duties for the department and has for years.

To the Board of Trustees and  
Dr. Gregory Gray, Chancellor  
Riverside Community College District  
Page 2

A list of job duties for short-term employees performing instructional duties will be prepared. A memo will be issued to each campus reminding them to use the appropriate job title of instructional aide on the Non-Classified Short-Term and Substitute Employee Assignment Authorization Form when hiring short-term employees to perform these duties.

### ***Riverside Community College District Foundation's Debt Obligation***

We identified that Riverside Community College District Foundation (the Foundation) entered into an agreement with the District to undertake a major gift campaign to support targeted initiatives of the District. The agreement called for the District to advance up to \$1.3 million to the Foundation to cover costs associated with the campaign. Campaign costs, coupled with negative investment returns, have resulted in an operational deficit in the unrestricted fund of the Foundation. The Foundation has taken action to raise additional unrestricted income and to reduce operating expenses, but a deficit remains. Repayment of advances was set to begin July 1, 2009; however, the Foundation currently has no unrestricted funds to pay the obligation to the District. All cash and cash equivalents are restricted to temporarily and permanently restricted funds.

### ***Recommendation***

The District management should work closely with the Board and the Foundation to address the repayment of the borrowed funds. Additionally, a plan should be developed to provide for unrestricted contributions that will enable the Foundation to repay the District and restore the unrestricted fund to a positive position.

### ***Management Response***

District and Foundation management are taking several steps to address the unrestricted fund deficit. District staff has approved the extension of the fundraising component of the campaign, knowing that unrestricted dollars are typically secured at the end of a campaign. The Foundation and District staffs have entered into discussions regarding modification of the Major Gift Campaign agreement as it relates to the repayment schedule.

Two additional measures have been undertaken that will increase unrestricted income. At its September 15, 2009, meeting, the Riverside Community College District Foundation Board of Directors voted to institute a five percent fee on all gifts to the Foundation. This fee will be transferred to the Foundation's unrestricted fund to be used to repay funds borrowed from the District. In addition, in fiscal year 2009-2010, the Foundation will establish a new gift club, membership in which is available to all donors who contribute unrestricted dollars at specific gift levels. Management believes these two actions will provide a new and dependable income stream and, along with future investment returns, will be used in part to repay borrowed funds, as well as to support other priorities as determined on an annual basis by the Foundation Board.

To the Board of Trustees and  
Dr. Gregory Gray, Chancellor  
Riverside Community College District  
Page 3

### ***PRIOR YEAR MANAGEMENT COMMENTS***

#### ***Compensation for Personal Services for Federal Programs***

We identified the following control deficiencies regarding compensation for personal services for federally funded programs, the effect of which was determined to be inconsequential to the financial statements in accordance with guidance from the OMB. However, the controls over the procedures are noted here.

- The Riverside campus TRIO Cluster program did not timely prepare documentation to support payroll data in accordance with OMB A-21, Cost Principles for Educational Institutions. It was noted only one individual was subject to this compliance requirement. The required documentation was not completed until after the request for information was given.
- The Norco campus TRIO Cluster program overstated payroll expenditures by \$1,263.29. It was noted that an allocation adjustment was incorrectly calculated and recorded for one individual, which resulted in the overstatement of payroll expense to the program. Supporting documentation was provided to verify that a second adjustment was made to the program expenses after the audit identified the control deficiency.

#### ***Recommendation***


The District's Grants and Contracts Office should develop specific written procedures based on the OMB A-21, Cost Principles for Education Institutions, that will be provided to all District managers of Federal programs to ensure that salary and benefit costs, which are allocated to programs, are documented appropriately. The program managers should review the certifications and/or personnel activity reports to ensure any payroll allocation adjustments made are supported by adequate documentation.

#### ***Current Status***

The recommendation has been implemented by the District.

We appreciate the time and assistance the staff of the District has provided during our audit. We will follow up on each of the areas noted above during the early stage of our fieldwork for the 2009-2010 fiscal year.

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

  
Rancho Cucamonga, California  
November 20, 2009

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
PLANNING COMMITTEE  
December 1, 2009 – 6:15 p.m.  
(or immediately following the conclusion  
of the Teaching and Learning Board Committee Meeting)  
Student Services Foyer, Norco Campus

Committee Members:

Chair: Janet Green, Vice President, Board of Trustees  
Vice Chair: Mary Figueroa, Member, Board of Trustees  
Staff Members: Ray Maghroori, Vice Chancellor, Academic Affairs  
Kristina Kauffman, Associate Vice Chancellor, Institutional Effectiveness  
Academic Senate: Travis Gibbs/ Sal Soto, (Moreno Valley)  
Carol Farrar (Norco)  
Lee Nelson (Riverside)  
ASRCCD: Israel Landa (Riverside)  
CTA: Fabian Biancardi (Moreno Valley)  
Joe Eckstein (Norco)  
Melissa Bourbonnais (Riverside)  
CSEA: Gustavo Segura (Moreno Valley)  
Ginny Haguewood (Riverside)

AGENDA

VI. Board Committee Reports

C. Planning

1. Operations Center (Norco Campus)-Tentative Budget Approval and Construction Management Services Agreement  
- The Committee to be presented information regarding the project design, to consider budget approval of Norco Campus Operations Center project, to consider the project being delivered through Construction Management Multiple Prime contracting, and to review the agreement with Tilden Coil Constructors, Inc.
2. Moreno Valley Parking Structure and Surge Space-Tentative Budget Approval  
- The Committee to be presented information regarding the project design and to consider budget approval of the Moreno Valley Parking Structure and Surge Space project.
3. Comments from the public.

Adjourn

Prepared by: Sheila McDonald  
Executive Assistant, Academic Affairs

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
PLANNING COMMITTEE

Report No.: VI-C-1

Date: December 15, 2009

Subject: Operations Center (Norco Campus) – Tentative Budget Approval and Construction Management Services Agreement

Background: During the development of the Norco Campus Long Range Educational Master Plan and the Long Range Facilities Master Plan, the need for a consolidated operations center project was identified. On May 19, 2009, the Board of Trustees approved planning and design of the project with an allocation of Measure “C” funding in the amount of \$1.6 million and an agreement with Hill Partnership, Inc. to provide design and engineering services for the Operations Center located at the Norco Campus in the amount of \$809,600.

The Operations Center project will include approximately 20,200 gross square feet of office, storage, and meeting space for maintenance and operations functions (custodial, grounds, trades services, and warehouse and receiving operations). It will also house the campus Network Operations Center (NOC), which includes 2,000 gross square feet for instructional media support services, storage and repair facilities and 500 gross square feet of space to house the campus Emergency Command Center (ECC). By combining functions within one building, the campus Strategic Planning Committee determined it would be more efficient and effective. The ECC will contain materials and supplies and provide meeting space for the campus Emergency Response Command Team which will oversee and manage a campus level emergency. The Operations Center is the optimal location for the ECC, since the building will have emergency backup generator to support campus information service functions. The benefits of the consolidated Operations Center include: shared clerical support for three operational units, generator backup support to provide emergency power for information services and the emergency command center, and consolidation of instructional media support services into one service center. The proposed location is approximately two acres, at the northern edge of the Norco Campus.

Staff and the architect now offer a project design presentation for the Board’s consideration and request Board approval of a tentative budget for the Operations Center project in the amount of \$16,834,625, which includes the planning and working drawings, construction, test and inspection services, construction management and identified Group II Furniture, Fixtures and Equipment.

Additionally, staff is recommending the Operations Center project be delivered using Construction Management Multiple Prime (CMMP) contracting and approval to enter into the attached agreement with Tilden Coil Constructors, Inc. to provide said for the Operations Center. Services under this agreement would include management and oversight of bid preparation, cost estimating, construction execution and ensuring compliance with bid drawings and specifications, contract documents, code and labor compliance, and Division of State Architect (DSA) requirements, and assistance with building commissioning.



RIVERSIDE COMMUNITY COLLEGE DISTRICT  
PLANNING COMMITTEE

Report No.: VI-C-1

Date: December 15, 2009

Subject: Operations Center (Norco Campus) – Tentative Budget Approval and  
Construction Management Services Agreement (continued)

The total fixed fee for the construction management services is identified as follows:

Basic Compensation Fee - \$736,065

General Conditions Costs - \$813,946

Total Fee - \$1,550,011

Funding source: District Measure “C” Funds (Resource 4160).

Recommended Action: It is recommended the Board of Trustees approve the scope design of the Operations Center at the Norco Campus; approve the tentative budget of \$16,834,625 using District Measure “C” funds; approve the project being delivered using Construction Management Multiple Prime contracting; and approve the agreement with Tilden Coil Constructors, Inc., in the amount of \$1,550,011; and authorize the Vice Chancellor, Administration and Finance, to sign the agreement.

Gregory W. Gray  
Chancellor

Prepared by: Brenda Davis  
President, Norco Campus

Gaither Loewenstein  
Vice President, Educational Services, Norco Campus

Orin L. Williams  
Associate Vice Chancellor, Facilities Planning, Design and Construction



Construction Management – Multiple Prime  
Public Works Agreement

RIVERSIDE COMMUNITY COLLEGE DISTRICT

And

TILDEN-COIL CONSTRUCTORS, INC.

Construction Management Services

Operations Center  
Norco Campus

## CONSTRUCTION MANAGEMENT SERVICES (Operations Center, Norco Campus)

This Construction Management Services Agreement (“Agreement”) is made and entered into this 16<sup>th</sup> day of December, 2009 by and between Riverside Community College District (hereinafter “District”) and Tilden-Coil Constructors, Inc. (hereinafter referred to as “Construction Manager”) for construction management services relating to a multi-prime construction contract for construction of the Norco Operations Center located at the Norco Campus, Norco, California (the “Project”).

### **ARTICLE 1** **CONSTRUCTION MANAGER’S SERVICES AND RESPONSIBILITIES**

Construction Manager represents to District that it has the necessary license for a Construction Manager as provided for in Government Code Section 4525, et seq. that it has expertise and experience in construction supervision; bid evaluation; project scheduling; cost benefit analysis; claims review and negotiation; and general management and administration of construction projects. Construction Manager covenants to provide its best skill and judgment in furthering the interests of District in the management of the construction of the Project. Construction Manager agrees to furnish efficient business administration and management services and to perform in an expeditious and economical manner consistent with the interests of District. The Construction Manager hereby designates the following:

Dayne Brassard, Business Development Director  
Jason Howarth, Preconstruction Manager  
Tracy Ellis, Project Manager  
Mike Heck, Project Superintendent

The designee’s are Construction Manager’s representatives to the Owner. Any substitution of the Construction Manager’s representatives shall be approved in writing by the Owner. Construction Manager shall provide the following services with respect to the Project.

#### **1.1 DESIGN PHASE.**

The services to be provided during the Design Phase for the Project include, but are not limited to, providing responsible reporting, documentation, recommendations and supervision of the following services: pre-construction scheduling, review and recommendations during the design development stages from the schematic phase to the completion of working drawings, preparation of conceptual and periodic estimates, budget assessment and cost containment advice, value engineering studies and recommendations, and Construction Manager reviews.

1.1.1 Construction Management Plan. In consultation with the District’s architect (“Architect”), the Construction Manager shall prepare a Construction Management Plan for the Project which shall establish the scope for the Project and the general basis for the

sequence of contracting for construction of the Project. In preparation for this Construction Management plan, the Construction Manager shall evaluate the local construction market, the District's schedule and budget goals for the Project, develop various alternative approaches, and make recommendations to the District. Upon approval by the District of the Construction Management Plan for the Project, the Construction Manager shall prepare the Construction Management Plan in final form. This document shall indicate the Project's rationale and recommend the strategy for purchasing, construction, the various bid packages for Project, and a Master Project Schedule.

1.1.2 Master Project Schedule. The Construction Manager shall develop a Master Project Schedule for the Project, subject to approval by District, which shall contain key milestones to be accomplished by the participants, including milestone completion dates for the Architect's and any consultant's design activities. The Master Project Schedule shall be consistent with the schedule attached hereto as Exhibit "A" and incorporated herein. The Master Project Schedule shall contain a critical path Master Construction Schedule for the Project and shall provide all major elements.

If necessary, the Construction Manager shall periodically update the Master Project Schedule for the Project and submit each update to the District for the District's approval.

1.1.3 Project Budget. The Construction Manager shall provide a budget based upon the amounts provided by the District pursuant to Paragraph 2.2 ("Project Budget"). This budget shall include: the anticipated total of all of the separate contracts for the Project pursuant to Section 1.1.10 ("Construction Cost"); Construction Manager's compensation; and the General Conditions costs as provided in this Agreement. The Construction Manager shall review any Project requirements of District, the District's schedule goals, and existing budget data.

The Construction Manager shall make a report of the Project Budget to the District indicating: (1) shortfalls or surpluses in the budget, and (2) recommendations for cost reductions, value engineering, or revisions to the District's Project requirements. The Construction Manager shall consult with the Architect and the District to suggest reasonable adjustments in the scope of the Projects, if any, and to suggest alternate Bids in construction documents to adjust the construction costs to conform to the Project Budget.

1.1.4 Cost Management Procedures. The Construction Manager shall implement and maintain cost management procedures throughout the Design Phase for the Project. When design or programmatic changes are made and approved by the District, these changes shall be recorded and the cost effect shall be documented.

1.1.5 Construction Management Coordination and Value Engineering Review. The Construction Manager shall perform constructability reviews, utilizing a checklist type method such as Redicheck or some other form acceptable to District, and shall provide input to the District relative to means and methods of construction, duration of construction, and constructability. This checklist shall be made available to the District and the Architect.

1.1.6 Coordination/Value Engineering Review. With respect to the Project, the Construction Manager shall review the Architect's 50% and 90% contract document submissions and provide written comments on the coordination of the various disciplines, including civil, structural, architectural, mechanical, electrical, HVAC, plumbing, and landscape.

1.1.7 Design Review and Comments. The Construction Manager shall provide coordination between the Architect and the District on the proper flow of information for the Project. The Construction Manager shall develop written procedures for orderly communication to all Project consultants. Construction Manager shall advise on-site use and improvements.

1.1.8 Cost Adjustment Sessions. The Construction Manager shall prepare for the District's approval a more detailed estimate of Construction Cost, as defined in Article 3, developed by using estimating techniques which anticipates the various elements of the Project. The Construction Manager shall update and refine this estimate at 50% and 90% completion of the Construction Documents. The Construction Manager shall advise the District and the Architect if it appears that the Construction Cost may exceed the budgeted amount for Construction Cost as set forth in the Project Budget. The Construction Manager shall make recommendations for corrective action to bring the Construction Costs within the District Budget.

A fixed limit has been established to the project budget under Paragraph 2.2. The Construction Manager shall consult with the Architect and the District to suggest reasonable adjustments in the scope of the Project, and to suggest alternate bids in the Construction Documents to adjust the Construction Cost to the budgeted amount for Construction Cost as set forth in the Project Budget, if necessary.

1.1.9 Assignment of Responsibility. The Construction Manager shall provide recommendations and information to the District regarding the assignment of responsibilities for safety precautions and programs; temporary Project facilities; and equipment, materials and services for common use of contractors. The Construction Manager shall verify that the requirements and assignment of responsibilities are included in the proposed contract documents.

1.1.10 Separate Contracts (Multi-Prime Contracting). The Construction Manager shall advise on the separation of the Project into separate contracts for various categories of work ("Contracts"). The Construction Manager shall advise on the method to be used for selecting contractors and awarding individual bids. The Construction Manager shall prepare and revise contractor pre-qualification documents and identify potential contractors for District approval. The Construction Manager shall inspect, review, revise and assure proper delivery, assembly of the Project manuals and specifications and shall manage and coordinate the development of construction documents with the Architect. The Construction Manager shall review drawings and specifications for the Contracts to provide that (1) the work of the separate contractors is coordinated, (2) all requirements for the Project have been assigned to the appropriate separate Contract, (3) the likelihood of jurisdictional disputes has been minimized, and (4) proper coordination has been provided for phased construction.

1.1.11 Monthly Reports. With the District's assistance, Construction Manager shall provide a detailed cash flow tracking system for the Project. The system must be approved and accepted by the District. The Construction Manager shall update the cash flow spread sheet monthly or as required by the District.

1.1.12 Coordination of Relocation of District Property. If applicable, Construction Manager shall coordinate the moving, relocation, temporary housing and storing of District's property prior to the construction phase for the Project.

1.1.13 State Chancellor and Other Public Agencies. The Construction Manager, in cooperation with the District and Architect, shall assist with the coordination and processing of all necessary paperwork and close-out documents with the State Chancellor, Division of the State Architect and any other applicable public agencies.

1.1.14 Professional Consultants. The Construction Manager shall assist the District, if required, in selecting and retaining the professional services of surveyors, special consultants and testing laboratories, and coordinate their services.

## **1.2 PLAN CHECK AND BIDDING PHASE.**

1.2.1 Bidding Procedures. The Construction Manager shall develop and expedite bidding procedures for bid document issuance, bid tracking and receipt of proposals with regard to each of the Contracts. The Construction Manager shall also take the necessary procedures to administer any prequalification of potential contractors as directed by the District and ensure that all Contracts are competitively bid when required by law.

1.2.2 Public Relations Activities. The Construction Manager shall assist the District in all public relations including, but not limited to, preparation of Project information and attending internal and public meetings as required, including site meetings.

The Construction Manager shall be the point of contact for the entire community during all phases of construction in regards to any complaints, questions, safety issues, noise problems, dust problems, etc.

1.2.3 Generate Bidder Interest. The Construction Manager shall develop bidder's interest in the Project and shall maintain contact with potential bidders for the Contracts on a regular basis throughout the bid period. A telephone campaign shall be conducted by Construction Manager to stimulate and maintain interest in bidding on the Project.

1.2.4 Bid Advertisements. The Construction Manager shall coordinate the preparation and placement of the notices and advertisements to solicit bids for each of the Contracts as required by law in cooperation with the District.

1.2.5 Prepare and Expedite Bid Documents Delivery. The Construction Manager shall coordinate and expedite the preparation, assembly and delivery of bid documents and any addenda for each of the Contracts to the bidders including the following, as applicable:

- (a) Establish bid schedule by trade;
- (b) Prepare summaries of work bid packages;
- (c) Arranging for printing, binding and wrapping;
- (d) Arranging for delivery; and
- (e) Follow-up calls to the bidders.

The Construction Manager shall include the following requirements in all proposed Contract Documents:

- (a) The following bonding requirements:
  - (i) Performance bond at 100% of the contract amount.
  - (ii) Labor and material bond at 100% of the contract amount.
- (b) Insurance in amounts and coverage as directed by the District prior to bid.
- (c) All bonds must be provided by a California admitted surety.

1.2.6 Pre-Bid Conference(s). In conjunction with the Architect and District, the Construction Manager shall conduct the pre-bid conference(s). These conferences shall be a forum for the District, the Construction Manager, and Architect to present the District's Project requirements to the bidders, including prequalification requirements, as appropriate, and shall familiarize bidders with the particular Project, bid documents, management techniques and with any special systems, materials or methods.

1.2.7 Coordination and Inquiries. The Construction Manager shall coordinate communications related to bidder inquiries and seek resolution for the appropriate party and provide timely forwarding of such information to the bidders and District.

1.2.8 Addenda Review. The Construction Manager shall administer the addenda process and shall provide a review of each addendum during the bid phase for time, cost, or constructability impact, and make appropriate comments or recommendations.

1.2.9 Bidding of Work. All construction work for the Project shall be competitively bid when required by law and awarded in no more than two bid phases in accordance with normal requirements for general contractors. If the Project is funded with any State funds, Construction Manager shall comply with all applicable requirements. A bid phase summary shall be submitted with each bid phase package listing only the low bidders, their contract amounts, the Construction Manager's fee and General Conditions costs assigned to each bid phase, summed as a total committed cost. Construction Manager shall assist District and Architect to ensure compliance with any Disabled Veteran Business Enterprise goals.

1.2.10 Bid Evaluation. The Construction Manager in cooperation with Architect shall assist the District in pre-qualification, the bid opening, evaluation of the bids for completeness, full responsiveness and price, including alternate prices and unit prices (if applicable), shall make a formal report to the District with regard to the potential award of a Contract, shall receive bids, prepare bids. The Construction Manager shall include a copy of the proposed Contract for each bidder recommended by the Construction Manager.

If applicable, the summary of bids shall classify all bids according to cost allowance categories. When a bid includes work in more than one cost category, the summary shall assign an appropriate amount to each.

Construction Manager shall certify in writing that the Contracts contained in the submittal for the District represents all the contracts required to perform the work in the plans and specifications for the Project, and that no additional contracts are foreseen to complete the necessary work for such Project. In the event the contracts and the work deferred for the future does not represent 100% of the work, the additional necessary work shall be offset by a reduction in the Construction Manager's fees.

1.2.11 Rebidding. In the event the bids exceed the Project Budget and the District authorizes rebidding of all or portions of the Project, the Construction Manager shall cooperate in revising the scope and the quality of work as required to reduce the construction costs for the Project. The Construction Manager, without additional compensation, shall cooperate with the District and Architect as necessary to bring construction costs within the Project Budget.

1.2.12 Non-interest in Project. The Construction Manager shall not be a bidder, or perform work for any bidder on any individual Contract.

1.2.13 Purchase, Delivery and Storage of Materials and Equipment. If applicable, the Construction Manager shall investigate and recommend a schedule for the District's purchase of materials and equipment which are a part of the Project and require long lead time procurement, and coordinate the schedule with the early preparation of portions of the contract documents. The Construction Manager shall expedite and coordinate delivery of all purchases.

If applicable, the Construction Manager shall arrange for delivery and storage, protection and security for District-purchased materials, systems and equipment which are a part of the Project, until such items are incorporated into the Project. The Construction Manager shall coordinate with or assign these activities to the appropriate contractor who is responsible for the installation of such materials, systems, and equipment.

1.2.14 Analysis of Labor. The Construction Manger shall provide an analysis of the types and quantities of labor required for the Project and review the availability of appropriate categories of labor required for critical phases. The Construction Manager shall make recommendations to minimize adverse effects of labor shortages.



### **1.3 CONSTRUCTION PHASE.**

The Construction Phase for the Project shall commence with the award of the initial Contract and shall continue until sixty-five (65) days after the recording of a notice of completion for the Project or sixty-five (65) days after completion of the Project as defined in Public Contract Code Section 7107 whichever is earlier.

The Construction Phase consists of the coordination of all activities that are included in the construction of a particular Project. The Construction Manager shall be responsible for coordinating the work for the Project pursuant to the Master Project Schedule. The Construction Manager shall maintain communication with the District throughout the Construction Phase and shall provide responsible reporting and documentation prior to the contractors' pre-construction conference and shall be responsible for coordinating the site construction services provisions (general conditions items) including supervision and administration of the Project, conducting construction progress meetings, providing progress reports, processing contractors requests for information (RFI's), reviewing and recommending with the Architect the approval or disapproval of change orders and payments to the contractors, and maintaining record keeping to assist the District in negotiations, mediation or arbitration of claims or disputes.

1.3.1 Pre-Construction Conference(s). The Construction Manager shall conduct, in conjunction with the District and the Architect, pre-construction orientation conference(s) for the benefit of the successful contractors and shall serve to orient the contractors to the various reporting procedures and site rules prior to the commencement of actual construction. The Construction Manager shall obtain the certificates of insurance and bonds from the contractors and forward such documents after approval by the Construction Manager to the District.

1.3.2 Contract Administration. The Construction Manager, in cooperation with the Architect, shall administer the construction Contracts as set forth herein and as provided in the General Conditions of the Contacts for construction. The Construction Manager shall coordinate the preparation of construction staging areas on-site for the Project and shall coordinate the preparation of the site for construction, including, but not limited to, coordinating fencing, barricades or other items reasonably necessary for efficient construction. The Construction Manager shall also coordinate the mobilization of all contractors and shall coordinate construction sequencing.

In addition, the Construction Manager shall provide management and related services as required to coordinate work of the contractors with each other and the activities and responsibilities of the Architect and District in order to complete the Project in accordance with the Contract Documents and this Agreement and within the Project Budget. The Construction Manger shall provide sufficient organization, qualified and experienced personnel and management to carry out the requirements of this Agreement.

The Construction Manager shall maintain a competent full-time staff at the Project site for the purpose of coordinating and providing general direction for the work and progress of the contractors.

1.3.3 Submittal Procedures. The Construction Manager shall establish and implement procedures with the Architect and coordinate and review shop drawing submittals, requests for information, samples, product data, change orders, payment requests, material delivery dates and other procedures; and maintain logs, files and other necessary documentation. Construction Manager shall assist the Architect and the District's inspector with monitoring the certified payroll for the Project. The Construction Manager shall coordinate the dissemination of any information regarding submittals and consult with the Architect and the District if any Contractor requests interpretations of the meaning and intent of the Contract Documents, and assist in the resolution of questions which may arise.

1.3.4 Meetings. The Construction Manager shall coordinate and conduct preconstruction, construction and weekly job-site progress meetings with the Contractors and shall work with the Architect to ensure that the Architect records, transcribes and distributes minutes to all attendees, the District, and all other appropriate parties. The Construction Manager shall assist in the resolution of any technical construction issues.

1.3.5 Coordination of Technical Inspection and Testing. The Construction Manager shall coordinate with the District's certified inspector all testing required by the Architect or other third parties. If requested, the Construction Manager shall assist the District in selecting any special consultants or testing laboratories. All inspection reports shall be provided to the Construction Manager on a regular basis.

1.3.6 Construction Observation. The Construction Manager shall assist the District's inspector in observing that the materials and equipment being incorporated into the work are handled, stored and installed properly and adequately and are in compliance with the contract documents for the Project. The Construction Manager shall report to the District regarding the status of such activity. The Construction Manager shall endeavor to guard against defects and deficiencies and shall advise the District of any deviations, defects or deficiencies the Construction Manager observes in the work. The Construction Manager's observation duties shall include reasonable diligence to discover work that is not in compliance with the contract documents. These observations shall not, however, cause the Construction Manager to be responsible for those duties and responsibilities which belong to the District's inspector.

1.3.7 Non-Conforming Work. The Construction Manger shall, in conjunction with the District's inspector, review contractor's recommendations for corrective action on observed non-conforming work. The Construction Manager shall make recommendations to the District, the Architect and District' inspector in instances where the Construction Manager observes work that, in its opinion, is defective or not in conformance with the contract documents. The Construction Manager shall assist the District's inspector in observing the Contractor's work to verify that all authorized changes are properly incorporated in the Project. The Construction Manager shall report to the District regarding the status of such activity and provide a written record of the same.

1.3.8 Exercise of Contract Prerogatives. The Construction Manager shall advise the District and make recommendations to the District for exercising the District's Contract prerogatives, such as giving the Contractor notice to accelerate the progress when the schedule goals are in jeopardy due to Contractor failings, withholding payment for cause and other prerogatives when required in an effort to achieve Contract compliance.

1.3.9 Implementation of Master Project Schedule. The Construction Manager shall implement the Master Project Schedule and shall regularly update and maintain the Master Project Schedule incorporating the activities of Contractors on the Project, including activity sequences and durations, allocation of labor and materials, processing of shop drawings, product data and samples, and delivery of products requiring long lead time procurement. The Master Project Schedule shall include the District's occupancy requirements showing portions of the Project having occupancy priority. The Construction Manager shall update, reissue and distribute the Master Project Schedule as required to show current conditions and revisions required by the actual experience.

1.3.10. Safety Programs. To the extent required by OSHA or any other public agency, Construction Manager shall obtain each Contractor's safety programs and monitor their implementation along with any necessary safety meetings. Construction Manager shall ensure that such safety programs are submitted to the District.

1.3.11 Endorsements of Insurance, Performance/Payment Bonds. The Construction Manager shall receive and review Endorsements of Insurance, Performance/Payment Bonds from the Contractors and forward them to the District with a copy to the Architect prior to commencement of any work by such contractors. Construction Manager shall inform the District of any noted deficiencies in insurance, or books submitted.

1.3.12 Changes in Construction Cost. The Construction Manager shall revise and refine the approved estimate of Construction Cost, incorporate approved changes as they occur, and develop cash flow reports and forecasts as needed.

The Construction Manager shall provide regular monitoring of the approved estimate of Construction Cost, showing actual costs for activities in progress and estimates for uncompleted tasks. The Construction Manager shall identify variances between actual and budgeted or estimated costs and advise the District and the Architect whenever the Project's costs appear to be exceeding budgets or estimates.

1.3.13 Construction Progress Review. The Construction Manager shall keep a daily log containing a record of weather, the Contractors working on the site, number of workers, work accomplished, problems encountered, and other relevant data or such additional data as the District may require. The Construction Manager shall make the log available to the District upon request. The Construction Manager shall prepare and distribute the construction schedule updates to the Master Project Schedule on a monthly basis to maintain the Master Project Schedule. After an evaluation of the actual progress as observed by the Construction Manager, scheduled activities shall be assigned percentage-complete values. The report shall reflect actual progress as compared to scheduled progress and note any variances. The Construction Manager

shall identify problems encountered in accomplishing the work and recommend appropriate action to the District to resolve these problems with a minimum effect on the timely completion of the Project. If requested by the District, the Construction Manager shall assist the Contractor(s) in preparing a recovery schedule. The recovery schedule shall reflect the corrective action costs (if any) and efforts to be undertaken by the contractor(s) to recapture lost time. This recovery schedule shall be distributed to the Contractor(s), the District, Architect and other appropriate parties.

1.3.14 Maintain On-Site Records. The Construction Manager shall develop and implement a comprehensive document management program. The Construction Manager shall maintain at the Project site, on a current basis: a record copy of all Contracts, drawings, specifications, addenda, change orders and other modifications, in good order and marked to record all changes made during construction; shop drawings; product data; samples; submittals; purchases; materials; equipment; applicable handbooks; Titles 21 and 24 of the California Code of Regulations; the California Uniform Building Code; maintenance and operating manuals and instructions; other related documents and revisions which arise out of the Contracts. The Construction Manager shall maintain records in duplicate, of principal building layout lines, elevations for the bottom of footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer, if necessary. The Construction Manager shall make all records available to the District. At the completion of the Project, the Construction Manager shall deliver all such records to the Architect, so the Architect may complete the record as-built drawings.

1.3.15 Schedule of Values and Processing of Payments. The Construction Manager shall review and approve each Contractor's schedule of values for each of the activities included in that Contractor's schedule of events. The Construction Manager shall develop and maintain a master schedule of values. The Construction Manager shall develop and implement procedures for the review and processing of applications by Contractors for progress and final payments. As part of the evaluation of progress payments, the Construction Manager shall review all "as-built" documents and ensure that the Contractor's "as-built" documents are updated and current. The Construction Manager shall review with the Architect and make recommendations to the District pertaining to payments to the Contractors.

1.3.16 Evaluate Proposal Costs. The Construction Manager shall evaluate Contractors' proposal costs and make a formal recommendation to the District regarding the acceptance of any proposals for a change order.

1.3.17 Negotiations of Change Order Costs and Time Extensions. The Construction Manager shall assist the District and the Architect representative in negotiating any change order costs and time extensions.

1.3.18 Change Order Reports. The Construction Manager shall not issue instructions contrary to the contract between District and a Contractor, or between the District and Architect. The Construction Manager shall ensure that all changes to the Contract between the District and a Contractor shall be by change order executed by the District. Any communication between the Construction Manager and the Contractors shall not in any way be

construed as binding on the District, or releasing the Contractor from fulfillment of any of the terms of the Contract. For the Project, the Construction Manager shall prepare and distribute change order reports on a monthly basis throughout the Construction Phase. This report shall provide information pertaining to proposed and executed change orders and their effect on the Contract price and Master Project Schedule as of the date of the report.

1.3.19 Contractor Claims. The Construction Manager shall be given copies of all notices of claims by Contractors against the District for any alleged cause. The Construction Manager, jointly with Architect, shall perform evaluation of the contents of the claim within twenty-five (25) days, and make recommendations to the District. If requested by the District, the Construction Manager shall prepare estimates based on any alleged cause of claims submitted by the Contractor(s) and shall prepare alternate estimates based on varying scenarios of the claim cause. These estimates shall be transferred to the District and shall be used in claim rulings and negotiations. If requested by the District, the Construction Manager shall analyze the claims for extension of time and prepare an impact evaluation report which reflects the actual impact to the Master Construction Schedule. The report shall also provide a narrative including a recommendation for action to the District. If requested by the District, the Construction Manager shall negotiate claims with the Contractor(s) on behalf of the District. The Construction Manager shall make a written recommendation to the District concerning settlement or other appropriate action. Excepting those claims of which the Construction Manager is responsible, Construction Manager's obligations pursuant to this Paragraph shall cease upon completion of the Project as defined in Paragraph 1.3 of this Agreement.

1.3.20 Project Status Reports. The Construction Manager shall prepare and distribute monthly a Project Status Report. The Construction Manager shall ensure that the Verified Reports required by Title 24 of the California Code of Regulations be completed quarterly by the contractors for the Project.

1.3.21 Equipment Instruction Manuals, Warranties and Releases. The Construction Manager shall obtain all written material such as operations and maintenance manuals, warranties, affidavits, releases, bonds, waivers and guarantees for all equipment installed in the Project. All such materials, including equipment instruction material, keys and documents shall be reviewed and delivered to appropriate District personnel.

1.3.22 Completion of Contracts and Project. When the Construction Manager considers a Contractor's work or a designated portion thereof complete, the Construction Manager shall prepare for the Architect a list of incomplete or unsatisfactory items ("Punch-list") and a schedule for their completion. The Construction Manager shall assist the Architect in conducting inspections.

The Construction Manager shall coordinate the correction and completion of the work. The Construction Manager shall assist the Architect in determining when the Project or a designated portion thereof is complete. The Construction Manager shall prepare a summary of the status of the work of each contractor, listing changes in the previously issued Punch-list and recommending the times within which contractors shall complete the uncompleted items on the Punch-list.

1.3.23 As-Built Documents. The Construction Manager shall perform coordination, supervisory and expediting functions in connection with the contractor's obligation to provide "as-built" documents and make recommendations for adequate withholding of retention in the event that a contractor fails to provide acceptable "as-built" documents.

1.3.24 Training Sessions. The Construction Manager shall coordinate and schedule training sessions, if necessary, for the District's personnel and shall require that the Contractor's obligation in providing this training is fulfilled.

1.3.25 Recommendations to District. The Construction Manager shall endeavor to achieve satisfactory performance from each Contractor. The Construction Manager shall recommend courses of action to the District when requirements of a Contract are not being fulfilled, and the nonperforming party shall not take satisfactory corrective action.

1.3.26 Accounting Records. The Construction Manager shall establish and administer an appropriate Project accounting system in conjunction with the District and shall maintain cost accounting records on authorized work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records.

1.3.27 Permits. The Construction Manager shall assist the District in obtaining all necessary permits for the Project, including without limitation, building, grading, and occupancy permits. This task may encompass accompanying governmental officials (Fire Marshal, DSA, Health Department, etc.) during inspections, assisting in preparing and submitting proper documentation to the appropriate approving agencies, assisting in final testing and other necessary and reasonable activities.

1.3.28 Initial Start-up and Testing. With the Architect and the District's maintenance personnel, the Construction Manager shall observe the Contractors' proper installation of utilities, operational systems and equipment for readiness and assist in their initial start-up and testing for the Project. The Construction Manager shall coordinate and assist District in the move-in for the Project.

1.3.29 Final Completion and Project Report. The Construction Manager, in conjunction with the Architect and the District's inspector, shall at the conclusion of all corrective action of Punch-list items, make a final comprehensive review of the Project, make a report to the District which indicates whether the Construction Manager and the Architect find the work performed acceptable under the Contract Documents and the relevant Project data, and make recommendations as to final payment and the notice of completion to the Contractor(s) for the Project. At the conclusion the Project, the Construction Manager shall prepare final accounting and close-out reports of all above indicated report systems. These reports shall summarize, for historical purposes, any items which are not self-explanatory.

1.3.30 Warranty. The Construction Manager, shall assist the owner by coordinating and scheduling all warranty work as pertains to Section 1.3.21 (above), throughout the 1 year construction warranty period.

#### **1.4 TIME.**

1.4.1 The Construction Manager shall perform the services set forth in this Agreement as expeditiously as is consistent with reasonable skill and care and the orderly progress of the Projects.

1.4.2 In the event the construction time requirements set forth in Section 1.1.2 of this Agreement are exceeded, and the delay is caused by the Construction Manager, the Construction Manager's fee shall be reduced by an amount of \$1,250.00 per calendar day as liquidated damages, but not as a penalty, starting from the scheduled construction completion date for the Project until construction is substantially complete.

1.4.3 Construction Manager shall be entitled to an extension of time for the time of completion and shall not be subject to a claim for liquidated damages for delays which may arise due to an Act of God as defined in Public Contract Code Section 7105 if the act of God affects the governmental agency from which approvals are necessary for completion of the Project, but Construction Manager shall have no claim for any other compensation for such delay. Should the schedule for the Project be extended due to an act of God as discussed above, the Construction Manager's performance contract shall be extended and the Construction Manager shall be compensated for this extension under the provisions of Section 4.4 of this Agreement.

## **ARTICLE 2** **THE DISTRICT'S RESPONSIBILITIES**

2.1 The District shall provide full information regarding the requirements of the Project including the District's objectives, constraints and criteria.

2.2 Prior to the commencement of the Design Phase for the Project, the District shall provide a financial plan and budget to be utilized by Construction Manager as set forth in Section 1.1.3 of this Agreement.

2.3 The District shall designate a representative ("District Representative") to act on the District's behalf with respect to each Project. The District, or the District Representative, if authorized, shall render decisions promptly to avoid unreasonable delay in the progress of the Construction Manager's services.

2.4 The District shall furnish tests, inspections and reports as required by law or the contract documents.

2.5 The services, information and reports required by Paragraphs 2.1 through 2.4, inclusive, shall be furnished at District's expense.

2.6 If the District observes or otherwise becomes aware of any fault or defect in the Project, or nonconformance with the contract documents, prompt notice thereof shall be given by the District to the Construction Manager.

2.7 The District reserves the right to perform work related to the Project with the District's own forces and/or to award contracts in connection with the Project. The Construction Manager shall notify the District within ten (10) days of actual knowledge of the District's intent to perform work related to the Project with the District's own forces and/or to award contracts in connection with the Project, if any such independent action shall in any way compromise the Construction Manager's ability to meet the Construction Manager's responsibilities under this Agreement.

2.8 The District shall retain an Architect whose services, duties and responsibilities are described in the Agreement between the District and the Architect. The terms and conditions of the District-Architect agreement shall be furnished to the Construction Manager.

### **ARTICLE 3**

#### **CONSTRUCTION COST AND PROJECT BUDGET**

3.1 The Construction Cost of the Project shall be the total of the final contract sums of all of separate contracts of contractors for the Project, and shall not exceed the budgeted amount for the Construction Cost as set forth in the Project Budget.

3.2 Construction Cost shall not include the compensation of Construction Manager, the Architect and other consultants, general conditions, the cost of land, rights-of-way and other costs which are the responsibility of District as provided in Article 2 hereof, inclusive.

3.3 The Project Budget has been established under paragraph 2.2 hereof by the allowance for construction. Construction Manager shall consult with the Architect and District to suggest reasonable adjustments in the scope of the Project, and to suggest alternate bids in the construction documents to adjust the construction Project costs so that it does not exceed the Project Budget.

3.4 If the fixed limit of Construction Cost as set forth in the Project Budget is exceeded by the sum of the lowest figures from bona fide bids, District shall (1) give written approval of an increase in such fixed limit, (2) authorize rebidding of the Project or portions of the Project within a reasonable time, (3) cooperate in revising the scope and the quality of the work as required to reduce the Construction Cost or (4) reject all bids and abandon the Project. In the case of items (2) and (3), Construction Manager, without additional compensation, shall cooperate with District and Architect as necessary, including providing services as set forth in Article I, to bring the Construction Cost within the fixed limit of the Project Budget.



3.5 With the District's assistance, Construction Manager shall provide, on a monthly basis, a detailed cash flow tracking system for the Project. The system must be approved and accepted by the District. The Construction Manager shall update the cash flow spread sheet monthly or as required by the District.

Construction Manager shall provide for the District's review and acceptance, a monthly report for the Project. This report shall show the status for the Project that is under construction pertaining to this contract. With the District's assistance, the Construction Manager shall provide all construction related agenda items. Examples: change orders, notices to proceed, notice of completion, authorization to bid, award of contracts, etc.

3.6 Audit. Construction Manager shall maintain auditable books, records, documents, and other evidence pertaining to costs and expenses in this Agreement. These records shall be maintained for a period of at least three (3) years after final payment has been made, subject to any applicable rules, regulations or statutes.

District's authorized representative(s) shall have access, with reasonable notice, to any books, documents, papers, electronic data, and other records which they determine to be pertinent to this Agreement for performing an audit, evaluation, inspection, review, assessment, or examination. These representative(s) are authorized to obtain excerpts, transcripts, and copies, as they deem necessary.

Should Construction Manager disagree with any audit conducted by District, Construction Manager shall have the right to employ a licensed, Certified Public Accountant (CPA) to prepare and file with District a certified financial and compliance audit that is in compliance with generally-accepted government accounting standards of related services provided during the term of this Agreement. Construction manager shall not be reimbursed by District for such an audit.

In the event Construction manager does not make available its books and financial records at the location where they are normally maintained, Construction manager agrees to pay all necessary and reasonable expenses, including legal fees, incurred by District in conducting any audit.

#### **ARTICLE 4**

#### **BASIS OF COMPENSATION AND PAYMENT**

District shall compensate Construction Manager for the services required hereunder, as follows:

#### **4.1 BASIC COMPENSATION FEE - FIXED.**

4.1.1 Construction Manager's Services, as described in Article 1.1 shall be: \$73,606 (Seventy-Three Thousand Six Hundred Six Dollars)

4.1.2 Construction Manager's Services, as described in Article 1.2 shall be: \$73,606 (Seventy-Three Thousand Six Hundred Six Dollars)

4.1.3 Construction Manager's Services, as described in Article 1.3 shall be: \$588,853 (Five Hundred Eighty-Eight Thousand Eight Hundred Fifty-Three Dollars)

#### **4.1.2 GENERAL CONDITIONS COSTS.**

General Conditions as described in Article 5 shall be reimbursed in accordance with Article 5 with the total not to exceed \$813,946.

### **4.2 PAYMENT**

#### **4.2.1 BASIC COMPENSATION PAYMENT:**

4.2.1.1 Pre-Construction Invoicing. Construction Manager shall invoice 20% of the Basic Services for the services set forth in Articles 1.1 and 1.2 in equal monthly increments, from the time the Construction Manager begins work on the Project to the commencement of the Construction Phase time the contractor is selected by the District.

4.2.1.2 Construction Invoices. Construction Manager shall invoice 70% of the Basic Services Fee in equal monthly increments during the Construction Phase.

4.2.1.3 Project Retention. Construction Manager shall invoice 10% of the Basic Services Fee 35 days after the District files the last Notice of Completion for the Project.

#### **4.2.2 GENERAL CONDITIONS PAYMENT.**

Construction Manager shall invoice General Conditions costs monthly during the duration of the construction work. All General Condition costs must be supported by an invoice, receipt, an employee time sheet, or other acceptable documentation.

#### **4.3.2 PAYMENT OF INVOICES.**

District shall make payments to Construction Manager within thirty (30) days of receipt of the appropriate and approved invoice from Construction Manager.

### **4.4 ADDITIONAL COMPENSATION.**

Construction Manager shall not be entitled to additional compensation unless there are unusual and unanticipated circumstances and only when approved in writing by District, in advance of such services being provided. If the Construction Manager shall claim compensation for any damage sustained by reason of the acts of the District or its agents, Construction Manager shall, within ten (10) days after sustaining of such damage, make to the District a written statement of the damage sustained. On or before the 15th day of the month succeeding that in which such damage shall have been sustained, the Construction Manager shall file with the District an itemized statement of the details and amount of such damage in accordance with

this Article, and unless such statement is submitted, any claims by Construction Manager shall be forfeited and invalidated and Construction Manager shall not be entitled to consideration for payment on account of any such damage. In the event extra compensation is approved, extra compensation shall be computed at cost plus ten percent (10%) of billings to Construction Manager by Construction Manager's consultants and for other costs incurred by the Construction Manager and at the following hourly rates for Construction Manager's employees:

|                                       |           |
|---------------------------------------|-----------|
| Principal In Charge/Project Executive | \$ 160.00 |
| Project Manager                       | \$ 140.00 |
| General Superintendent                | \$ 130.00 |
| Project Superintendent                | \$ 120.00 |
| Estimating/Precon Services Manager    | \$ 120.00 |
| BIM/Constructability Manager          | \$ 120.00 |
| Scheduling Manager                    | \$ 85.00  |
| Field Engineer                        | \$ 85.00  |
| Clerical Assistance                   | \$ 50.00  |

## **ARTICLE 5**

### **GENERAL CONDITIONS**

Construction Manager shall provide the General Conditions for the Project. General Conditions of the Project are defined as those generic support activities which must be in place to support all construction aspects of the Project. These support activities are set forth in the Reimbursable Expenses and General Conditions Estimate attached hereto as Exhibit "B".

General Conditions are based upon fourteen (14) months of construction and in no event shall the General Condition costs exceed \$813,946.

All General Condition reimbursables shall be billed at their actual cost, and the Construction Manager shall take all reasonable steps necessary to obtain the most competitive prices available for these items. If Construction Manager desires to be reimbursed for any other General Conditions costs not specifically set forth in this Article, prior to the commencement of the Construction Phase, Construction Manager shall submit a list of these General Condition items to District for District's approval. The cost of any additional items shall not be reimbursable unless advance written authorization is provided by the District to Construction Manager to obtain the item.

## **ARTICLE 6**

### **TERMINATION, ABANDONMENT OR SUSPENSION OF WORK**

#### **6.1 TERMINATION OF CONSTRUCTION MANAGER SERVICES.**

The District may give seven (7) days written notice to Construction Manager of District's intent to suspend or terminate the Construction Manager's services under this Agreement for

failure to satisfactorily perform or provide prompt, efficient or thorough service or Construction Manager's failure to complete its services or otherwise comply with the terms of this Agreement. If after the expiration of such seven (7) days, Construction Manager fails to cure the performance as set forth in the District's notice of intent to suspend or terminate the Construction Manager's services, District may issue a notice of termination or suspension. At that time, Construction Manager's services shall be suspended or terminated as set forth in District's notice.

District shall also have the right in its absolute discretion to terminate this Agreement in the event the District is not satisfied with the working relationship with Construction Manager and without cause following twenty-one (21) days prior written notice from District to Construction Manager.

## **6.2 CONTINUANCE OF WORK.**

In the event of a dispute between the parties as to performance of the work or the interpretation of this Agreement, or payment or nonpayment for work performed or not performed, the parties shall attempt to resolve the dispute. Pending resolution of this dispute, Construction Manager agrees to continue the work diligently to completion. If the dispute is not resolved, Construction Manager agrees it shall neither rescind the Agreement nor stop the progress of the work, but Construction Manager's sole remedy shall be to submit such controversy to determination by a court having competent jurisdiction of the dispute, after the Project has been completed, and not before.

## **6.3 ABANDONMENT OF A PROJECT.**

The District has the absolute discretion to suspend or abandon all or any portion of the work on the Project and may do so upon fourteen (14) day written notice to the Construction Manager. Upon notice of suspension or abandonment, Construction Manager shall immediately discontinue any further action on the Project. If the entire work to be performed on the Project is abandoned, the parties shall each be relieved of the remaining executory obligations of the Agreement, as it relates to the Project, but shall not be relieved of any obligations arising prior to said abandonment.

## **6.4 COMPENSATION IN THE EVENT OF TERMINATION, ABANDONMENT OR SUSPENSION.**

In the event the District terminates, abandons or suspends the work on the Project, there shall be due and payable within thirty (30) days following such termination, abandonment or suspension a sum of money sufficient to increase the total amount paid to Construction Manager to an amount which bears the same proportion to the total fee as the amount of services performed or provided by Construction Manager prior to the time of such termination, suspension or abandonment of this Agreement bears to the entire services Construction Manager is required to perform or provide for the Project.

In the event of termination due to a breach of this Agreement by Construction Manager, the compensation due Construction Manager upon termination shall be reduced by the amount of damages and liquidated damages sustained by District due to such breach.

In the event that District chooses to abandon the Project or terminate the Agreement without cause, Construction Manager shall, in addition to the compensation described above, also be reimbursed for reasonable termination costs through the payment of (1) 3% of the Construction Management Fees incurred to date if less than 50% of the Construction Management Fees have been paid; or (2) 3% of the remaining Construction Management Fees if more than 50% of the Construction Management Fees have been paid. This payment is agreed to compensate Construction Manager for any damages resulting from early termination and is consideration for entry into this termination for convenience clause.

## **6.5 DELIVERY OF DOCUMENTS.**

Upon termination, abandonment or suspension, Construction Manager shall deliver to District all documents and matters related to the Project.

## **ARTICLE 7** **INDEMNIFICATION**

To the fullest extent permitted by law, Construction Manager agrees to indemnify, defend and hold District entirely harmless from all liability arising out of:

(a) Any and all claims under workers' compensation acts and other employee benefit acts with respect to Construction Manager's employees or Construction Manager's subcontractors' employees arising out of Construction Manager's work under this Agreement; and

(b) Liability for damages for (1) death or bodily injury to person; (2) injury to, loss or theft of property; (3) any failure or alleged failure to comply with any provision of law or (4) any other loss, damage or expense arising under either (1), (2), or (3) above, sustained by the Construction Manager or any person, firm or corporation employed by the Construction Manager upon or in connection with the Project, except for liability resulting from the sole or active negligence, or willful misconduct of the District, its officers, employees, agents or independent contractor's who are directly employed by the District;

(c) Any loss, injury to or death or persons or damage to property caused by any act, neglect, default or omission of the Construction Manager, or any person, firm or corporation employed by the Construction Manager, either directly or by independent contract, including all damages due to loss or theft, sustained by any person, firm or corporation including the District, arising out of, or in any way connected with the Project, including injury or damage either on or off District property; but not for any loss, injury, death or damages caused by sole or active negligence, or willful misconduct of the District.

The Construction Manager at Construction Manger's own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the District, its officers, agents or employees, on any such claim or liability, and shall pay or satisfy and judgment that may be rendered against the District, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

## **ARTICLE 8**

### **SUCCESSORS AND ASSIGNS OR CONFLICT OF INTEREST**

8.1 Successors and Assigns. This Agreement is binding upon and inures to the benefit of the successors, executors, administrators, and assigns of each party to this Agreement, provided, however, that the Construction Manager shall not assign or transfer by operation of law or otherwise any or all rights, burdens, duties, or obligations without prior written consent of the District. Any attempted assignment without such consent shall be invalid.

8.2 Corporate Status. In the event of a change in the corporate status of the Construction Manager, the Owner shall have the right to review the conditions of said change, and if warranted, exercise Section 6.1 Termination of Construction Manager Services.

8.3 Conflict of Interest. For the term of this Agreement, no member, officer or employee of the Owner, during the term of his or her service with the Owner, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

8.4 Conflict of Employment. Employment by the Construction Manager of personnel on the payroll of Owner shall not be permitted in the performance of the Services, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Construction Manager of personnel who have been on the Owner's payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Construction Manager securing this or related Agreements with the Owner, is prohibited.

8.5 Fiduciary Responsibilities. The Construction Manager accepts the relationship of trust and confidence established with the Owner by this Agreement. The Construction Manager covenants with the Owner to furnish his best skill and judgment and to cooperate with the Owner's Design Professional in furthering the interests of the Owner. The Construction Manager agrees to furnish efficient business administration and superintendence and to use the Construction Manager's best efforts at all times in the most expeditious and economical manner consistent with the interest of the Owner.

**ARTICLE 9**  
**APPLICABLE LAW**

This Agreement shall be governed by the laws of the State of California, however, in the event that the District receives any State funding for the Project, this Agreement shall also be governed by any applicable laws and/or regulations relating to such State funding (“Applicable Law”). To the extent that there is any inconsistency between this Agreement and the Applicable Law, or this Agreement omits any requirement of the Applicable Law, the language of the Applicable Law, in effect on the date of the execution of this Agreement, shall prevail.

**ARTICLE 10**  
**CONSTRUCTION MANAGER NOT AN OFFICER**  
**OR EMPLOYEE OF DISTRICT**

While engaged in carrying out and complying with the terms and conditions of this Agreement, the Construction Manager is an independent contractor and not an officer or employee of the District.

**ARTICLE 11**  
**INSURANCE**

11.1 The Construction Manager shall purchase and maintain policies of insurance with an insurer or insurers, qualified to do business in the State of California and acceptable to District which will protect Construction Manager and District from claims which may arise out of or result from Construction Manager’s actions or inactions relating to the Agreement, whether such actions or inactions be by themselves or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The aforementioned insurance shall include coverage for:

(a) The Construction Manager shall carry Workers’ Compensation and Employers Liability Insurance in accordance with the laws of the State of California in an amount not less than One Million Dollars (\$1,000,000).

(b) Comprehensive general and auto liability insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit, bodily injury and property damage liability per occurrence, including:

1. Owned, non-owned and hired vehicles;
2. Blanket contractual;
3. Broad form property damage
4. Products/completed operations; and
5. Personal injury.





The parties, through their authorized representatives, have executed this Agreement as of the day and year first written above.

CONSTRUCTION MANAGER:

DISTRICT:

Tilden-Coil Constructors, Inc.

Riverside Community College District

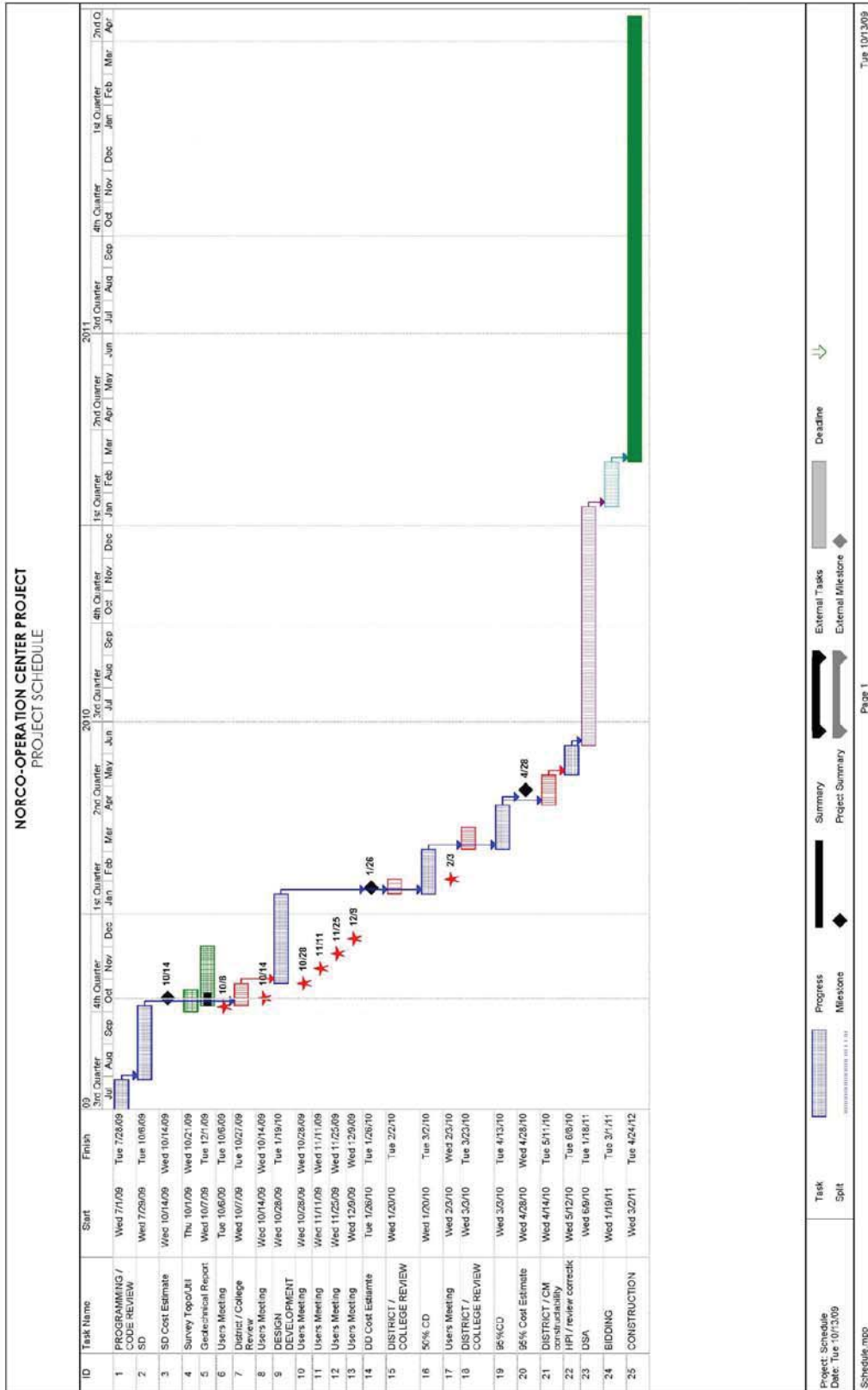
By: \_\_\_\_\_

By: \_\_\_\_\_

Brian Jaramillo  
President  
3612 Mission Inn Ave  
Riverside, CA 92501

James L. Buysse  
Vice Chancellor  
Administration and Finance

## EXHIBIT "A" PROPOSED PROJECT SCHEDULE



## **EXHIBIT "B"**

### **REIMBURSABLE EXPENSES**

The following Reimbursable Expenses shall be provided under the Construction Manager's direction and shall be reimbursable items under this Agreement. These items and services shall be billed at their actual cost, and the Construction Manager shall take all reasonable steps necessary to obtain the most competitive prices available for these items. The cost for any additional items shall not be reimbursable unless advance written authorization is provided by the Owner to the Construction Manager to obtain the item.



Original: 07/17/09  
 Update: 10/29/09 (new durations)  
 Project Duration: 14 Mo  
 60 weeks

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 Norco Operations Center  
 General Conditions Estimate**

| Description                                      | Qty    | Unit  | Unit Cost | Total | CM FEE | General Conditions | District Expense | By Others |
|--|--------|-------|-----------|-------|--------|--------------------|------------------|-----------|
| Preconstruction Expense                          | 1      | ls    |           |       |        | X                  |                  |           |
| Preconstruction Manager                          | 6      | wk    |           |       |        | X                  |                  |           |
| Supervision                                      | 60     | wk    |           |       |        | X                  |                  |           |
| Project Manager                                  | 60     | wk    |           |       |        | X                  |                  |           |
| Project Engineer                                 | 30     | wk    |           |       |        | X                  |                  |           |
| Project Administrator (1/3 time)                 | 20     | wk    |           |       |        | X                  |                  |           |
|  |        |       |           |       |        |                    |                  |           |
| General Clean Up (labor & bins)                  |        |       |           |       |        |                    |                  | X         |
| Final Clean Up                                   | 25,200 | sf    |           |       |        | X                  |                  |           |
| Punch List                                       |        |       |           |       |        | X                  |                  |           |
| Safety Measures / Badges                         | 1      | ls    |           |       |        | X                  |                  |           |
| Traffic Control / Signage                        | 1      | ls    |           |       |        | X                  |                  |           |
| Dust Control                                     |        |       |           |       |        |                    |                  | X         |
| Dewatering/Erosion Control/SWPPP                 |        |       |           |       |        |                    |                  | X         |
| Weather Protection                               |        |       |           |       |        |                    |                  | X         |
| Temporary Heating                                |        |       |           |       |        |                    |                  | X         |
| Trailer Rental & Expenses                        | 14     | mo    |           |       |        | X                  |                  |           |
| Trailer Mobilization & Set up & tear down        | 2      | ea    |           |       |        | X                  |                  |           |
| Trailer Alarm (includes commissioning)           | 14     | mo    |           |       |        | X                  |                  |           |
| Caretaker/Security                               |        |       |           |       |        |                    | X                |           |
| Warehouse  |        |       |           |       |        |                    | X                |           |
| Signs & Bulletin Boards                          | 6      | ea    |           |       |        | X                  |                  |           |
| Temp Power Poles & Connection                    | 1      | ls    |           |       |        | X                  |                  |           |
| Toilets / Hand Wash                              | 14     | mo    |           |       |        | X                  |                  |           |
| Trash Bins                                       | 14     | mo    |           |       |        | X                  |                  |           |
| Storage Bins                                     |        |       |           |       |        |                    |                  | X         |
| Fencing  | 2,000  | lf    |           |       |        | X                  |                  |           |
| Temp Lighting                                    |        |       |           |       |        |                    |                  | X         |
| Extend Temp Utilities                            | 1      | allow |           |       |        | X                  |                  |           |
| Management Fuel                                  | 14     | mo    |           |       |        | X                  |                  |           |
| Supervision Fuel                                 | 14     | mo    |           |       |        | X                  |                  |           |
| Equipment Fuel                                   |        |       |           |       |        |                    |                  | X         |
| Small Tools/Equipment Repair                     |        |       |           |       |        |                    |                  | X         |
| Equipment Rental                                 |        |       |           |       |        |                    |                  | X         |
| Radios   |        |       |           |       |        | X                  |                  |           |
| Management Vehicle                               |        | inc.  |           |       |        | X                  |                  |           |
| Supervision Vehicle                              |        | inc.  |           |       |        | X                  |                  |           |
| Document Archive/Storage                         | 1      | ls    |           |       |        | X                  |                  |           |
| Blueprints/Plans (does not include bid printing) | 1      | ls    |           |       |        | X                  |                  |           |
| Photos/Film/Video                                |        |       |           |       |        | X                  |                  |           |
| Surveying  |        |       |           |       |        |                    | X                |           |
| C.P.M. Schedule                                  |        |       |           |       |        | X                  |                  |           |
| Material Testing                                 |        |       |           |       |        |                    | X                |           |
| Special Inspections                              |        |       |           |       |        |                    | X                |           |
| Soils Testing                                    |        |       |           |       |        |                    | X                |           |
| Internet Services                                | 14     | mo    |           |       |        | X                  |                  |           |
| Telephones                                       | 14     | mo    |           |       |        | X                  |                  |           |
| Pay Phones                                       |        |       |           |       |        |                    | X                |           |
| Cellular Phones                                  | 14     | mo    |           |       |        | X                  |                  |           |
| Skylog Service                                   | 14     | mo    |           |       |        | X                  |                  |           |
| Water (grading)                                  |        |       |           |       |        |                    |                  | X         |
| Hydrant Meters                                   | 14     | mo    |           |       |        | X                  |                  |           |
| Power  |        |       |           |       |        |                    | X                |           |



Original: 07/17/09  
 Update: 10/29/09 (new durations)  
 Project Duration: 14 Mo  
 60 weeks

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 Norco Operations Center  
 General Conditions Estimate**

| Description                              | Qty | Unit | Unit Cost    | Total        | CM FEE | General Conditions | District Expense | By Others |
|--|-----|------|--------------|--------------|--------|--------------------|------------------|-----------|
| Office Equipment                         | 14  | mo   |              |              |        | X                  |                  |           |
| Office Supplies                          | 14  | mo   |              |              |        | X                  |                  |           |
| Office Cleaning                          |     |      |              |              |        | X                  |                  |           |
| Drinking Water                           | 14  | mo   |              |              |        | X                  |                  |           |
| Postage/Shipping                         | 14  | mo   |              |              |        | X                  |                  |           |
| Owner Purchases                          |     |      |              |              |        |                    | X                |           |
| Legal Advertising                        |     |      |              |              |        |                    | X                |           |
| Permits/Fees/Licenses                    | 1   | ls   |              |              |        | X                  |                  |           |
| Professional Liability                   | 1   | ls   |              |              |        | X                  |                  |           |
| District Directed Reimbursable Allowance | 1   | ls   | \$ 75,000.00 | \$ 75,000.00 |        |                    | X                |           |

Total General Conditions Estimate: \$ 813,946.80

RIVERSIDE COMMUNITY COLLEGE DISTRICT  
PLANNING COMMITTEE

Report No.: VI-C-2

Date: December 15, 2009

Subject: Moreno Valley Parking Structure and Surge Space – Tentative Budget Approval

Background: On March 17, 2009, the Board of Trustees approved the use of Measure “C” funding in the amount of \$4,750,000 for planning and design of the Parking Structure and Surge Space project at the Moreno Valley Campus. The Parking Structure and Surge Space project is planned to create 800 parking spaces and include up to 17,000 gross square feet of “surge space” which would provide flexible space for accommodating campus growth for the expansion of existing and development of additional programs/services. On April 28, 2009, the Board approved an agreement with LPA to provide planning and design services for the project. On November 17, 2009, the Board approved an agreement with C.W. Driver to provide Construction Management Multiple Prime services for the project.

The President of the Moreno Valley Campus discussed the project with community leaders and constituency groups such as; the Moreno Valley Arts Commission, Moreno Valley Chambers of Commerce, Moreno Valley City Council members, Community Partners, and Moreno Valley Campus-based user groups, Resources Committee, and Strategic Planning Committee. The President received very positive feedback on the proposed project.

Staff and the architect now offer a project design presentation for the Board’s consideration and request Board approval of a tentative budget in the amount of \$31,800,000. This includes the planning and working drawings, construction, test and inspection services, construction management and identified Group II Furniture, Fixtures and Equipment. If approved, staff and the design team will complete the contract documents and present the final draft to the Board of Trustees for review and approval to proceed to the bid process. Funding Source: District Measure “C” funds (Resource 4160).

Recommended Action: It is recommended that the Board of Trustees approve the scope design of the Parking Structure and Surge Space project at the Moreno Valley Campus and budget, in the amount of \$31,800,000 and authorize the use of Measure “C” Funds.

Gregory W. Gray  
Chancellor

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