



VICTOR VALLEY COLLEGE
Board of Trustees

AGENDA



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

Date: January 15, 2010

Place: Hilton Garden Inn
12603 Mariposa Rd.
Mojave Room
Victorville, CA

AGENDA

1. CALL TO ORDER – January 15, 2010 9 a.m.

ROLL CALL

PLEDGE OF ALLEGIANCE

ANNOUNCEMENT OF ITEMS DELETED OR CORRECTED FROM THE AGENDA

2. PUBLIC COMMENTS RELATED TO AGENDA ITEMS

PUBLIC COMMENTS RELATED TO AGENDA ITEMS

This is the opportunity for the public to address the Board on any agenda items. Public comments are limited to three minutes per individual and a total of 15 minutes per topic. Speakers will be timed electronically, and all speakers will be required to address the Board from the lectern. Only those who have been recognized by the Board President will be permitted to speak. (Board Policy #2350)

3. ACTION AGENDA

Approval of action items.

- 3.1 2008-2009 Financial Audit YES___ NO___
Acceptance of the 2008-2009 financial audit as presented. Fiscal Impact: None
- 3.2 2008-2009 Performance Audit on General Obligation Bonds YES___ NO___
Acceptance of the 2008-2009 bond performance audit as presented. Fiscal Impact: None
- 3.3 Independent Contractor Agreement – Rosalie Olguin YES___ NO___
Approval of the Independent Contractor Agreement for consultant services by Rosalie Olguin to enhance services for CalWORKs students. The period of the agreement is January 19, 2010 through June 30, 2010. Fiscal Impact: Budgeted, \$32/hour, not to exceed \$5,500/month through June 30, 2010.

BOARD OF TRUSTEES: Dennis Henderson, Chris Mollenkamp, Donald Nelson, Joe Range, Angela Valles, ASB Member

- 3.4 Independent Contractor Agreement – Simon Nimako YES ___ NO ___
Approval of the Independent Contractor Agreement between Victor Valley Community College and Simon Nimako to support curriculum development for contract education training in Global Information Systems. Fiscal Impact: \$1,100 from the District (WIB Grant Funded).
- 3.5 Contract Approval – WIB Health Information Management Tech Contract YES ___ NO ___
Approval of the agreement between Victor Valley Community College and the County of San Bernardino to implement contract education training in Health Information Management Technology. Fiscal Impact: \$90,000.00 to the district.
- 3.6 Contract Approval – WIB Global Information Systems Training Contract YES ___ NO ___
Approval of the agreement between Victor Valley Community College and the County of San Bernardino to implement contract education training in Global Information Systems. Fiscal Impact: \$77,375.00 to the district.

BREAK: 10-10:15 a.m.

4. WORKSHOP

Facilitator: Dr. Dale Marsden

- 10:15-12 Board Workshop
- 12-1 LUNCH
- 1-3 Board Workshop (continued)

5. ADJOURNMENT

YES ___ NO ___

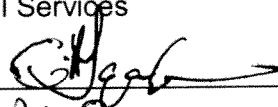
It is the intention of Victor Valley Community College District to comply with the Americans with Disabilities Act in all respects. Any person with a disability may request that this agenda be made available in an appropriate alternative format. A request for a disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to Jeffrey Holmes, Victor Valley College, 18422 Bear Valley Road, Victorville, California 92395-5849, (760) 245-4271, Ext. 2596, from 8:30 a.m. to 5:00 p.m., Monday through Friday, at least 48 hours prior to the meeting to make reasonable arrangements. Government Code Section 54954.2.

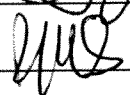
**VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES
AGENDA ITEM**

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

TOPIC: 2008 – 2009 FINANCIAL AUDIT

SUBMITTED BY: Mary Pringle, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Robert Silverman 

Description/Background:

The Messner & Hadley Certified Public Accountancy firm of Victorville has completed the 2008-2009 financial audit. This report is unqualified, which means that the college has received a clean bill of health and no control deficiencies or material weaknesses have been noted.

Need:

State mandated

Fiscal Impact: None

Recommended Action:

It is recommended the Board of Trustees accept the 2008-2009 financial audit as presented.

Legal Review: YES ___ NOT APPLICABLE X ___

Reference for Agenda: YES X ___ NO ___

Victor Valley Community College District

**San Bernardino County
Victorville, California**

**Report on Audit
June 30, 2009**

Victor Valley Community College District

Table of Contents
June 30, 2009

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Assets.....	13
Statement of Revenues, Expenses, and Changes in Net Assets.....	14
Statement of Cash Flows.....	15
Statement of Fiduciary Net Assets.....	17
Statement of Changes in Fiduciary Net Assets.....	18
Notes to Financial Statements	19
Required Supplementary Information	
Schedule of Postemployment Healthcare Benefits Funding Progress.....	33
Schedule of Employer Contributions.....	34
Note to Required Supplementary Information.....	35
Supplementary Information	
History and Organization.....	36
Schedule of Expenditures of Federal Awards.....	37
Schedule of State Financial Awards.....	38
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance.....	39
Reconciliation of Annual Financial and Budget Report with Audited Fund Balances.....	40
Note to Supplementary Information.....	41
Other Independent Auditors' Reports	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	42
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	44
Report on State Compliance.....	46
Findings and Recommendations	
Schedule of Findings and Questioned Costs	
Section 1 – Summary of Auditors' Results.....	48
Section 2 – Financial Statement Findings.....	49
Section 3 – Federal Awards Findings.....	51
Section 4 – State Awards Findings.....	52
Status of Prior Year Findings and Questioned Costs.....	53

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Victor Valley Community College District

We have audited the accompanying financial statements of Victor Valley Community College District (the "District"), as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements listed in the aforementioned table of contents present fairly, in all material respects, the financial position of Victor Valley Community College District, as of June 30, 2009, and the results of its operations, changes in net assets and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, on our consideration of the District'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 or on 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.

The required supplementary information, such as the management's discussion and analysis and the schedules of funding progress and employer contributions, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. 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 on it.

- 1 -

The Board of Trustees
Victor Valley Community College District

Our audit was conducted for the purpose of forming opinions on the District's basic financial statements. The supplementary sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The supplementary information, including the schedule of expenditures of federal awards, have been subjected to the auditing procedures 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.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
December 22, 2009

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the Victor Valley Community College District (the "District") for the year ended June 30, 2009. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

In June 1999, the Governmental Accounting Standards' Board (GASB) released Statement No. 34, "Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments", which change the reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities", which applies these reporting standards to public colleges and universities. The Victor Valley Community College District continues to present its financial statements in this reporting format.

The following discussion and analysis provides an overview of the financial position and activities of the District's Financial Report for the fiscal year ended June 30, 2009. The previous year's financial information is also provided for comparison. The annual report consists of three basic financial statements that provide information on the District as a whole: the *Statement of Net Assets*; the *Statement of Revenues, Expenses and Changes in Net Assets*, and the *Statement of Cash Flows*.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements are designed to provide the reader with a broad overview of the District's finances, in a manner similar to a private sector business.

The Statement of Net Assets presents information on all the District's assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets focus on the costs of the District's operational activities, which are supported mainly by property taxes and by state apportionment as well as other revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various District services to students and the public. This statement also shows how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, e.g., earned but unused employee vacation balances.

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

FINANCIAL HIGHLIGHTS

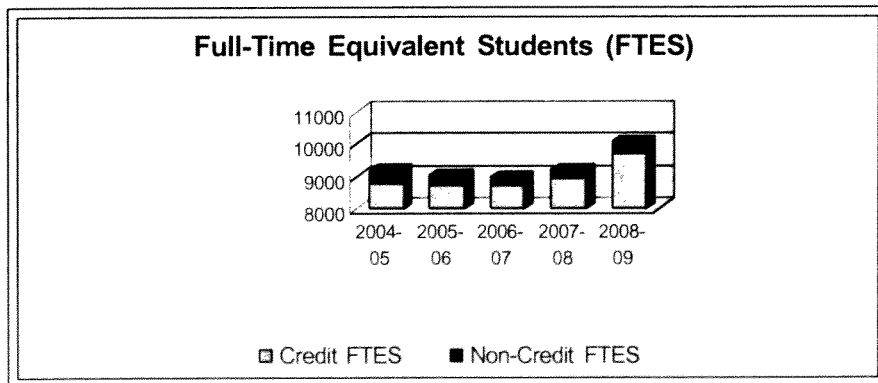
This section provides condensed information for each of the three basic financial statements, as well as illustrative charts and tables.

Of the 109 community colleges in California, Victor Valley Community College District is in the 62nd percentile in terms of growth in the State. The District has experienced a boom in growth; its enrollment exceeded 10,000 full-time equivalent students. This growth will mean an additional \$1 million received by the state in apportionment. The growth rate projected for 2009-10 is 3.15 percent. The challenge with this growth comes in terms of course management. The District has focused on obtaining better fill rates in the classrooms; this has been a successful endeavor, going from 60% fill rates to over 90%. This level of funding continues to push the college staff to manage resources effectively and efficiently, and to make very prudent financial decisions. It is imperative that the college meet its growth targets because future funding is determined by the District's ability to grow to its target levels.

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

<u>Fiscal Year</u>	<u>Credit FTES</u>	<u>Non-Credit FTES</u>
2004-2005	8,928	389
2005-2006	8,746	303
2006-2007	8,596	207
2007-2008	8,946	265
2008-2009	9,689	375

TREND OF FULL-TIME STUDENTS AS REPORTED ON THE CALIFORNIA COMMUNITY COLLEGES SIMULATED RECALCULATION



Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

Once the Chancellor's Office calculates the District's base apportionment, it reduces the net amount to be distributed by the amount of property taxes and enrollment fees expected to be paid directly to the District. The matrix below lists the three components and illustrates the net effect of the changes. Overall, total apportionment increased by \$487,176.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>
Property Tax Revenue	\$ 9,817,314	\$ 8,330,192	\$ 1,487,122
Tuition and Fees	2,856,533	3,076,552	(220,019)
Apportionment	<u>34,548,125</u>	<u>35,328,052</u>	<u>(779,927)</u>
Totals	<u>\$ 47,221,972</u>	<u>\$ 46,734,796</u>	<u>\$ 487,176</u>

SELECTED HIGHLIGHTS

- During fiscal year 2008-2009, total full-time equivalents students (FTES) increased approximately 4.80% for credit courses and increased 41.51% for non-credit courses.
- As mentioned previously, credit and non-credit FTES, along with other workload measures, are the basis for the District's state apportionment. Workload measure directly related to credit and non-credit FTES account for over 85 percent of the District's general fund budget.

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

STATEMENT OF NET ASSETS

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

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

	<i>(amounts in thousands)</i>	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
ASSETS				
Current assets		\$ 114,313	\$ 22,762	\$ 91,551
Non-current assets		<u>109,068</u>	<u>109,082</u>	<u>(14)</u>
Total Assets		<u>\$ 223,381</u>	<u>\$ 131,844</u>	<u>\$ 91,537</u>
LIABILITIES				
Current liabilities		\$ 10,062	\$ 7,099	\$ 2,963
Non-current liabilities		<u>149,766</u>	<u>64,137</u>	<u>85,629</u>
Total Liabilities		<u>159,828</u>	<u>71,236</u>	<u>88,592</u>
Net Assets				
Invested in capital assets, net of related debt		21,418	16,639	4,779
Restricted		1,617	757	860
Unrestricted		<u>40,518</u>	<u>43,212</u>	<u>(2,694)</u>
Total Net Assets		<u>63,553</u>	<u>60,608</u>	<u>2,945</u>
Total Liabilities and Net Assets		<u>\$ 223,381</u>	<u>\$ 131,844</u>	<u>\$ 91,537</u>

The difference between total assets and total liabilities is one indicator of the current financial condition of the District; the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. The District's net assets increased from last year by \$2,944,061 for the fiscal year ending June 30, 2009. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less accumulated depreciation.

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

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

- Approximately 77 percent of the cash balance and investments is cash deposited in the San Bernardino County Treasury Pool. All funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and the return on investment. The Statement of Cash Flows contained within these financial statements provides greater detail regarding the sources and uses of cash.
- The majority of the accounts receivable balance, in the amount of \$12,075,058, is from federal and state sources for grant and entitlement programs.
- Capital assets had a net balance of \$81.2 million. Depreciation expense of \$3.4 million was recognized during 2008-2009.
- Accounts payable in the amount of \$9.45 million are amounts due as of the fiscal year-end for goods and services received as of June 30, 2009. Other current liabilities in the amount of \$381,228 related mainly to deferred revenues, and non-current liabilities in the amount of \$471,369 for general obligation bonds have been recognized for the year ended June 30, 2009.
- The District currently has \$137.6 million outstanding related to the issuance of general obligation debt. Additional information regarding long term debt is included in the Debt Administration section of this discussion and analysis.
- The District's current investment in capital assets, net of related debt, is \$21.42 million.
- The unrestricted net assets ending balance is related to recognizing depreciation on fixed assets in the amount of \$3.4 million, accrued post-employment benefits of \$3.7 million, and accrued vacation of \$1.7 million. The long-term goal to improve the unrestricted net assets balance includes the establishment of contingency reserves for post-employment benefits and vacation liabilities.

Victor Valley Community College District

Management's Discussion and Analysis
 June 30, 2009

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

	<i>(amounts in thousands)</i>	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
Revenues				
Operating				
Tuition and fees		\$ 2,856	\$ 3,077	\$ (221)
Grant revenue		34,026	26,129	7,897
Other		4,759	4,787	(28)
Total operating revenue		<u>41,641</u>	<u>33,993</u>	<u>7,648</u>
Non-operating				
Apportionment and property taxes		44,365	43,839	526
Capital grants		3,289	10,978	(7,689)
Other		6,166	5,949	217
Total non-operating revenue		<u>53,820</u>	<u>60,766</u>	<u>(6,946)</u>
Total Revenues		95,461	94,759	702
Expenses				
Operating				
Salaries and benefits		49,453	46,895	2,558
Payments to students		21,635	15,295	6,340
Other		20,434	15,081	5,353
Total operating expenses		<u>91,522</u>	<u>77,271</u>	<u>14,251</u>
Non-operating		<u>995</u>	<u>2,701</u>	<u>(1,706)</u>
Total Expenses		92,517	79,972	12,545
Excess		<u>2,944</u>	<u>14,787</u>	<u>(11,843)</u>
Net Assets - Beginning		60,608	45,821	14,787
Net Assets - Ending		<u>\$ 63,552</u>	<u>\$ 60,608</u>	<u>\$ 2,944</u>

The schedule above has been prepared from the Statement of Revenues, Expenses, and Changes in Net Assets. State general apportionment, while budgeted for operations, is considered non-operating revenues, according to the Governmental Accounting Standards Board's (GASB) prescribed reporting format. Grants and contracts revenue includes student financial aid, as well as specific federal and state grants received for programs serving the students of the District.

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

Total Operating Revenues reflects a decrease in tuition and fees of \$220,019 from the previous year, despite the fact that the District has seen another increase in the number of students coming to the college. This is due to the fact that more than half of the District's students qualify for the Board of Governor's Grant (BOGG), which waives their enrollment fees. Grants and contracts increase and decrease when grant period ends or when new grants are obtained by the District. Auxiliary sales and charges reflect increases in bookstore sales.

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

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

Total operating expenses increased by \$14,253,984. The increase is comprised of three parts: 1) salaries and benefits increased by \$2,560,525; 2) supplies, maintenance, payments to students, and other operating expenses increased by \$11,198,833; and 3) depreciation and amortization increased by \$494,536.

Operating expenses are 54.0% related to personnel costs. The balance of operating expenses is for supplies, materials, other operating expenses, financial aid, utilities and depreciation expense.

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

STATEMENT OF CASH FLOWS

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

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

<i>(amounts in thousands)</i>	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
Cash used in operating activities	\$ (43,477)	\$ (35,289)	\$ (8,188)
Cash provided by non-capital financing	43,210	43,141	69
Cash provided by capital financing	79,141	(13,894)	93,035
Cash provided by investing activities	<u>6,949</u>	<u>11,849</u>	<u>(4,900)</u>
 Total cash provided by (used in)	 85,823	 5,807	 80,016
 Cash - Beginning	 <u>13,673</u>	 <u>7,866</u>	 <u>5,807</u>
 Cash - Ending	 <u>\$ 99,496</u>	 <u>\$ 13,673</u>	 <u>\$ 85,823</u>

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

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

Cash flow used operating activities decreased by \$8.2 million during fiscal year 2008-2009. The majority of the decrease is due to the District paying \$6.3 million more in payments to students.

Cash flow provided by non-capital financing activities increased by \$69,000 from 2007-2008. This was caused by \$3.86 million increase in apportionment, offset by a \$2.26 million decrease in property taxes, and a \$1.67 million decrease in other receipts.

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

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

DISTRICT'S FIDUCIARY RESPONSIBILITY

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

CAPITAL ASSETS

At June 30, 2009 the District had total capital assets of \$111.8 million consisting of land, buildings and building improvements, construction in progress, vehicles, data processing equipment and other office equipment. These assets have accumulated depreciation of \$32.2 million.

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

	<i>(amounts in thousands)</i>	2009	2008	Net Change
Land and construction in progress		\$ 1,612	\$ 1,925	\$ (313)
Buildings and equipment		111,783	103,866	7,917
Accumulated depreciation		(32,188)	(28,773)	(3,415)
Total Capital Assets		<u>\$ 81,207</u>	<u>\$ 77,018</u>	<u>\$ 4,189</u>

DEBT

At June 30, 2009 the District had \$150.2 million in total debt. The District was successful in passing a bond measure before the voters in November 2008. The general obligation bond was used in part to retire the outstanding certificates of participation debt. See notes to the financial statements for additional information on long-term liabilities.

	<i>(amounts in thousands)</i>	2009	2008	Net Change
Certificates of participation		\$ -	\$ 52,550	\$ (52,550)
General obligation bonds		137,564	-	137,564
Capital leases		7,240	7,828	(588)
Other long-term liabilities		5,434	4,847	587
Total Long-term Liabilities		<u>\$ 150,238</u>	<u>\$ 65,225</u>	<u>\$ 85,013</u>

Victor Valley Community College District

Management's Discussion and Analysis
June 30, 2009

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

The 2009-10 state budget for community colleges included no COLA on general purpose apportionments and no growth funding statewide. District enrollment continues to grow reflecting the current economic condition of the state and the nation. Students appreciate the affordability of community colleges as they polish their skills or prepare for transfer to four year institutions.

The next few years will be challenging as the State attempts to balance its budget. The District has been through this cycle over the years and will, no doubt, recover as it always has. The District will look for other revenue sources that will help cushion these lean budget times at the state.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Victor Valley Community College District

Statement of Net Assets
June 30, 2009

	<u>District</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 99,496,562
Accounts receivable	11,983,238
Internal balances	1,422,867
Stores inventory	930,613
Other assets	<u>479,802</u>
Total current assets	114,313,082
Non-current assets:	
Investments	27,860,586
Fixed assets, net	<u>81,207,135</u>
Total non-current assets	<u>109,067,721</u>
TOTAL ASSETS	<u><u>\$ 223,380,803</u></u>
LIABILITIES	
Current liabilities:	
Current liabilities	\$ 9,209,245
Deferred revenue	381,231
Current portion of long-term debt	<u>471,369</u>
Total current liabilities	10,061,845
Non-current liabilities	<u>149,766,444</u>
TOTAL LIABILITIES	<u>159,828,289</u>
NET ASSETS	
Invested in capital assets	21,417,387
Restricted	1,617,319
Unrestricted	<u>40,517,808</u>
TOTAL NET ASSETS	<u>63,552,514</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 223,380,803</u></u>

See the accompanying notes to the financial statements.

Victor Valley Community College District

Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2009

	<u>District</u>
OPERATING REVENUES	
Tuition and fees	\$ 2,856,533
Grants and contracts	
• Federal	24,326,295
State	6,362,541
Local	3,337,923
Auxiliary enterprise sales and charges	<u>4,758,618</u>
Total Operating Revenues	41,641,910
OPERATING EXPENSES	
Salaries	39,901,474
Benefits	9,551,039
Payments to students	21,635,215
Supplies and materials	2,071,858
Other services and operating expenses	14,948,891
Depreciation	<u>3,414,799</u>
Total Operating Expenses	<u>91,523,276</u>
OPERATING INCOME/(LOSS)	(49,881,366)
NON-OPERATING REVENUES/(EXPENSES)	
State apportionments, non-capital	34,548,125
Local property taxes	9,817,314
State taxes and other revenues	157,665
Investment income - non-capital	2,764,238
Investment income - Capital	-
Interest expense - capital asset-related debt	(969,026)
Other non-operating revenues	3,244,544
Other non-operating expenses	<u>(26,143)</u>
Total non-operating revenues	<u>49,536,717</u>
Income Before Other Revenues, Expenses, Gains, or Losses	(344,649)
State apportionments, capital	<u>3,288,710</u>
CHANGE IN NET ASSETS	2,944,061
NET ASSETS	
Net Assets - Beginning	<u>60,608,453</u>
Net Assets - Ending	<u>\$ 63,552,514</u>

See the accompanying notes to the financial statements.

Victor Valley Community College District

Statement of Cash Flows
For the Year Ended June 30, 2009

	<u>District</u>
Cash Flows from Operating Activities	
Tuition and fees	\$ 2,838,134
Grants and contracts	33,289,974
Payments to suppliers	(13,174,194)
Payments to/on-behalf of employees	(49,560,989)
Student loans/grants	(21,635,215)
Auxiliary enterprise sales and charges	<u>4,765,226</u>
Net cash provided by (used in) operating activities	(43,477,064)
Cash Flows from Non-Capital Financing Activities	
State apportionments and receipts	31,096,808
Property taxes	8,895,216
Other receipts (payments)	<u>3,218,401</u>
Net cash provided by (used in) non-capital financing activities	43,210,425
Cash Flows from Capital Financing Activities	
State apportionments for capital purposes	3,288,710
Purchases of capital assets	(7,604,189)
Interest paid on capital debt	(969,026)
Proceeds from sale of general obligation bonds	137,563,981
Principal paid on capital debt	<u>(53,138,492)</u>
Net cash provided by (used in) capital financing activities	79,140,984
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	4,204,740
Interest on investments	<u>2,744,222</u>
Net cash provided by (used in) investing activities	<u>6,948,962</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	85,823,307
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>13,673,255</u>
End of year	<u>\$ 99,496,562</u>

See the accompanying notes to the financial statements.

Victor Valley Community College District

Statement of Cash Flows
For the Year Ended June 30, 2009

	<u>District</u>
Reconciliation of operating loss to cash used in operating activities	
Operating loss	\$ (49,881,366)
Depreciation	3,414,799
Decrease in accounts receivable	(1,924,056)
Increase in inventory	747,228
Increase in accounts payable	3,629,096
Decrease in deferred revenue	(49,969)
Decrease in other liabilities	<u>587,204</u>
Net cash used in operating activities	<u><u>\$ (43,477,064)</u></u>

See the accompanying notes to the financial statements.

Victor Valley Community College District

Statement of Fiduciary Net Assets
June 30, 2009

	Student Body Center Fee Fund	Health Trust Fund	Associated Student Body	Total
ASSETS				
Cash and cash equivalents	\$ 17,516	\$ 15,680	\$ 249,379	\$ 282,575
Accounts receivable	1,696	167	5,708	7,571
Due from other funds		7,414	-	7,414
Total current assets	<u>19,212</u>	<u>23,261</u>	<u>255,087</u>	<u>297,560</u>
TOTAL ASSETS	<u>\$ 19,212</u>	<u>\$ 23,261</u>	<u>\$ 255,087</u>	<u>\$ 297,560</u>
LIABILITIES				
Current liabilities	\$ 11,043	-	\$ 52,116	\$ 63,159
NET ASSETS				
Due to student groups	8,169	-	202,971	211,140
Due to employees	<u>-</u>	<u>23,261</u>	<u>-</u>	<u>23,261</u>
TOTAL NET ASSETS	<u>8,169</u>	<u>23,261</u>	<u>202,971</u>	<u>234,401</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,212</u>	<u>\$ 23,261</u>	<u>\$ 255,087</u>	<u>\$ 297,560</u>

See the accompanying notes to the financial statements.

Victor Valley Community College District

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	<u>Student Body Center Fee Fund</u>	<u>Health Trust Fund</u>	<u>Associated Student Body</u>	<u>Total</u>
OPERATING REVENUE				
Fees and receipts	\$ 104,043	\$ 22,752	\$ 179,405	\$ 306,200
OPERATING EXPENSE				
Services and activities	<u>104,044</u>	<u>62,310</u>	<u>115,770</u>	<u>282,124</u>
CHANGE IN NET ASSETS				
NET ASSETS	(1)	(39,558)	63,635	24,076
Net Assets - Beginning	<u>8,170</u>	<u>62,819</u>	<u>139,336</u>	<u>210,325</u>
Net Assets - Ending	<u>\$ 8,169</u>	<u>\$ 23,261</u>	<u>\$ 202,971</u>	<u>\$ 234,401</u>

See the accompanying notes to the financial statements.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Victor Valley Community College District provides higher education in the County of San Bernardino, State of California. The District and the Victor Valley Community College District Facilities Corporation (the "Corporation") have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14 for the inclusion of the Corporation as a component unit of the District. Accordingly, the basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2009, the financial activities of the Corporation have been blended into the financial statements of the District.

Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis – for State and Local Governments* and including Statement No. 35, *Basic Financial Statements and Management Discussion and Analysis of Public Colleges and Universities*, issued in June and November 1999 and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants. The financial statement presentation required by GASB No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements.

Basis of Accounting

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities. Accordingly, the District's basis 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 significant intra-agency transactions have been eliminated.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

For internal accounting purposes, the budgetary and financial accounts of the District have been recorded and maintained in accordance with the Chancellor's Office of the California Community College's Budget and Accounting Manual.

To ensure compliance with the California Education code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities.

By state law, the District's Governing Board must approve a budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with generally accepted accounting principles (GAAP).

The budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

In accordance with GASB Statement No. 20, the District follows all GASB statements issued prior to November 13, 1989 until subsequently amended, superseded or rescinded. The District has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless FASB conflicts with GASB. The District has elected to not apply FASB pronouncements issued after the application date.

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 in the County Treasury and investments in the Local Agency Investment Fund are recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

Accounts Receivable

Accounts receivable consists primarily of amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. The District recognized for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Inventories

Inventories are presented at the lower of cost or market on an average basis and are expensed when used. Inventory consists of expendable instructional, custodial, health and other supplies held for consumption.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are those amounts externally restricted as to use pursuant to the requirements of the District's grants, contracts, and debt service requirements.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

Capital Assets

Capital assets are recorded at the date of acquisition. Donated capital assets are recorded at their estimated fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Interest incurred during construction is not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Land	Not Applicable
Construction in progress	Not Applicable
Site improvements	20 years
Machinery and equipment	5 to 20 years
Vehicles	8 years
Infrastructure	25 to 65 years
Buildings	39 years

Accounts Payable

Accounts payable consists of amounts due to vendors.

Accrued Liabilities

Accrued liabilities consist of salaries and benefits payable, deferred summer pay and load banking.

Deferred Revenue

Tuition and fees received prior to June 30 for classes and programs offered in the subsequent fiscal year are reported as deferred revenue. Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

Compensated Absences

In accordance with GASB Statement No. 16, accumulated unpaid employee vacation benefits are recognized as a liability of the District as compensated absences in the Statement of Net Assets. The District has accrued a liability for the amounts attributable to load banking hours within accrued liabilities. Load banking hours consist of hours worked by instructors in excess of full-time load which they may carryover for future paid time-off.

Sick leave benefits are accumulated without limit for each employee. Accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires and within the constraints of the appropriate retirement systems.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

Net Assets

The District's net assets are classified as follows:

Invested in capital assets, net of related debt – This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets, net of related debt.

Restricted net assets - expendable – Restricted expendable net assets include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Restricted net assets - nonexpendable – Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal.

Unrestricted net assets – Unrestricted net assets represent resources available to be used for transactions relating to the general operations of the District, and may be used at the discretion of the governing board, as designated, to meet current expenses for specific future purposes. When an expense is incurred that can be paid using either restricted or unrestricted funds, the District's policy is to utilize available restricted resources, followed by unrestricted resources,

State Apportionments

Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to the recalculation in February 2010 will be recorded in the year computed by the State.

Property Taxes

Secured property taxes attach as an enforceable lien on property on March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The District reports real and personal property tax revenues in the same manner in which the County auditor records and reports actual property tax receipts to the Department of Education. This is generally on a cash basis. A receivable has been accrued in these financial statements to reflect the amount of property taxes receivable as of June 30, 2009.

On-Behalf Payments

GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers and Public Employees Retirement Systems on behalf of Community Colleges in California. However, a fiscal advisory was issued by the California Department of Education instructing districts not to record revenue and expenditures for these on-behalf payments.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

Classification of Revenues

The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined in GASB Statement No. 35, including state appropriations, local property taxes, and investment income. Revenues are classified according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as: student fees, net of scholarship discounts and allowances, and Federal and most state and local grants and contracts.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as State apportionments, taxes, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, such as investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues and certain other revenues from students are reported, net of scholarship discounts and allowances, in the statement of revenues, expenses and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance for the Board of Governors (BOG) waivers.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

NOTE 2 – CASH AND INVESTMENTS

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent but not in the District's name. Deposits with the county treasury are not categorized because they do not represent securities, which exist in physical or book entry form. The fund is a voluntary program created by statute as an investment alternative. The deposits with county treasury are valued using the amortized cost method (which approximates fair value). The fair values were provided by the county treasurer.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

Cash and investments, as of June 30, 2009, are classified in the accompanying financial statements as follows:

Business - Type Activities	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balances</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 75,250	N/A
Deposits in financial institutions	250,000	756,109	-	1,006,109	1,078,225	\$ 1,078,225
Cash in county treasury	-	98,343,087	-	-	98,343,087	98,343,087
Investments	-	-	27,860,586	N/A	27,860,586	27,860,586
Subtotal	<u>250,000</u>	<u>99,099,196</u>	<u>27,860,586</u>	<u>1,006,109</u>	<u>127,357,148</u>	<u>127,281,898</u>
Fiduciary Funds						
Cash on hand	-	-	-	-	250	N/A
Deposits in financial institutions	-	250,476	-	250,476	249,129	249,129
Cash in County	-	33,196	-	-	33,196	33,196
Subtotal	<u>-</u>	<u>283,672</u>	<u>-</u>	<u>250,476</u>	<u>282,575</u>	<u>282,325</u>
Total cash and investments	<u>\$ 250,000</u>	<u>\$ 99,382,868</u>	<u>\$ 27,860,586</u>	<u>\$ 1,256,585</u>	<u>\$ 127,639,723</u>	<u>\$ 127,564,223</u>

Investments Authorized by the District's Investment Policy

The District is authorized 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. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to:

- interest rate risk
- credit risk
- concentration of credit risk.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the *investment types* that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
Pre-refunded municipal obligations	None
State obligations	None
U.S. Treasury obligations	None
U.S. Agency securities	None
Banker's acceptances	360 days
Commercial paper	270 days
Money market mutual funds	N/A
Investments contracts	30 years
County investment pool	None

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

Disclosures Relating to 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's sole investment matures on December 1, 2024.

Generally, the 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.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total investments and by reporting unit (primary government, discretely presented component unit, governmental activities, major fund, non-major funds in the aggregate, etc.) is the GIC and it is with Anchor Life Insurance Company.

Custodial Credit Risk

Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investments – The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

NOTE 3 – RECEIVABLES

Receivables at June 30, 2009, consist of the following:

	Business-Type Activities	Fiduciary Funds	Total
Federal Government			
Categorical aid	\$ 608,270	\$ -	\$ 608,270
State Government			
Apportionment	5,561,388	-	5,561,388
Categorical aid	42,386	-	42,386
Lottery	704,558	-	704,558
Local Government			
Property taxes	2,638,666	-	2,638,666
Interest	120,567	214	120,781
Other Local Sources	2,307,403	91,606	2,399,009
	<u>\$ 11,983,238</u>	<u>\$ 91,820</u>	<u>\$ 12,075,058</u>

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2008	Additions	Deductions	Balance June 30, 2009
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 766,682	\$ 200,000	\$ -	\$ 966,682
Construction in progress	1,158,263	5,758,304	6,271,445	645,122
Total capital assets not being depreciated	<u>1,924,945</u>	<u>5,958,304</u>	<u>6,271,445</u>	<u>1,611,804</u>
Capital assets being depreciated:				
Land improvements	6,157,622	77,176	-	6,234,798
Buildings and improvements	87,836,174	7,274,725	-	95,110,899
Furniture and equipment	9,872,180	565,429	-	10,437,609
Total capital assets being depreciated	<u>103,865,976</u>	<u>7,917,330</u>	<u>-</u>	<u>111,783,306</u>
Less accumulated depreciation:				
Land improvements	3,132,511	162,162	-	3,294,673
Buildings and improvements	18,626,633	2,434,372	-	21,061,005
Furniture and equipment	7,014,032	818,265	-	7,832,297
Total accumulated depreciation	<u>28,773,176</u>	<u>3,414,799</u>	<u>-</u>	<u>32,187,975</u>
Capital Assets, net	<u>\$ 77,017,745</u>	<u>\$ 10,460,835</u>	<u>\$ 6,271,445</u>	<u>\$ 81,207,135</u>

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund receivables and payables result when the interfund is transacted after the close of the fiscal year. Interfund activity within the government funds has been eliminated in the basic financial statements.

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2009 consisted of the following:

	Business-Type Activities	Fiduciary Funds	Total
Payroll	\$ 1,202,521	\$ 15,813	\$ 1,218,334
Construction	3,782,858	-	3,782,858
Vendor payable	4,223,865	222,469	4,446,334
	<u>\$ 9,209,244</u>	<u>\$ 238,282</u>	<u>\$ 9,447,526</u>

NOTE 7 – DEFERRED REVENUE

Deferred revenue at June 30, 2009 consisted of the following:

	Business-Type Activities
State sources	\$ 87,280
Tuition and enrollment	133,074
VVC Cards	159,287
Other	1,587
	<u>\$ 381,228</u>

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

NOTE 8 – LONG-TERM LIABILITIES

Summary

A schedule of changes in long-term debt for the year ended June 30, 2009 is shown below:

	Balance July 01, 2008	Additions	Deductions	Due in One Year	Long-term Balance
Governmental Activities					
Certificates of Participation	\$ 52,550,000	\$ -	\$ 52,550,000	\$ -	\$ -
General Obligation bonds	-	136,022,028	-	-	136,022,028
Bond Premium	-	1,541,953	-	-	1,541,953
Capital leases	7,828,240	-	588,492	471,369	6,768,379
Accumulated vacation	1,500,000	205,397	-	-	1,705,397
Other postemployment benefits	3,346,881	737,899	356,093	-	3,728,687
	<u>\$ 65,225,121</u>	<u>\$ 138,507,277</u>	<u>\$ 53,494,585</u>	<u>\$ 471,369</u>	<u>\$ 149,766,444</u>

Compensated Absences

Accumulated unpaid employee vacation benefits as of June 30, 2009 are \$1,705,397.

Post-Employment Benefits

The District provides post-employment health care and other retirement benefits, in accordance with District employment contracts, for eligible employees who retire from the District on or after attaining age 50 for PERS and age 55 for STRS with at least 10 years of service until the retiree is eligible for Medicare at age 65. Expenditures for post-employment benefits are recognized on a pay-as-you-go basis for retirees' premiums.

The total liability for the District at June 30, 2009, amounted to \$3,346,881. This amount was calculated by an actuary in May of 2009.

General Obligation Bonds

2008 General Obligation Bonds – In an election held November 4, 2008, the voters provided the District with the ability to issue \$297,500,000 of General Obligation Bonds. The bonds were approved to finance the acquisition, construction, modernization and equipping of certain District property and facilities, as well as to refund all of the 1997 Variable Rate Certificates of Participation. The 2008 Series A bonds were issued for \$54,004,963 on June 17, 2009 with interest rates ranging from 3.00 percent to 5.25 percent; the bonds mature at various dates with a final maturity of August 1, 2031. The Series B bonds were issued for \$12,000,000 on June 17, 2009 with interest at 6.67 percent; the bonds mature August 1, 2033. The Series C bonds were issued for \$70,017,065 on June 17, 2009 with interest rates ranging from 3.17 percent to 7.20 percent; the bonds mature at various dates with a final maturity of August 1, 2044.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

The annual requirement for the general obligation bonds outstanding at June 30, 2009 is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2010	\$ -	\$ 5,626,333	\$ 5,626,333
2011	-	8,413,664	8,413,664
2012	690,000	8,706,917	9,396,917
2013	862,254	8,928,722	9,790,977
2014	1,063,141	9,145,612	10,208,753
2015-2019	6,323,536	48,785,092	55,108,628
2020-2024	11,612,522	48,052,876	59,665,398
2025-2029	21,944,368	50,622,182	72,566,550
2030-2034	30,109,787	51,985,617	82,095,403
2035-2039	32,966,420	57,564,305	90,530,725
2040-2044	14,315,000	51,179,348	65,494,348
2045-2049	16,135,000	37,891,831	54,026,831
Total	<u>\$ 136,022,028</u>	<u>\$ 386,902,501</u>	<u>\$ 522,924,528</u>

Capital Leases

The District's liability on lease agreements, with options to purchase, is summarized below:

<u>Year ending June 30,</u>	<u>Lease payments</u>
2010	\$ 816,740
2011	623,905
2012	591,063
2013	536,739
2014	509,258
2015 - 2019	2,766,933
2020 - 2024	3,177,211
2025 - 2028	1,526,638
	<u>10,548,487</u>
Subtotal	<u>(3,308,739)</u>
Less: amount representing interest	<u>\$ 7,239,748</u>

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

NOTE 9 – EMPLOYMENT RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees may be member of the State Teachers' Retirement System (STRS) and classified employees may be members of the California Public Employees' Retirement System (CalPERS). Non-members may be members of the alternate retirement system.

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

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

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

PERS (Public Employees' Retirement System)

Plan Description – The District contributes to the California Public Employees' Retirement System (CalPERS) as required by law; a cost-sharing multiple-employer public employee retirement system defined benefit pension administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death 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, California 95814.

Funding Policy – Active plan members are required to contribute 7.0% of their salary 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 required employer contribution rate for fiscal year 2007-2008 was 9.3% of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal year ended June 30, 2009, 2008, and 2007 were \$1,199,500, \$1,201,443, and \$1,007,566, respectively, and equal 100 percent of the required contributions for each year.

STRS (State Teachers' Retirement System)

Plan Description – The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy – Active plan members are required to contribute 8.0% of their salary 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 STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2007-2008 was 8.25% of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to STRS for the fiscal year ending June 30, 2009, 2008, and 2007 were \$1,760,364, \$1,765,188, and \$1,610,399, respectively, and equal 100 percent of the required contributions for each year.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

NOTE 10 – COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards and Grants

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, in the opinion of management any required reimbursements will not be material.

Litigation

The District is involved in various litigations 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 leases certain office equipment under operating leases. These leases expire in accordance with contracts through 2009 as follows:

Year Ending June 30,	Lease Payment
2009	\$ 18,029
2010	18,390
2011	5,608
2012	<u>5,608</u>

NOTE 11 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Southern California Employees' Benefit Association (SCEBA), the State-Wide Association of Community Colleges (SWACC), Schools' Excess Liability Fund (SELF), and Protected Insurance Program for Schools (PIPS) public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. The District's share of year-end assets, liabilities or fund equity has not been calculated. Audited financial statements are available from the respective entities.

Victor Valley Community College District

Notes to Financial Statements
June 30, 2009

The District participates in the following JPAs:

	Southern California Schools Employee Benefit Association <u>(SCSEBA)</u>	State-Wide Association of Community Colleges <u>(SWACC)</u>	Schools' Excess Liability Fund <u>(SELF)</u>
Purpose:	Provides health benefit coverage.	Provides general liability and property coverage.	Provides excess liability.
Participants:	Community colleges and school districts in Southern California.	Community college districts.	School districts and community colleges throughout the State.
Governing board:	A representative from member districts.	A representative from member districts.	Sixteen elected members from participating districts.

NOTE 12 – RETIREE BENEFITS

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

REQUIRED SUPPLEMENTARY INFORMATION

Victor Valley Community College District

Schedule of Postemployment Healthcare Benefits Funding Progress
For the Year Ended June 30, 2009

Schedule of Funding Progress							
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Liability (Entry Age Normal Cost Method) (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funding Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>	
March 1, 2009	\$ -	\$ 6,582,497	\$ 6,582,497	\$ -	\$ 39,901,474	16.50%	

Note: Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the District elected to implement prospectively; therefore, prior year comparative valuation data is not available. In future years, as valuations are performed, three year valuation trend information will be presented.

See the accompanying note to the required supplementary information.

Victor Valley Community College District

Schedule of Employer Contributions
For the Year Ended June 30, 2009

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2009	<u>\$ 737,899</u>	51.74%	<u>\$ 356,093</u>

See the accompanying note to the required supplementary information.

Victor Valley Community College District

Note to Required Supplementary Information
June 30, 2009

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Postemployment Healthcare Benefits Funding Progress

This schedule is prepared to show information for the most recent actuarial valuation and in future years, the information from the three most recent actuarial valuations in accordance with Statement No. 45 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

Schedule of Employer Contributions

This schedule is prepared in accordance with Statement No. 43 of the Governmental Accounting Standards Board, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The schedule is intended to show trends about the percentage of the annual required contribution made to the plan.

SUPPLEMENTARY INFORMATION

Victor Valley Community College District

History and Organization
June 30, 2009

Victor Valley College is a public community college operated under the Education Code of the State of California. The Community College District was established by authority of the voters who created the District in 1960. The College began classes in 1961. The present campus was started in 1963 and opened its doors to students in 1965. The College District encompasses an area of approximately 2,200 square miles and includes the communities of Adelanto, Apple Valley, Cedar Springs, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Wrightwood, Los Flores, and Victorville. The College is a part of a State-wide system of community colleges jointly supported by the state and local districts and functioning under the advisory supervision of the State Board of Governors. The Board of Trustees is the governing body of Victor Valley Community College District, acting through the Superintendent / President of the District.

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Donald Nelson	President	November 2009
Angela Valles	Vice President	November 2011
Joe Range	Trustee	November 2011
Bettye Underhill, Ph.D.	Trustee	November 2009
Dennis Henderson	Clerk	November 2009

ADMINISTRATION

Dr. Robert Silverman	Superintendent / President
Dr. Christopher O’Hearn	Deputy Superintendent/Executive Vice President, Instruction
GH Javaheripour	Vice-President, Administrative Services
Fusako Yokotobi	Vice-President, Human Resources

See accompanying note to supplementary information.

Victor Valley Community College District

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Name of Agency / Grant / Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION DIRECT PROGRAM			
Student Financial Aid Cluster [I]:			
<i>Federal Work Study</i>	84.033	*	\$ 257,972
<i>SEOG</i>	84.007	*	338,775
<i>Pell</i>	84.063	*	13,465,956
<i>Student Financial Aid Administrative Allowance</i>	84.033	*	373,763
ASE Certified Mechanics Program	*	*	176,937
Title IV Student Support Services	84.042A	*	187,975
Title IV Student Support Services - Type 2008	84.042A	*	81,146
Title IV Student Support Svcs/Student Grants	84.042A	*	30,000
Title IV TRIO: Upward Bound [I]	84.042A	*	580,503
Title V Hispanic - Serving Grant	10.223	*	1,632,117
PASSED THROUGH CALIFORNIA DEPARTMENT OF EDUCATION			
Temporary Assistance for Needy Families (TANF)	93.558	*	119,381
TANF/Child Development Careers Program	93.558	*	25,649
Title I - Part C	84.048	*	411,144
Title III-E Tech Prep	84.023	*	5,000
U.S. DEPARTMENT OF VETERANS' AFFAIRS			
Veterans Education	64.116	*	2,292
	Total Federal Programs		<u>\$ 17,688,611</u>

[I] Indicates Major Program

See accompanying note to supplementary information.

Victor Valley Community College District

Schedule of State Financial Awards – Grants
For the Year Ended June 30, 2009

PROGRAM	Program Revenues			Program Expenditures
	Cash Received	Accounts Receivable (Payable)	Deferred Revenue	
STATE				
GENERAL FUND and FINANCIAL AID				
Block Grant	\$ -	\$ -	\$ -	\$ -
California Articulation Number System	4,000	-	-	4,000
Calworks	498,624	(39,857)	-	458,767
Cal Works - Placement-Incl above	-	-	-	-
CARE	333,435	-	-	333,435
Disabled Students Program And Services	795,295	-	-	795,295
Extended Opportunity Program and Services	1,024,814	-	-	1,024,814
CAHSEE #2 (High School Exit Exam) - Type 2008	395	118,260	-	118,655
CAHSEE #1 (High School Exit Exam) - Type 2008	103,069	-	-	103,069
State Deferred Maintenance	97,468	-	-	97,468
Foster Parent/FKCE	45,777	74,795	-	120,572
Foster Parent Independent Living Program	-	9,999	-	9,999
Instructional Equipment Replacement	97,459	-	-	97,459
Instructional Equipment Replacement - Type 2008	-	-	-	-
Lottery	616,757	584,806	-	1,201,563
Lottery - Type 2008	-	-	-	-
Matriculation, Credit	584,688	-	-	584,688
Matriculation, Noncredit	35,560	-	-	35,560
Basic Skills	148,312	-	-	148,312
Nursing Equipt Grant	112,966	-	-	112,966
Technology and Telecommunication Infrastructure	39,036	-	-	39,036
Staff Diversity	13,403	-	-	13,403
Staff Diversity - Type 2006	-	-	-	-
Staff Diversity - Type 2007	-	-	-	-
Staff Diversity - Type 2008	-	-	-	-
SB 1133	76,595	-	-	76,595
Song-Brown Nursing Grant	-	61,698	-	61,698
Nursing Capacity Grant	304,782	58,054	-	362,836
Nursing Capacity Grant - Type 2008	-	-	-	-
Nursing Recruitment & Retention	5,200	-	-	5,200
Career Exploration 7th & 8th	73,705	-	-	73,705
Career Exploration 7th & 8th - Type 2008	1,295	-	-	1,295
Career Pathways/SB 70	16,415	21,380	-	37,796
Associate Degree in Nursing	106,879	-	-	106,879
CHILD DEVELOPMENT				
Cal Works - Child Care-Incl in CalWorks above	-	-	-	-
Child Development Training Consortium	11,250	-	-	11,250
Child Development Mentor Teaching Program	-	1,000	-	1,000
Total	<u>\$ 5,147,179</u>	<u>\$ 890,136</u>	<u>\$ -</u>	<u>\$ 6,037,315</u>
				<u>\$ 5,359,211</u>

See accompanying note to supplementary information.

Victor Valley Community College District

Schedule of Workload Measures for Program Based Funding
For the Year Ended June 30, 2009

	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2008)			
1. Noncredit ¹	39.70		
2. Credit	46.85		
B. Summer Intersession (Summer 2009 - Prior to July 1, 2009)			
1. Noncredit ¹	-		
2. Credit	-		
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	6,394.70		
(b) Daily Census Contact Hours	1,674.63		
2. Actual Hours of Attendance			
(a) Noncredit ¹	335.67		
(b) Credit	126.73		
3. Independent Study/Work Experience			
(a) Weekly Census Contact Hours	787.93		
(b) Daily Census Contact Hours	657.68		
(c) Noncredit Independent Study/Distance Education Courses	-		
D. Total FTES	10,063.89	-	-
Supplemental Information (subset of above information)			
E. In-Service Training Courses	-		
H. Basic Skills Courses and Immigrant Education			
1. Noncredit ¹	48		
2. Credit	402		
<u>CCFS 320 Addendum</u>			
<u>CDCP Noncredit FTES</u>			
Centers FTES			
1. Noncredit ¹			
2. Credit			

¹ Including Career Development & College Preparation (CDCP) FTES

See accompanying note to supplementary information.

Victor Valley Community College District

Reconciliation of Annual Financial and Budget Report With Audited Fund Balances
For the Year Ended June 30, 2009

	General Fund	Debt Service Fund	Child Development Fund	Capital Projects Fund	Revenue Bond Fund
FUND BALANCE					
Balance, June 30, 2009 Unaudited Actuals 311	\$ 10,899,621	\$ 28,022,430	\$ 90,259	\$ 2,880,247	\$ 81,339,621
Change in:					
Accounts receivable	1,523,816	-	-	-	-
Accounts payable	943,509	-	-	-	-
Audited financial statements fund balance	<u>\$ 13,366,946</u>	<u>\$ 28,022,430</u>	<u>\$ 90,259</u>	<u>\$ 2,880,247</u>	<u>\$ 81,339,621</u>

	Bookstore Fund	Cafeteria Fund	Student Body Self-insurance Fund	Internal Service Fund	Associated Students Trust Fund	Student Body Center Fund
FUND BALANCE						
Balance, June 30, 2009 Unaudited Actuals 311	\$ 248,611	\$ 127,381	\$ 101,317	\$ 23,261	\$ 202,234	\$ 8,170
Change in:						
Accounts receivable	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Audited financial statements fund balance	<u>\$ 248,611</u>	<u>\$ 127,381</u>	<u>\$ 101,317</u>	<u>\$ 23,261</u>	<u>\$ 202,234</u>	<u>\$ 8,170</u>

See accompanying note to supplementary information.

Victor Valley Community College District

Note to Supplementa ry Information
June 30, 2009

NOTE 1 – PURPOSE OF SCHEDULES

History and Organization

This schedule provides information about the District, members of the governing board, and members of the administration.

Schedules of Expenditures of Federal Awards and State Financial Assistance

The audit of the Victor Valley Community College District for the year ended June 30, 2009 was conducted in accordance with OMB Circular A-133, which requires a disclosure of the financial activities of all federally funded programs. To comply with A-133 and state requirements, the Schedule of Federal Awards and the Schedule of State Financial Assistance was prepared for the District on the modified accrual basis of accounting.

Schedule of Workload Measure for State General Apportionment

This schedule represents the basis of apportionment of the District's annual source of funding for many of its programs.

Reconciliation of Annual Financial and Budget Report with Audited Fund Balances

This schedule reports any audit adjustments made to the fund balances of all funds as reported on the Form CCFS-311.

OTHER INDEPENDENT AUDITORS' REPORTS

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

The Board of Trustees
Victor Valley Community College District

We have audited the financial statements of Victor Valley Community College District (the "District"), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 22, 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 the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 as findings 2009-1 and 2009-2 in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

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 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 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.

- 42 -

The Board of Trustees
Victor Valley Community College District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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*.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the audit committee, the Governing Board, the California Department of Finance, the State Chancellor's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
December 22, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Trustees
Victor Valley Community College District

Compliance

We have audited the compliance of Victor Valley 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. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the 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 the 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 the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the 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 the 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 the District's internal control over compliance.

- 44 -

The Board of Trustees
Victor Valley Community College District

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 below.

A control deficiency in an entity'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 entity'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 entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

This report is intended solely for the information and use of management, the audit committee, the Governing Board, the California Department of Finance, the State Chancellor's Office, Federal awarding agencies, and pass-through entities and is not intended to be and should not be sued by anyone other than these specified parties.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
December 22, 2009

REPORT ON STATE COMPLIANCE

The Board of Trustees
Victor Valley Community College District

We have audited the basic financial statements of Victor Valley Community College District (the "District") for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence about the 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 the District's compliance with those requirements.

In connection with our audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following state laws and regulations in accordance with the Chancellor's Office's *California Community Colleges Contracted District Audit Manual (CDAM)*. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination:

General Directive

Management Information System Implementation
State General Apportionment (Required Data Elements)

Administration

Open Enrollment

Student Fees

Instructional Materials and Health Fees

Apportionments

Apportionment for Instructional Service Agreements/Contracts
Residency Determination for Credit Courses
Concurrent Enrollment of K-12 Students in Community College Credit Courses
Enrollment Fees
Students Actively Enrolled

Fiscal Operations

Salaries of Classroom Instructors (50 Percent Law)
Gann Limit Calculation

- 46 -

The Board of Trustees
Victor Valley Community College

Student Services

Matriculation

Uses of Matriculation Funds

CalWORKS

Use of State and Federal TANF Funding

Facilities

Scheduled Maintenance Program

In our opinion, the Victor Valley Community College District complied with the compliance requirements for the state programs listed and tested above. Nothing came to our attention as a result of the aforementioned procedures in indicate that the District had not complied with the terms and conditions of state assisted educational programs not selected for testing.

Our examination of compliance made for the purposes set forth in the preceding paragraph of this report would not necessarily disclose all instances of noncompliance.

This report is intended solely for the information and use of management, the audit committee, the Governing Board, the California Department of Finance, the State Chancellor's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
December 22, 2009

FINDINGS AND RECOMMENDATIONS

Victor Valley Community College District

Schedule of Findings and Questioned Costs
June 30, 2009

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

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>
Non-compliance 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>No</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 of Cluster</u>
<u>84.007, 84.032, 84.063, 84.375, 84.033</u>	<u>Student Financial Aid</u>
<u>84.042A</u>	<u>Title V, TRIO-Upward Bound</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 530,658</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>No</u>
Type of auditors' report issued on compliance for State programs:	<u>Unqualified</u>

SECTION 2 – FINANCIAL STATEMENT FINDINGS

2009-1 FINANCIAL REPORTING

Finding In May 2006 the AICPA Accounting Standards Board (ASB) issued Statement on Auditing Standards No. 112 (SAS 112), *Communicating Internal Control Matters Identified in an Audit*, which became effective for financial statements with periods ending on or after December 15, 2006. This pronouncement places significant additional responsibilities on management in regards to the preparation of financial statements.

Each year, community college districts are responsible for preparing complete and accurate financial statements, footnote disclosures, and management's discussion and analysis which are prepared in accordance with governmental generally accepted accounting principles. This financial reporting responsibility extends beyond the preparation of the traditional fund financial statements and includes financial statements that are required to be presented in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). Accordingly, community college districts should have policies and procedures in place to ensure complete and accurate financial statements, footnote disclosures, and management's discussion and analysis are prepared and reviewed prior to the arrival of the independent auditors.

Similar to the vast majority of California community college districts, the District does not have policies and procedures in place or the financial resources or specialized personnel available to ensure that complete and accurate financial statements, footnote disclosures, and management's discussion and analysis, which conform to GASB 34 and the applicable governmental generally accepted accounting principles, are prepared and reviewed prior to the arrival of the independent auditors.

This condition has always existed at the District and is being reported in accordance with the requirements of SAS 112.

Recommendation Due to the nature of community college finance and the specific types of financial activities processed by the District, management and the governing board should weigh the cost of eliminating this control weakness against the benefits to be received. If it is determined that the District cannot fully remediate the control weakness, management should work to develop alternative procedures that can help to mitigate the financial reporting risk of the District.

District Response The District has determined that the cost of fully eliminating the control weakness outweighs the benefits to be received. However, management will work to develop alternative procedures that can help to mitigate the financial reporting risk of the District.

Victor Valley Community College District

Schedule of Findings and Questioned Costs
June 30, 2009

SECTION 2 – FINANCIAL STATEMENT FINDINGS, Continued

2009-2 INTERNAL BALANCES

Finding The internal balances showing on the statement of net assets should show as zero. This is a result of un-reconciled balances in the Due To and Due From accounts.

Recommendation At year end the District needs to ensure the Due To and Due From accounts for all funds, including the auxiliary funds, balance.

District Response The District will work with appropriate departments to ensure Due To and Due From accounts are reconciled.

Victor Valley Community College District

Schedule of Findings and Questioned Costs
June 30, 2009

SECTION 3 – FEDERAL AWARDS FINDINGS

There were no federal awards findings or questioned costs in 2008-09.

Victor Valley Community College District

Schedule of Findings and Questioned Costs
June 30, 2009

SECTION 4 – STATE AWARDS FINDINGS

There were no state awards findings or questioned costs in 2008-09.

Victor Valley Community College District

Status of Prior Year's Findings and Questioned Costs
June 30, 2009

FINANCIAL STATEMENT FINDINGS

2008-1 ACCOUNTS PAYABLE

Finding The Bookstore maintains an accounts payable balance that is not reflected by any invoices, but rather a balance carried over from one year to the next.

Recommendation The Bookstore should go through all payments made from July 1st to the present and determine which ones have invoices that are attributed to prior fiscal year receipt of goods or services.

Current Status Implemented.

2008-2 DEFERRED REVENUE (VVC Card)

Finding The Bookstore maintains a deferred revenue account with actual cash to prepay a VVC Card. There are currently few controls surrounding the age of the outstanding funds.

Recommendation The Bookstore needs to monitor student activity of cards older than 120 days and determine if the student still attends the school and, if not, return the money to the student, and if the student cannot be located, return the money to the state or federal government .

Current Status Implemented

Victor Valley Community College District

Status of Prior Year's Findings and Questioned Costs
June 30, 2009

FINANCIAL STATEMENT FINDINGS, Continued

2008-3 STATEMENT OF AUDITING STANDARDS (SAS) No. 112

Finding In May 2006 the AICPA Accounting Standards Board (ASB) issued Statement of Auditing Standards No. 112 (SAS 112), *Communicating Internal Control Matters Identified in an Audit*, which became effective for financial statements with periods ending on or after December 15, 2006. This pronouncement places significant additional responsibilities on management in regards to preparation of financial statements.

Similar to the vast majority of California community college districts, the District does not have policies and procedures in place to ensure that complete and accurate financial statements, footnote disclosures, and management's discussion and analysis, which conform to GASB 34 and the applicable governmental generally accepted accounting principles, are prepared and reviewed prior to the arrival of the independent auditors. Nor does the District have the financial resources or specialized personnel available to ensure that all of the above are done prior to the arrival of the independent auditors.

Recommendation Due to the nature of community college finance and specific types of financial activities processed by the District, management and the governing board should weigh the cost of eliminating this control weakness against the benefits to be received. If it is determined that the District cannot fully remediate the control weakness, management should work to develop alternative procedures that can help mitigate the financial reporting of the District.

Current Status Not Implemented. See Finding 2009-1.

2008-4 INTERNAL BALANCES

Finding The internal balances showing on the statement of net assets should show as zero. This is a result of unreconciled balances in the Due To and Due From accounts.

Recommendation At year end the District needs to ensure the Due To and Due From accounts for all funds, including the auxiliary funds, balance.

Current Status Not implemented. See Finding 2009-2.

Victor Valley Community College District

Status of Prior Year's Findings and Questioned Costs
June 30, 2009

FEDERAL AWARDS FINDINGS

There were no federal awards findings or questioned costs in 2007-08.

STATE AWARDS FINDINGS

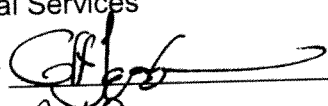
There were no state awards findings or questioned costs in 2007-08.


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

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

TOPIC: 2008 – 2009 PERFORMANCE AUDIT ON GENERAL OBLIGATION BONDS

SUBMITTED BY: Mary Pringle, Fiscal Services

RECOMMENDED BY: G.H. Javaheripour 

APPROVED BY: Robert Silverman 

Description/Background:

The Messner & Hadley Certified Public Accountancy firm of Victorville has completed the 2008-2009 performance audit for the Proposition 39 (Measure JJ) General Obligation Bonds. Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Building Capital Projects Fund have been expended only for the authorized bond projects.

The conclusion as reported by the auditing firm is as follows:

Based upon our procedures performed, we found that, for the items tested, Victor Valley Community College District has properly accounted for the Capital Projects Bond Fund. Furthermore, it was noted that the funds held in the Capital Projects Bond Fund, were not expended for salaries of school administrators or other operating expenditures.

Need:

State mandated

Fiscal Impact: None

Recommended Action:

It is recommended the Board of Trustees accept the 2008-2009 bond performance audit as presented.

Legal Review: YES ___ NOT APPLICABLE X ___

Reference for Agenda: YES X NO ___

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B and C

PERFORMANCE AUDIT
June 30, 2009

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

TABLE OF CONTENTS	Page
Independent Auditors' Report.....	1
Objectives.....	2
Scope of the Audit.....	2
Background Information.....	3
Procedures Performed.....	4
Conclusion.....	5
Schedule of Findings and Questioned Costs.....	6
Summary Schedule of Prior Audit Findings.....	7

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Victor Valley Community College District
Victorville, California

We have examined Victor Valley Community College District's compliance with the performance requirements for the Proposition 39/Measure JJ General Obligation Bonds for the fiscal year ended June 30, 2009, under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the Bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, Victor Valley Community College District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2009.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Victorville, California
December 22, 2009

- 1 -

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

OBJECTIVES

The objectives of our performance audit were to:

- Determine the expenditures charged to the District Bond Construction Fund
- Determine whether expenditures charged to the Bond Construction Fund have been made in accordance with the bond project list approved by the voters through the approval of the Election of 2008, General Obligation Bonds, Series A, B, and C.
- Note any incongruities or system weaknesses and provide recommendations for improvement
- Provide the District Board and the Citizens Oversight Committee with a performance audit as required under the guidelines of the California Constitution and Proposition 39.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal year from July 1, 2008 to June 30, 2009. The expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2009 were not reviewed or included within the scope of our audit or within this report.

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

BACKGROUND INFORMATION

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. In November of 2008, a general obligation bond proposition (Measure JJ Election of 2008) of the Victor Valley Community College District was approved by more than fifty-five percent of the voters of that District. The Election of 2008 authorized the District to issue up to \$297,500,000 of general obligation bonds to upgrade, expand, and construct school facilities. On June 17, 2009, the District issued Series A in the amount of \$54,004,962.90. Also On June 17, 2009, the District issued Series B in the amount of \$12,000,000. Lastly on June 17, 2009 the District issued Series C in the amount of \$70,017,065.

Pursuant to the requirements of Proposition 39 and related State legislation, the Board of Trustees of the District has appropriately established a Citizens' Bond Oversight Committee and appointed its members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in State law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Election of 2008 bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Building Capital Projects Fund have been expended only for the authorized bond projects.

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2009 for the Capital Projects Bond Fund. Within the fiscal year audited, we confirmed with the client that there were no expenditures of the General Obligation bond funds prior to the year end date of June 30, 2009. We performed the following procedures:

- Review and evaluate Bond Program financial records to confirm that no expenditures of bond monies took place during the fiscal year audited, ending June 30, 2009.
- Review and evaluate compliance with selected Federal, State and local requirements as well as relevant Proposition 39 requirements.
- Evaluate the processes used to identify facility needs, programming and coordination to comprehensively address site requirements and coordination with various user groups and stakeholders.
- Review and assessment of procurement controls for consistency, adherence to District purchasing policies and application of competitive and fair sub-contracting policies.
- Evaluate the District's policies, procedures and practices to obtain lien releases, prevent claims and project closeout issues and compare to bond project practices for conformity.
- Review and evaluate Bond Program staffing patterns/plans, program workflow, and analysis of relevant expenditures in relation to need.
- Review and evaluate District policies, procedures and practices related to the on-going management of change orders and related costs.
- Identify areas of effective practice and areas needing improvement within the framework of each of the major scope areas identified above.

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

CONCLUSION

Based upon our procedures performed, we found that, for the items tested, Victor Valley Community College District has properly accounted for the Capital Projects Bond Fund. Furthermore, it was noted that the funds held in the Capital Projects Bond Fund, were not expended for salaries of school administrators or other operating expenditures .

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

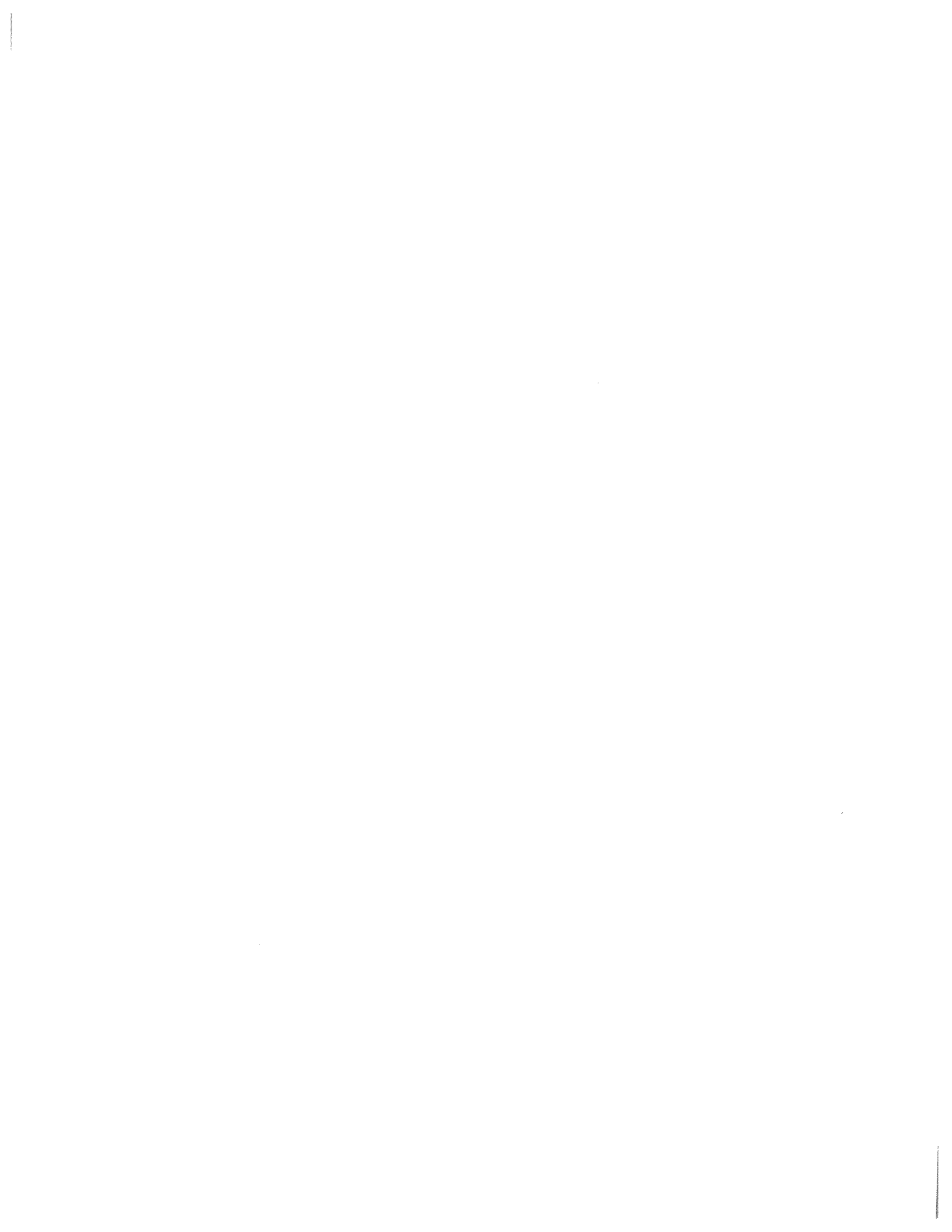
No current year findings were noted.

Victor Valley Community College District
Proposition 39 General Obligation Bonds
General Obligation Bonds Election 2008
Series A, B, and C

PERFORMANCE AUDIT
June 30, 2009

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No prior year findings were noted.



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

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

TOPIC: AGREEMENT—Rosalie Olguin

SUBMITTED BY: Sheree Caldwell

RECOMMENDED BY: Fusako Yokotobi *Fusako Yokotobi*

APPROVED BY: Robert Silverman *RS*

Description/Background:

The district wishes to use an independent contractor to enhance services for CalWORKs students through June 30, 2010.

A copy of the original agreement is available for review in the office of the superintendent/president.

Need:

A liaison is needed between the district and community groups to establish customer academic workshops and make recommendations in the development of a tutoring/mentoring program and enhance services to CalWORKs students.

Fiscal Impact:

Expenditure: Budgeted; \$32/hour, not to exceed \$5500/month through June 30, 2010.

Recommended Action:

It is recommended that the Board of Trustees approve the agreement for consultant services by Rosalie Olguin through June 30, 2010, not to exceed \$5500/month.

Legal Review: YES ___ NOT APPLICABLE X ___

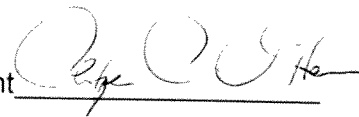
Reference for Agenda: YES ___ NO X ___

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

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: Approval of Independent Contractor Agreement: Simon Nimako

SUBMITTED BY: Ginger Ontiveros

RECOMMENDED BY: Dr. Christopher O'Hearn, Executive Vice President 

APPROVED BY: Robert Silverman 

Description/Background:

The San Bernardino County Workforce Investment Board (WIB) has selected Victor Valley Community College to provide contract education services funded through the American Recovery and Reinvestment Act for training in Global Information Systems. In order to provide the training requested, updated curriculum for this program is needed. Simon Nimako identified by the Department Chair to assist with curriculum development.

Need:
The Workforce Investment Board has determined that training Global Information Systems Technicians will lead to increased employment in the region. Specialized curriculum is required for this program.

Fiscal Impact: \$1,100 from the District (WIB Grant Funded)

Recommended Action:
Approval of the attached agreement between Victor Valley Community College and Simon Nimako, as an Independent Contractor, to support curriculum development for contract education training in Global Information Systems

Legal Review: YES NOT APPLICABLE


Reference for Agenda: YES NO

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

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

TOPIC: **Approval of WIB Health Information Management Tech Contract**

SUBMITTED BY: Ginger Ontiveros

RECOMMENDED BY: Dr. Christopher O'Hearn, Executive Vice President 

APPROVED BY: Robert Silverman 

Description/Background:

The San Bernardino County Workforce Investment Board (WIB) has selected Victor Valley Community College to provide contract education services funded through the American Recovery and Reinvestment Act. This contract is required to accept funding and establish contract education courses for training WIB clients in Health Information Management Technology.

Need:

The Workforce Investment Board has determined that training in Health Information Management Technology will lead to increased employment in the region.

Fiscal Impact: \$90,000 to the district

Recommended Action:

Approval of the attached agreement between Victor Valley Community College and the County of San Bernardino to implement contract education training in Health Information Management Technology.

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

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



County of San Bernardino

F A S

STANDARD CONTRACT

FOR COUNTY USE ONLY

<input checked="" type="checkbox"/> New	Vendor Code VICTORV576D		SC	Dept. JOB	A	Contract Number			
<input type="checkbox"/> Change						Contractor's License No. N/A			
<input type="checkbox"/> Cancel	County Department Department of Workforce Development		Dept. SAC	Orgn. JOB	Total Contract Amount				
County Department Contract Representative Sandra Harmsen - Director		Telephone (909)387-9862							
<input type="checkbox"/> Revenue		<input checked="" type="checkbox"/> Encumbered		<input type="checkbox"/> Unencumbered		<input type="checkbox"/> Other:			
If not encumbered or revenue contract type, provide reason:									
Commodity Code 96130		Contract Start Date Jan 5, 2010	Contract End Date Dec 11, 2010	Original Amount \$	Amendment Amount \$				
Fund SAC	Dept. JOB	Organization ARDS	Appr. 300	Obj/Rev Source 3905	GRC/PROJ/JOB No.	Amount \$ 90,000			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount \$			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount \$			
Project Name				Estimated Payment Total by Fiscal Year					
Victor Valley Community College – Health Information Management Certificate				FY	Amount	I/D	FY	Amount	I/D
				09-10	\$90,000				

THIS CONTRACT, hereinafter called "the Contract," is entered into in the State of California by and between the County of San Bernardino, hereinafter called "the County," and

Name
Victor Valley Community College
Address
18422 Bear Valley Road
Victorville, CA 92395
Telephone (760) 245-4271
Federal ID No. or Social Security No. 95-6006576

hereinafter called the Contractor

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the County desires the Contractor, an existing partner, to provide occupational skills training to Workforce Investment Act of 1998 (WIA) customers within the workforce system of the County; and

WHEREAS, the County has been allocated funds under WIA to provide such services; and

WHEREAS, the County desires that such services be provided by the Contractor and the Contractor agrees to perform these services as set forth below;

NOW THEREFORE, the County and the Contractor mutually agree to the following terms and conditions:

Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

TABLE OF CONTENTS

I. DEFINITIONS3

II. CONTRACTOR SERVICE RESPONSIBILITIES3

III. CONTRACTOR GENERAL RESPONSIBILITIES.....3

IV. COUNTY RESPONSIBILITIES8

V. FISCAL PROVISIONS9

VI. RIGHT TO MONITOR AND AUDIT9

VII. CORRECTION OF PERFORMANCE DEFICIENCIES10

VIII. TERM11

IX. EARLY TERMINATION11

X. GENERAL PROVISIONS.....11

XI. CONCLUSION14

- Exhibit A – *COURSE CURRICULUM*
- Exhibit B – *TRAINING CERTIFICATION REPORT*
- Exhibit C – *EMPLOYMENT VERIFICATION FORM*

I. DEFINITIONS

- A. Department of Workforce Development (WDD) – The County Department of Workforce Development is one of four departments within the Economic Development Agency umbrella. The WDD administers and operates programs under the Department of Labor's Workforce Investment Act. The County Workforce Investment Board oversees the programs offered through the WDD.
- B. Workforce Investment Act (WIA) – Signed into law on August 7, 1998, this law replaces the former Job Training Partnership Act (JTPA). WIA reforms federal job training programs and mandates more comprehensive activities and training programs.
- C. Workforce Investment Board (WIB) – A public policy body appointed by the County of San Bernardino Board of Supervisors with responsibility for providing strategic planning and policy development of the County's workforce investment system.
- D. Employment Resource Center – Regionally designated locations from which WIA and Employment Services are administered to serve the residents of the County.
- E. Health Information Management – the acquiring, analyzing, and protecting digital and traditional medical information vital to providing quality patient care.

II. CONTRACTOR SERVICE RESPONSIBILITIES

- A. The Contractor shall provide classroom space, qualified instructor(s), course curriculum and hands on training for twenty (20) selected WIA customers through one (1) course of twenty (20) customers each in Health Information Management training. The Contractor shall reserve fifty percent (50%) of the class seats for the registration of WIA referrals and maintain a waiting list of potential registrants until one (1) week prior to the start date of the course. At that time all remaining seats may be filled from the Contractor's wait list. Course shall not commence without one hundred percent (100%) enrollment, unless prior approval has been received from WDD.
- B. The Contractor shall provide WDD with a contact person that will be responsible for registration, enrollment, reports, and any other program related questions and/or concerns.
- C. The Contractor shall show priority of service to WIA funded customers which shall include referrals from WIA funded youth providers.
- D. The Contractor shall be responsible for each customer to complete the WIA application and to report to the Employment Resource Center prior to the first day of the course.
- E. The course, as detailed in Exhibit "A" incorporated herein, will consist of a minimum of six hundred twelve (612) hours of classroom instruction and one hundred sixty-two (162) hours of clinical training. The Contractor shall recruit WIA eligible customers and ensure that each customer is enrolled in the WIA system through WDD staff.
- F. The Contractor shall provide WDD with monthly updates and progress reports on each customer enrolled in the course. The Contractor shall ensure that all monthly updates and progress reports are received by WDD by the 10th day of the month following the month for which the report was made. The reports will include: attendance, classroom performance, and/or any related issues that may positively or negatively impact the success of the customer's completion of the course. The report form is detailed in Exhibit "B". Contractor will notify WDD immediately if there are any attendance issues/concerns with the customer.

- G. The Contractor shall provide certificates of completion to WDD staff for each customer that has successfully completed the course as future funding is dependant upon successful completion of each customer. The Contractor shall track employment for each customer and shall complete the employment verification form (Exhibit "C") provided by WDD and submit the form as part of the monthly update due by the 10th day of each month. The Contractor shall report only new employments for each month.
- H. The Contractor shall coordinate with WDD to ensure that an assessment for each customer is administered prior to enrollment into the course.

III. CONTRACTOR GENERAL RESPONSIBILITIES

- A. In the performance of this Contract, the Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County. The Contractor certifies that neither it nor its principals is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency as required by Executive Orders 12549 and 12689, and implemented as 45 CFR, Part 76.
- B. Without the prior written consent of the County's Economic Development Agency Administrator or the Assistant Administrator for the Economic Development Agency or their designee, this Contract is not assignable by the Contractor either in whole or in part.
- C. The Contractor agrees to provide or has already provided information on former County administrative officials (as defined below) who are employed by or represent the Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five (5) years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of the Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.
- D. If during the course of the administration of this Contract the County determines that the Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.
- E. The Contractor agrees not to enter into any subcontracts for work contemplated under the Contract without first obtaining written approval from the County's WDD Department Head. Any subcontractor shall be subject to the same provisions as the Contractor. The Contractor shall be fully responsible for the performance of any subcontractor.
- F. The Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for Contract performance. Said records shall be kept and maintained within the County. The County shall have the right upon reasonable notice and at reasonable hours of business to examine and inspect such records and books.

Records, should include, but are not limited to, primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds, tangible assets, revenue and expenditures. Fiscal records must also comply with the appropriate Office of Management and Budget (OMB) Circulars that state the administrative requirements, cost principles and other standards for accountancy.

All records shall be complete, current and comply with all Contract requirements. Failure to maintain acceptable records per the preceding requirements shall be considered grounds for withholding of payments for billings submitted and for termination of the Contract.

- G. The Contractor shall notify the County in writing of any change in mailing address and/or physical location within ten (10) days of the change, and shall immediately notify the County of changes in telephone or fax numbers.
- H. The Contractor shall notify the County of any continuing vacancies and any positions that become vacant during the term of this Contract that will result in reduction of services to be provided under this Contract. Upon notice of vacancies, the Contractor shall apprise the County of the steps being taken to provide the services and to fill the position(s) as expeditiously as possible. Vacancies and associated problems shall be reported to the County on each periodically required report for the duration of said vacancies and/or problems.
- I. The Contractor shall make every reasonable effort to prevent employees, consultants or members of its governing bodies from using their positions for purposes that are or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. In the event that the County determines a conflict of interest exists, any increase in costs associated with the conflict of interest may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom the Contractor's officers, agents, or employees have family, business or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicants and such persons have successfully competed for employment with other applicants on a merit basis.
- J. The Contractor shall observe all federal, state and county regulations concerning confidentiality of records. The Contractor shall refer all requests for information referring to the services provided under Contract to the County.
- K. The Contractor agrees to and shall comply with the following indemnification and insurance requirements:
 - 1. Indemnification. The Contractor agrees to indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Contractor's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.
 - 2. Additional Insured. All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

3. Waiver of Subrogation Rights. The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and the Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.
4. Policies Primary and Non-Contributory. All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
5. Severability of Interests. The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.
6. Proof of Coverage. The Contractor shall furnish Certificates of Insurance to the County department administering the Contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the department, and the Contractor shall maintain such insurance from the time the Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier. Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".
8. Deductibles and Self-Insured Retention. Any and all deductibles or self-insured retentions in excess of ten thousand dollars (\$10,000) shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage. In the event that any policy of insurance required under this Contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right, but not the obligation or duty to cancel the Contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.
10. Insurance Review
 - a. Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.
 - b. Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Contract. The Contractor agrees to execute any such amendment within thirty (30) days of receipt.

- c. Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.
11. Insurance Specifications. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the Contract services. Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the Contract term the following types of insurance with limits as shown:
- a. Workers' Compensation/Employers Liability.
 - i. A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with two hundred and fifty thousand dollars (\$250,000) limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this Contract.
 - ii. If the Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.
 - iii. With respect to Contractors that are non-profit corporations organized under California or federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.
 - b. Commercial/General Liability Insurance. The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:
 - i. Premises operations and mobile equipment.
 - ii. Products and completed operations.
 - iii. Broad form property damage (including completed operations).
 - iv. Explosion, collapse and underground hazards.
 - v. Personal injury
 - vi. Contractual liability.
 - vii. Two million dollars (\$2,000,000) general aggregate limit.
 - c. Automobile Liability Insurance. Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence. If the Contractor is transporting one or more non-employee passengers in performance of Contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence. If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- d. Umbrella Liability Insurance. An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

- L. The Contractor shall comply with all applicable laws, statutes, ordinances, administrative orders, rules or regulations relating to its duties, obligations and performance under the terms of the Contract and shall procure all licenses and pay all fees and other charges required thereby. The Contractor shall maintain all required licenses during the term of this Contract. Failure to comply with the provisions of this section may result in immediate termination of this Contract.

- M. The Contractor shall comply with all applicable local health and safety clearances, including fire clearances, for each site where services are provided under the terms of this Contract.

- N. The Contractor agrees to and shall comply with the County's Equal Employment Opportunity Program and Civil Rights Compliance requirements:
 - 1. Equal Employment Opportunity Program: The Contractor agrees to comply with the provisions of the Equal Employment Opportunity Program of the County and rules and regulations adopted pursuant thereto: Executive Order 11246, as amended by Executive Order 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964 (and Division 21 of the California Department of Social Services Manual of Policies and Procedures and California Welfare and Institutions Code, Section 10000), the California Fair Employment and Housing Act, and other applicable federal, state, and County laws, regulations and policies relating to equal employment or social services to welfare recipients, including laws and regulations hereafter enacted.

The Contractor shall not unlawfully discriminate against any employee, applicant for employment, or service recipient on the basis of race, color, national origin or ancestry, religion, sex, marital status, age, political affiliation or disability. Information on the above rules and regulations may be obtained from the County WDD Contracts Unit.
 - 2. Civil Rights Compliance: The Contractor shall develop and maintain internal policies and procedures to assure compliance with each factor outlined by state regulation. These policies must be developed into a Civil Rights Plan, which is to be on file with the County WDD Contracts Unit within thirty (30) days of awarding of the Contract. The Plan must address prohibition of discriminatory practices, accessibility, language services, staff development and training, dissemination of information, complaints of discrimination, compliance review, and duties of the Civil Rights Liaison. Upon request, the WDD shall supply a sample of the Plan format. The Contractor shall be monitored by the WDD for compliance with provisions of its Civil Rights Plan.

- O. The Contractor agrees to comply with all applicable provisions of the Americans with Disabilities Act (ADA).

- P. The Contractor shall observe the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (Title 20, Division 2, California Code of Regulations).

- Q. If the amount available to the Contractor under this Contract exceeds one hundred thousand dollars (\$100,000), the Contractor agrees to comply with the Clean Air Act (42 USC 7606), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR, Part 15).

- R. The Contractor shall use recycled and recyclable products, whenever practicable, in fulfilling the terms of this Contract. Recycled printed products shall include a symbol identifying the recycled material.
- S. The Contractor understands and agrees that any and all legal fees or costs associated with lawsuits concerning this Contract against the County shall be the Contractor's sole expense and shall not be charged as a cost under this Contract. In the event of any Contract dispute hereunder, each Party to this Contract shall bear its own attorney's fees and costs regardless of who prevails in the outcome of the dispute.

IV. COUNTY RESPONSIBILITIES

- A. WDD shall act as liaison between the Contractor and the Local WIB.
- B. WDD staff shall complete the WIA registration and enrollment process for each customer prior to the start of the first day of the course. Eligibility determination shall be the sole responsibility of the WDD and will be made by the advisors assigned to the program.
- C. WDD shall coordinate with the Contractor to ensure a comprehensive assessment for each customer is administered prior to enrollment into the course. WDD will verify that customers referred by WDD will have the minimum qualifications for each course.
- D. WDD shall provide case management services to all WIA enrolled customers.
- E. WDD shall provide the Contractor a contact person to facilitate all needs related to program success.

V. FISCAL PROVISIONS

- A. The maximum amount payable under this Contract shall not exceed ninety thousand dollars (\$90,000).
- B. The Contractor shall invoice the County within forty five (45) days from the start of the course for fifty percent (50%) of the Contract and shall include a class roster. The Contractor will then invoice the County within forty five (45) days of completion of class for the remaining fifty percent (50%) of the Contract. Final invoice shall include a copy of the final Training Certification Report that details attendance, course completion and copy of certificates information for all WIA enrolled employees. Invoices and documentation will be submitted for payment to:

County of San Bernardino - Department of Workforce Development
Attn: Contract and Finance Unit
215 North D Street, Suite 301
San Bernardino, CA 92415-0046

- C. The Contractor shall accept all payments from the County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. The Contractor shall promptly comply with directions and accurately complete forms provided by the County required to process EFT payments.
- D. Costs for services under the terms of this Contract shall be incurred during the Contract period except as approved by the County. The Contractor shall not use current year funds to pay prior or future year obligations.

E. Funds made available under this Contract shall not supplant any federal, state or any governmental funds intended for services of the same nature as this Contract. The Contractor shall not claim reimbursement or payment from the County for, or apply sums received from the County with respect to that portion of its obligations that have been paid by another source of revenue. The Contractor agrees that it will not use funds received pursuant to this Contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining funds from another revenue source without prior written approval of the County.

F. The County is not liable for the payment of any taxes, other than applicable sales or use tax, resulting from this Contract however designated, levied or imposed, unless the County would otherwise be liable for the payment of such taxes in the course of its normal business operations.

G. Use of ARRA Funds and Requirements

1. This Contract may be funded in whole or in part with funds provided by the American Recovery and Reinvestment Act of 2009 ("ARRA"), signed into law on February 17, 2009. Section 1605 of ARRA prohibits the use of recovery funds for a project for the construction, alteration, maintenance or repair of a public building or public work (both as defined in 2 CFR 176.140) unless all of the iron, steel and manufactured goods (as defined in 2 CFR 176.140) used in the project are produced in the United States. A waiver is available under three limited circumstances: (i) Iron, steel or relevant manufactured goods are not produced in the United States in sufficient and reasonable quantities and of a satisfactory quality; (ii) Inclusion of iron, steel or manufactured goods produced in the United States will increase the cost of the overall project by more than twenty-five percent (25%); or (iii) Applying the domestic preference would be inconsistent with the public interest. This is referred to as the "Buy American" requirement. Request for a waiver must be made to the County for an appropriate determination.
2. Section 1606 of ARRA requires that laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 31). This is referred to as the "wage rate" requirement.
3. The above described provisions constitute notice under ARRA of the Buy American and wage rate requirements. The Contractor must contact the County contact if it has any questions regarding the applicability or implementation of the ARRA Buy American and wage rate requirements. The Contractor will also be required to provide detailed information regarding compliance with the Buy American requirements, expenditure of funds and wages paid to employees so that the County may fulfill any reporting requirements it has under ARRA. The information may be required as frequently as monthly or quarterly. The Contractor agrees to fully cooperate in providing information or documents as requested by the County pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.
4. The Contractor may also be required to register in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and may be required to have its subcontractors also register in the same database. The Contractor must contact the County with any questions regarding registration requirements.

H. Schedule of Expenditure of Federal Awards

1. In addition to the requirements described in "Use of ARRA Funds and Requirements," proper accounting and reporting of ARRA expenditures in single audits is required. The Contractor

agrees to separately identify the expenditures for each grant award funded under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by the Office of Management and Budget Circular A- 133, "Audits of States, Local Governments, and Nonprofit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for ARRA funds by Federal award number consistent with the recipient reports required by ARRA Section 1512 (c). In addition, the Contractor agrees to separately identify to each subcontractor and document at the time of subcontract and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for ARRA purposes, and amount of ARRA funds.

2. The Contractor may be required to provide detailed information regarding expenditures so that the County may fulfill any reporting requirements under ARRA described in this section. The information may be required as frequently as monthly or quarterly. Contractor agrees to fully cooperate in providing information or documents as requested by the County pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

VI. RIGHT TO MONITOR AND AUDIT

- A. The County shall have the absolute right to monitor the performance of the Contractor in the delivery of services provided under this Contract.
- B. The County or any subdivision or appointee thereof, and the State of California or any subdivision or appointee thereof, including the Auditor General, shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of the Contractor in the delivery of services provided under this Contract. Full cooperation shall be given by the Contractor in any auditing or monitoring conducted.
- C. The Contractor shall cooperate with the County in the implementation, monitoring and evaluation of this Contract and comply with any and all reporting requirements established by this Contract.
- D. All records pertaining to service delivery and all fiscal, statistical and management books and records shall be available for examination and audit by County, federal and state representatives for a period of three (3) years after final payment under the Contract or until all pending County, state and federal audits are completed, whichever is later. Records of the Contractor which do not pertain to the services under this Contract may be subject to review or audit unless provided in this or another Contract. Technical program data shall be retained locally and made available upon the County's reasonable advance written notice or turned over to the County. If said records are not made available at the scheduled monitoring visit, the Contractor may, at the County's option, be required to reimburse the County for expenses incurred due to required rescheduling of monitoring visit(s). Such reimbursement will not exceed fifty dollars (\$50) per hour (including travel time) and be deducted from the following month's claim for reimbursement.
- E. The Contractor shall provide all reasonable facilities and assistance for the safety and convenience of the County's representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work of the Contractor.
- F. Upon the County's request, the Contractor shall hire a licensed Certified Public Accountant, approved by the County, who shall prepare and file with the County, within sixty (60) days after the

termination of the Contract, a certified fiscal audit of related expenditures during the term of the Contract and a program compliance audit.

- G. Pursuant to OMB Circular A-133, Contractors expending five hundred thousand dollars (\$500,000) or more in federal funds within the Contractor's fiscal year must have a single audit or program-specific audit performed. A copy of the audit performed in accordance with OMB Circular A-133 shall be submitted to the County within thirty (30) days of completion, but no later than nine (9) months following the end of the Contractor's fiscal year.

VII. CORRECTION OF PERFORMANCE DEFICIENCIES

- A. Failure by the Contractor to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.
- B. In the event of a non-cured breach, the County may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
 - 1. Afford the Contractor thereafter a time period within which to cure the breach, which period shall be established at sole discretion of the County; and/or
 - 2. Discontinue reimbursement to the Contractor for and during the period in which the Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or
 - 3. Withhold funds pending duration of the breach; and/or
 - 4. Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to Item "2" of this paragraph; and/or
 - 5. Terminate this Contract immediately and be relieved of the payment of any consideration to the Contractor. In event of such termination, the County may proceed with the work in any manner deemed proper by the County. The cost to the County shall be deducted from any sum due to the Contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.

VIII. TERM

This Contract is effective January 5, 2010 through December 11, 2010 but may be terminated earlier in accordance with provisions of Section IX of the Contract.

IX. EARLY TERMINATION

- A. The County may terminate the Contract immediately under the provisions of Section VII, Paragraph B, Item 5 of the Contract. In addition, the Contract may be terminated without cause by the County by serving a written notice to the Contractor thirty (30) days in advance of termination. The Assistant Administrator of the Economic Development Agency is authorized to exercise the County's rights with respect to any termination of this Contract.
- B. The Contractor shall only be reimbursed for costs and non cancelable obligations incurred prior to the date of termination. The Contractor shall not be reimbursed for costs incurred after the date of termination.

X. GENERAL PROVISIONS

- A. When notices are required to be given pursuant to this Contract, the notices shall be in writing and mailed to the following respective addresses listed below.

Contractor: Victor Valley Community College
18422 Bear Valley Road
Victorville, CA 92395

County: County of San Bernardino - Department of Workforce Development
Attn: Contract and Finance Unit
215 North D Street, Suite 301
San Bernardino, CA 92415-0046

- B. Nothing contained in this Contract shall be construed as creating a joint venture, partnership or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.
- C. The Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate any Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a Contract has been awarded.

The Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from the Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

- D. Equipment - All equipment, materials, supplies or property of any kind having a single unit cost of five hundred dollars (\$500) or more requires prior approval from the WDD.
- E. The State and County shall have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with Federal financial participation. The federal government (Department of Labor) reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use and to authorize others to use for federal government purposes, such software modification, and documentation. Proprietary software packages that are sold or leased to the general public are not subject to the ownership provisions.
- F. The County shall have Power of Attorney to pay delinquent debts and unpaid wages for work provided under this Contract from accounts payable to the Contractor in the event debts and wages have not been paid on a current basis.
- G. No waiver of any of the provisions of the Contract shall be effective unless it is made in writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under the Contract shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

- H. Any alterations, variations, modifications, or waivers of provisions of the Contract, unless specifically allowed in the Contract, shall be valid only when they have been reduced to writing, duly signed and approved by the authorized representatives of both parties as an amendment to this Contract. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
- I. If any provision of the Contract is held by a court of competent jurisdiction to be unenforceable or contrary to law, it shall be modified where practicable to the extent necessary so as to be enforceable (giving effect to the intention of the Parties) and the remaining provisions of the Contract shall not be affected.
- J. This Contract shall be governed by and construed in all aspects in accordance with the laws of the State of California without regard to principles of conflicts of laws. The Parties agree to the exclusive jurisdiction of the state court located within the County of San Bernardino, for any and all disputes arising under this Contract, to the exclusion of all other federal and state courts.

XI. CONCLUSION

- A. This Contract, consisting of fourteen (14) total pages and Exhibits A, B and C, is the full and complete document describing services to be rendered by the Contractor to the County including all covenants, conditions, and benefits.
- B. The signatures of the Parties affixed to this Contract affirm that they are duly authorized to commit and bind their respective institutions to the terms and conditions set forth in this document.
- C. IN WITNESS WHEREOF, the County signatory has been authorized by the Board of Supervisors of the County to sign this Contract on its behalf and the Contractor has caused this Contract to be subscribed in its behalf by its duly authorized officers, the day, month and year written. ///

COUNTY OF SAN BERNARDINO

 Laurie Rozko, Director Purchasing Department
 Dated: _____
 (Print or type name of person signing contract)

 (Print or type name of corporation, company, contractor, etc.)
 By _____
 (Authorized signature - sign in blue ink)
 Name _____
 Title _____
 (Print or Type)
 Dated: _____
 Address: _____

Approved as to Legal Form	Reviewed by Contract Compliance	Presented to Purchasing for Signature
_____ Deputy County Counsel Date _____	_____ Janice Lindsay, Deputy Director Date _____	_____ Sandra Harmsen, Director Date _____

Auditor/Controller-Recorder Use Only


<input type="checkbox"/> Contract Database <input type="checkbox"/> FAS	
Input Date	Keyed By

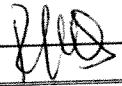
VICTOR VALLEY COMMUNITY COLLEGE DISTRICT- BOARD OF TRUSTEES AGENDA ITEM

BOARD CONSENT BOARD ACTION BOARD INFORMATION (no action required)

TOPIC: Approval of WIB Global Information Systems Training Contract

SUBMITTED BY: Ginger Ontiveros

RECOMMENDED BY: Dr. Christopher O'Hearn, Executive Vice President 

APPROVED BY: Robert Silverman 

Description/Background:

The San Bernardino County Workforce Investment Board (WIB) has selected Victor Valley Community College to provide contract education services funded through the American Recovery and Reinvestment Act. This contract is required to accept funding and establish contract education courses for training WIB clients in Global Information Systems.

Need:

The Workforce Investment Board has determined that training Global Information Systems Technicians will lead to increased employment in the region.

Fiscal Impact: \$77,375.00 to the district

Recommended Action:

Approval of the attached agreement between Victor Valley Community College and the County of San Bernardino to implement contract education training in Global Information Systems

Legal Review: YES NOT APPLICABLE

Reference for Agenda: YES NO



County of San Bernardino

F A S

STANDARD CONTRACT

FOR COUNTY USE ONLY

<input checked="" type="checkbox"/> New	Vendor Code VICTORV576D		Dept. SC	JOB A	Contract Number				
<input type="checkbox"/> Change			Dept.	Orgn.	Contractor's License No.				
<input type="checkbox"/> Cancel	Department of Workforce Development		SAC	JOB	N/A				
County Department Contract Representative			Telephone		Total Contract Amount				
Sandra Harmsen - Director			(909)387-9862						
Contract Type									
<input type="checkbox"/> Revenue		<input checked="" type="checkbox"/> Encumbered		<input type="checkbox"/> Unencumbered		<input type="checkbox"/> Other:			
If not encumbered or revenue contract type, provide reason:									
Commodity Code		Contract Start Date		Contract End Date		Original Amount	Amendment Amount		
96130		Feb 16, 2010		Dec 10, 2010		\$	\$		
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No	Amount			
SAC	JOB	ARDS	300	3905		\$ 77,375			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
						\$			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount			
						\$			
Project Name				Estimated Payment Total by Fiscal Year					
Geographic Information				FY	Amount	I/D	FY	Amount	I/D
Systems				09-10	\$77,375				

THIS CONTRACT, hereinafter called "the Contract," is entered into in the State of California by and between the County of San Bernardino, hereinafter called "the County," and

Name
Victor Valley Community College
Address
18422 Bear Valley Road
Victorville, CA 92395
Telephone
(760)245-4271

hereinafter called "the Contractor"

Federal ID No. or Social Security No.
95-6006576

IT IS HEREBY AGREED AS FOLLOWS:

WHEREAS, the County desires the Contractor, an existing partner, to provide occupational skills training to Workforce Investment Act of 1998 (WIA) customers within the workforce system of the County; and

WHEREAS, the County has been allocated funds under WIA to provide such services; and

WHEREAS, the County desires that such services be provided by the Contractor and the Contractor agrees to perform these services as set forth below;

NOW THEREFORE, the County and the Contractor mutually agree to the following terms and conditions:

Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

TABLE OF CONTENTS

I.	DEFINITIONS	3
II.	CONTRACTOR SERVICE RESPONSIBILITIES	3
III.	CONTRACTOR GENERAL RESPONSIBILITIES.....	3
IV.	COUNTY RESPONSIBILITIES	8
V.	FISCAL PROVISIONS.....	9
VI.	RIGHT TO MONITOR AND AUDIT.....	9
VII.	CORRECTION OF PERFORMANCE DEFICIENCIES	10
VIII.	TERM	11
IX.	EARLY TERMINATION	11
X.	GENERAL PROVISIONS.....	11
XI.	CONCLUSION	14

Exhibit A – COURSE CURRICULUM
Exhibit B – TRAINING CERTIFICATION REPORT
Exhibit C – EMPLOYMENT VERIFICATION FORM

I. DEFINITIONS

- A. Department of Workforce Development (WDD) – The County Department of Workforce Development is one of four departments within the Economic Development Agency umbrella. The WDD administers and operates programs under the Department of Labor's Workforce Investment Act. The County Workforce Investment Board oversees the programs offered through the WDD.
- B. Workforce Investment Act (WIA) – Signed into law on August 7, 1998, this law replaces the former Job Training Partnership Act (JTPA). WIA reforms federal job training programs and mandates more comprehensive activities and training programs.
- C. Workforce Investment Board (WIB) – A public policy body appointed by the County of San Bernardino Board of Supervisors with responsibility for providing strategic planning and policy development of the County's workforce investment system.
- D. Employment Resource Center – Regionally designated locations from which WIA and Employment Services are administered to serve the residents of the County.
- E. Geographic Information System – A system that captures, stores, analyzes, manages, and presents data that is linked to location, which includes mapping software and its application to remote sensing, land surveying, aerial photography, mathematics, photogrammetry, geography, and tools that can be implemented with GIS software.

II. CONTRACTOR SERVICE RESPONSIBILITIES

- A. The Contractor shall provide classroom space, qualified instructor(s), course curriculum and hands on training for twenty-five (25) selected WIA customers through one (1) course of twenty-five (25) customers each in Geographic Information System training. The Contractor shall reserve fifty percent (50%) of the class seats for the registration of WIA referrals and maintain a waiting list of potential registrants until one (1) week prior to the start date of the course. At that time all remaining seats may be filled from the Contractor's wait list. Course shall not commence without one hundred percent (100%) enrollment, unless prior approval has been received from WDD.
- B. The Contractor shall provide WDD with a contact person that will be responsible for registration, enrollment, reports, and any other program related questions and/or concerns.
- C. The Contractor shall show priority of service to WIA funded customers which shall include referrals from WIA funded youth providers.
- D. The Contractor shall be responsible for each customer to complete the WIA application and to report to the Employment Resource Center prior to the first day of the course.
- E. The course, as detailed in Exhibit "A" incorporated herein, will consist of a minimum of one hundred seventy-two (172) hours of classroom instruction and one hundred fifty (150) hours of clinical training. The Contractor shall recruit WIA eligible customers and ensure that each customer is enrolled in the WIA system through WDD staff.
- F. The Contractor shall provide WDD with monthly updates and progress reports on each customer enrolled in the course. The Contractor shall ensure that all monthly updates and progress reports are received by WDD by the 10th day of the month following the month for which the report was made. The reports will include: attendance, classroom performance, and/or any related issues that may positively or negatively impact the success of the customer's completion of the course. The

report form is detailed in Exhibit "B". Contractor will notify WDD immediately if there are any attendance issues/concerns with the customer.

- G. The Contractor shall provide certificates of completion to WDD staff for each customer that has successfully completed the course as future funding is dependant upon successful completion of each customer. The Contractor shall track employment for each customer and shall complete the employment verification form (Exhibit "C") provided by WDD and submit the form as part of the monthly update due by the 10th day of each month. The Contractor shall report only new employments for each month.
- H. The Contractor shall coordinate with WDD to ensure that an assessment for each customer is administered prior to enrollment into the course.

III. CONTRACTOR GENERAL RESPONSIBILITIES

- A. In the performance of this Contract, the Contractor, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County. The Contractor certifies that neither it nor its principals is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency as required by Executive Orders 12549 and 12689, and implemented as 45 CFR, Part 76.
- B. Without the prior written consent of the County's Economic Development Agency Administrator or the Assistant Administrator for the Economic Development Agency or their designee, this Contract is not assignable by the Contractor either in whole or in part.
- C. The Contractor agrees to provide or has already provided information on former County administrative officials (as defined below) who are employed by or represent the Contractor. The information provided includes a list of former County administrative officials who terminated County employment within the last five (5) years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of the Contractor. For purposes of this provision, "County administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.
- D. If during the course of the administration of this Contract the County determines that the Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.
- E. The Contractor agrees not to enter into any subcontracts for work contemplated under the Contract without first obtaining written approval from the County's WDD Department Head. Any subcontractor shall be subject to the same provisions as the Contractor. The Contractor shall be fully responsible for the performance of any subcontractor.
- F. The Contractor shall maintain all records and books pertaining to the delivery of services under this Contract and demonstrate accountability for Contract performance. Said records shall be kept and maintained within the County. The County shall have the right upon reasonable notice and at reasonable hours of business to examine and inspect such records and books.

Records, should include, but are not limited to, primary source documents. Fiscal records shall be kept in accordance with Generally Accepted Accounting Principles and must account for all funds,

tangible assets, revenue and expenditures. Fiscal records must also comply with the appropriate Office of Management and Budget (OMB) Circulars that state the administrative requirements, cost principles and other standards for accountancy.

All records shall be complete, current and comply with all Contract requirements. Failure to maintain acceptable records per the preceding requirements shall be considered grounds for withholding of payments for billings submitted and for termination of the Contract.

- G. The Contractor shall notify the County in writing of any change in mailing address and/or physical location within ten (10) days of the change, and shall immediately notify the County of changes in telephone or fax numbers.
- H. The Contractor shall notify the County of any continuing vacancies and any positions that become vacant during the term of this Contract that will result in reduction of services to be provided under this Contract. Upon notice of vacancies, the Contractor shall apprise the County of the steps being taken to provide the services and to fill the position(s) as expeditiously as possible. Vacancies and associated problems shall be reported to the County on each periodically required report for the duration of said vacancies and/or problems.
- I. The Contractor shall make every reasonable effort to prevent employees, consultants or members of its governing bodies from using their positions for purposes that are or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. In the event that the County determines a conflict of interest exists, any increase in costs associated with the conflict of interest may be disallowed by the County and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom the Contractor's officers, agents, or employees have family, business or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicants and such persons have successfully competed for employment with other applicants on a merit basis.
- J. The Contractor shall observe all federal, state and County regulations concerning confidentiality of records. The Contractor shall refer all requests for information referring to the services provided under Contract to the County.
- K. The Contractor agrees to and shall comply with the following indemnification and insurance requirements:
 - 1. Indemnification. The Contractor agrees to indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Contractor's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.
 - 2. Additional Insured. All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage

for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

3. Waiver of Subrogation Rights. The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and the Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.
4. Policies Primary and Non-Contributory. All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
5. Severability of Interests. The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.
6. Proof of Coverage. The Contractor shall furnish Certificates of Insurance to the County department administering the Contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the department, and the Contractor shall maintain such insurance from the time the Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier. Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII".
8. Deductibles and Self-Insured Retention. Any and all deductibles or self-insured retentions in excess of ten thousand dollars (\$10,000) shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage. In the event that any policy of insurance required under this Contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right, but not the obligation or duty to cancel the Contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.
10. Insurance Review
 - a. Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

- b. Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Contract. The Contractor agrees to execute any such amendment within thirty (30) days of receipt.
 - c. Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.
11. Insurance Specifications. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the Contract services. Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the Contract term the following types of insurance with limits as shown:
- a. Workers' Compensation/Employers Liability.
 - i. A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with two hundred and fifty thousand dollars (\$250,000) limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this Contract.
 - ii. If the Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.
 - iii. With respect to Contractors that are non-profit corporations organized under California or federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.
 - b. Commercial/General Liability Insurance. The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:
 - i. Premises operations and mobile equipment.
 - ii. Products and completed operations.
 - iii. Broad form property damage (including completed operations).
 - iv. Explosion, collapse and underground hazards.
 - v. Personal injury
 - vi. Contractual liability.
 - vii. Two million dollars (\$2,000,000) general aggregate limit.
 - c. Automobile Liability Insurance. Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence. If the Contractor is transporting one or more non-employee passengers in performance of Contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence. If the

Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- d. Umbrella Liability Insurance. An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

L. The Contractor shall comply with all applicable laws, statutes, ordinances, administrative orders, rules or regulations relating to its duties, obligations and performance under the terms of the Contract and shall procure all licenses and pay all fees and other charges required thereby. The Contractor shall maintain all required licenses during the term of this Contract. Failure to comply with the provisions of this section may result in immediate termination of this Contract.

M. The Contractor shall comply with all applicable local health and safety clearances, including fire clearances, for each site where services are provided under the terms of this Contract.

N. The Contractor agrees to and shall comply with the County's Equal Employment Opportunity Program and Civil Rights Compliance requirements:

1. Equal Employment Opportunity Program: The Contractor agrees to comply with the provisions of the Equal Employment Opportunity Program of the County and rules and regulations adopted pursuant thereto: Executive Order 11246, as amended by Executive Order 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964 (and Division 21 of the California Department of Social Services Manual of Policies and Procedures and California Welfare and Institutions Code, Section 10000), the California Fair Employment and Housing Act, and other applicable federal, state, and County laws, regulations and policies relating to equal employment or social services to welfare recipients, including laws and regulations hereafter enacted.

The Contractor shall not unlawfully discriminate against any employee, applicant for employment, or service recipient on the basis of race, color, national origin or ancestry, religion, sex, marital status, age, political affiliation or disability. Information on the above rules and regulations may be obtained from the County WDD Contracts Unit.

2. Civil Rights Compliance: The Contractor shall develop and maintain internal policies and procedures to assure compliance with each factor outlined by state regulation. These policies must be developed into a Civil Rights Plan, which is to be on file with the County WDD Contracts Unit within thirty (30) days of awarding of the Contract. The Plan must address prohibition of discriminatory practices, accessibility, language services, staff development and training, dissemination of information, complaints of discrimination, compliance review, and duties of the Civil Rights Liaison. Upon request, the WDD shall supply a sample of the Plan format. The Contractor shall be monitored by the WDD for compliance with provisions of its Civil Rights Plan.

O. The Contractor agrees to comply with all applicable provisions of the Americans with Disabilities Act (ADA).

P. The Contractor shall observe the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (Title 20, Division 2, California Code of Regulations).

Q. If the amount available to the Contractor under this Contract exceeds one hundred thousand dollars (\$100,000), the Contractor agrees to comply with the Clean Air Act (42 USC 7606), Section 508 of

the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR, Part 15).

- R. The Contractor shall use recycled and recyclable products, whenever practicable, in fulfilling the terms of this Contract. Recycled printed products shall include a symbol identifying the recycled material.
- S. The Contractor understands and agrees that any and all legal fees or costs associated with lawsuits concerning this Contract against the County shall be the Contractor's sole expense and shall not be charged as a cost under this Contract. In the event of any Contract dispute hereunder, each Party to this Contract shall bear its own attorney's fees and costs regardless of who prevails in the outcome of the dispute.

IV. COUNTY RESPONSIBILITIES

- A. WDD shall act as liaison between the Contractor and the Local WIB.
- B. WDD staff shall complete the WIA registration and enrollment process for each customer prior to the start of the first day of the course. Eligibility determination shall be the sole responsibility of the WDD and will be made by the advisors assigned to the program.
- C. WDD shall coordinate with the Contractor to ensure a comprehensive assessment for each customer is administered prior to enrollment into the course. WDD will verify that customers referred by WDD will have the minimum qualifications for each course.
- D. WDD shall provide case management services to all WIA enrolled customers.
- E. WDD shall provide the Contractor a contact person to facilitate all needs related to program success.

V. FISCAL PROVISIONS

- A. The maximum amount payable under this Contract shall not exceed seventy-seven thousand three hundred seventy-five dollars (\$77,375).
- B. The Contractor shall invoice the County within forty five (45) days from the start of the course for fifty percent (50%) of the Contract and shall include a class roster. The Contractor will then invoice the County within forty five (45) days of completion of class for the remaining fifty percent (50%) of the Contract. Final invoice shall include a copy of the final Training Certification Report that details attendance, course completion and copy of certificates information for all WIA enrolled employees. Invoices and documentation will be submitted for payment to:

County of San Bernardino - Department of Workforce Development
Attn: Contract and Finance Unit
215 North D Street, Suite 301
San Bernardino, CA 92415-0046

- C. The Contractor shall accept all payments from the County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. The Contractor shall promptly comply with directions and accurately complete forms provided by the County required to process EFT payments.

- D. Costs for services under the terms of this Contract shall be incurred during the Contract period except as approved by the County. The Contractor shall not use current year funds to pay prior or future year obligations.
- E. Funds made available under this Contract shall not supplant any federal, state or any governmental funds intended for services of the same nature as this Contract. The Contractor shall not claim reimbursement or payment from the County for, or apply sums received from the County with respect to that portion of its obligations that have been paid by another source of revenue. The Contractor agrees that it will not use funds received pursuant to this Contract, either directly or indirectly, as a contribution or compensation for purposes of obtaining funds from another revenue source without prior written approval of the County.
- F. The County is not liable for the payment of any taxes, other than applicable sales or use tax, resulting from this Contract however designated, levied or imposed, unless the County would otherwise be liable for the payment of such taxes in the course of its normal business operations.
- G. Use of ARRA Funds and Requirements
1. This Contract may be funded in whole or in part with funds provided by the American Recovery and Reinvestment Act of 2009 ("ARRA"), signed into law on February 17, 2009. Section 1605 of ARRA prohibits the use of recovery funds for a project for the construction, alteration, maintenance or repair of a public building or public work (both as defined in 2 CFR 176.140) unless all of the iron, steel and manufactured goods (as defined in 2 CFR 176.140) used in the project are produced in the United States. A waiver is available under three limited circumstances: (i) Iron, steel or relevant manufactured goods are not produced in the United States in sufficient and reasonable quantities and of a satisfactory quality; (ii) Inclusion of iron, steel or manufactured goods produced in the United States will increase the cost of the overall project by more than twenty-five percent (25%); or (iii) Applying the domestic preference would be inconsistent with the public interest. This is referred to as the "Buy American" requirement. Request for a waiver must be made to the County for an appropriate determination.
 2. Section 1606 of ARRA requires that laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 31). This is referred to as the "wage rate" requirement.
 3. The above described provisions constitute notice under ARRA of the Buy American and wage rate requirements. The Contractor must contact the County contact if it has any questions regarding the applicability or implementation of the ARRA Buy American and wage rate requirements. The Contractor will also be required to provide detailed information regarding compliance with the Buy American requirements, expenditure of funds and wages paid to employees so that the County may fulfill any reporting requirements it has under ARRA. The information may be required as frequently as monthly or quarterly. The Contractor agrees to fully cooperate in providing information or documents as requested by the County pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.
 4. The Contractor may also be required to register in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and may be required to have its subcontractors also register in the same database. The Contractor must contact the County with any questions regarding registration requirements.

H. Schedule of Expenditure of Federal Awards

1. In addition to the requirements described in "Use of ARRA Funds and Requirements," proper accounting and reporting of ARRA expenditures in single audits is required. The Contractor agrees to separately identify the expenditures for each grant award funded under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by the Office of Management and Budget Circular A- 133, "Audits of States, Local Governments, and Nonprofit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for ARRA funds by Federal award number consistent with the recipient reports required by ARRA Section 1512 (c). In addition, the Contractor agrees to separately identify to each subcontractor and document at the time of subcontract and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for ARRA purposes, and amount of ARRA funds.
2. The Contractor may be required to provide detailed information regarding expenditures so that the County may fulfill any reporting requirements under ARRA described in this section. The information may be required as frequently as monthly or quarterly. Contractor agrees to fully cooperate in providing information or documents as requested by the County pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

VI. RIGHT TO MONITOR AND AUDIT

- A. The County shall have the absolute right to monitor the performance of the Contractor in the delivery of services provided under this Contract.
- B. The County or any subdivision or appointee thereof, and the State of California or any subdivision or appointee thereof, including the Auditor General, shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of the Contractor in the delivery of services provided under this Contract. Full cooperation shall be given by the Contractor in any auditing or monitoring conducted.
- C. The Contractor shall cooperate with the County in the implementation, monitoring and evaluation of this Contract and comply with any and all reporting requirements established by this Contract.
- D. All records pertaining to service delivery and all fiscal, statistical and management books and records shall be available for examination and audit by County, federal and state representatives for a period of three (3) years after final payment under the Contract or until all pending County, state and federal audits are completed, whichever is later. Records of the Contractor which do not pertain to the services under this Contract may be subject to review or audit unless provided in this or another Contract. Technical program data shall be retained locally and made available upon the County's reasonable advance written notice or turned over to the County. If said records are not made available at the scheduled monitoring visit, the Contractor may, at the County's option, be required to reimburse the County for expenses incurred due to required rescheduling of monitoring visit(s). Such reimbursement will not exceed fifty dollars (\$50) per hour (including travel time) and be deducted from the following month's claim for reimbursement.
- E. The Contractor shall provide all reasonable facilities and assistance for the safety and convenience of the County's representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work of the Contractor.

- F. Upon the County's request, the Contractor shall hire a licensed Certified Public Accountant, approved by the County, who shall prepare and file with the County, within sixty (60) days after the termination of the Contract, a certified fiscal audit of related expenditures during the term of the Contract and a program compliance audit.
- G. Pursuant to OMB Circular A-133, Contractors expending five hundred thousand dollars (\$500,000) or more in federal funds within the Contractor's fiscal year must have a single audit or program-specific audit performed. A copy of the audit performed in accordance with OMB Circular A-133 shall be submitted to the County within thirty (30) days of completion, but no later than nine (9) months following the end of the Contractor's fiscal year.

VII. CORRECTION OF PERFORMANCE DEFICIENCIES

- A. Failure by the Contractor to comply with any of the provisions, covenants, requirements or conditions of this Contract shall be a material breach of this Contract.
- B. In the event of a non-cured breach, the County may, at its sole discretion and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
 1. Afford the Contractor thereafter a time period within which to cure the breach, which period shall be established at sole discretion of the County; and/or
 2. Discontinue reimbursement to the Contractor for and during the period in which the Contractor is in breach, which reimbursement shall not be entitled to later recovery; and/or
 3. Withhold funds pending duration of the breach; and/or
 4. Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to Item "2" of this paragraph; and/or
 5. Terminate this Contract immediately and be relieved of the payment of any consideration to the Contractor. In event of such termination, the County may proceed with the work in any manner deemed proper by the County. The cost to the County shall be deducted from any sum due to the Contractor under this Contract and the balance, if any, shall be paid by the Contractor upon demand.

VIII. TERM

This Contract is effective February 16, 2010 through December 10, 2010 but may be terminated earlier in accordance with provisions of Section IX of the Contract.

IX. EARLY TERMINATION

- A. The County may terminate the Contract immediately under the provisions of Section VII, Paragraph B, Item 5 of the Contract. In addition, the Contract may be terminated without cause by the County by serving a written notice to the Contractor thirty (30) days in advance of termination. The Assistant Administrator of the Economic Development Agency is authorized to exercise the County's rights with respect to any termination of this Contract.
- B. The Contractor shall only be reimbursed for costs and non cancelable obligations incurred prior to the date of termination. The Contractor shall not be reimbursed for costs incurred after the date of termination.

X. GENERAL PROVISIONS

- A. When notices are required to be given pursuant to this Contract, the notices shall be in writing and mailed to the following respective addresses listed below.

Contractor: Victor Valley Community College
18422 Bear Valley Road
Victorville, CA 92395

County: County of San Bernardino - Department of Workforce Development
Attn: Contract and Finance Unit
215 North D Street, Suite 301
San Bernardino, CA 92415-0046

- B. Nothing contained in this Contract shall be construed as creating a joint venture, partnership or employment arrangement between the Parties hereto, nor shall either Party have the right, power or authority to create an obligation or duty, expressed or implied, on behalf of the other Party hereto.
- C. The Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Contract.

The County, by written notice, may immediately terminate any Contract if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once a Contract has been awarded.

The Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from the Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

- D. Equipment - All equipment, materials, supplies or property of any kind having a single unit cost of five hundred dollars (\$500) or more requires prior approval from the WDD.
- E. The State and County shall have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with Federal financial participation. The federal government (Department of Labor) reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use and to authorize others to use for federal government purposes, such software modification, and documentation. Proprietary software packages that are sold or leased to the general public are not subject to the ownership provisions.
- F. The County shall have Power of Attorney to pay delinquent debts and unpaid wages for work provided under this Contract from accounts payable to the Contractor in the event debts and wages have not been paid on a current basis.
- G. No waiver of any of the provisions of the Contract shall be effective unless it is made in writing which refers to provisions so waived and which is executed by the Parties. No course of dealing and no delay or failure of a Party in exercising any right under the Contract shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

- H. Any alterations, variations, modifications, or waivers of provisions of the Contract, unless specifically allowed in the Contract, shall be valid only when they have been reduced to writing, duly signed and approved by the authorized representatives of both parties as an amendment to this Contract. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
- I. If any provision of the Contract is held by a court of competent jurisdiction to be unenforceable or contrary to law, it shall be modified where practicable to the extent necessary so as to be enforceable (giving effect to the intention of the Parties) and the remaining provisions of the Contract shall not be affected.
- J. This Contract shall be governed by and construed in all aspects in accordance with the laws of the State of California without regard to principles of conflicts of laws. The Parties agree to the exclusive jurisdiction of the state court located within the County of San Bernardino, for any and all disputes arising under this Contract, to the exclusion of all other federal and state courts.

XI. CONCLUSION

- A. This Contract, consisting of fourteen (14) total pages and Exhibits A, B and C, is the full and complete document describing services to be rendered by the Contractor to the County including all covenants, conditions, and benefits.
- B. The signatures of the Parties affixed to this Contract affirm that they are duly authorized to commit and bind their respective institutions to the terms and conditions set forth in this document.
- C. IN WITNESS WHEREOF, the County signatory has been authorized by the Board of Supervisors of the County to sign this Contract on its behalf and the Contractor has caused this Contract to be subscribed in its behalf by its duly authorized officers, the day, month and year written. ///

COUNTY OF SAN BERNARDINO

VICTOR VALLEY COMMUNITY COLLEGE
(Print or type name of corporation, company, contractor, etc.)

 Laurie Rozko, Director Purchasing Department

By _____
(Authorized signature - sign in blue ink)

Dated: _____
(Print or type name of person signing contract)

Name Dr. Robert Silverman
 Title Superintendent/President
(Print or Type)

Dated: _____

Address: 18422 Bear Valley Road
Victorville, CA 92395

Approved as to Legal Form	Reviewed by Contract Compliance	Presented to Purchasing for Signature
_____ Deputy County Counsel	_____ Janice Lindsay, Deputy Director	_____ Sandra Harmsen, Director
Date _____	Date _____	Date _____

Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By