

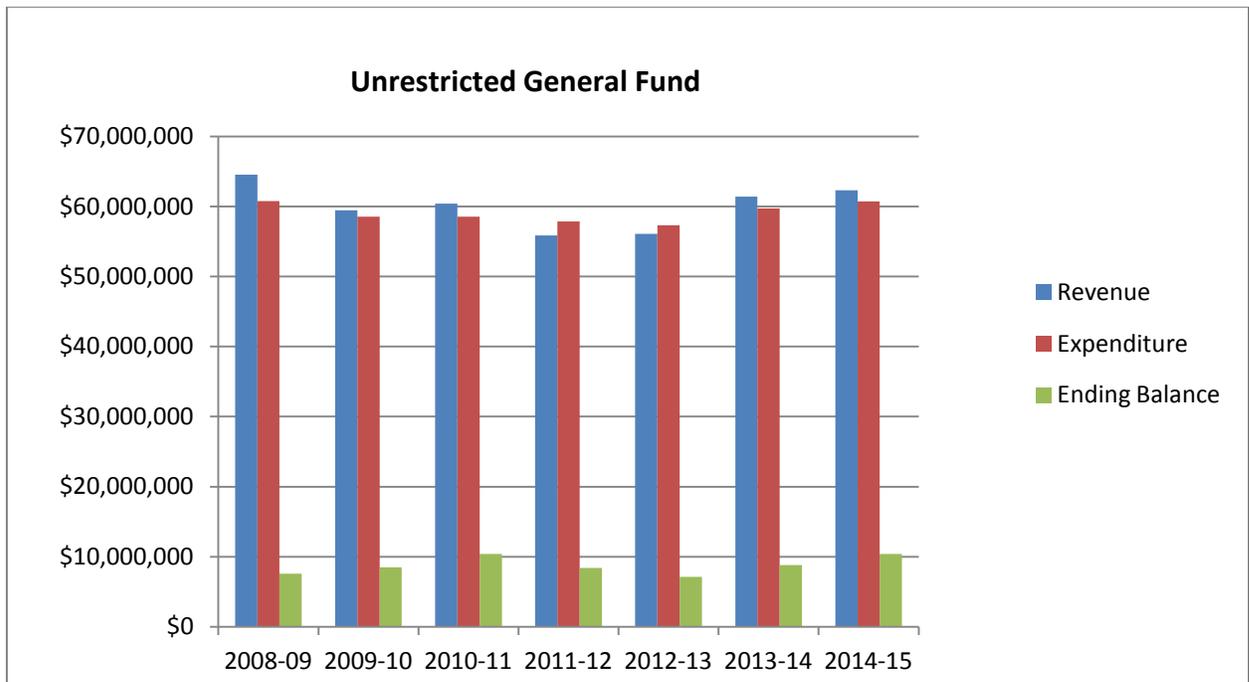
## Standard III: Resources

### III.D. Financial Resources

**Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency.**

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The [adopted budget](#)<sup>1</sup> for the unrestricted general fund for the 2014-2015 fiscal year is \$60.7 million in total expenditures. The chart below shows the actual revenues, expenditures, and ending fund balances for the past six years and the 2014-2015 adopted budget:



As evidenced in the unrestricted general fund chart, the District experienced a decline in revenues since 2008-2009 as a result of the State of California's economic downturn. However, through prudent financial management and the passage of Proposition 30 in November 2012, the budget continued to have sufficient resources to support its operations. While the economic condition has begun to improve, revenues have not

yet been fully restored to the 2008-2009 level. The 2014-2015 adopted budget upholds a commitment to Citrus College's mission and planning priorities and ensures short- and long-term financial stability. The [resource allocation process](#)<sup>2</sup> described on page 18 of the Integrated Planning Manual provides a means for setting priorities for funding institutional improvements. The [2014-2015 budget priorities](#)<sup>3</sup> include honoring institutional

planning priorities, ensuring student access and completion in conjunction with established FTES targets, maintaining commitment to regular and permanent employee positions, supporting critical new hires and replacement of vacant positions, compliance with state and federal regulations, maintaining minimum required five percent budget reserve, completion of construction projects, and maintaining a long-term planning perspective. Citrus College resources are sufficient to ensure financial solvency.

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### **III.D.1. The institution's mission and goals are the foundation for financial planning.**

#### **III.D.1.a. Financial planning is integrated with and supports all institutional planning.**

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##### **Evidence of Meeting the Standard**

Citrus College integrates and supports financial planning with institutional planning. All college planning is part of a functional system unified by a common set of [assumptions and well-defined procedures](#)<sup>4</sup> and is dedicated to the improvement of institutional effectiveness.

Planning begins with a review of the College's mission, vision, and values. This sets the stage for the development of the [Strategic Plan](#)<sup>5</sup>, which identifies critical focus areas. The focus areas direct the College's energies and resources. From these focus areas, the College identifies institutional goals and strategic objectives. Responsibility for the achievement of these goals and objectives is assigned to the appropriate college divisions that, in turn, incorporate the goals and objectives in their short- and long-term plans. The [Annual Implementation Plan and](#)

[subsequent progress reports](#)<sup>6</sup> provide updates to the five-year Strategic Plan. The [2011-2020 Educational and Facilities Master Plan](#)<sup>7</sup> is the College's long-term plan for academic affairs, student services, and facilities. The [Human Resources Plan](#)<sup>8</sup> and [Technology Master Plan](#)<sup>9</sup> are developed to meet the other aligned goals and objectives from the Strategic Plan.

As depicted in the [Integrated Planning Manual](#)<sup>10</sup> on the planning model flow chart (page 8), dialogue regarding the improvement of institutional effectiveness occurs in an ongoing and systematic cycle of evaluation. Assessment plans focus on the Strategic Plan, which provides institutional goals and strategic objectives and guides the development of unit plans to achieve those goals and objectives. These are linked to the resource allocation process, connecting college resources to the institutional goals and strategic objectives. The Strategic Plan further guides development of implementation plans, which lead to assessment. Assessment results then inform program improvement plans, and the next cycle of planning begins.

The resource allocation processes link program reviews and strategic planning to the resources needed to accomplish the College's institutional goals. For example, these processes are used to apply the allocation of additional discretionary funds for one-time purposes identified through the program review process. This process incorporates the [Financial Resources Committee](#)<sup>11</sup> as a recommending body to the Steering Committee, to ensure a transparent process. Ongoing resource allocations are linked with the program review and strategic planning process. An example of this is the Faculty Needs Identification Committee process, as

outlined in [Board Policy](#)<sup>12</sup> and [Administrative Procedure 7201](#), Recruitment and Selection: Full-Time Faculty<sup>13</sup> for allocating full-time faculty positions approved for hiring. As reported in the 2014-2015 [budget forum](#)<sup>14</sup>, 87 percent of the budget is dedicated to fixed and ongoing costs for salaries and benefits.

The Financial Resources Committee, comprised of representatives from all college constituency groups including management, supervisors, faculty, classified, and associated students of Citrus College, is responsible for reviewing expenditures and income, making recommendations, and informing the various college constituent groups of the status of funding and expenditures and any modifications made to the budget throughout the year in response to funding changes. The Financial Resources Committee discussions focus on state and local funding and the noncollective bargaining parts of the expenditure budget. Institutional needs are identified, and budget assumptions are generated and discussed with responsibility for ensuring that priorities and decisions meet the College mission and goals.

The College meets the Standard.

### **Analysis and Evaluation**

There is evidence that financial planning is integrated with and supports institutional planning. As indicated by the request for augmentations to instructional and student services area budgets through the program review process, the College's financial planning supports institutional goals and student learning outcomes.

Citrus College reviews its mission and goals as part of the annual fiscal planning process as evidenced in the [Integrated](#)

[Planning Manual](#)<sup>15</sup>. The annual budget is sufficient to meet the College's fixed costs and allocate funds to one-time initiatives through the program review process.

Focus area three, college resources, and focus area five, institutional effectiveness, are two of the six focus areas in the [Strategic Plan 2011-2016](#)<sup>16</sup>. Institutional goal 3.1 within college resources is to maximize the use of existing fiscal, physical, personnel, and technical resources via effective planning and resource management by developing a clearer communication process to promote program review and equipment procurement funding priorities, resulting in improved allocation of physical resources and by seeking input from various constituencies on how to use current resources more efficiently. The director of fiscal services, as a representative of the Financial Resources Committee, introduced a new [reporting instrument](#)<sup>17</sup> to the College's standing committees and other constituencies for their use in providing suggestions on how to use current resources more effectively and efficiently.

To promote institutional effectiveness, the College focuses on integrating and institutionalizing planning and budget development through ongoing and systematic review and evaluation by developing strategies to enhance communication, discussion, and understanding of the budget across all levels of divisions and departments and by automating the process of budget development and submission. An integral part of this focus is the development of a [budget calendar flowchart](#)<sup>18</sup> that details the process and decisions from inception to completion of the annual adopted budget. The flowchart is published on page 14 of

the [Organization and Governance Handbook](#)<sup>19</sup>. In addition, the instructional deans developed a software environment known as [Live Oak](#)<sup>20</sup> to improve reliability of lecture-hour equivalency data extraction to provide a more effective link between instructional planning and resource allocation.

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### **III.D.1.b. Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.**

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#### **Evidence of Meeting the Standard**

Institutional planning at Citrus College reflects a realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements. The budget process begins in the fall with the reporting of the full-time faculty obligation to the California Chancellor's Office to determine the number of full-time faculty required for the next budget cycle. This information is shared with the superintendent/president's cabinet by the director of human resources. The vice president of academic affairs then reports this to the Faculty Needs Identification Committee, which ranks desired new faculty positions and sends a recommendation to the Board of Trustees to determine and approve of the number of positions to fill. While monitoring the current year's budget, the College relies on information from the governor's proposed annual budget for the upcoming year, which is released in January. The proposed budget is used to begin making projections and assumptions regarding revenues and expenditures for the upcoming fiscal year. Projections are based on salary and benefit costs, utility and operational costs, and

other fixed expenditures. The office of the vice president of finance and administrative services prepares projections that are reliable and as timely as possible. Cost center managers receive detailed financial reports via the intranet including account string detailed budgets, actual costs, encumbrances, and balances remaining.

College departments, through cost center managers and faculty and staff input, develop their budget proposals using a tentative baseline budget. The annual planning process starts with a rollover of current year budgets adjusted for scheduled salary increases and estimated benefit cost increases. The Financial Resources Committee, with recommendations from the superintendent/president's cabinet and feedback received through the budget forums, considers division and program budget proposals to make budget allocations based on priorities set by goals, funding, and the 2011-2020 Educational and Facilities Master Plan. Citrus College demonstrates its ability to respond to additional instructional needs as evidenced by the [fulfillment of program review](#)<sup>21</sup> funding recommendations.

After the state budget is finalized by the legislature and signed by the governor, Citrus College reviews the state budget with the College through a budget forum and the Financial Resources Committee. In 2014-2015, the adopted budget for Citrus College totaled \$130 million. Institutional planning includes acquisition of external funding through grants, contracts, and partnerships with external groups. In 2014-2015, the total amount of categorical grants is \$7.8 million, which includes the Rise Above Challenges Exponentially to Science, Technology,

Engineering, and Mathematics (RACE to STEM) grant; Hispanic Serving Institution Title V Grant (HSI-Bridge to Success); Hispanic Serving Institution Title V Grant (HSI Preparing Tomorrow's Teachers Today Through Technology); Career Technical Education Perkins Title 1-C Grant; Career Technical Education Transitions; Science, Technology, Engineering, Math (STEM) collaboration grant through California State University, Fullerton; Enrollment Growth and Retention funds for nursing; career technical education community collaboratives; basic skills; student financial aid program; Extended Opportunity Programs and Services; Cooperative Agencies Resources for Education Program; Disabled Students Programs and Services; California Work Opportunity and Responsibility to Kids; Partnership for Safety and Permanence-Model Approach to Partnership in Parenting Training Services; Student Success and Support Program; Foster Kinship Care Education; and staff diversity dollars.

The College meets the Standard.

### **Analysis and Evaluation**

The College plans and acts conservatively with regard to budget assumptions for revenues and expenditures, using sources from general and categorical funds. The superintendent/president's cabinet makes decisions after much college wide dialogue and input at all levels, aligning district planning priorities and realistic needs analyses. Fundamental planning assumptions indicate that instructional salaries and benefits will be supported and class schedules will be designed according to the following priorities: achieve the state-designated capacity; meet state-funded growth target; achieve additional

growth that is fiscally prudent; and improve efficient use of funding and facilities. Tentative baseline budgets are the starting point for future projections, and all new requests must be justified.

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**III.D.1.c. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies, plans, and allocates resources for payment of liabilities and future obligations.**

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### **Evidence of Meeting the Standard**

Citrus College takes into account long-range financial priorities when making short-term financial plans. The College identifies and plans for payment of liabilities and future obligations. To ensure financial stability, the Citrus Community College District is committed to maintaining significant reserves to meet long-range financial priorities. The California Community College Chancellor's Office recommends a 5 percent unrestricted general fund reserve. The District has maintained a reserve of between 12 percent and 15 percent for the last six years and is committed to maintaining adequate general fund reserves throughout the fiscal year. The District's [financial planning priorities](#)<sup>22</sup> reflect a commitment to provide open access to programs and services for the community. The PowerPoint presentations developed and presented annually as part of the [tentative and adopted budget forums](#)<sup>23</sup> reflect the College's commitment to document the planning process and compare the revenue, expenditures, FTES, and other trends that affect financial stability, as well as outstanding budget concerns affecting future years' budgets.

Short-term plans tend to be more responsive to immediate fiscal realities, and more priorities are addressed if funding increases. Assessments for expenditures are geared for current, vacant, and new personnel incorporated into the adopted budget. The College evaluates each classified position as it is vacated to determine affordability and feasibility of replacing that employee. For the 2014-2015 budget year, the College has made one-time commitments to initiatives like program review, staff development, and technology upgrades.

Financial planning is conservative when projecting liabilities and obligations covered by the general fund in order to cover under-projected costs. The budget office produces and maintains cost estimates for equipment replacement to realize the expenditure as baseline budget data when appropriate. The District's [projection of revenues](#)<sup>24</sup> includes only those amounts and items for which there is a high degree of certainty.

Payments of [long-term liabilities and obligations](#)<sup>25</sup> are included in both short-term and long-term planning. Governmental Accounting Standards Board (GASB) Statements 43 and 45 require the College to identify long-term liabilities. [Actuarial studies](#)<sup>26</sup> provide the College with estimates of future liabilities for post-employment retirement benefit obligations. Citrus College gives consideration to current and potential long-term costs of property and liability and workers' compensation insurance.

The College meets the Standard.

### **Analysis and Evaluation**

Current procedures provide a sensible approach to assessing resource availability

and expenditure commitments. The College takes into account its long-range financial priorities before committing to short-term financial plans and obligations in order to ensure financial stability. The College has clearly identified current and future liabilities and anticipates the climate of state funding to provide planning for all contingencies. In 2014-2015, the Citrus Community College District set aside an [unallocated carryover balance](#)<sup>27</sup> of \$4.2 million dollars.

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### **III.D.1.d. The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.**

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#### **Evidence of Meeting the Standard**

Citrus College has a clearly defined budget process involving open dialogue and discussion through the [Financial Resources Committee](#)<sup>28</sup>. This committee, with its campus wide representation, is charged with maintaining effective communication concerning District financial resources and business operations, including reviewing expenditures and income, addressing academic and facility needs, making recommendations, and informing various constituent groups of the status of funding, expenditures, and any modifications made to the budget throughout the year in response to funding changes. [Adopted budget](#)<sup>29</sup> documents include description of funds, glossary of commonly used financial and budgetary terms, budget calendar, budget development assumptions, budget flowchart, and the budget forum presentation. The committee meets on a monthly basis, and all of these

documents are vetted along with all Chancellors' Office communications affecting funding.

Each year, the fiscal services staff provides to departments/divisions and cost center managers a preliminary budget based on the budget from the previous year. These preliminary budgets sheets are distributed twice during the budget-building process. Fiscal services staff provide careful consideration to position control for all areas along with faculty overload and adjunct faculty schedules for the upcoming year. Programs and departments prioritize items requested beyond the previous year's base based on one of the planning documents, such as the [Strategic Plan](#)<sup>30</sup>, [2011-2020 Educational and Facilities Master Plan](#)<sup>31</sup>, program reviews, and college goals and priorities. Deans disseminate budget information to program and division members. Stakeholders discuss and prioritize personnel, equipment, facilities, and other needs as identified in program reviews. Deans and directors then submit requests to their appropriate vice president for review.

Increases in liabilities and obligations covered by the general fund, such as the rising State Teachers' Retirement System employer contribution, escalating construction costs, the full-time faculty obligation number, salary negotiations, right-sizing cost center allocations, and rising categorical match requirements have great impact on financial planning. Nondiscretionary funds are spent according to college wide needs.

Departments and programs submit requests for instructional equipment to the vice president of academic affairs who, through the dean's meetings, allocates

these resources. The funding source for these requests is state categorical instructional equipment money. The amount of these funds varies from year to year and must be matched from the general fund. The vice president of academic affairs reviews and prioritizes the requests based on the potential effect on student learning outcomes and the Educational and Facilities Master Plan objectives. Available funds are distributed across programs and divisions to meet as many prioritized requests as possible.

There is widespread dissemination of the College budget with the distribution of over 100 copies. Minutes for all Financial Resources Committee meetings are available along with [minutes from all board meetings](#)<sup>32</sup>. [Expenditure](#)<sup>33</sup> and [revenue](#)<sup>34</sup> reports are updated monthly by fiscal services staff on the intranet for review by anyone with a District account, and cost center managers have access to detailed reports to assist with monitoring of day-to-day fiscal operations. The superintendent/president's office regularly distributes updates from the Community College League of California and the Chancellor's Office on legislation and current state budget information. The vice president of finance and administrative services presents [budget forums](#)<sup>35</sup> to inform faculty and staff prior to adoption of the budget.

All constituents are invited to attend the budget forums. In addition, the vice president of finance and administrative services makes regular presentations about fiscal matters to the Academic Senate, the deans and directors, the associated students, and the Board of Trustees.

The College meets the Standard.

### **Analysis and Evaluation**

The College has a set of well-defined guidelines and processes for financial planning and budget development based upon the mission, values, and goals of the College. These processes are open, and there are opportunities for participation in the process by all constituencies.

The finance and administrative services staff broadly disseminates state budget information that affects the College budget including forums, Academic Senate, deans and directors meetings, and associated students.

Online reports, email updates, tentative budget distribution, and financial resources meetings are but a few of the opportunities faculty and staff have to participate in the development of College financial plans and budgets.

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**III.D.2. To assure the financial integrity of the institution and responsible use of financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.**

**III.D.2.a. Financial documents, including the budget and independent audit, have a high degree of credibility and accuracy, and reflect appropriate allocation and use of financial resources to support student learning programs and services.**

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### **Evidence of Meeting the Standard**

Financial documents reflect the appropriate use of financial resources to support student learning programs and services. Throughout the budget planning process, funds are first allocated by the

vice president of finance and administrative services staff to ongoing expenses, including anticipated increases in those expenses. Additional funds are allocated to support institutional objectives established through the planning process. These objectives will realistically achieve the College's stated goals, which are primarily directed at improving student learning. In order to maintain and uphold the College mission, the Board of Trustees establishes yearly goals. Addressing these goals becomes another component in the complex task of establishing a budget to meet deadlines set forth by the [budget calendar](#)<sup>36</sup> and by statutory deadlines established in Title 5, Section 58305.

The College [annual independent audits](#)<sup>37</sup> have earned unmodified (formerly called unqualified) opinions for the last six years. The audits reflect appropriate documentation of financial resources that support student learning and fiscal integrity. The Citrus Community College District operates according to federal and state regulations and guidelines. The Citrus Community College District uses the Los Angeles County Office of Education PeopleSoft Financial software for Education and Government System and the reporting requirements set forth by the California Community College Budget and Accounting Manual.

Each year, following adoption by the Board of Trustees, Citrus College submits the budget to the state Chancellor's Office and to the Los Angeles County Office of Education. The business office provides [quarterly financial status reports](#)<sup>38</sup> to the Board of Trustees. Citrus College budget and allocation decisions follow the [mission, goals, and objectives](#)<sup>39</sup> of the College.

In addition, the College meets the provisions of Education Code Section 84362, referred to here as “the 50 percent law,” by spending more than 50 percent of the “current expense of education” as defined therein on the salaries of classroom instructors.

The College meets the Standard.

### **Analysis and Evaluation**

The College follows standard accounting practices and consistently meets standards for exemplary audits. Audits are conducted annually for the period ending June 30 of a fiscal year. The College has been issued an unmodified opinion for the past six years. In the opinion of Vicenti, Lloyd, Stutzman, LLP, the audit firm, the financial statements present fairly, in all material respects, the financial position of the College. The budget building process documents the appropriate use of financial resources, and successful student outcomes reflect this.

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### **III.D.2.b. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.**

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#### **Evidence of Meeting the Standard**

Citrus College leadership has responded to external audit findings in a comprehensive and timely manner. For the audit report ending on June 30, 2014, there are no audit findings.

[Audit reports](#)<sup>40</sup> are presented to the Board of Trustees on the first Tuesday of December. The external auditors review the contents of the audit report and are available to address board member concerns or questions. The report is then made available to the public via the

District Internet. The report contains basic financial statements, management’s discussion and analysis, the schedule of postemployment health care benefits funding progress, and the schedule of employer contribution. Taken as a whole, the audit report gives the reader an appropriate operational, economic, and historical context. The audit report also provides schedules of expenditures of federal awards, state financial assistance, workload measures for state general apportionment, and reconciliations of the 50 percent law calculation, Proposition 30 education protection account expenditure report, and a financial trends and analysis for the unrestricted general fund. The information contained in the audit report is sufficient in content and timing to support institutional and financial planning and financial management.

The College meets the Standard.

### **Analysis and Evaluation**

The College leadership responds in a timely manner to any findings and recommendations made in the annual audit report. College audits have identified no material weaknesses, no significant deficiencies, and no noncompliance material to financial statements.

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### **III.D.2.c. Appropriate financial information is provided throughout the institution, in a timely manner.**

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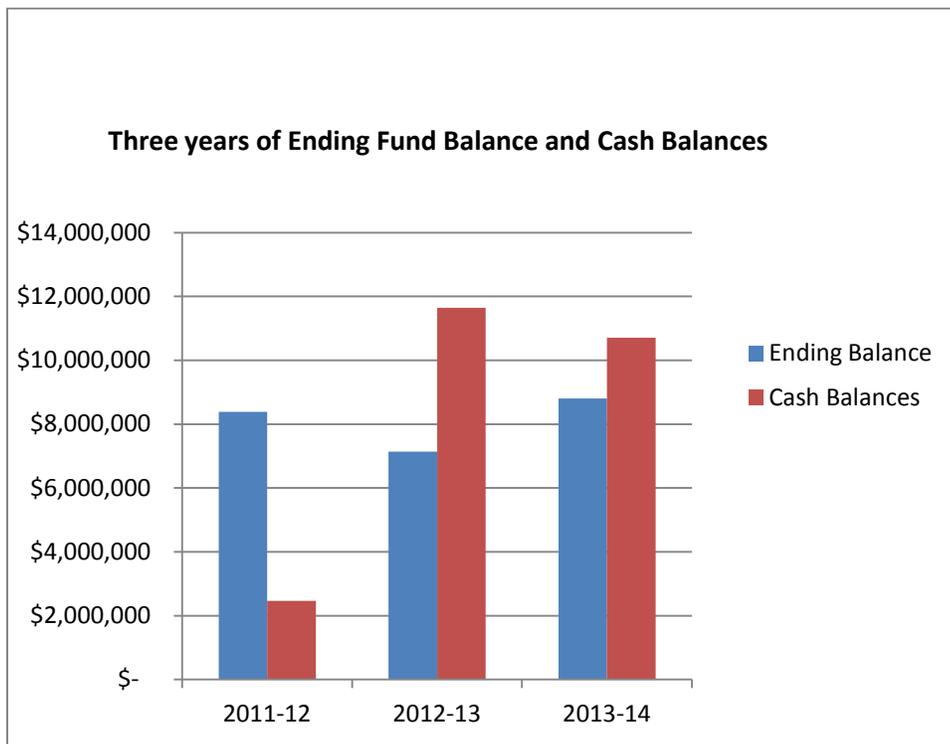
#### **Evidence of Meeting the Standard**

Citrus College provides financial information throughout the institution in a timely manner. Monthly expenditure and revenue summary reports are made available on the District intranet on the first working day following the close of a period. The quarterly financial status

report goes to the Board of Trustees for approval prior to submission to the California Community Colleges Chancellor's Office. In addition, the annual financial and budget report goes to the Board of Trustees for approval prior to submission to the Chancellor's Office.

The ending fund balance of general unrestricted funds for 2011-2012, 2012-

2013, and 2013-2014 years has been 14 percent, 12 percent, and 15 percent respectively. Cash balances for those same years have been \$2.5 million, \$11.6 million, and \$10.7 million respectively. Because of the low cash flow balances in 2011-2012, the College found it necessary to borrow cash in the form of a tax and revenue anticipation note in the 2012-2013 fiscal year.



The College has temporary access to cash reserves held in the general restricted fund, capital outlay fund, and in the associated student trust fund. The vice president of finance and administrative services annually requests from the Board of Trustees approval to allow temporary cash loans between funds. Also in place is the ability to temporarily borrow from the Los Angeles County Office of Education.

Citrus College receives the majority of its revenue through the state apportionment

process. The Chancellor's Office transfers funds to the Los Angeles County treasurer, who then deposits these funds into the District account held by the Los Angeles County Office of Education. As noted above, on April 9, 2013, when the College faced a sharp economic downturn, it was necessary to negotiate a nine-month, \$10 million tax and revenue anticipation note in order to meet payroll and vendor commitments. It has not been necessary to do so since.

Citrus College participates in three joint-powers agreement entities—the Statewide Association of Community Colleges (SWACC), the Southern California Community College District's Self-Funded Insurance Agency (SCCCD), and the Protected Insurance Program for Schools (PIPS). SWACC provides liability and property insurance for approximately 19 community colleges. SWACC is governed by a board comprised of a member of each of the participating districts. The SWACC board controls the operations of SWACC, including selection of management and approval of members beyond their representation on the board. Each member shares surpluses and deficits proportionately to its participation in SWACC. SCCCDD provides workers' compensation coverage for its seven member districts for workers' compensation self-insured run-off claims dated prior to 1995. SCCCDD has self-funded member workers' compensation coverage since inception as a joint-banking pool, and accordingly, does not transfer risk between member colleges. District administrators believe that the procedures for accumulating and maintaining reserves are sufficient to cover future contingencies under potential workers' compensation claims. PIPS provides workers' compensation reinsurance protection to its membership of public schools and community colleges throughout California. This is a finite risk-sharing pool that transfers risk away from the members. Premiums are determined based on payroll expense, and additional premiums may be required in subsequent years. The College has sufficient reserves to handle financial emergencies.

The College meets the Standard.

### **Analysis and Evaluation**

Even with a high ending balance in the general unrestricted fund, the College found it necessary to borrow cash to meet fiscal responsibilities. Management acted decisively and minimized expenditures by only borrowing funds on the short-term.

By participating in joint-powers agreements, the College spreads its risk and has sufficient property and liability insurance and workers' compensation coverage to meet its needs.

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**III.D.2.d. All financial resources, including short and long term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the intended purpose of the funding source.**

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### **Evidence of Meeting the Standard**

Citrus College ensures that all funds are managed with integrity and for their intended purpose by maintaining effective oversight of all financial resources. There are a number of processes and procedures in place that provide for layers of review over financial resources.

Purchases are generally originated through a purchase requisition entered into the ESCAPE software system. The requisition is then electronically routed through the approval channels for the appropriate cost center review and sign off. This typically includes approval by area managers, the appropriate superintendent/president's cabinet representative, and the budget/fiscal office. Each approver is responsible for ensuring that the proposed expenditure complies with all applicable laws and

regulations such as grant requirements for purchases charged to grant funds, Proposition 39 General Obligation Bond requirements for all expenditures charged to the Bond Measure G fund, and state guidelines for all state categorical purchases. The budget/fiscal office approval is the last approval before review by the purchasing staff, and this step is intended to ensure budget availability, compliance with the budget and accounting manual, and financial integrity. After a requisition clears each of these areas, it is routed to the Purchasing Office where it is verified to ensure that the purchase complies with [purchasing guidelines](#)<sup>41</sup> and any applicable bid requirements or public contract code requirements. Once a purchase is approved, a purchase order is then issued. The Board of Trustees reviews and ratifies all purchase orders.

In addition to the processes described above, there are additional approval layers for the use of Bond Measure G funds. These include approvals by the director of facilities and construction, the inspector of record, and the architect of record. In addition, all bond expenditures fall under the purview of the independent [Citizen's Oversight Committee](#)<sup>42</sup> and are subject to two [independent external audits](#)<sup>43</sup> (financial and performance), as required by Proposition 39.

Another means of ensuring that all financial resources are used with integrity and in a manner that is consistent with the intended purpose of the funding source, is through an internal audit process prior to issuance of any disbursement, and through annual independent external audits over all funds and accounts of the District. Since Citrus College contracts with the Los Angeles County Office of Education for

all payroll and commercial warrant issuances, the College undergoes an additional layer of auditing prior to the processing of any payment vouchers.

Auxiliary organizations follow a similar purchase requisition, approval, and disbursement process although the oversight to ensure auxiliary funds are used in a manner consistent with their intended purpose is coordinated between the Student Affairs Office and Fiscal Services. All Associated Students of Citrus College (ASCC) expenditures require ASCC approval prior to approval by Fiscal Services. Other than the additional layer of approval requiring ASCC approval, auxiliary funds follow the same general processes and procedures as all other funds of the institution.

Fundraising efforts are either accounted for within trust accounts of the Associated Student Organization Fund or the Citrus College Foundation. The foundation is a community-based 501(c)(3) organization that was formed to provide support to the College and its students.

Fiscal Services provides oversight of the Foundation accounts over all financial reports of the District. The responsible manager prepares these reports, and the fiscal staff reviews them to ensure that they agree with the district's financial records. Fiscal Services uses this review process for all grants, whereby each grant has an assigned grant or program manager. Fiscal and grant/program staff work closely with one another to ensure accurate reporting over grant objectives and the use of grant funds.

The vice president of finance and administrative services presents [quarterly financial reports](#)<sup>44</sup> to the Board of Trustees

and provides regular budgetary reports to the [Financial Resources Committee](#)<sup>45</sup> Also, the firm of Vincenti, Lloyd, and Stutzman conducts the [annual independent external audit](#)<sup>46</sup> of the District's financial statements, including short- and long-term debt, auxiliary activities, internal controls, and compliance with federal and state regulations. The fiscal services staff distributes to and discusses with the appropriate area managers any findings or recommendations resulting from the audit with the intention that items will be resolved prior to the end of the next fiscal year.

The College meets the Standard.

#### **Analysis and Evaluation**

All financial resources, including short- and long-term debt instruments, auxiliary activities, fundraising efforts and grants are used by fiscal services staff with integrity in a manner consistent with the intended purpose of the funding source. Historically, annual independent audit reports reveal minimal findings, which are corrected in a timely manner.

For more than six years, the District has received unqualified opinions on its external financial and compliance audits, including its Measure G financial and performance audits. This is the highest level audit opinion possible, indicating that sound fiscal practices are in place and that financial resources are used in accordance with applicable laws and regulations, including the California Community College Chancellor's Office Budget and Accounting Manual and all applicable Governmental Accounting Standards Board (GASB) statements.

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### **III. D.2.e. The institution's internal control systems are evaluated and assessed for validity and effectiveness and the results of this assessment are used for improvement.**

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#### **Evidence of Meeting the Standard**

The layered approval process over financial transactions, described above, provides a number of opportunities for Citrus College to evaluate its internal control systems. Each approval point allows for assessment of the existing internal control structure's effectiveness. The results of these assessments are used by the vice president of finance and administrative services for improvement.

In addition, an independent third party periodically evaluates the effectiveness of the institution's internal control systems as part of the District's annual external audit. Internal controls over categorically funded programs are subject to periodic review and evaluation by funding agencies.

The College meets the Standard.

#### **Analysis and Evaluation**

[Audit opinions](#)<sup>47</sup> by the District's external auditors have included favorable opinions of the District's internal control systems. This indicates that the institution's evaluation and assessment of its internal control systems are effective and are used as a continual basis for improvement. In addition, the College addresses any audit findings or recommendations to ensure that matters of concern are corrected prior to the conclusion of the next fiscal year.

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**III.D.3. The institution has policies and procedures to ensure sound financial practices and financial stability.**

**III.D.3.a. The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and develops contingency plans to meet financial emergencies and unforeseen occurrences.**

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**Evidence of Meeting the Standard**

Citrus College has sufficient cash flow and financial stability; reserves are available to meet both anticipated and unanticipated needs. In 2013-2014, the Citrus Community College District had a fund reserve of 14.75 percent of its prior year's actual expenditures from unrestricted general funds. The vice president of finance and administrative services conducts ongoing [cash flow analyses](#)<sup>48</sup> for discussion with the superintendent / president's cabinet and presentation to the Board of Trustees. Special attention to cash flow has been a high priority in 2013-2014 due to continued inter-year deferrals totaling \$592 million, down \$209 million from the previous year, and in 2014-2015 inter-year deferrals totaled \$94 million, down \$498 million. For cash flow, the District has in place a board-approved agreement with the Los Angeles County Office of Education to do [temporary cash borrowing](#)<sup>49</sup> as needed. This option has not been exercised. Staff pay close attention to payroll costs with analysis of cash flow amounts to ensure payroll is not affected.

To maintain a high level of risk management, the College belongs to the Statewide Association of Community Colleges (SWACC), a Joint Powers Authority (JPA) in association with 46

community college districts for property and liability insurance. The College also belongs to the Protected Insurance Program for Schools (PIPS) with 400 public educational agencies representing \$8 billion in payroll for worker's compensation. Through the JPA, there are periodic workshops, ongoing inspections of District facilities, and Physical Resources Committee meetings.

The College's environmental health and safety programs supervisor is responsible for safety practices, site inspections, and preparation of state-, county-, and district-required disaster preparedness plans. The environmental supervisor is responsible for monitoring and ensuring that Citrus College meets federal and state mandated compliances (i.e., AQMD, Cal OSHA, hazardous materials and waste treatment, and storm water management), managing environmental review, and responding to violation citations. The risk management supervisor is responsible for processing worker's compensation claims and managing employee health and welfare benefits.

The College has had no unforeseen emergencies to address in the last several years that could not be financially afforded. Both physical and financial emergencies have been addressed due in large part to the bond program. This program has allowed the College to maintain and repair facilities on an ongoing basis, thus averting the unexpected repair. Ample reserves ensure the ability to meet financial reductions or unexpected expenditures.

Citrus College maintains an ending balance that is carried over to the next fiscal year to ensure fiscal stability. The 2013-2014 fiscal year showed significant

increases in ending balances due to reduction in hiring of open or new classified and management positions and reduction of expenditures for nonsalary items. Weekly monitoring instruments are in place to maintain fiscal responsibility.

The College meets the Standard.

### **Analysis and Evaluation**

The College meets the Standard through its practices, site inspections, and preparation of state-, county-, and district-required disaster preparedness plans. The College has established campus committees for emergency preparedness. The vice president of finance and administrative services ensures that adequate insurance against risks are taken, and that plans are in place to meet financial emergencies and unforeseen occurrences. The College maintains a reasonable cash balance and monitors its cash flow to ensure adequate cash for payroll and payment of expenditures. The business office pays particular attention to cash flow analysis and communication with the Board of Trustees and superintendent/president to ensure that they are informed regarding the College's financial status. The 5 percent reserve required by the Board of Trustees ensures Citrus College's viability in the event of appropriation adjustments or a decline in enrollment.

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**III.D.3.b. The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.**

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### **Evidence of Meeting the Standard**

The vice president of finance and administrative services is responsible for effective oversight of all District finances. Financial services staff assess financial resources for adequacy on a college wide level as well as on an individual fund level in the case of auxiliary organizations, grants, and other externally funded programs. The College business office establishes and maintains internal control practices that support financial integrity and ensures that financial resources are being used for institutional programs and services. An independent certified public accounting firm conducts [audits](#)<sup>50</sup> of all financial records and internal controls annually. This firm renders an opinion as to the financial position of various funds of the College, as well as the adequacy of accounting procedures, safeguards, and internal controls.

In addition, informal self-audits are conducted regularly by fiscal services staff and by programs and departments through the review of monthly fiscal and budgetary reports. In the management and accounting of the District's financial resources, the fiscal and administrative services offices ensure that all funds of the College, including auxiliary organizations, adhere, as applicable, to the California Community College's Budget and Accounting Manual, the California Education Code, any established guidelines and requirements for grants and other externally funded programs, and Generally Accepted Accounting Principles (GAAP).

Oversight of the financial aid process is managed jointly. The dean of admissions and records oversees the awarding of financial aid and reporting and compliance processes. The director of fiscal services

oversees the cash management process of financial aid, including drawdowns and payment of aid to students. The financial aid office processes thousands of applications for financial aid each year. The financial aid office adheres to federal and state regulations governing the financial aid programs. As required by law, the College's financial aid program undergoes an [annual compliance audit](#)<sup>51</sup>. The business office requests funds for federal financial aid from the United States Department of Education, ensuring compliance with the three-day federal cash requirement.

All contractual relationships undergo a thorough review process before the College executes a contractual agreement. Contracts are first reviewed by the initiating department personnel such as vice president, dean, director, manager, or supervisor. If approved through this initial review, contracts are then forwarded by the manager's staff to the vice president of finance and administrative services for final review and authorization. If the contractual agreement necessitates a more thorough analysis, the vice president of finance and administrative services may involve the District's legal counsel. In general, contracts are reviewed by the vice president of finance and administrative services to ensure fairness, allowing each party to function at its highest level of honesty and integrity. Contracts contain language regarding mutual indemnification and hold harmless agreement clauses, insurance requirements, and appropriate termination clauses, for cause or for convenience. All authorized contracts, in accordance with the above procedures, are then submitted to the Board of Trustees for ratification, per [Board Policy 6340, Contracts](#)<sup>52</sup>.

A wide range of interest groups participate in the College's auxiliary activities and fundraising efforts. These groups represent a broad cross-section of college programs, including athletics, fine and performing arts, and student organizations. Each of these groups reflects the institution's mission and goals. The various groups work with the student business office to ensure they understand and comply with all requirements related to financial accounting standards.

The Citrus Community College Foundation is a separate legal entity with 501(c)(3) status and has its own Board of Directors. The foundation's board is responsible for overseeing the management of foundation investments and distributing the income in accordance with donor wishes. The foundation is the major fundraising entity that supports the College, students and faculty by providing scholarships for students, financing initiatives that foster innovative learning, student success and completion, and funding capital improvements. The foundation prepares an [annual report](#)<sup>53</sup>. The foundation board meets quarterly and is subject to an annual audit independent of the annual College audit.

The majority of the District's cash is invested with the Los Angeles County Treasurer, as part of the educational investment pool. This is in accordance with [Administrative Procedure 6320, Investments](#)<sup>54</sup>. The District maintains some investments in Futuris for its irrevocable trust for retiree health benefits. The District monitors these [investments](#)<sup>55</sup> on a quarterly basis and reevaluates the funds' performance regularly to ensure that the investments continue to meet the District's needs.

The final fiscal responsibility for the College rests with the vice president of finance and administrative service, the superintendent/president and the Citrus Community College District Board of Trustees, which reviews budget reports, as well as reports on financial aid, auxiliary services and the foundation. All grants and externally funded programs and contractual relationships must be approved by the Board of Trustees. Creating budgets for grants and other externally funded projects, issuing purchase orders, and payments to contractors and vendors depend upon board approval and are evidence that the College's established fiscal procedures have been followed.

The College meets the Standard.

**Analysis and Evaluation**

Citrus College practices effective oversight of its finances through regular review and reporting. The College has adequate internal controls in place to assess the use of financial resources. Results of the annual external audits have consistently yielded unqualified (or unmodified as of 2012-2013) opinions, the highest level opinion possible, in all areas including compliance with state and federal awards. The College ensures that all financial resources, including auxiliary

and grant funds, are used with integrity and in a manner consistent with the institutional mission and goals. In addition, Citrus College has appropriate review and approval processes in place to ensure that all grant activities and fundraising efforts support the programs and services of the institution. Evidence of this is found in the favorable results of the annual external audits, which are approved by the Board of Trustees.

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**III.D.3.c. The institution plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee related obligations.**

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**Evidence of Meeting the Standard**

Citrus College allocates appropriate current resources for all current liabilities and reports these amounts within its annual financial statements. In addition, the College carefully monitors any long-term liabilities to ensure adequate resources are appropriated for when those amounts become due. The College's long-term liabilities, as of June 30, 2014, are as follows:

	<b>Balance as of June 30, 2014</b>
Measure G General Obligation Bonds	\$ 99,973,926
Compensated Absences	\$ 1,165,026
<b>Total</b>	<b>\$ 101,138,952</b>

The Measure G General Obligation Bond liabilities are liquidated through the collection of property taxes as administered by the Los Angeles County Assessor's Office.

Compensated absence liabilities are accumulated unpaid employee vacations. This ongoing liability is increased as employees earn vacation hours and is reduced as employees use vacation hours. Cash payouts are only made when hours remain on balance when an employee separates from the College. Annual budget and cash flow monitoring ensures sufficient resources are available to make these vacation payouts whenever necessary. In addition, the College limits its liability for vacation payouts by limiting the total number of vacation hours allowed to be carried forward from one year to the next to 44 days. This limitation is delineated in [Administrative Procedure 7504, Vacation: Classified Administrator/Manager, and Supervisor/Confidential](#)<sup>56</sup>.

The College meets the Standard.

### **Analysis and Evaluation**

The Measure G General Obligation Bond liabilities are repaid from property tax collections through the Los Angeles County Assessor's Office. Citrus College monitors the assessed valuations of property within its service area as an indication of future property tax revenues. The College works with bond underwriters for any bond issuances, ensuring the use of conservative assessed valuation projections. The College ensures every effort is made to mitigate the tax burden on district property tax payers while ensuring a successful capital construction program in accordance with the locally supported bond measure. In April 2013,

the College issued a refunding bond to refund the remaining portion of its Measure G Series A bonds to save taxpayers a portion of future bond repayment costs.

Citrus College does not have a liability obligation for Other Post-Employment Benefits (OPEB) per Governmental Accounting Standards Board (GASB) provisions because the College has contributed in excess of its [Annual Required Contribution](#)<sup>57</sup> and thus has an OPEB asset rather than an OPEB liability. As of June 30, 2014, the College's OPEB asset was \$1.9 million. In addition, the College has been contributing to an OPEB irrevocable trust, Futuris. As of September 30, 2014, the College has made cumulative contributions into the Futuris Benefit Trust totaling \$4.7 million and has an accumulated portfolio investment value of \$5.5 million.

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### **III.D.3.d. The actuarial plan to determine Other Post-Employment Benefits (OPEB) is prepared, as required by appropriate accounting standards.**

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#### **Evidence of Meeting the Standard**

In accordance with Governmental Accounting Standards Board (GASB) Statements 43 and 45, Citrus College retains the services of an independent actuarial firm, Total Compensation Systems, Inc., to perform an actuarial valuation of its post-employment benefit plan every two years. The College's most recent [actuarial study](#)<sup>58</sup> was prepared in 2014 and previous studies, since the effective date of GASB 43 and 45, were conducted in 2012 and 2010.

The College meets the Standard.

### Analysis and Evaluation

As of May 1, 2014, the most recent actuarial valuation date, the College's annual OPEB cost was \$1,470,533 and the College contributed a total of \$2,663,854. Thus, as of June 30, 2014, the College had

a net OPEB asset of \$1,903,157. The College has made significant strides in funding its OPEB liability, exceeding its Annual Required Contribution (ARC) in each of the last three fiscal years, as summarized in the following table.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/2012	\$ 1,451,104	68.9%	\$ 729,801
6/30/2013	\$ 1,338,523	98.5%	\$ 709,836
6/30/2014	\$ 1,470,533	181.1%	\$ 1,903,157

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**III.D.3.e. On an annual basis, the institution assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect the financial condition of the institution.**

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### Evidence of Meeting the Standard

Per the District's most recent [external audit report](#)<sup>59</sup>, the total value of all locally incurred debt instruments, as of June 30, 2014, is \$101.1 million, of which the current portion (amount due within one year) is \$2.8 million. The breakdown of this total by debt instrument type is as follows:

	Balance as of June 30, 2014	Amount Due Within One Year
Measure G General Obligation Bonds	\$ 99,973,926	\$ 2,110,000
Compensated Absences	\$ 1,165,026	\$ 678,780
<b>Total</b>	<b>\$ 101,138,952</b>	<b>\$ 2,788,780</b>

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The District considers its overall financial condition on a regular basis and operates under a conservative, fiscally sound management philosophy. As such, the District has not historically entered into debt instruments or incurred debt at a level that would have a significant effect on the overall financial condition of the institution.

The College meets the Standard.

### Analysis and Evaluation

The Measure G General Obligation Bond liability does not have a direct effect on the financial condition of the institution as it is an obligation to be repaid from property tax collections through the Los

Angeles County Assessor’s Office. The county assesses and handles the collection of property taxes for annual bond payments related to the District’s Bond Measure G. The county handles the bond repayments through the Bond Interest and Redemption Fund, having no financial impact on the District’s general fund.

The current portion of the District’s liability for compensated absences represents a minimal amount of the overall annual, ongoing, unrestricted general fund budget: approximately one percent. At such a small percentage, this debt does not have a significant effect on the overall financial condition of the institution.

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**III.D.3.f. Institutions monitor and manage student loan default rates, revenue streams, and assets to ensure compliance with federal requirements.**

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**Evidence of Meeting the Standard**

Citrus College monitors and manages student loan default rates, revenue streams, and assets to ensure compliance with federal requirements. The College practice is to be diligent in following up with student loan applicants who are selected for verification. The College uses the services of Parker, Pierson & Associates, a consulting firm that analyzes data received from the College to report on any potential defaults. The College informs students that they should seek all other available financial aid resources before applying for a loan.

The College meets the Standard.

**Analysis and Evaluation**

Citrus College monitors and manages student loan default rates, revenue streams, and assets to ensure compliance with federal requirements.

The Citrus College student loan default rate for the past three years is as follows:

	Cohort Year 2008-09	Cohort Year 2009-10	Cohort Year 2010-11
Loan default rate	15.9%	17.5%	10.5%

These rates are well below the maximum default rate of 30 percent.

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**III.D.3.g. Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.**

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**Evidence of Meeting the Standard**

Contracts with external agencies are consistent with the mission and goals of

Citrus College. The College has a variety of contractual agreements, ranging from purchase orders to construction contracts and including consultant contracts, service contracts, and lease purchase agreements. Contracts with external entities follow a specific form that maintains the integrity of the institution. The vice president of finance and administrative services reviews all contracts prior to board approval or ratification. To limit liability

for the College, legal counsel has reviewed the standard agreement used to employ external entities. Furthermore, the number of people who have been designated a legal signatory is limited to a few senior administrators.

The [Purchasing Handbook](#)<sup>60</sup> defines bidding and expenditure limits of purchasing activities. The Purchasing Department is responsible for ensuring that the College obtains the best possible price while adhering to state regulations. The purchasing department employs both formal and informal bidding processes, depending upon the projected cost of a purchase order or if it falls above or below the state-mandated threshold requiring competitive bidding.

Consistent with established district wide procedures, Citrus College personnel submit a requisition for purchase via the software program ESCAPE. Each request goes through appropriate channels for authorization. Once authorized, the requisition goes to the budget supervisor who, in turn, checks whether funds are available and that the purchase is coded correctly. The purchasing department then reviews all requests for expenditures and ensures the best price possible. The Purchasing Department sends purchase orders to the Accounts Payable Department to process invoices upon confirmation of receipt of the purchased items. All purchase orders are ratified by the Board of Trustees and recorded in the [board minutes](#)<sup>61</sup> for public review.

The Purchasing Department and the Office of the Vice President of Finance and Administrative Services are responsible for reviewing all contractual agreements with external entities for compliance with established codes, regulations, policies,

and procedures including indemnification, termination, and hold-harmless clauses. After review, the contract documents are prepared by the director of purchasing and warehouse for signature of the vice president of finance and administrative services to commit the District to expend or accept receipt of funds. The Purchasing Department follows all established guidelines ensuring that all contractors are licensed and approved to perform the services specified and, when necessary, have appropriate insurance to cover the students, staff, and the College.

Contracts over \$15,000 require either the use of a public government contract or a bid process, with the award going to the lowest bidder. Large equipment purchases and construction contracts constitute the majority of bids the College solicits. This process affects planning to the extent that extra time must be built in for any purchase or project requiring a bid process.

The College meets the Standard.

### **Analysis and Evaluation**

Citrus College ensures that all contractual agreements with external entities are consistent with the mission and goals of the institution. The College follows specified processes when it enters into and monitors contractual agreements. The Business Office ensures that contractual agreements with external entities are carried out properly.

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**III.D.3.h. The institution regularly evaluates its financial management practices, and the results of the evaluation are used to improve internal control structures.**

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**Evidence of Meeting the Standard**

Citrus College regularly evaluates its financial management processes. Annual audits are the primary external sources for evaluating financial management processes. The College uses feedback and findings from the [audit](#)<sup>62</sup> to improve financial management. In addition to the annual audit, many categorical programs, particularly financial aid, have specific independent audits. Sources of informal evaluation include feedback from the program review process, the Financial Resources Committee, and college wide climate surveys. Finally, on an as-needed basis, management in the financial area of business services identifies certain topics to be examined and reviewed.

The Board of Trustees approves both a [tentative budget](#)<sup>63</sup> and an [adopted budget](#)<sup>64</sup> each fiscal year. The vice president of finance and administrative services provides [quarterly fiscal reports](#)<sup>65</sup> to the board.

Once the annual budgets are loaded into the accounting systems, budget printouts can be accessed through the PeopleSoft financial system for reference and review. Throughout the fiscal year, constant monitoring of salary adjustments due to bargaining unit negotiations, step and column increases, retirement, anniversary steps, and resignations impact the operating budgets as well as all expenditures.

The various departments on campus support and are an integral part of the financial management system. The purchasing department plays a large role in this support system by assigning a purchase order to all requests and providing the initiator with a copy. The requisition and purchase order numbers are used to track activity and location of the item. The purchasing and fiscal services departments communicate regularly regarding the status of purchase orders and to evaluate and improve the district's procurement process.

The College meets the Standard.

**Analysis and Evaluation**

The College completes an annual evaluation and [audit](#)<sup>66</sup> of the financial management processes. The College then uses the results of audits to improve its financial management systems. The Business Office, cost center managers, and the College at large, have reliable, timely, responsive, and comprehensive data on which to make prudent budgetary decisions. All staff members have the ability to compare budget to actual expenditures on a regular basis. All payroll posting and subsequent reporting is processed through Los Angeles County's human resource system.

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**III.D.4. Financial resource planning is integrated with institutional planning. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement of the institution.**

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**Evidence of Meeting the Standard**

Financial resource planning at Citrus College is integrated with institutional planning, and the College systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement of the institution. Linking financial planning to institutional planning is important in the decision-making process. The College has established a culture of annual and ongoing planning based on mission, goals, program reviews, presidential priorities, and board goals that drive budget development and resource allocation decisions. The planning tools that drive financial planning include the [2011-2020 Educational and Facilities Master Plan](#)<sup>67</sup>, [Educational Master Plan 2009-2014](#)<sup>68</sup>, [Technology Master Plan 2009-2014](#)<sup>69</sup>, [Strategic Plan](#)<sup>70</sup>, and [Adopted Budget](#)<sup>71</sup>.

Academic and facility needs are linked to and drive the budget process. In order to ensure that the financial planning and budget priorities address current and long-term needs, the College has established several processes that facilitate the budget building process. The College identifies goals in any given budget cycle through an annual review of goals and previous year goals achieved. The planning process is highly participatory involving many constituencies of the College.

The Educational and Facilities Master Plan documents and projects campus facilities requirements to reach the enrollment forecast of 17,760 students by 2020. Since its adoption in 2011, the Educational and Facilities Master Plan list of projects has driven resource allocation at the Citrus College. The Administration Building renovation was completed in 2014, the Fine Arts Building is underway, and the Hayden Hall renovation project is in the design phase. The 2004, Bond Measure G for \$121 million in capital improvement projects increased the ability of Citrus College to implement projects listed in the Educational and Facilities Master Plan 2001. New buildings include campus safety, vocational technology, student services, and east campus public restrooms.

The [Financial Resources Committee](#)<sup>72</sup>, comprised of representatives from all College constituency groups including management, supervisors, faculty, classified, and associated students of Citrus College, is responsible for reviewing expenditures and income, making recommendations, and informing the various constituent groups of the status of funding and expenditures and any modifications made to the budget throughout the year in response to funding changes. Discussions focus on state and local funding and the noncollective bargaining parts of the expenditure budget. The committee identifies institutional needs and discusses and generates budget assumptions in order to ensure that priorities and decisions meet the College mission and goals.

The College meets the Standard.

## Analysis and Evaluation

There is evidence that financial planning is integrated with and supports institutional planning. As indicated by the request for augmentations to instructional and student services area budgets and programs through program review, the College's financial planning supports institutional goals and student learning outcomes.

The annual budget is sufficient to meet expenditure requirements and has been enough to enhance programs, add new programs, and increase student and faculty support for the past five years.

In terms of involvement in the budget process, only 19.6 percent of the respondents in the [2014 All-Employee Survey](#)<sup>73</sup> disagreed that they have sufficient opportunities to participate in the development of College financial plans and budgets and 27.6 percent of respondents cited “don't know” or “not

applicable.” When compared to the 2007 All Employee Survey, these results indicate that communication is improving in regards to the budget processes through such mechanisms as shared governance committees and open forums.

Transparency is one of the six focus areas in the Strategic Plan 2011-2016, and it has been the role of the financial resources committee to address these concerns through the years. An integral part of this focus is within the development tab of the [Annual Adopted Budget](#)<sup>74</sup> book, which includes various documents implemented during the budget process. Included in the budget book are the budget calendar, budget assumptions, and a budget calendar flowchart that details the process and decisions from inception to completion of the Annual Adopted Budget. The budget calendar [flowchart](#)<sup>75</sup> is published in the Organizational and Governance Handbook.

## Evidence

III-D-1	<a href="#">Citrus College Adopted Budget 2014-2015</a>
III-D-2	<a href="#">Integrated Planning Manual 2014-2015</a>
III-D-3	<a href="#">Finance &gt; Budget Forum September 2, 2014</a>
III-D-4	<a href="#">Budget Development Assumptions 2014-2015</a>
III-D-5	<a href="#">Strategic Plan 2011-2016</a>
III-D-6	<a href="#">Strategic Planning &gt; Annual Implementation Plan</a>
III-D-7	<a href="#">Educational and Facilities Master Plan 2011-2020</a>
III-D-8	<a href="#">Human Resources &gt; H R Plan 2013-2018</a>
III-D-9	<a href="#">Technology and Computer Services Master Plan Index</a>
III-D-10	<a href="#">Integrated Planning Manual 2014-2015</a>
III-D-11	<a href="#">Organization and Governance Handbook</a>
III-D-12	<a href="#">Citrus College Board Policy BP 7201</a>
III-D-13	<a href="#">Citrus College Administrative Procedure AP 7201</a>
III-D-14	<a href="#">Finance &gt; Budget Forum September 2, 2014</a>
III-D-15	<a href="#">Integrated Planning Manual 2014-2015</a>
III-D-16	<a href="#">Strategic Plan 2011-2016</a>
III-D-17	<a href="#">Program Review Recommendations</a>
III-D-18	<a href="#">Budget Calendar Flowchart 2014-2015</a>
III-D-19	<a href="#">Organization and Governance Handbook</a>
III-D-20	<a href="#">LiveOak Two-Page Screenshot</a>
III-D-21	<a href="#">Program Review Recommendations, Composite</a>
III-D-22	<a href="#">Finance &gt; Budget Forum September 2, 2014</a>
III-D-23	<a href="#">Finance &gt; Budget Forum Index</a>
III-D-24	<a href="#">Citrus College Adopted Budget 2014-2015</a>
III-D-25	<a href="#">Finance &gt; Audit Report 2014</a>
III-D-26	<a href="#">Actuarial Study, Retiree Health Liabilities – Index</a>
III-D-27	<a href="#">Finance &gt; Budget Forum September 2, 2014</a>
III-D-28	<a href="#">Organization and Governance Handbook</a>
III-D-29	<a href="#">Citrus College Adopted Budget 2014-2015</a>
III-D-30	<a href="#">Strategic Plan 2011-2016</a>
III-D-31	<a href="#">Educational and Facilities Master Plan 2011-2020</a>
III-D-32	<a href="#">Citrus College Board of Trustees: Directory of Minutes</a>
III-D-33	<a href="#">Expense List by Fund, March 31, 2015</a>
III-D-34	<a href="#">Revenue List by Fund, March 31, 2015</a>
III-D-35	<a href="#">Finance &gt; Budget Forum Index</a>
III-D-36	<a href="#">Budget Calendar 2014-2015</a>
III-D-37	<a href="#">Finance &gt; Independent Audit Report Index</a>
III-D-38	<a href="#">Financial Resources Committee Quarterly Reports – Index</a>
III-D-39	<a href="#">Citrus College Mission, Vision, Values</a>
III-D-40	<a href="#">Finance &gt; Independent Audit Report Index</a>
III-D-41	<a href="#">Purchasing Services Manual</a>
III-D-42	<a href="#">Finance &gt; Bond Oversight Committee – Home</a>
III-D-43	<a href="#">Finance &gt; Bond Oversight Committee &gt; Document Library</a>
III-D-44	<a href="#">Financial Resources Committee Quarterly Reports – Index</a>
III-D-45	<a href="#">Organization and Governance Handbook</a>
III-D-46	<a href="#">Finance &gt; Independent Audit Report Index</a>
III-D-47	<a href="#">Finance &gt; Independent Audit Report Index</a>
III-D-48	<a href="#">Cash Flow Report, Fund 01</a>

- III-D-49 [Citrus College Board of Trustees Agenda, June 17, 2014](#)
- III-D-50 [Finance > Independent Audit Report Index](#)
- III-D-51 [Finance > Independent Audit Report Index](#)
- III-D-52 [Citrus College Board Policy BP 6340](#)
- III-D-53 [Foundation > Reports to the Community](#)
- III-D-54 [Citrus College Administrative Procedure AP 6320](#)
- III-D-55 [Futuris, Directory of Quarterly Reports](#)
- III-D-56 [Citrus College Administrative Procedure AP 7504](#)
- III-D-57 [Actuarial Study of Retiree Health Liabilities, July 15, 2014](#)
- III-D-58 [Actuarial Study, Retiree Health Liabilities – Index](#)
- III-D-59 [Finance > Bond Oversight Committee > Document Library](#)
- III-D-60 [Purchasing Services Manual](#)
- III-D-61 [Citrus College Board of Trustees: Directory of Minutes](#)
- III-D-62 [Finance > Independent Audit Report Index](#)
- III-D-63 [Citrus College Board of Trustees Agenda, June 17, 2014](#)
- III-D-64 [Citrus College Board of Trustees Agenda, September 9, 2014](#)
- III-D-65 [Financial Resources Committee Quarterly Reports – Index](#)
- III-D-66 [Finance > Independent Audit Report Index](#)
- III-D-67 [Educational and Facilities Master Plan 2011-2020](#)
- III-D-68 [Educational Master Plan 2009](#)
- III-D-69 [Technology and Computer Services, Master Plan Index](#)
- III-D-70 [Strategic Plan 2011-2016](#)
- III-D-71 [Citrus College Adopted Budget 2014-2015](#)
- III-D-72 [Organization and Governance Handbook](#)
- III-D-73 [Citrus College All-Employee Survey 2014](#)
- III-D-74 [Citrus College Adopted Budget 2014-2015](#)
- III-D-75 [Budget Calendar Flowchart 2014-2015](#)