



To the Governing Board  
and the Citizen's Oversight Committee  
of the Contra Costa Community College District

We have audited the financial statements of the of Contra Costa Community College District 2006, Measure A bond capital outlay fund for the year ended June 30, 2009, and have issued our report thereon dated March 17, 2010. Professional standards require that we provide you with the following information related to our audit.

*Our Responsibility under U.S. Generally Accepted Auditing Standards*

As stated in our engagement letter dated April 28, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

*Planned Scope and Timing of the Audit*

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters in December 2009.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Contra Costa Community College District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 17, 2010.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

This information is intended solely for the use of the Governing Board, Oversight Committee, and management of Contra Costa Community College District and is not intended to be and should not be used by anyone other than these specified parties.

Vavinek, Trine, Day & Co LLP

Pleasanton, California  
March 17, 2010

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
2006 BOND**

**SUMMARY OF UNADJUSTED DIFFERENCES  
JUNE 30, 2009**

<b>Fund: 2006 Bond</b>						
Description of Audit Difference	Cause	W/P Ref.	Financial Statements Effects			
			Total Assets	Total Liabilities	Fund Balance	Net Income/Loss
Cash in County & LAIF	Districts typically do not record the difference between Fair Market Value and Cost for County Cash funds. This is a difference on \$33M of County Cash between GAAP and industry practice.	I 101	\$ (17,878)	\$ -	\$ (17,878)	\$ (17,878)
Total			(17,878)	-	(17,878)	(17,878)
Financial Statement Caption Totals			\$ 53,440,662	\$ 20,967,210	\$ 32,473,452	\$ (12,952,438)
Net Audit Differences as % of F/S Captions			-0.03%	0.00%	-0.06%	0.14%

**CONTRA COSTA  
COMMUNITY  
COLLEGE DISTRICT**

**CAPITAL OUTLAY –  
BOND FUND 2006 ELECTION  
FINANCIAL REPORT**

**JUNE 30, 2009**

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2006 ELECTION

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JUNE 30, 2009

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VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

## INDEPENDENT AUDITORS' REPORT

Measure A Citizens' Oversight Committee  
And Governing Board  
Contra Costa Community College District  
Martinez, California

We have audited the accompanying financial statements of the capital outlay - bond fund 2006 election of the Contra Costa Community College 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 an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the capital outlay - bond fund 2006 election and are not intended to present fairly the financial position and results of operations of the Contra Costa Community College District in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the capital outlay - bond fund 2006 election of the Contra Costa Community College District at June 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Vavrinek, Trine, Day & Co LLP*

Pleasanton, California  
March 17, 2010

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY - BOND FUND - 2006 ELECTION  
BALANCE SHEET  
JUNE 30, 2009**

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ASSETS

Investments	\$ 53,252,878
Accounts receivable	184,473
Due from other funds	3,311
Total Assets	<u>\$ 53,440,662</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Deficit cash balances	\$ 19,515,540
Accounts payable	1,432,666
Due to other funds	19,004
Total Liabilities	<u>20,967,210</u>

FUND EQUITY

Fund balances	<u>32,473,452</u>
Total Liabilities and Fund Equity	<u>\$ 53,440,662</u>

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

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND – 2006 ELECTION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

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REVENUES

Interest and investment earnings	\$ 1,092,571
Total Revenues	<u>1,092,571</u>

EXPENDITURES

Current	
Payroll and benefits	376,166
Services and operating expenditures	589,918
Capital outlay	<u>13,078,925</u>
Total Expenditures	<u>14,045,009</u>

EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(12,952,438)
FUND BALANCE, BEGINNING OF YEAR	<u>45,425,890</u>
FUND BALANCE, END OF YEAR	<u>\$ 32,473,452</u>

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

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2006 ELECTION

### NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2009**

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#### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies of the Contra Costa Community College District Capital Outlay - Bond Fund 2006 Election conforms to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Contra Costa Community College District capital outlay - bond fund 2006 election accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

#### **Financial Reporting Entity**

These financial statements were prepared to comply with the requirements of proposition 39 related to the 55% voter approval requirements for bond issues and include only the Capital Outlay - Bond Fund 2006 Election established to account for the expenditures of the general obligation bonds approved March 6, 2006. These financial statements are not intended to present fairly the complete financial position and results of operations of the Contra Costa Community College District in conformity with generally accepted accounting principles.

#### **Fund Accounting**

The District accounts for the Capital Outlay – Bond Fund 2006 Election in a fund, which is considered to be a separate accounting entity from all other funds of the District. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. District resources are allocated to and accounted for in individual governmental funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

#### **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.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

#### **Encumbrances**

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2006 ELECTION

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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#### Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not available for appropriation or amounts legally segregated for a specific future use. Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

#### Use of Estimates

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

#### NOTE #2 – INVESTMENTS

**Investment in County Treasury** - The Capital Outlay Bond Fund of the District are considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**Investment in the State Investment Pool** - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

#### General Authorizations

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2006 ELECTION

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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**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 Capital Outlay Bond Fund and the District manages exposure to interest rate risk by depositing substantially all of its funds in the County Treasury Pool and LAIF. The fair value of deposits at the County Treasury and LAIF at June 30, 2009 were \$(19,570,310) and \$53,402,332, respectively, and the weighted average maturity of the pool is less than one year.

**Investments Authorized Under Debt Agreements** - The debt agreement limits investments to the Contra Costa County Investment Pool. The Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the paragraphs below.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The Capital Outlay Bond Fund only invests in County Investment Pool and Local Agency Investment Funds which are not required to be rated.

**Custodial Credit Risk – Deposits** - This is the risk that in the event of a bank failure, the Capital Outlay Bond Fund or District's deposits may not be returned to it. The Capital Outlay Bond Fund does not have any deposits subject to custodial credit risk.

#### *NOTE #3 – ACCOUNTS RECEIVABLE*

Accounts receivable at June 30, 2009, consists of the following:

Interest	<u>\$ 184,473</u>
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#### *NOTE #4 – ACCOUNTS PAYABLE*

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

Vendor payables	\$ 809,371
Construction retentions	<u>623,295</u>
	<u>\$ 1,432,666</u>

#### *NOTE #5 – DUE TO AND TRANSFERS WITH OTHER FUNDS*

As of June 30, 2009, the 2006 bond fund had an amount of \$19,004 due to the Capital Outlay Fund for reimbursement of a portion of the interest earnings and the Capital Outlay fund had \$3,311 due to the 2006 bond fund for reimbursement of expenditures original paid from that fund.

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2006 ELECTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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*NOTE #6 – FUND BALANCES*

Fund balance is composed of the following elements:

Unreserved Undesignated	<u>\$ 32,473,452</u>
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*NOTE #7 – COMMITMENTS AND CONTINGENCIES*

As of June 30, 2009, the 2006 bond fund had the following commitments with respect to unfinished capital projects:

<b>Diablo Valley</b>	
Common area development	\$ 2,588,382
Athletic fields	30,000
Parking lot paving	830,418
<b>Los Medanos</b>	
Athletic fields	256,832
Student Services	1,313,166
Nursing/EMT remodel	500,728
<b>Contra Costa</b>	
Athletic fields	296,752
College Center	25,115
<b>District</b>	
Solar panels and energy measures	245,246
IT Infrastructure	129,167
TOTAL	<u>\$ 6,215,806</u>

**CONTRA COSTA  
COMMUNITY  
COLLEGE DISTRICT**

**CAPITAL OUTLAY –  
BOND FUND 2006 ELECTION  
PERFORMANCE REPORT**

**JUNE 30, 2009**



VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Measure A Citizens' Oversight Committee  
And Governing Board  
Contra Costa Community College District  
Martinez, California

We have performed the agreed-upon procedures listed below, which were agreed to by the management of the Contra Costa Community College District and the Measure A Citizen's Oversight Committee, solely to review at least 25% of the expenditures of the 2006 General Obligation Bond funds for the period of July 1, 2008 through June 30, 2009, for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents, and District resolutions, as guidance for the intended use of the funds. For any expenditures in question, we recommended that the District obtain the opinion of legal counsel and we informed this committee as to the issues. Management is responsible for Contra Costa Community College District's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and is intended to meet the compliance requirements as outlined in subparagraph (c) of paragraph (3) of subdivision (b) of section 1 of Article XIII of the California Constitution. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for either the purpose for which this report has been requested or for any other purpose.

### *Financial Summary*

1. The 2006 general obligation bond funds in the amount of \$286,500,000 were authorized at an election of the registered voters of the District held on March 6, 2006. The first series of the 2006 bonds was issued in August 2007, and in the principal amount of \$73,000,000.

2. Total expenditures and encumbrances through June 30, 2009, were \$56,816,934 and are summarized as follows:

Expenditures	Prior Periods	7/1/08 to 6/30/09	Total
Salary and benefits	\$ 320,042	\$ 376,166	\$ 696,208
Services and operating expenses	89,619	589,918	679,537
Capital outlay	21,187,641	13,078,925	34,266,566
Total expenditures	21,597,302	14,045,009	35,642,311
Transfer out to Measure A Fund	14,958,817	-	14,958,817
Total expenditures and other uses	\$ 36,556,119	\$ 14,045,009	50,601,128
Contract commitments, June 30, 2009			6,215,806
Total expenditures and commitments			\$ 56,816,934

	Prior Periods	7/1/08 to 6/30/09	Total
Net available proceeds for construction	\$ 73,000,000	\$ -	\$ 73,000,000
Local revenue	7,151,002	-	7,151,002
Interest earned	1,831,007	1,092,571	2,923,578
Total revenues received	\$ 81,982,009	\$ 1,092,571	83,074,580
Total expenditures and commitments			(56,816,934)
Amount available			\$ 26,257,646

*Agreed Upon Procedures Performed*

1. Verify that the expenditure of funds was accounted for separately in the accounting records to allow for accountability.
2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts by obtaining settlement statement for the new bond issue and verifying amounts deposited into the building and bond interest and redemption funds.
3. Select 25% of the expenditures and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials, and district resolutions. See supplemental information for list of expenditures reviewed.
4. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

*Results of Procedures*

1. The general obligations bond fund expenditures were accounted for separately in the capital outlay - bond fund of the District.
2. There were no proceeds from the sale of general obligation bonds during the year.

- 
3. Our review of the expenditures for the period July 1, 2008, through June 30, 2009, did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds as approved by the registered voters of the District on March 6, 2006. We did not request that management of the District consult with legal counsel on any expenditure during the current period.
  4. Our review of the policies over awarding of contracts revealed no exceptions to the policies of the District or the requirements of the State as they relate to awarding of contracts. Our review of the District policies over disbursement of funds revealed no exceptions to the disbursement policies of the District.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Contra Costa Community College District and the Measure A Citizen's Fiscal Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavinek, Trine, Day & Co LLP

Pleasanton, California  
March 17, 2010

# CONTRA COSTA COMMUNITY COLLEGE

## BOND FUND, 2006 ELECTION INVOICES SELECTED FOR THE YEAR ENDED JUNE 30, 2009

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Date	Warrant #	Payee	Project	Amount
6/9/2009	V0737841	Chevron	Solar Panels & Engineering	\$ 631,589.40
6/15/2009	V0792839	Parson's Brinckeroff Construction	Construction on Call Services	32,902.82
8/27/2008	V0731894	TBP Architect	LMC Track & Field Improvements	612,643.32
11/4/2008	V0751689	TBP Architect	LMC Track & Field Improvements	608,807.40
11/26/2008	V0755167	TBP Architect	LMC Track & Field Improvements	730,823.00
11/8/2008	V0757555	TBP Architect	LMC Track & Field Improvements	393,658.00
11/30/2008	V0766170	TBP Architect	LMC Track & Field Improvements	316,194.17
10/13/2008	V0746973	Bay Cities Paving	CCC Track & Field Improvements	310,297.00
10/31/2008	V0755157	Bay Cities Paving	CCC Track & Field Improvements	510,982.46
12/18/2008	V0758261	Bay Cities Paving	CCC Track & Field Improvements	758,474.04
2/18/2008	V0776293	Bay Cities Paving	CCC Track & Field Improvements	458,460.66
12/15/2008	V0757430	TBP Architect	LMC Track & Field Improvements	685,964.90
4/30/2009	Salary	Sandra Smith	Bond Budget Controls Manager	<u>3,669.00</u>
			Total tested	\$ 6,054,466
			Total expenditures	<u>\$ 14,045,009</u>
			Percent tested	<u>43.1%</u>



To the Governing Board  
and the Citizen's Oversight Committee  
of the Contra Costa Community College District

We have audited the financial statements of the of Contra Costa Community College District 2002, Measure A bond capital outlay fund for the year ended June 30, 2009, and have issued our report thereon dated March 17, 2010. Professional standards require that we provide you with the following information related to our audit.

*Our Responsibility under U.S. Generally Accepted Auditing Standards*

As stated in our engagement letter dated April 28, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

*Planned Scope and Timing of the Audit*

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*Qualitative Aspects of Accounting Practices*

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*Difficulties Encountered in Performing the Audit*

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*Disagreements with Management*

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Vavrinek, Trine, Day & Co LLP

Pleasanton, California  
March 17, 2010

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
2002 BOND**

**SUMMARY OF UNADJUSTED DIFFERENCES  
JUNE 30, 2009**

<b>Fund: 2002 Bond</b>						
Description of Audit Difference	Cause	W/P Ref.	Financial Statements Effects			
			Total Assets	Total Liabilities	Fund Balance	Net Income/Loss
Cash in County	Districts typically do not record the difference between Fair Market Value and Cost for County Cash funds. This is a difference on \$19M of County Cash between GAAP and industry practice.	I 101	\$ 53,501	\$ -	\$ 53,501	\$ 53,501
Total			\$ 53,501	\$ -	\$ 53,501	\$ 53,501
Financial Statement Caption Totals			20,588,799	1,238,071	19,350,728	(2,050,084)
Net Audit Differences as % of F/S Captions			0.26%	0.00%	0.28%	-2.61%

**CONTRA COSTA  
COMMUNITY  
COLLEGE DISTRICT**

**CAPITAL OUTLAY –  
BOND FUND 2002 ELECTION  
FINANCIAL REPORT**

**JUNE 30, 2009**

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2002 ELECTION

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VALUE THE DIFFERENCE

## INDEPENDENT AUDITORS' REPORT

Governing Board and  
Measure A Citizens' Oversight Committee  
Contra Costa Community College District  
Martinez, California

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As discussed in Note 1, the financial statements present only the capital outlay - bond fund 2002 election and are not intended to present fairly the financial position and results of operations of the Contra Costa Community College District in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the capital outlay - bond fund 2002 election of the Contra Costa Community College District at June 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Vavrinek, Trine, Day & Co LLP*

Pleasanton, California  
March 17, 2010

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY - BOND FUND 2002 ELECTION  
BALANCE SHEET  
JUNE 30, 2009**

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ASSETS

Investments	\$ 19,063,490
Interest receivable	18,952
Due from other funds	209,196
Other assets	<u>1,297,161</u>
Total Assets	<u>\$ 20,588,799</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 952,520
Due to other funds	<u>285,551</u>
Total Liabilities	<u>1,238,071</u>

FUND EQUITY

Fund balances	<u>19,350,728</u>
Total Fund Equity	<u>19,350,728</u>
Total Liabilities and Fund Equity	<u>\$ 20,588,799</u>

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

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2002 ELECTION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

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REVENUES

Interest income	\$ 152,190
Total Revenues	<u>152,190</u>

EXPENDITURES

Current	
Payroll and benefits	17,427
Services and operating expenditures	273,660
Capital outlay	<u>1,911,187</u>
Total Expenditures	<u>2,202,274</u>

EXCESS OF REVENUES OVER/  
(UNDER) EXPENDITURES

(2,050,084)

FUND BALANCE, BEGINNING OF YEAR

21,400,812

FUND BALANCE, END OF YEAR

\$ 19,350,728

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

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2002 ELECTION

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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#### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies of the Contra Costa Community College District Capital Outlay - Bond Fund 2002 Election conforms to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Contra Costa Community College District Capital Outlay - Bond Fund 2002 Election accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

#### **Financial Reporting Entity**

These financial statements were prepared to comply with the requirements of proposition 39 related to the 55% voter approval requirements for bond issues and include only the Capital Outlay - Bond Fund 2002 Election established to account for the expenditures of the general obligation bonds approved in March 5, 2002. These financial statements are not intended to present fairly the complete financial position and results of operations of the Contra Costa Community College District in conformity with generally accepted accounting principles.

#### **Fund Accounting**

The District accounts for the Capital Outlay – Bond Fund 2002 Election in a fund, which is considered to be a separate accounting entity from all other funds of the District. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. District resources are allocated to and accounted for in individual governmental funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

#### **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.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

#### **Encumbrances**

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

# CONTRA COSTA COMMUNITY COLLEGE DISTRICT

## CAPITAL OUTLAY – BOND FUND 2002 ELECTION

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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#### **Fund Balance Reserves and Designations**

Reservations of the ending fund balance indicate the portions of fund balance not available for appropriation or amounts legally segregated for a specific future use. Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

#### **Use of Estimates**

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

#### *NOTE #2 – INVESTMENTS*

**Investment in County Treasury** - The Capital Outlay Bond Fund of the District are considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**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 Capital Outlay Bond Fund and the District manages exposure to interest rate risk by depositing substantially all of its funds in the County Treasury Pool. The fair value of deposits at the County Treasury at June 30, 2009 was \$19,116,992 and the weighted average maturity of the pool is less than one year.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The Capital Outlay Bond Fund only invests in County Pooled Investment Funds which are not required to be rated.

**Custodial Credit Risk – Deposits** - This is the risk that in the event of a bank failure, the Capital Outlay Bond Fund or District's deposits may not be returned to it. The Capital Outlay Bond Fund does not have any deposits subject to custodial credit risk.

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2002 ELECTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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*NOTE #3 – ACCOUNTS RECEIVABLE*

Accounts receivable at June 30, 2009, consists of the following:

Interest	<u>\$ 18,952</u>
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*NOTE #4 – INTERFUND TRANSACTIONS*

*Interfund receivables/payables (Due To/Due From)*

As of June 30, 2009, the 2002 Election has an amount of \$209,196 due from Capital Outlay Fund 41 for furniture and fixture costs assumed by the Capital Outlay Fund 41. In addition, there is \$285,551 due to Capital Outlay Fund 41 to reimburse for construction expenditures funded by bond funds that were originally recorded as Capital Outlay Fund expenditures.

*NOTE #5 – ACCOUNTS PAYABLE*

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

Vendor payables	\$ 278,654
Construction retention	<u>673,866</u>
Total accounts payable	<u>\$ 952,520</u>

*NOTE #6 – FUND BALANCES*

Fund balance is composed of the following elements:

Unreserved Undesignated	<u>\$ 19,350,728</u>
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**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**

**CAPITAL OUTLAY – BOND FUND 2002 ELECTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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*NOTE #7 – COMMITMENTS AND CONTINGENCIES*

As of June 30, 2009, the 2002 capital outlay fund had the following commitments with respect to unfinished capital projects:

<u>Description</u>	<u>Amount</u>
<b>Diablo Valley</b>	
Parking island landscaping	\$ 490,350
<b>Los Medanos</b>	
Core building	365,846
Scoreboard	3,916
Science building	15,000
Learning resource center	134,669
Art area remodel	156,659
<b>Contra Costa</b>	
Student services	378,820
Library building	1,100
Bio Science building	216,903
Liberal Arts building seismic work	118,994
<b>Campus Projects</b>	
EETEC	8,603
Generator	35,006
New irrigation	15,100
Replace 2 airconditioning units - Music Building	33,758
<b>TOTAL</b>	<u><u>\$ 1,974,724</u></u>

**CONTRA COSTA  
COMMUNITY  
COLLEGE DISTRICT**

**CAPITAL OUTLAY –  
BOND FUND 2002 ELECTION  
PERFORMANCE REPORT**

**JUNE 30, 2009**



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Measure A Citizens' Oversight Committee  
And Governing Board  
Contra Costa Community College District  
Martinez, California

We have performed the agreed-upon procedures listed below, which were agreed to by the management of the Contra Costa Community College District and the Measure A Citizen's Oversight Committee, solely to review at least 25% of the expenditures of the 2002 General Obligation Bond funds for the period of July 1, 2008 through June 30, 2009, for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents, and District resolutions, as guidance for the intended use of the funds. For any expenditures in question, we recommended that the District obtain the opinion of legal counsel and we informed this committee as to the issues. Management is responsible for Contra Costa Community College District's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and is intended to meet the compliance requirements as outlined in subparagraph (c) of paragraph (3) of subdivision (b) of section 1 of Article XIII of the California Constitution. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for either the purpose for which this report has been requested or for any other purpose.

*Financial Summary*

1. The 2002 general obligation bond funds in the amount of \$120,000,000 were authorized at an election of the registered voters of the District held on March 5, 2002. The first series of the 2002 bonds was issued in July 2002 and in the principal amount of \$50,000,000. The second series of the 2002 bonds was issued in August 2004 and in the principal amount of \$45,000,000. The third series of the 2002 bonds was issued in May 2006 and in the principal amount of 25,000,000.

- Total expenditures and encumbrances through June 30, 2009, were \$125,495,377 and are summarized as follows:

Expenditures	Prior Periods	7/1/08 to 6/30/2009	Total
Salary and benefits	\$ 30,334	\$ 17,427	\$ 47,761
Services and operating expenses	645,315	273,660	918,975
Capital outlay	120,642,730	1,911,187	122,553,917
Total expenditures and other uses	<u>\$ 121,318,379</u>	<u>\$ 2,202,274</u>	123,520,653
Contract commitments, June 30, 2009			1,974,724
Total expenditures and commitments			<u>\$ 125,495,377</u>

	Prior Periods	7/1/08 to 6/30/2009	Total
Net available proceeds for construction	\$ 120,000,000	\$ -	\$ 120,000,000
Transfer in from Measure A+	14,958,817	-	14,958,817
Local revenue	3,600	-	3,600
Interest earned	7,756,774	152,190	7,908,964
Total revenues received	<u>\$ 142,719,191</u>	<u>\$ 152,190</u>	142,871,381
Total expenditures and commitments			(125,495,377)
Amount available			<u>\$ 17,376,004</u>

*Agreed Upon Procedures Performed*

- Verify that the expenditure of funds was accounted for separately in the accounting records to allow for accountability.
- Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts by obtaining settlement statement for the new bond issue and verifying amounts deposited into the building and bond interest and redemption funds.
- Select 25% of the expenditures and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials, and district resolutions. See supplemental information for list of expenditures reviewed.
- Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

*Results of Procedures*

- The general obligations bond fund expenditures were accounted for separately in the capital outlay - bond fund of the District.
- There were no proceeds from the sale of general obligation bonds during the year.

3. Our review of the expenditures for the period July 1, 2008, through June 30, 2009, did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds as approved by the registered voters of the District on March 5, 2002. We did not request that management of the District consult with legal counsel on any expenditure during the current period.
4. Our review of the policies over awarding of contracts revealed no exceptions to the policies of the District or the requirements of the State as they relate to awarding of contracts. Our review of the District policies over disbursement of funds revealed no exceptions to the disbursement policies of the District.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Contra Costa Community College District and the Measure A Citizen's Fiscal Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California  
March 17, 2010

**CONTRA COSTA COMMUNITY COLLEGE**

**BOND FUND, 2002 ELECTION  
INVOICES SELECTED  
FOR THE YEAR ENDED JUNE 30, 2009**

Date	Warrant #	Payee	Project	Amount
03/16/09	780622	HLC Associates	Project Management Services DVC	\$ 29,820
02/25/09	777584	Gelfand Partners	DVC Planetarium Continuing Work	51,075
12/15/08	775429	Gelfand Partners	Planetarium & Classroom Interior Renovation	68,281
07/28/08	726993	Pasco Scientific	LMC Computer Optic Systems	32,726
10/07/08	745874	Allison & Associates	LMC Science Equipment	22,956
11/26/08	755198	Pasco Scientific	LMC Computer Optic Systems	45,595
03/09/09	779361	Allison & Associates	LMC Science Equipment	70,642
06/04/09	791617	Pasco Scientific	LMC Computer Optic Systems	38,528
06/15/09	792777	VWR International Inc	LMC Instructional Fixtures & Equipment	31,658
03/03/09	778792	TBP Architect	LMC Core Bldg/AV Power & Data Dsgn Srvs	13,650
05/02/09	794921	TBP Architect	LMC Core Bldg Remodel	10,083
12/04/08	755898	Washington International Service	San Pablo Library Renovation	401,285
01/09/09	759346	Washington International Service	San Pablo Library Renovation	177,208
4/3/2009	SALARY	Marcie Lynn Kappell	District Account Bond Specialist	2,083
			Total tested	\$ 995,591
			Total expenditures	\$ 2,202,274
			Percent tested	45.2%