

**CONTRA COSTA
COMMUNITY
COLLEGE DISTRICT**

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

JUNE 30, 2010

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2002 ELECTION

TABLE OF CONTENTS

JUNE 30, 2010

FINANCIAL STATEMENTS

Independent Auditors' Report	1
Capital Outlay - Bond Fund	
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Fund Balance	3
Notes to Financial Statements	4



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

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the capital outlay - bond fund 2002 election of the Contra Costa Community College District, as of and for the year ended June 30, 2010, 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 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, 2010, 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
December 30, 2010

CONTRA COSTA COMMUNITY COLLEGE DISTRICT**CAPITAL OUTLAY - BOND FUND 2002 ELECTION
BALANCE SHEET
JUNE 30, 2010**

ASSETS

Cash	\$ 14,821,142
Accounts receivable	198,218
Due from other funds	12,247
Other assets	384,439
Total Assets	<u>\$ 15,416,046</u>

LIABILITIES AND FUND EQUITY**LIABILITIES**

Accounts payable	\$ 681,244
Due to other funds	413,764
Total Liabilities	<u>1,095,008</u>

FUND EQUITY

Fund balances	<u>14,321,038</u>
Total Fund Equity	<u>14,321,038</u>
Total Liabilities and Fund Equity	<u>\$ 15,416,046</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, 2010

REVENUES

Interest income	\$ 59,448
Total Revenues	<u>59,448</u>

EXPENDITURES

Current	
Payroll and benefits	415,375
Services and operating expenditures	76,622
Capital outlay	<u>3,973,845</u>
Total Expenditures	<u>4,465,842</u>

EXCESS OF REVENUES OVER/

(UNDER) EXPENDITURES (4,406,394)

OTHER FINANCING SOURCES/(USES)

Operating transfers out	(623,296)
Total Other Financing Sources (Uses)	<u>(623,296)</u>

EXCESS OF REVENUES AND OTHER

FINANCING SOURCES OVER/(UNDER) (5,029,690)

EXPENDITURES AND OTHER USES

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR \$ 14,321,038

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, 2010

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, 2010

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, 2010 was \$14,848,997 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 measured 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, 2010

NOTE #3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010, consists of the following:

PGE solar rebates	\$ 185,623
Interest	12,595
	<u>\$ 198,218</u>

NOTE #4 – INTERFUND TRANSACTIONS

Interfund receivables/payables (Due To/Due From)

As of June 30, 2010, the 2002 bond fund has an amount of \$12,247 due from the General fund for interest receivable on country treasury funds. In addition, there is \$413,764 due to the 2006 bond fund for expenses that were reclassified. The 2002 Election transferred \$623,296 to the 2006 Election to separate the construction retentions for the bond funds.

NOTE #5 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2010, consists of the following:

Vendor payables	\$ 296,805
Construction retention	384,439
Total accounts payable	<u>\$ 681,244</u>

NOTE #6 – FUND BALANCES

Fund balance is composed of the following elements:

Unreserved	
Undesignated	<u>\$ 14,321,038</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2002 ELECTION NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE #7 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2010, the 2002 capital outlay fund had the following commitments with respect to unfinished capital projects:

<u>CAPITAL PROJECT</u>		<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
<i>Diablo Valley</i>			
Planeterium	\$	6,076	Jun-11
LHS Ceiling replacement		7,535	Aug-09
Parking island landscaping		4,150	Jun-11
<i>Los Medanos</i>			
Scence building		6,454	Jun-11
Core building remodel		52,490	Sep-10
Art area remodel		592,688	Nov-10
<i>Contra Costa</i>			
Roofing		8,813	Jul-10
Card access		20,487	Dec-10
Parking lot 16		6,302	Aug-10
Applied arts building		957,282	Nov-10
Student services center		16,600	To be determined
Music building		287,708	Dec-14
VA building		77,861	Sep-10
Parking lot repaving		12,869	Jul-10
College center design		3,400,845	Jan-14
Total All Projects	\$	<u><u>5,458,160</u></u>	

**CONTRA COSTA
COMMUNITY
COLLEGE DISTRICT**

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

JUNE 30, 2010



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

VALUE THE DIFFERENCE

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, 2009 through June 30, 2010, 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.

2. Total expenditures and encumbrances through June 30, 2010, were \$134,067,951 and are summarized as follows:

	Prior Periods	7/1/09 to 6/30/2010	Total
Expenditures			
Salary and benefits	\$ 47,761	\$ 415,375	\$ 463,136
Services and operating expenses	918,975	76,622	995,597
Capital outlay	122,553,917	3,973,845	126,527,762
Total expenditures	123,520,653	4,465,842	127,986,495
Transfer to 2006 Bond fund	-	623,296	623,296
Total expenditures and other uses	<u>\$ 123,520,653</u>	<u>\$ 5,089,138</u>	<u>128,609,791</u>
Contract commitments, June 30, 2009			5,458,160
Total expenditures and commitments			<u>\$ 134,067,951</u>
Revenues			
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	7,908,964	59,448	7,968,412
Total revenues received	<u>\$ 142,871,381</u>	<u>\$ 59,448</u>	<u>142,930,829</u>
Total expenditures and commitments			(134,067,951)
Amount available			<u>\$ 8,862,878</u>

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, 2009, through June 30, 2010, 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.

Vawinek, Tripp, Day & Co LLP

Pleasanton, California
December 30, 2010

CONTRA COSTA COMMUNITY COLLEGE**BOND FUND, 2002 ELECTION
INVOICES SELECTED
FOR THE YEAR ENDED JUNE 30, 2010**

Date	Warrant #	Payee	Project	Amount
8/18/09	V0806869	Martinez Sheet Metal Inc.	LMC Library HVAC Ductwork.	\$ 115,289.46
8/17/09	V0803688	School Specialty - Furniture & Equipment	LMC Purchase of instructional furniture & equipment.	169,211.56
10/5/09	V0822539	IMR Contractor Corp.	CCC Roofing Project, Auto Tech Building.	200,880.00
3/18/10	V0858003	Southland Construction	CCC VA Building Modernize Vocational Technology Building.	122,273.19
8/5/09	V0804041	Bell Products, Inc	CCC - Biological Science Building HVAC Ph II. Energy efficiency project	114,083.00
4/14/10	V0861877	tBP/Architecture	CCC Center - Architectural & Engineering Services.	196,317.00
Accts Payable	V0879082	Johnstone Moyer, Inc	Applied Arts Building Renovation	96,067.00
Accts Payable	V0876949	Integra Construction Services	Life and Health Science Building retention DVC - Project Parking Islands Landscape.	11,067.03
7/29/09	V0806865	Green Valley Landscape	Repair, install and replace pathways and roadways.	251,593.65
			Total tested	\$ 1,276,782
			Total expenditures	\$ 5,089,138
			Percent tested	<u>25.1%</u>

**CONTRA COSTA
COMMUNITY
COLLEGE DISTRICT**

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

JUNE 30, 2010

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2006 ELECTION

TABLE OF CONTENTS

JUNE 30, 2010

FINANCIAL STATEMENTS

Independent Auditors' Report	1
Capital Outlay - Bond Fund	
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Fund Balance	3
Notes to Financial Statements	4



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, 2010, 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, 2010, 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
December 30, 2010

CONTRA COSTA COMMUNITY COLLEGE DISTRICT**CAPITAL OUTLAY - BOND FUND - 2006 ELECTION
BALANCE SHEET
JUNE 30, 2010**

ASSETS

Investments	\$ 101,664,154
Accounts receivable	113,240
Due from other funds	446,212
Prepaid expenses	4,000
Total Assets	<u><u>\$ 102,227,606</u></u>

LIABILITIES AND FUND EQUITY**LIABILITIES**

Accounts payable	\$ 1,339,983
Total Liabilities	<u><u>1,339,983</u></u>

FUND EQUITY

Fund balances	<u><u>100,887,623</u></u>
Total Liabilities and Fund Equity	<u><u>\$ 102,227,606</u></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, 2010

REVENUES

Interest and investment earnings	\$ 318,547
Local revenue	248,657
Total Revenues	<u>567,204</u>

EXPENDITURES

Current	
Payroll and benefits	413,762
Services and operating expenditures	707,250
Capital outlay	<u>4,655,317</u>
Total Expenditures	<u>5,776,329</u>

EXCESS OF REVENUES OVER/

(UNDER) EXPENDITURES (5,209,125)

OTHER FINANCING SOURCES/(USES)

Proceeds from the sale of bonds	73,000,000
Operating transfers in	623,296
Total Other Financing Sources (Uses)	<u>73,623,296</u>

EXCESS OF REVENUES AND OTHER

FINANCING SOURCES OVER/(UNDER) 68,414,171

EXPENDITURES AND OTHER USES 32,473,452

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR \$ 100,887,623

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, 2010

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, 2010

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:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
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, 2010

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, 2010 were \$23,723,719 and \$78,086,918, 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 and the Local Agency Investment Fund. 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 measured 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, 2010, consists of the following:

Vendor credits (City of Brentwood)	\$ 66,333
Interest	46,907
	<hr/> <hr/> <hr/>
	\$ 113,240

NOTE #4 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2010, consists of the following:

Vendor payables	\$ 1,335,983
Construction retentions	4,000
	<hr/> <hr/> <hr/>
	\$ 1,339,983

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

CAPITAL OUTLAY – BOND FUND 2006 ELECTION NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE #5 – INTERFUND TRANSACTIONS

The 2002 bond transferred \$623,296 to the 2006 bond fund for separation of construction retentions between the two bond funds. In addition, as of June 30, 2010, the 2006 bond fund had an amount of \$446,212 due from Other funds for the following:

Due from 2002 Bond fund for expenses that were reclassified	\$ 413,764
Due from General fund for interest receivable on county treasury funds	32,448
	<u>\$ 446,212</u>

NOTE #6 – FUND BALANCES

Fund balance is composed of the following elements:

Unreserved	
Undesignated	\$ 100,887,623
	<u></u>

NOTE #7 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2010, the 2006 bond fund had the following commitments with respect to unfinished capital projects:

CAPITAL PROJECT		Remaining Construction Commitment	Expected Date of Completion
2006 Bond			
<i>Diablo Valley</i>	Commons project	\$ 1,034,795	Nov-12
	Soccer field renovations	14,610	Mar-11
<i>Los Medanos</i>	Student services remodel	1,186,933	Jun-13
	Nursing building	150,514	Dec-11
	Parking lot B extension	21,934	Oct-10
	Brentwood new campus	224,401	Sep-17
	Facilities master plan	4,295	To be determined
<i>Contra Costa</i>	Athletic fields	3,950	Dec-10
	New science building	1,348	To be determined
	Total 2006 Bond	<u>\$ 2,642,780</u>	

**CONTRA COSTA
COMMUNITY
COLLEGE DISTRICT**

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

JUNE 30, 2010



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

VALUE THE DIFFERENCE

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, 2009 through June 30, 2010, 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, in the principal amount of \$73,000,000. The second series of the 2006 bonds was issued in March 2010 in the principal amount of \$73,000,000.

-
2. Total expenditures and encumbrances through June 30, 2010, were \$59,020,237 and are summarized as follows:

	Prior Periods	7/1/09 to 6/30/10	Total
Expenditures			
Salary and benefits	\$ 696,208	\$ 413,762	\$ 1,109,970
Services and operating expenses	679,537	707,250	1,386,787
Capital outlay	34,266,566	4,655,317	38,921,883
Total expenditures	<u>35,642,311</u>	<u>5,776,329</u>	<u>41,418,640</u>
Transfer out to 2002 Measure A Fund	14,958,817	-	14,958,817
Total expenditures and other uses	<u>\$ 50,601,128</u>	<u>\$ 5,776,329</u>	<u>56,377,457</u>
Contract commitments, June 30, 2010			2,642,780
Total expenditures and commitments			<u>\$ 59,020,237</u>

	Prior Periods	7/1/09 to 6/30/10	Total
Net available proceeds for construction	\$ 73,000,000	\$ 73,000,000	\$ 146,000,000
Local revenue	7,151,002	248,657	7,399,659
Interest earned	2,923,578	318,547	3,242,125
Transfer in from 2002 Measure A Fund	-	623,296	623,296
Total revenues received	<u>\$ 83,074,580</u>	<u>\$ 74,190,500</u>	<u>157,265,080</u>
Total expenditures and commitments			(59,020,237)
Amount available			<u>\$ 98,244,843</u>

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. The second series of the bond was issued in March 2010 and the proceeds from the sale of the general obligation bonds was deposited into the capital outlay fund.
 3. Our review of the expenditures for the period July 1, 2009, through June 30, 2010, 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.

Vawinek, Tripp, Day & Co LLP

Pleasanton, California
December 30, 2010

CONTRA COSTA COMMUNITY COLLEGE**BOND FUND, 2006 ELECTION
INVOICES SELECTED
FOR THE YEAR ENDED JUNE 30, 2010**

Date	Warrant #	Payee	Project	Amount
7/14/09	V0803151	Pacific Coast General Engineering	DVC Paving project	\$ 288,086.89
3/16/10	V0859378	Steinberg Architects	DVC Commons Area Renovation	260,398.80
			Fee for: Demolition of existing Student Activities building and relocation of admin and culinary program, Demolition of Humanities building and relocation of data & telephone hub, Comprehensive design services for new college complex, Site development and utility relocation	
5/10/10	V0864773	CA Dept of General Services		230,200.00
5/20/10	V0813456	Bay Cities Paving & Grading Inc.	CCC -Track & Field Improvements.	296,751.82
6/30/10	V0807684	Chevron	Solar Panels & Engineering	245,245.70
Accts Payable	V0871547	Pacific Gas and Electric	California solar initiative project	454,980.19
			Total tested	\$ 1,775,663
			Total expenditures	5,776,329
			Percent tested	30.7%