

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

1992 SINGLE AUDIT REPORT

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INTRODUCTION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

500 Court Street, Martinez, California 94553

510/229-1000

Governing Board

William M. Corey, President
Lee R. Winters, Vice President
Mario T. Vinzonides, Secretary
William P. Moses
Eugene H. Ross

Contra Costa College
Diablo Valley College
Los Medanos College

Chancellor

Robert D. Jensen

December 3, 1992

Honorable Board of Trustees
Contra Costa Community College District
500 Court Street
Martinez, CA 94553

Re: Annual Financial Reports

Dear Board Members:

The comprehensive annual financial report for the fiscal year ending June 30, 1992 is hereby submitted. The audit is in effect the "report card" on the financial records for last year's District activities.

The past year has been another year of strong growth in the student population served by the District's three colleges of Contra Costa, Diablo Valley and Los Medanos. The District exceeded its State funded growth cap of 687 FTES (625 ADA) or 2.67% by 1,102 FTES (993 ADA). While this is a positive sign that the District's three colleges are responding to the education demands of our citizens, the State's funding process left the District with 1,102 unfunded FTES. If the District had been fully funded for the 1,102 unfunded FTES over "CAP", we would have been eligible for approximately an additional \$2,488,458 in revenue.

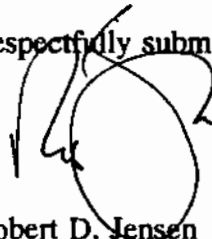
The expenditures within the audited statements of the District contain continued expenditures for the San Ramon Center for Higher Education, the District's site and facility remodeling programs for our three colleges, increases in size of the regular classified and certificated staffs at all locations, increased funding for additional part-time instructors, plus funding for the increased salary and fringe benefit costs per the negotiated agreements between the District and the staff bargaining units. Additionally, the District hired the required number of new faculty to meet its AB1725 full time/part time ratio requirements. The District, per the attached audited statement, carries into the new fiscal year a fiscally prudent reserve of about \$6.8 million, which is reflected in the Unrestricted General Fund.

Honorable Board of Trustees
Contra Costa Community College District
December 3, 1992

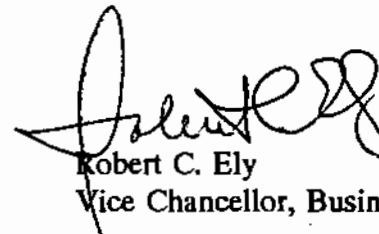
The District's system of internal accounting controls is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use and disposition and to provide reliable records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting controls should not exceed the benefits likely to be derived therefrom and that the evaluation of costs and benefits requires estimates and judgements by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The past year has been a year of growth and accomplishments while maintaining fiscal integrity, as indicated by the attached audit report. This is a credit to the District's outstanding staff and the leadership this District has enjoyed over the years from the Colleges, District Office and especially you as a Board of Trustees. We look forward to continuing to provide quality higher education to the citizens of Contra Costa County.

Respectfully submitted,



Robert D. Jensen
Chancellor



Robert C. Ely
Vice Chancellor, Business Services

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION JUNE 30, 1992

The Contra Costa Community College District (the District) was established in 1948 as a separate district and began operating in 1949. The District operates three community colleges: Diablo Valley College in Pleasant Hill, Contra Costa College in San Pablo, and Los Medanos College in Pittsburg, all within the County of Contra Costa, California. The administrative offices of the District are located in Martinez, California. The boundaries of the District are contiguous with the boundaries of the County of Contra Costa, excluding the Amador Valley Joint Union High School District and the Livermore Union High School District. All colleges are accredited two-year colleges offering a wide range of study including vocational and technical education.

The District Chancellor for fiscal 1992 was Dr. Robert D. Jensen. The District's Governing Board at June 30, 1992 was as follows:

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Mr. William M. Corey	President	November 1992
Dr. Lee R. Winters	Vice President	November 1994
Ms. Maria T. Viramontes	Secretary	November 1994
Mr. William P. Moses	Member	November 1992
Mr. Eugene H. Ross	Member	November 1994
Mr. Mark Harris (Nonvoting)	Student Member	May 1993

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

**INDEPENDENT AUDITORS' REPORT**

The Governing Board,
Contra Costa Community College District:

We have audited the accompanying general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the District at June 30, 1992, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund financial statements listed in the foregoing table of contents and the supplemental combining information on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund are presented for purposes of additional analysis and are not a

required part of the general purpose financial statements of the District. Such combining and individual fund financial statements and supplemental combining information is the responsibility of the management of the District. Such combining and individual fund financial statements and supplemental combining information have been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

Deloitte & Touche

November 4, 1992

FINANCIAL SECTION

GENERAL PURPOSE FINANCIAL STATEMENTS

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 1992

	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY</u>	<u>FIDUCIARY</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL</u>
	<u>GENERAL</u>	<u>CAPITAL</u>	<u>DEBT</u>	<u>FUND TYPE</u>	<u>TRUST AND</u>	<u>GENERAL</u>	<u>GENERAL</u>	<u>(MEMORANDUM</u>
		<u>PROJECTS</u>	<u>SERVICE</u>	<u>ENTERPRISE</u>	<u>AGENCY</u>	<u>FIXED</u>	<u>LONG-TERM</u>	<u>ONLY)</u>
						<u>ASSETS</u>	<u>OBLIGATIONS</u>	
<u>ASSETS</u>								
ASSETS:								
Cash and investments								
in County treasury	\$ 9,264,703	\$1,343,701	\$8,834,776	\$ 776,373	\$1,625,665			\$ 21,845,218
Cash on hand and in banks	85,000	100,000		1,297,964	1,096,643			2,579,607
Accounts receivable	1,302,243	1,319,308		301,757	77,168			3,000,476
Interest receivable	20,827	7,964	4,151	2,120	4,647			39,709
Due from member districts					195,906			195,906
Due from other funds	582,648	897,487		246,937	11,365			1,738,437
Inventories	167,578			865,819				1,033,397
Prepaid expenditures	670,265							670,265
Property, plant and equipment				445,228		\$132,079,397		132,524,625
Amount available in debt service fund							\$ 8,838,927	8,838,927
Amount to be provided in future years for retirement of general long-term obligations							23,327,238	23,327,238
TOTAL	<u>\$12,093,264</u>	<u>\$3,668,460</u>	<u>\$8,838,927</u>	<u>\$3,936,198</u>	<u>\$3,011,394</u>	<u>\$132,079,397</u>	<u>\$32,166,165</u>	<u>\$195,793,805</u>

(Continued)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 1992

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPES TRUST AND AGENCY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE			GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
LIABILITIES AND EQUITY								
LIABILITIES:								
Accounts payable	\$ 721,836	\$ 38,145		\$ 149,249	\$ 8,225			\$ 917,455
Accrued salaries and related benefits	2,286,795							2,286,795
Vested compensated absences							\$ 1,109,490	1,109,490
Outstanding claims liability					978,000			978,000
Deposits					263,126			263,126
Due to Bay Area Community College Districts Joint Powers Agency					417,478			417,478
Due to other funds	520,289	44,891		1,069,671	103,586			1,738,437
Deferred revenue	1,750,918							1,750,918
Revenue bonds							127,000	127,000
Capital lease obligations				45,433			298,675	344,108
Postretirement health benefits obligation							30,631,000	30,631,000
Total liabilities	<u>5,279,838</u>	<u>83,036</u>		<u>1,264,353</u>	<u>1,770,415</u>		<u>32,166,165</u>	<u>40,563,807</u>
EQUITY:								
Investment in general fixed assets						\$132,079,397		132,079,397
Retained earnings				2,671,845				2,671,845
Fund balances:								
Reserved	1,093,892	3,585,424	\$ 111,248		1,240,979			6,031,543
Unreserved:								
Designated	4,511,027		8,727,679					13,238,706
Undesignated	1,208,507							1,208,507
Total equity	<u>6,813,426</u>	<u>3,585,424</u>	<u>8,838,927</u>	<u>2,671,845</u>	<u>1,240,979</u>	<u>132,079,397</u>	<u>-</u>	<u>155,229,998</u>
TOTAL	<u>\$12,093,264</u>	<u>\$3,668,460</u>	<u>\$8,838,927</u>	<u>\$3,936,198</u>	<u>\$3,011,394</u>	<u>\$132,079,397</u>	<u>\$32,166,165</u>	<u>\$195,793,805</u>

(Concluded)

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1992

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTAL
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE	EXPENDABLE TRUST	(MEMORANDUM ONLY)
REVENUES:					
Federal	\$ 771,413			\$2,548,570	\$ 3,319,983
State	54,882,847	\$1,434,780			56,317,627
Local	34,288,264	228,017	\$ 524,581	312,750	35,353,612
Total revenues	<u>89,942,524</u>	<u>1,662,797</u>	<u>524,581</u>	<u>2,861,320</u>	<u>94,991,222</u>
EXPENDITURES:					
Current:					
Certificated salaries	42,046,847				42,046,847
Classified salaries	18,214,481			271,774	18,486,255
Employee benefits	11,213,784				11,213,784
Operating expenditures	10,058,875			116,839	10,175,714
Supplies and materials	2,988,773				2,988,773
Student financial aid				2,608,251	2,608,251
Other	117,382			55,609	172,991
Capital outlay	1,415,938	3,967,156			5,383,094
Debt service:					
Principal retirement			6,000		6,000
Interest			3,990		3,990
Total expenditures	<u>86,056,080</u>	<u>3,967,156</u>	<u>9,990</u>	<u>3,052,473</u>	<u>93,085,699</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,886,444</u>	<u>(2,304,359)</u>	<u>514,591</u>	<u>(191,153)</u>	<u>1,905,523</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	247,142	2,345,148	1,847,000	432,117	4,871,407
Operating transfers out	(4,362,873)			(46,212)	(4,409,085)
Proceeds from sales of property, plant and equipment	2,025				2,025
Total other financing sources (uses)	<u>(4,113,706)</u>	<u>2,345,148</u>	<u>1,847,000</u>	<u>385,905</u>	<u>464,347</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(227,262)</u>	<u>40,789</u>	<u>2,361,591</u>	<u>194,752</u>	<u>2,369,870</u>
FUND BALANCES, JULY 1, 1991	<u>7,040,688</u>	<u>3,544,635</u>	<u>6,477,336</u>	<u>1,046,227</u>	<u>18,108,886</u>
FUND BALANCES, JUNE 30, 1992	<u>\$ 6,813,426</u>	<u>\$3,585,424</u>	<u>\$8,838,927</u>	<u>\$1,240,979</u>	<u>\$20,478,756</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND WITH SUPPLEMENTAL COMBINING INFORMATION FOR THE YEAR ENDED JUNE 30, 1992

	.....SUPPLEMENTAL COMBINING INFORMATION.....								
	GENERAL FUND - UNRESTRICTED			GENERAL FUND - RESTRICTED			GENERAL FUND - TOTAL		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES:									
Federal:									
Vocational and Applied Technology Education Act				\$ 832,519	\$ 713,317	\$(119,202)	\$ 832,519	\$ 713,317	\$(119,202)
Veterans Education Act	\$ 1,363	\$ 1,363					1,363	1,363	
Other				91,949	56,733	(35,216)	91,949	56,733	(35,216)
Total	1,363	1,363		924,468	770,050	(154,418)	925,831	771,413	(154,418)
State:									
Principal apportionment	48,393,571	48,134,553	\$(259,018)				48,393,571	48,134,553	(259,018)
Lottery apportionment	1,737,210	1,654,372	(82,838)				1,737,210	1,654,372	(82,838)
Matriculation				1,264,053	1,263,526	(527)	1,264,053	1,263,526	(527)
Extended Opportunity Program				970,990	957,453	(13,537)	970,990	957,453	(13,537)
Handicapped apportionment				679,494	650,741	(28,753)	679,494	650,741	(28,753)
Tax relief subventions -									
Homeowners' exemptions	635,409	649,911	14,502				635,409	649,911	14,502
Board of Governors grants	365,065	308,221	(56,844)				365,065	308,221	(56,844)
Middle College High School project					240,747	240,747		240,747	240,747
Instructional equipment					209,242	209,242		209,242	209,242
Apprenticeship apportionment	208,020	173,243	(34,777)				208,020	173,243	(34,777)
Other	101,956	229,866	127,910	827,675	410,972	(416,703)	929,631	640,838	(288,793)
Total	51,441,231	51,150,166	(291,065)	3,742,212	3,732,681	(9,531)	55,183,443	54,882,847	(300,596)
Local:									
District property taxes	26,084,737	26,126,901	42,164				26,084,737	26,126,901	42,164
Student fees	4,828,499	4,765,793	(62,706)	982,936	883,686	(99,250)	5,811,435	5,649,479	(161,956)
Other	1,706,192	1,604,977	(101,215)	34,172	147,976	113,804	1,740,364	1,752,953	12,589
Interest	650,000	758,931	108,931				650,000	758,931	108,931
Total	33,269,428	33,256,602	(12,826)	1,017,108	1,031,662	14,554	34,286,536	34,288,264	1,728
Total revenues	\$84,712,022	\$84,408,131	\$(303,891)	\$5,683,788	\$5,534,393	\$(149,395)	\$90,395,810	\$89,942,524	\$(453,286)

(Continued)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND WITH SUPPLEMENTAL COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 1992**

SUPPLEMENTAL COMBINING INFORMATION.....								
	GENERAL FUND - UNRESTRICTED		OVER (UNDER)	GENERAL FUND - RESTRICTED		OVER (UNDER)	GENERAL FUND - TOTAL		OVER (UNDER)
	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
EXPENDITURES:									
Current:									
Salaries and benefits:									
Certificated salaries:									
Teaching	\$34,217,081	\$33,939,707	\$ (277,374)	\$ 181,430	\$ 196,408	\$ 14,978	\$34,398,511	\$34,136,115	\$ (262,396)
Nonteaching	6,900,594	6,825,362	(75,232)	1,035,622	1,085,370	49,748	7,936,216	7,910,732	(25,484)
Total	41,117,675	40,765,069	(352,606)	1,217,052	1,281,778	64,726	42,334,727	42,046,847	(287,880)
Classified salaries:									
Noninstructional	13,902,644	13,466,547	(436,097)	1,782,720	1,875,373	92,653	15,685,364	15,341,920	(343,444)
Instructional	2,378,275	2,700,605	322,330	88,159	171,956	83,797	2,466,434	2,872,561	406,127
Total	16,280,919	16,167,152	(113,767)	1,870,879	2,047,329	176,450	18,151,798	18,214,481	62,683
Employee benefits	10,690,564	10,676,493	(14,071)	493,065	537,291	44,226	11,183,629	11,213,784	30,155
Total salaries and benefits	68,089,158	67,608,714	(480,444)	3,580,996	3,866,398	285,402	71,670,154	71,475,112	(195,042)
Supplies and materials	3,258,165	2,736,295	(521,870)	192,473	252,478	60,005	3,450,638	2,988,773	(461,865)
Operating expenditures and other	9,465,343	9,113,497	(351,846)	919,794	1,062,760	142,966	10,385,137	10,176,257	(208,880)
Capital outlay:									
Equipment	868,659	744,068	(124,591)	628,169	542,489	(85,680)	1,496,828	1,286,557	(210,271)
Books	97,478	97,420	(58)	16,173	17,961	1,788	113,651	115,381	1,730
Buildings	14,000	14,000					14,000	14,000	
Total capital outlay	980,137	855,488	(124,649)	644,342	560,450	(83,892)	1,624,479	1,415,938	(208,541)
Total expenditures	81,792,803	80,313,994	(1,478,809)	5,337,605	5,742,086	404,481	87,130,408	86,056,080	(1,074,328)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,919,219	4,094,137	1,174,918	346,183	(207,693)	(553,876)	3,265,402	3,886,444	621,042
OTHER FINANCING SOURCES (USES):									
Operating transfers in	285,542	230,292	(55,250)		16,350	16,580	285,542	247,142	(38,400)
Operating transfers out	(4,159,083)	(4,155,481)	(3,602)	(268,716)	(207,392)	(61,324)	(4,427,799)	(4,362,873)	(64,926)
Subfund transfers in (out)	(408,503)	(462,061)	53,558	408,503	462,061	53,558			
Proceeds from sales of property, plant and equipment	2,000	2,025	25				2,000	2,025	25
Total other financing sources (uses)	(4,280,044)	(4,385,225)	105,181	139,787	271,519	131,732	(4,140,257)	(4,113,706)	26,551
CONTINGENCIES	1,286,189	-	(1,286,189)	428,943	-	(428,943)	1,715,132	-	(1,715,132)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(2,647,014)	(291,088)	2,355,926	57,027	63,826	6,799	(2,589,987)	(227,262)	2,362,725
FUND BALANCE, JULY 1, 1991	5,327,009	7,029,343	1,702,334	108,306	11,345	(96,961)	5,435,315	7,040,688	1,605,373
FUND BALANCE, JUNE 30, 1992	\$ 2,679,995	\$ 6,738,255	\$4,058,260	\$ 165,333	\$ 75,171	\$ (90,162)	\$ 2,845,328	\$ 6,813,426	\$3,968,098

See notes to general purpose financial statements.

(Concluded)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1992

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
REVENUES:			
State			
Local	\$ 604,750	\$ 524,581	\$(80,169)
Total revenues	<u>604,750</u>	<u>524,581</u>	<u>(80,169)</u>
EXPENDITURES:			
Capital outlay			
Debt service:			
Principal retirement	6,000	6,000	
Interest	<u>3,900</u>	<u>3,990</u>	<u>90</u>
Total expenditures	<u>9,900</u>	<u>9,990</u>	<u>90</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	594,850	514,591	(80,259)
OTHER FINANCING SOURCE - Operating transfers in	<u>1,847,000</u>	<u>1,847,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	2,441,850	2,361,591	(80,259)
FUND BALANCES, JULY 1, 1991	<u>6,454,195</u>	<u>6,477,336</u>	<u>23,141</u>
FUND BALANCES, JUNE 30, 1992	<u>\$8,896,045</u>	<u>\$8,838,927</u>	<u>\$(57,118)</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENSES
AND RETAINED EARNINGS - ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1992

OPERATING REVENUES:	
Sales	\$7,340,412
Contract services	1,986,333
Total operating revenues	<u>9,326,745</u>
OPERATING EXPENSES:	
Cost of sales	4,875,876
Classified salaries	2,352,948
Employee benefits	354,532
Rentals and repairs	502,034
Materials and supplies	342,720
Depreciation	195,411
Utilities	118,529
Other	59,574
Total operating expenses	<u>8,801,624</u>
OPERATING INCOME	<u>525,121</u>
NONOPERATING REVENUES (EXPENSE):	
Interest revenue	55,757
Interest expense	(6,853)
Other	66,198
Total nonoperating revenues	<u>115,102</u>
INCOME BEFORE OPERATING TRANSFERS	640,223
OPERATING TRANSFERS OUT	<u>(462,322)</u>
NET INCOME	177,901
RETAINED EARNINGS, JULY 1, 1991	<u>2,493,944</u>
RETAINED EARNINGS, JUNE 30, 1992	<u>\$2,671,845</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1992

OPERATING ACTIVITIES:	
Operating income	\$ 525,121
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	195,411
Other income	66,198
(Increase) decrease in assets:	
Receivables	(127,991)
Inventories	154,816
Increase in liabilities - Accounts payable and accrued liabilities	2,299
Net cash provided by operating activities	<u>815,854</u>
NONCAPITAL FINANCING ACTIVITIES:	
Increase in amounts due from other funds	(125,044)
Increase in amounts due to other funds	371,822
Operating transfers out	(462,322)
Net cash used for noncapital financing activities	<u>(215,544)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of equipment	(90,546)
Payment of capital lease obligations	(19,526)
Interest paid	(6,853)
Net cash used for capital and related financing activities	<u>(116,925)</u>
INVESTING ACTIVITY - Interest received	<u>55,757</u>
NET INCREASE IN CASH AND EQUIVALENTS	539,142
CASH AND EQUIVALENTS, JULY 1, 1991	<u>1,535,195</u>
CASH AND EQUIVALENTS, JUNE 30, 1992	<u>\$2,074,337</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity - The Contra Costa Community College District (the District), established in 1948, operates three community colleges: Diablo Valley College in Pleasant Hill, Contra Costa College in San Pablo, and Los Medanos College in Pittsburg, all within the County of Contra Costa (the County), California (the State).

For financial reporting purposes, the District includes all funds, account groups, agencies, and authorities that are controlled by or dependent on the District's management or Governing Board. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District, obligations of the District to finance any deficits that may occur, or receipt of significant subsidies from the District.

As a result, the general purpose financial statements of the District include the financial activities of the District, including its three community colleges and the combined totals of the associated student funds which represent the various student clubs and activities of colleges within the District. The financial activities of the Contra Costa Education Center Authority (the Authority) and the Bay Area Community College Districts Joint Powers Agency (the Agency) are not included in the accompanying general purpose financial statements as the Authority and Agency do not meet the criteria described above; however, the District serves as a custodial agent for the Authority's and Agency's assets and liabilities are included as an Agency Fund.

Description of Funds and Account Groups - The accounts of the District are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into categories as follows:

- Governmental Fund Types:
 - General Fund accounts for all financial resources applicable to the general operations of the District which are not accounted for in another fund. Restricted general funds represent resources restricted by the categorical source of the income. The only restriction on use of unrestricted general funds is that the unrestricted funds be used for carrying out the instructional purpose of the District.
 - Capital Projects Fund accounts for resources designated for the acquisition, construction and deferred maintenance of major capital facilities which, by their nature, may require more than one budgetary cycle for completion.

- Debt Service Funds account for the accumulation of resources for, and payment of postretirement health benefits obligations, principal, interest, and related costs on revenue bonds recorded in the General Long-Term Obligations Account Group. The District maintains three Debt Service Funds:
 1. 1969 Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and related costs.
 2. 1969 Bond Revenue Fund is used to account for lease payments from Contra Costa College Bookstore which are pledged toward repayment of the bonds.
 3. Postretirement Health Benefits Fund is used to account for the accumulation of resources for retired employees' health benefits.
- Proprietary Fund Types account for operations that are financed and operated in a manner similar to business enterprises where the intent of the District is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges. These funds include the Bookstore, Cafeteria and Data Processing Center Enterprise Funds.
- Fiduciary Fund Types account for assets held by the District as a trustee or agent for individuals, private organizations, other governments and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental fund types. The District maintains six expendable trust funds: the PELL Grant Fund, College Work Study Fund, Supplemental Educational Opportunity Grant Fund, the Student Loan and Scholarship Fund, the Associated Students and Trust Accounts Fund, and Student Body Center Building and Operating Fund. Agency funds are custodial in nature and do not involve measurement of results of operations. The District maintains one agency fund, the Bay Area Community College Districts Joint Powers Agency.
- General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations. No depreciation has been provided on general fixed assets.
- General Long-Term Obligations Account Group is used to account for the outstanding principal balances of long-term debt, capital lease obligations, health benefits obligations and the long-term portion of compensated absences expected to be financed from governmental fund types.

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

- Governmental and Fiduciary Fund Types are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available as net current assets to finance expenditures of the current fiscal period. Substantially all revenues are susceptible to accrual. Expenditures are recognized in the accounting period in which the related fund liability is incurred, except for interest on long-term debt, which is recognized when due.

- Proprietary Fund Types are accounted for using the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Budgets and Budgetary Accounting - By State law, the District's Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15 of each year. A hearing must be conducted to hear public comments prior to adoption. The District's Governing Board satisfied these requirements.

The budget is reviewed and revised by the District's Governing Board during the year to give consideration to unanticipated changes in revenues and expenditures. The adopted revised budget is presented in the accompanying general purpose financial statements for the General and Debt Service Funds.

The Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual for all governmental fund types has been prepared on the legally prescribed budgetary basis of accounting for California governmental entities. This method does not differ from generally accepted accounting principles (GAAP).

The District also adopts a budget for its Capital Projects Fund. Such budget is based on a project time frame, rather than a fiscal year "operating" time frame, reappropriating unused appropriations from year to year until project completion and is therefore not included in the accompanying general purpose financial statements.

Encumbrance accounting, 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, is employed as an extension of formal budgetary accounting. Encumbrances are liquidated when the commitments are paid, and any outstanding encumbrances at June 30 are included as a reservation of fund balance.

State Revenues (Principally Apportionment and Categorical Revenues) - State principal apportionment revenues are based on full-time equivalent student attendance, and categorical revenues are recognized when earned.

Local Revenues (Principally Property Taxes) - The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the counties, cities, school districts and other districts.

The County assesses properties, and bills for and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	Upon receipt
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables, net of estimated uncollectibles, in the fiscal year of levy. Contra Costa County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code. Pursuant to those sections, the accounts of all political subdivisions which levy taxes on the County tax rolls are credited with 100% of their respective tax levies regardless of actual payments and delinquencies. The County treasury's cash position (from taxes) is protected by a special fund (Tax Losses Reserve Fund) into which all Countywide delinquent penalties are deposited. The County has used this method since fiscal year 1950-51.

Cash and investments in County treasury reflect participation in the common investment pool of the County and are stated at cost. The County is restricted by the State Code in the types of investments it can make.

Cash Equivalents - For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid assets (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The cash and investments in County treasury are, in substance, demand deposits and are therefore considered to be cash equivalents.

Inventories are stated at average cost using the first-in, first-out method.

Property, Plant and Equipment - The acquisition of property, plant and equipment by governmental fund types is recorded as an expenditure for capital outlay at the time the asset is purchased. At the same time, such assets are capitalized at cost in the general fixed assets account group.

Land improvements are recorded as capital outlay and are capitalized at cost at the time the initial improvements are made. In accordance with accounting policies prescribed by the California Community Colleges, betterment, renewal, or replacement of such assets is recorded as other operating expenditure and is not capitalized in the general fixed assets account group.

The Enterprise Funds capitalize property, plant and equipment at the time the asset is purchased. Depreciation of fixed assets in the Enterprise Funds is computed using the straight-line method over their estimated useful lives of five years.

Vested compensated absences are charged to operating expenditures or expenses when paid. Vacation fully vests as earned and is paid in full upon termination. Vested vacation obligations are recorded in the general long-term obligations account group as accrued compensated absences until paid. The District is not liable for payment to employees for accrued sick leave and no related liability is recorded in the accompanying general purpose financial statements.

Pension costs are funded currently.

Capital Lease Obligations - Minimum rental payments under capital lease obligations of the governmental fund types are recorded as other financing sources in the governmental fund types and as a capital lease obligation in the general long-term obligations account group at time of execution. At the time of repayment, the principal portion of such payments is recorded in the general long-term obligations account group as a reduction of capital lease obligations.

The enterprise funds record the present value of capital lease obligations as a liability of the fund.

Total (Memorandum Only) - The columns in the general purpose financial statements captioned "Total (Memorandum Only)" are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. This data is not comparable to a consolidation and does not present financial position or results of operations in conformity with generally accepted accounting principles.

2. FUND BALANCES

Fund balances consist of reserved and unreserved amounts. Reserved fund balances represent that portion of a fund balance which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved fund balance.

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

The District's June 30, 1992 fund balances include amounts which are reserved for specific purposes as follows:

	<u>General Fund</u>		<u>Capital Projects Fund</u>	<u>Debt Service Funds</u>	<u>Expendable Trust Funds</u>
	<u>Restricted</u>	<u>Unrestricted</u>			
Inventories		\$ 167,578			
Prepaid expenditures		670,265			
Debt service				\$111,248	
Associated students					\$ 116,160
Student financial aid					681,055
Restricted programs	\$75,171				443,764
Encumbrances		180,878			
Construction projects			\$3,585,424		
Total reserved	<u>\$75,171</u>	<u>\$1,018,721</u>	<u>\$3,585,424</u>	<u>\$111,248</u>	<u>\$1,240,979</u>

The District's June 30, 1992 fund balance includes amounts which are designated in accordance with provisions of the Education Code by the Governing Board as follows:

	<u>General Fund - Unrestricted</u>	<u>Debt Service Funds</u>
Emergency reserve - 5% of unrestricted budgeted expenditures	\$4,426,027	
Postretirement health benefits obligation		\$8,727,679
Revolving cash accounts	<u>85,000</u>	
Total	<u>\$4,511,027</u>	<u>\$8,727,679</u>

The District ended fiscal year 1992 with a \$36,979 deficit in the Cafeteria Enterprise Fund. This deficit balance will be covered by future internally generated revenues and/or transfers from college allocations.

3. CASH AND INVESTMENTS

The District maintains cash deposits and investments with the County treasurer. Cash and investments deposited with the County treasurer are part of the common investment pool of the County (Contra Costa County Treasury Pool). At June 30, 1992, the District had \$21,845,218 in unrestricted and restricted cash and investments in such County pool. The County is restricted by the California Government Code Section 53635 and Section 53601 to invest in bonds, notes or warrants issued by local agencies; U.S. Treasuries; registered California state warrants or treasury notes or bonds; obligations guaranteed by the U.S. government; bankers' acceptances; commercial paper; negotiable certificates of

deposits; investments in repurchase agreements or reverse repurchase agreements; and corporate notes issued by U.S. companies.

At June 30, 1992, the carrying amount of the District's bank deposits was \$2,579,607 and the bank balance was \$3,169,219. Of the bank balance, \$302,964 was insured by Federal Depository Insurance or collateralized by securities held by the District's agent in the District's name and \$2,866,255 was collateralized 110% in accordance with Section 53652 of the California Government Code with securities held by the pledging financial institutions in the District's name.

4. INTERFUND TRANSACTIONS

Interfund receivables and payables by individual fund at June 30, 1992 are as follows:

	Due to Other Funds						
	<u>Total</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Funds</u>		<u>Expendable Trust Funds</u>	
				<u>Bookstore</u>	<u>Cafeteria</u>	<u>Student Loan and Scholarship</u>	<u>Student Financial Aid - College Work Study</u>
<u>Due from Other Funds</u>							
General Fund	\$ 582,648		\$44,891	\$271,721	\$162,450	\$11,307	\$92,279
Capital Projects Fund	897,487	\$261,987		635,500			
Enterprise Fund - Data Processing Center	246,937	246,937					
Expendable Trust Funds:							
Student Body Center Building and Operating Fund	3,005	3,005					
Student Loan and Scholarship Fund	7,860	7,860					
Student Financial Aid - College Work Study	500	500					
Total	<u>\$1,738,437</u>	<u>\$520,289</u>	<u>\$44,891</u>	<u>\$907,221</u>	<u>\$162,450</u>	<u>\$11,307</u>	<u>\$92,279</u>

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Operating transfers for the 1992 fiscal year were as follows:

Transfer from the General Fund to:

Capital Projects Fund for future capital outlays		\$2,083,756
Student Financial Aid Expendable Trust Funds:		
For College Work Study district match	\$ 69,916	
For Supplemental Education Opportunity Grants district match	18,568	
For Extended Opportunity Programs and Services	<u>128,495</u>	
Total		216,979
Student Body Center Building and Operating Expendable Trust Fund for the future construction of the Student Body Center Building		215,138
Postretirement Health Benefits Debt Service Fund to fund postretirement health benefits obligation		<u>1,847,000</u>
Total		<u>4,362,873</u>

Transfer from the Student Financial Aid Expendable Trust Funds to the General Fund for administrative costs of the Pell Grant, College Work Study and Supplemental Educational Opportunity Grant programs	46,212
Transfer from the Bookstore Enterprise Fund to General Fund to fund student activities	200,930
Transfer from the Bookstore Enterprise Fund to the Capital Projects Fund for future capital outlays	<u>261,392</u>
Total interfund transfers	<u>\$4,871,407</u>

5. LONG-TERM OBLIGATIONS

Changes in long-term obligations of the District during 1992 were as follows:

	Balance July 1, 1991	Additions	Reductions	Balance June 30, 1992
Revenue bonds	\$ 133,000		\$ (6,000)	\$ 127,000
Capital lease obligations	328,520		(29,845)	298,675
Vested compensated absences	1,059,270	\$50,220		1,109,490
Postretirement health benefits obligation	<u>30,631,000</u>			<u>30,631,000</u>
Total	<u>\$32,151,790</u>	<u>\$50,220</u>	<u>\$(35,845)</u>	<u>\$32,166,165</u>

Redemptions and payments of long-term obligations are primarily from General Fund resources.

Revenue Bonds - The revenue bonds were issued to finance construction of an addition to the student union building on the Contra Costa College campus. The bonds are secured by the revenues of the student union building. The bond resolution requires that the net revenues of the student union building be remitted to the Contra Costa County Treasurer to provide for debt service. To comply with this requirement, a portion of the building has been leased to the Contra Costa College Bookstore Fund. The lease, which expires in July 2009, provides for monthly rentals deemed sufficient, over the term of the lease, to meet bond principal and interest requirements. Bond principal matures in increasing annual installments through April 2009; interest of 3% is payable semiannually. Until April 2004, bonds redeemed prior to maturity are subject to a prepayment penalty.

The annual debt service requirements for revenue bonds, as of June 30, 1992, is as follows:

Year ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 6,000	\$ 3,810	\$ 9,810
1994	6,000	3,630	9,630
1995	6,000	3,450	9,450
1996	6,000	3,270	9,270
1997	7,000	3,090	10,090
1998-2009	<u>96,000</u>	<u>19,680</u>	<u>115,680</u>
Total	<u>\$127,000</u>	<u>\$36,930</u>	<u>\$163,930</u>

Capital Lease Obligations - A capital lease is a lease that transfers substantially all benefits and risks inherent in the ownership of the property to the lessee, who accounts for the lease as an acquisition of an asset and the incurrence of a liability. Property, plant, and equipment having a net book value of \$846,790 are pledged as security against the following capital leases.

	<u>Obligation</u>	<u>Assets</u>
Governmental Fund Types:		
Lease of land, zero percent interest rate, due \$20,000 annually on November 1, final payment of \$15,000 due in 2000; option to acquire for \$1 in 2001	\$175,001	\$475,001
Family Life Center Annex lease, due \$24,000 annually including interest implicit in the lease at 10.6%; option to acquire for \$1 in 2005	<u>123,674</u>	<u>325,207</u>
Total governmental fund types	298,675	800,208
Proprietary Fund Types - Lease of printers, due \$26,379 annually including interest implicit in the lease at 10.5%; lease expires in 1993	<u>45,433</u>	<u>46,582</u>
Total	<u>\$344,108</u>	<u>\$846,790</u>

At June 30, 1992, the District's future minimum payments under capital leases are as follows:

	Governmental Fund Types	Proprietary Fund Type
1993	\$ 43,997	\$26,379
1994	43,997	26,379
1995	43,997	
1996	43,997	
1997	43,997	
Thereafter	242,976	
Total minimum lease payments	462,961	52,758
Less amount representing interest	(164,286)	(7,325)
Present value of capital lease obligations	<u>\$298,675</u>	<u>\$45,433</u>

Postretirement Health Benefits Obligation - The District offers subsidized health insurance benefits to all employees who retire from the District and meet the age and service requirements for eligibility. Such benefits are required through the District's collective bargaining agreements. Annual premiums are based on rates set by the health carriers with whom the District contracts. The amount of the District's contribution towards such annual premiums per employee, is determined according to the collective bargaining agreements or court settlements. The District recognizes the cost of providing those benefits and related administrative costs when paid. Active plan participants at June 30, 1992 totaled 392. Such payments for these retired employees totaled \$971,064 for fiscal year ended June 30, 1992 and were recorded as expenditures in the General Fund.

The District funds the Accumulated Postretirement Benefit Obligation (APBO), which is defined as the present value of the projected benefits that have already been earned. The actuarially determined APBO was \$30,631,000 at June 30, 1991. The District's actual 1992 contribution was \$1,847,000. At June 30, 1992, cash and investments and interest receivable in the Postretirement Health Benefits Debt Service Fund totaled \$8,727,679, which was designated for future payment of the obligation included in the general long-term obligations account group.

Vested Compensated Absences - Additions to vested compensated absences reflect net changes in vested vacation for salaried employees.

6. TAX AND REVENUE ANTICIPATION NOTES (TRANS)

On July 2, 1991, the District issued \$5,000,000 of TRANS at an interest rate of 4.90%, due June 30, 1992. These TRANS were issued under the authority of the California Government Code. Proceeds from the issuance of TRANS were used to meet fiscal 1992 General Fund expenditures, including operating expenditures, capital expenditures and the discharge of other obligations or indebtedness of the District. TRANS are general obligations of the District but are payable only from taxes, revenues, cash receipts and other monies received by the District. On June 30, 1992, the TRANS were repaid in accordance with the above terms.

On July 1, 1992 the District issued \$5,000,000 of TRANS at an interest rate of 3.35% due June 30, 1993.

7. PROPERTY, PLANT, AND EQUIPMENT

A summary of changes in the general fixed assets account group is as follows:

	Balance July 1, 1991	Additions	Retirements	Balance June 30, 1992
Land	\$ 1,518,177	\$ 20,000		\$ 1,538,177
Land improvements	18,682,956	395,166		19,078,122
Buildings and improvements	82,965,667	3,430,147		86,395,814
Equipment	<u>23,768,482</u>	<u>1,355,185</u>	<u>\$56,383</u>	<u>25,067,284</u>
Total	<u>\$126,935,282</u>	<u>\$5,200,498</u>	<u>\$56,383</u>	<u>\$132,079,397</u>

The proprietary fund types include fixed assets (equipment) of \$445,228 (\$1,399,030 net of accumulated depreciation of \$953,802).

8. EMPLOYEE RETIREMENT PLANS

All full-time employees are eligible to participate under defined benefit retirement plans maintained by agencies of the State of California. Certificated employees are eligible to participate in the cost-sharing multiple-employer State Teachers' Retirement System (STRS). Classified employees are eligible to participate in the agent multiple-employer Public Employees' Retirement Fund (the Fund) of the Public Employees' Retirement System (PERS), which acts as a common investment administrator and administrative agent for participating public entities within the State of California. The District's covered payroll for certificated employees participating in STRS and classified employees participating in PERS for the year ended June 30, 1992 was \$32,977,818 and \$15,868,057, respectively. For the year then ended, the District's total payroll for all certificated and classified employees was \$42,046,847 and \$18,486,255, respectively.

PERS

For most local governments participating in the Fund, separate actuarial valuations are performed. However, due to the comparability of most school districts within the State of California, substantially all districts, including the District, are combined into one cost-sharing group, the school employee subfund (the subfund). All full-time classified District employees participate in the subfund. The subfund provides retirement, disability, and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age 50. These benefit provisions and all other requirements are established by State statute and District ordinance.

Participating employees are required to contribute 7% of their salary to the Fund less \$133 per month for those employees covered by Social Security. Based on a valuation by the Fund's actuaries, all employers, including the District, are required to contribute 8.498% for the period July 1, 1991 through March 31, 1992 and 7.152% for the period April 1, 1992 through June 30, 1992 of covered payroll to the Fund for its classified employees. The funding policy of the Fund provides for actuarially determined periodic contributions by the District at rates such that sufficient assets will be available to the Fund to pay benefits when due. The District's contribution to the Fund for the year ended June 30, 1992 was made in accordance with the actuarially determined requirements computed as of June 30, 1990. The Fund uses the level percentage of payroll modification of the Entry Age Normal Actuarial Cost Method to determine the contribution rate for normal cost and to amortize unfunded actuarial liabilities. Significant actuarial assumptions used in the 1990 valuation to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described below. Unfunded actuarial liabilities are amortized through 2011.

The contribution requirement, which was met by the District, for the year ended June 30, 1992 was \$2,349,205, which consisted of \$1,293,643 from the District and \$1,055,562 from the employees. The District's contribution consisted of \$1,138,304 normal cost (7.174% of current covered payroll) and \$155,339 amortization of the unfunded actuarial liability (.979% of current covered payroll). During the year the County of Contra Costa received a credit of \$12,580,171 to be used by the participating districts in the County to offset the districts' contributions. The credit was a result of the State of California's elimination of two PERS special cost of living funds. During the year the District applied \$1,293,643 of the credit to offset the District's current year contributions to the Fund in total. The credit taken is recorded in the General Fund as a reduction of employee benefits expenditures, and, therefore, the District's fiscal 1992 cash contribution for PERS was zero. The District's 1992 contribution represented less than 1% of total contributions required of all participating districts. There were no significant changes in benefit provisions, actuarial funding method or other factors.

The "pension benefit obligation" is a standardized disclosure measure that results from applying actuarial assumptions to estimate the present value of pension benefits, adjusted for the effects of projected salary increases and step rate benefits, to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the subfund to which contributions are made on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used. The subfund does not make separate measurements of assets and pension benefit obligation for individual districts.

The pension benefit obligation of the subfund was computed as part of an actuarial valuation performed as of June 30, 1991, but reflects all plan amendments adopted through June 30, 1992. The significant actuarial assumptions used in the 1991 valuation to compute the pension benefit obligation were an assumed rate of return on investment assets of 8.75%, annual payroll increases of 7%, consisting of 5.25% attributable to inflation and 1.75% attributable to merit or seniority, and no postretirement benefit increases.

Funding status information of the subfund as of June 30, 1991 follows:

Pension benefit obligation:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,655,000,000
Current employees:	
Accumulated employee contributions and allocated investment earnings	2,587,000,000
Employer-financed, vested	3,577,000,000
Employer-financed, nonvested	228,000,000
Total pension benefit obligation	11,047,000,000
Net assets available for benefits, at cost (total market value, \$11,638,000,000)	10,494,000,000
Unfunded pension benefit obligation	\$ 553,000,000

The pension benefit obligation increased by \$734,000,000 during 1991 of which a decrease of \$347,000,000 was due to a change in the assumed rate of return on investments, an actuarial assumption, from 8.5% in the prior year to 8.75%. The remaining increase in the pension benefit obligation was due to normal changes in the age, length of service and salary of covered employees.

Historical trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information for the Fund is not yet available.

For the subfund, trend information for the years ended June 30, 1987 through 1991 follows:

	<u>Fiscal 1991</u>	<u>Fiscal 1990</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1987</u>
Net assets available for benefits as a percentage of the pension benefit obligation	94.996%	92.636%	92.406%	85.871%	83.236%
Unfunded pension benefit obligation (in millions)*	\$553	\$759	\$696	\$1,213	\$1,315
Employer contribution made in accordance with actuarially determined requirement, as a percentage of annual covered payroll	8.498%	7.646%	8.583%	8.762%	10.064%

* Unfunded pension benefit obligation as a percentage of annual covered payroll information is not computable as the annual covered payroll information for the participants in the subfund is not readily available.

STRS

STRS operates under the State Education Code sections commonly known as the State Teachers' Retirement Law. Membership is mandatory for all certificated employees of California public schools meeting the eligibility requirements. STRS provides retirement, disability, and death benefits based on the employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age 55.

Certificated employees are required to contribute 8% of their salary to STRS. The District, based on a valuation by STRS' actuaries, is required to contribute 8.25% of covered payroll for its certificated employees to STRS. The contribution requirement, which was met by the District, for the year ended June 30, 1992 was \$5,358,895, which consisted of \$2,720,670 from the District and \$2,638,225 from the employees.

The pension benefit obligation for STRS was computed as part of an actuarial valuation performed June 30, 1991. STRS does not make separate measurements of pension benefit obligations and the related net assets available for benefits for individual districts.

The significant actuarial assumptions used by STRS to compute the June 30, 1991 actuarial valuation are as follows. The assumed long-term investment yield is 8.5% and the assumed long-term salary increase assumption for inflation is 6.5%. The normal cost of covered payroll was 17.46% and the 38-year amortization rate for the unfunded actuarial obligation is 2.95%. Member and employer contribution rates are set by law and are not affected by the assumptions. The District's employer contributions to STRS met the required contribution rate established by law.

Under current law the pension benefit obligation for STRS is not the responsibility of the District. Although the actuarially determined contribution rate exceeds the employer rate set in law, the District has no obligation for the unfunded pension benefit obligation. The State of California makes annual contributions to STRS toward the unfunded obligation.

The District's 1992 contribution represented less than 1% of total contributions required of all participating districts.

9. COMMITMENTS AND CONTINGENCIES

Claims and Litigation - At June 30, 1992, the District is involved in various claims and litigation, none of which District's legal counsel expects to have a material adverse effect on the District's operations or financial condition.

Purchase Commitments - At June 30, 1992 the District had commitments under several construction contracts totaling approximately \$2,900,000.

Operating Leases - The District has no significant long-term noncancelable operating leases. Total rental expenditures for facilities and nonfacilities were \$1,251,364 and related sublease rental income was \$22,022 for fiscal 1992.

10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains three enterprise funds - Bookstore Fund, Cafeteria Fund and Data Processing Center Fund. Segment information for the fiscal year ended June 30, 1992 was as follows:

	Bookstore Fund	Cafeteria Fund	Data Processing Center Fund	Total
Revenues (operating and nonoperating)	\$5,848,468	\$1,564,300	\$2,035,932	\$9,448,700
Income before operating transfers	444,486	59,392	136,345	640,223
Operating transfers out	(462,322)			(462,322)
Net income (loss)	(17,836)	59,392	136,345	177,901
Equipment additions	81,889	3,209	5,448	90,546
Net working capital	1,343,427	(96,807)	1,003,844	2,250,464
Total assets	2,488,466	140,837	1,306,895	3,936,198
Retained earnings (deficit)	1,447,362	(36,979)	1,261,462	2,671,845

11. JOINT POWERS AGENCIES

The Contra Costa Education Center Authority (the Authority) was formed in 1971 under a joint exercise of powers between the County of Contra Costa (the County) and the District. The purpose of the Authority was to finance the construction of a building to house the District's administrative offices. Revenue bonds totaling \$2.8 million were sold based upon lease agreements between the Authority, the District and the County under which the Authority leases the land on which the Education Center is located from the District for \$1 per year, the District leases the Education Center from the Authority for \$246,000 per year and the County subleases a portion of the Education Center from the District for \$32,000 per year. At June 30, 1992, the District is contractually obligated to the Authority under the lease agreement to pay \$246,000 per year through 1993.

The District also participates in the Bay Area Community College District's Joint Powers Agency (the Agency), which is a Joint Powers Agency established to provide insurance for certain liability and property insurance policies purchased by the Agency. The Agency's governing board is comprised of one representative from each member district.

Condensed audited financial information of the Authority and the Agency as of and for the year ended June 30, 1992 is as follows:

	<u>Authority</u>	<u>Agency</u>
Total assets	\$1,905,882	\$1,403,703
Total liabilities	942,000	986,225
Total fund balance or retained earnings	963,882	417,478
Total revenues	298,744	1,380,841
Total expenditures or expenses	308,458	1,671,445
Net decrease in fund balance or retained earnings	(9,714)	290,604

FINANCIAL SECTION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1992

	POSTRETIREMENT HEALTH BENEFITS	BONO INTEREST AND REDEMPTION	TOTAL
<u>ASSETS</u>			
Cash and investments in County treasury	\$8,723,528	\$111,248	\$8,834,776
Interest receivable	<u>4,151</u>	<u> </u>	<u>4,151</u>
TOTAL	<u>\$8,727,679</u>	<u>\$111,248</u>	<u>\$8,838,927</u>
 <u>FUND BALANCE</u>			
Reserved for debt service		\$111,248	\$ 111,248
Unreserved, designated for postretirement health benefits obligation	<u>\$8,727,679</u>	<u> </u>	<u>8,727,679</u>
TOTAL	<u>\$8,727,679</u>	<u>\$111,248</u>	<u>\$8,838,927</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1992

	POSTRETIREMENT HEALTH BENEFITS	BOND INTEREST AND REDEMPTION	BOND REVENUE	INTERFUND ELIMINATIONS	TOTAL
REVENUES - Local:					
Interest	\$ 508,489	\$ 6,492			\$ 514,981
Rentals			\$9,600		9,600
Total revenues	<u>508,489</u>	<u>6,492</u>	<u>9,600</u>		<u>524,581</u>
EXPENDITURES - Debt service:					
Principal retirement		6,000			6,000
Interest		3,990			3,990
Total expenditures	<u>-</u>	<u>9,990</u>	<u>-</u>		<u>9,990</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>508,489</u>	<u>(3,498)</u>	<u>9,600</u>		<u>514,591</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	1,847,000	9,600		\$(9,600)	1,847,000
Operating transfers out			(9,600)	9,600	
Total other financing sources (uses)	<u>1,847,000</u>	<u>9,600</u>	<u>(9,600)</u>	<u>-</u>	<u>1,847,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,355,489	6,102			2,361,591
FUND BALANCES, JULY 1, 1991	<u>6,372,190</u>	<u>105,146</u>	<u>-</u>	<u>-</u>	<u>6,477,336</u>
FUND BALANCES, JUNE 30, 1992	<u>\$8,727,679</u>	<u>\$111,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,838,927</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1992

	POSTRETIREMENT HEALTH BENEFITS			BOND INTEREST REDEMPTION			BOND REVENUE			INTERFUND ELIMINATIONS	TOTALS		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET		BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES - Local:													
Interest	\$ 588,150	\$ 508,489	\$(79,661)	\$ 7,000	\$ 6,492	\$(508)					\$ 595,150	\$ 514,981	\$(80,169)
Rentals							\$9,600	\$9,600			9,600	9,600	
Total revenues	<u>588,150</u>	<u>508,489</u>	<u>(79,661)</u>	<u>7,000</u>	<u>6,492</u>	<u>(508)</u>	<u>9,600</u>	<u>9,600</u>			<u>604,750</u>	<u>524,581</u>	<u>(80,169)</u>
EXPENDITURES - Debt service:													
Principal retirement				6,000	6,000						6,000	6,000	
Interest				3,900	3,990	90					3,900	3,990	90
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,900</u>	<u>9,990</u>	<u>90</u>	<u>-</u>	<u>-</u>			<u>9,900</u>	<u>9,990</u>	<u>90</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>588,150</u>	<u>508,489</u>	<u>(79,661)</u>	<u>(2,900)</u>	<u>(3,498)</u>	<u>(598)</u>	<u>9,600</u>	<u>9,600</u>			<u>594,850</u>	<u>514,591</u>	<u>(80,259)</u>
OTHER FINANCING SOURCES (USES):													
Operating transfers in	1,847,000	1,847,000		9,600	9,600					\$(9,600)	1,847,000	1,847,000	
Operating transfers out							(9,600)	(9,600)		9,600			
Total other financing sources (uses)	<u>1,847,000</u>	<u>1,847,000</u>	<u>-</u>	<u>9,600</u>	<u>9,600</u>	<u>-</u>	<u>(9,600)</u>	<u>(9,600)</u>		<u>-</u>	<u>1,847,000</u>	<u>1,847,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>2,435,150</u>	<u>2,355,489</u>	<u>(79,661)</u>	<u>6,700</u>	<u>6,102</u>	<u>(598)</u>					<u>2,441,850</u>	<u>2,361,591</u>	<u>(80,259)</u>
FUND BALANCES, JULY 1, 1991	<u>6,348,811</u>	<u>6,372,190</u>	<u>23,379</u>	<u>105,384</u>	<u>105,146</u>	<u>(238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,454,195</u>	<u>6,477,336</u>	<u>23,141</u>
FUND BALANCES, JUNE 30, 1992	<u>\$8,783,961</u>	<u>\$8,727,679</u>	<u>\$(56,282)</u>	<u>\$112,084</u>	<u>\$111,248</u>	<u>\$ 836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,896,045</u>	<u>\$8,838,927</u>	<u>\$(57,118)</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ENTERPRISE FUNDS - COMBINING BALANCE SHEET
JUNE 30, 1992

	<u>BOOKSTORE</u>	<u>CAFETERIA</u>	<u>DATA PROCESSING CENTER</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and investments in County treasury			\$ 776,373	\$ 776,373
Cash on hand and in banks	\$1,258,872	\$ 39,092		1,297,964
Accounts receivable	299,843	1,914		301,757
Interest receivable			2,120	2,120
Due from other funds			246,937	246,937
Inventories	825,816	40,003		865,819
Property, plant and equipment - net	<u>103,935</u>	<u>59,828</u>	<u>281,465</u>	<u>445,228</u>
TOTAL	<u>\$2,488,466</u>	<u>\$140,837</u>	<u>\$1,306,895</u>	<u>\$3,936,198</u>
<u>LIABILITIES AND RETAINED EARNINGS (DEFICIT)</u>				
<u>LIABILITIES:</u>				
Accounts payable and accrued liabilities	\$ 133,883	\$ 15,366		\$ 149,249
Due to other funds	907,221	162,450		1,069,671
Capital lease obligations			\$ 45,433	45,433
Total liabilities	<u>1,041,104</u>	<u>177,816</u>	<u>45,433</u>	<u>1,264,353</u>
RETAINED EARNINGS (DEFICIT)	<u>1,447,362</u>	<u>(36,979)</u>	<u>1,261,462</u>	<u>2,671,845</u>
TOTAL	<u>\$2,488,466</u>	<u>\$140,837</u>	<u>\$1,306,895</u>	<u>\$3,936,198</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ENTERPRISE FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 1992

	<u>BOOKSTORE</u>	<u>CAFETERIA</u>	<u>DATA PROCESSING CENTER</u>	<u>TOTAL</u>
OPERATING REVENUES:				
Sales	\$5,817,439	\$1,522,973		\$7,340,412
Contract services			\$1,986,333	1,986,333
Total operating revenues	<u>5,817,439</u>	<u>1,522,973</u>	<u>1,986,333</u>	<u>9,326,745</u>
OPERATING EXPENSES:				
Cost of sales	4,139,044	736,832		4,875,876
Classified salaries	824,680	552,964	975,304	2,352,948
Employee benefits	163,148		191,384	354,532
Rentals and repairs	113,141	32,977	355,916	502,034
Material and supplies	87,484	110,925	144,311	342,720
Depreciation expense	2,022	14,396	178,993	195,411
Utilities	53,081	44,110	21,338	118,529
Other	21,382	12,704	25,488	59,574
Total operating expenses	<u>5,403,982</u>	<u>1,504,908</u>	<u>1,892,734</u>	<u>8,801,624</u>
OPERATING INCOME	<u>413,457</u>	<u>18,065</u>	<u>93,599</u>	<u>525,121</u>
NONOPERATING REVENUES (EXPENSE):				
Interest revenue	9,714	2,617	43,426	55,757
Interest expense			(6,853)	(6,853)
Other	21,315	38,710	6,173	66,198
Total nonoperating revenues	<u>31,029</u>	<u>41,327</u>	<u>42,746</u>	<u>115,102</u>
INCOME BEFORE OPERATING TRANSFERS	444,486	59,392	136,345	640,223
OPERATING TRANSFERS OUT	<u>(462,322)</u>	<u>-</u>	<u>-</u>	<u>(462,322)</u>
NET INCOME (LOSS)	(17,836)	59,392	136,345	177,901
RETAINED EARNINGS (DEFICIT), JULY 1, 1991	<u>1,465,198</u>	<u>(96,371)</u>	<u>1,125,117</u>	<u>2,493,944</u>
RETAINED EARNINGS (DEFICIT), JUNE 30, 1992	<u>\$1,447,362</u>	<u>\$ (36,979)</u>	<u>\$1,261,462</u>	<u>\$2,671,845</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ENTERPRISE FUNDS - COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1992

	BOOKSTORE	CAFETERIA	DATA PROCESSING CENTER	TOTAL
OPERATING ACTIVITIES:				
Operating income	\$ 413,457	\$18,065	\$ 93,599	\$ 525,121
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,022	14,396	178,993	195,411
Other income	21,315	38,710	6,173	66,198
(Increase) decrease in assets:				
Receivables	(138,896)	6,806	4,099	(127,991)
Inventories	161,323	(6,507)		154,816
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	(5,149)	7,448		2,299
Net cash provided by operating activities	<u>454,072</u>	<u>78,918</u>	<u>282,864</u>	<u>815,854</u>
NONCAPITAL FINANCING ACTIVITIES:				
Increase in amounts due from other funds			(125,044)	(125,044)
Increase (decrease) in amounts due to other funds	450,313	(78,491)		371,822
Operating transfers out	(462,322)			(462,322)
Net cash used for noncapital financing activities	<u>(12,009)</u>	<u>(78,491)</u>	<u>(125,044)</u>	<u>(215,544)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of equipment	(81,889)	(3,209)	(5,448)	(90,546)
Payment of capital lease obligations			(19,526)	(19,526)
Interest paid			(6,853)	(6,853)
Net cash used for capital and related financing activities	<u>(81,889)</u>	<u>(3,209)</u>	<u>(31,827)</u>	<u>(116,925)</u>
INVESTING ACTIVITY - Interest received	<u>9,714</u>	<u>2,617</u>	<u>43,426</u>	<u>55,757</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>369,888</u>	<u>(165)</u>	<u>169,419</u>	<u>539,142</u>
CASH AND EQUIVALENTS, JULY 1, 1991	<u>888,984</u>	<u>39,257</u>	<u>606,954</u>	<u>1,535,195</u>
CASH AND EQUIVALENTS, JUNE 30, 1992	<u>\$1,258,872</u>	<u>\$ 39,092</u>	<u>\$776,373</u>	<u>\$2,074,337</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUND TYPES - COMBINING BALANCE SHEET JUNE 30, 1992

	.....EXPENDABLE TRUST FUNDS.....					AGENCY FUND - BAY AREA COMMUNITY COLLEGE DISTRICTS JOINT POWERS AGENCY	
	STUDENT.....FINANCIAL AID.....		ASSOCIATED STUDENTS AND TRUST ACCOUNTS	STUDENT BODY CENTER BUILDING AND OPERATING FUND	TOTAL		TOTAL
	COLLEGE WORK STUDY	STUDENT LOAN AND SCHOLARSHIP					
ASSETS							
Cash and investments in County treasury				\$439,897	\$ 439,897	\$1,185,768	\$1,625,665
Cash on hand and in banks	\$18,999	\$680,377	\$379,286		1,078,662	17,981	1,096,643
Accounts receivable	72,780	3,526		862	77,168		77,168
Interest receivable		599			599	4,048	4,647
Due from member districts						195,906	195,906
Due from other funds	500	7,860		3,005	11,365		11,365
TOTAL	\$92,279	\$692,362	\$379,286	\$443,764	\$1,607,691	\$1,403,703	\$3,011,394
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable						\$ 8,225	\$ 8,225
Outstanding claims liability						978,000	978,000
Deposits			\$263,126		\$ 263,126		263,126
Due to Bay Area Community College Districts Joint Powers Agency						417,478	417,478
Due other funds	\$92,279	\$ 11,307			103,586		103,586
Total liabilities	92,279	11,307	263,126		366,712	1,403,703	1,770,415
FUND BALANCES - Reserved for:							
Student financial aid		681,055			681,055		681,055
Associated students			116,160		116,160		116,160
Restricted programs				\$443,764	443,764		443,764
Total fund balances	-	681,055	116,160	443,764	1,240,979	-	1,240,979
TOTAL	\$92,279	\$692,362	\$379,286	\$443,764	\$1,607,691	\$1,403,703	\$3,011,394

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUND TYPES - EXPENDABLE TRUST FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1992

	.....STUDENT	FINANCIAL AID.....					
	PELL	COLLEGE	SUPPLEMENTAL	STUDENT	ASSOCIATED	STUDENT BODY	
	GRANTS	WORK	EDUCATIONAL	LOAN AND	STUOENTS	CENTER	
		STUDY	OPPORTUNITY	SCHOLARSHIP	AND TRUST	BUILDING AND	TOTAL
			GRANT		ACCOUNTS	OPERATING FUND	
REVENUES:							
Federal	\$2,114,631	\$203,708	\$230,231				\$2,548,570
Local				\$162,686	\$132,529	\$ 17,535	312,750
Total revenues	<u>2,114,631</u>	<u>203,708</u>	<u>230,231</u>	<u>162,686</u>	<u>132,529</u>	<u>17,535</u>	<u>2,861,320</u>
EXPENDITURES - Current:							
Student financial aid	2,106,371		212,697	289,183			2,608,251
Classified salaries		271,774					271,774
Operating expenditures					91,933	24,906	116,839
Other				530	55,079		55,609
Total expenditures	<u>2,106,371</u>	<u>271,774</u>	<u>212,697</u>	<u>289,713</u>	<u>147,012</u>	<u>24,906</u>	<u>3,052,473</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,260</u>	<u>(68,066)</u>	<u>17,534</u>	<u>(127,027)</u>	<u>(14,483)</u>	<u>(7,371)</u>	<u>(191,153)</u>
OTHER FINANCING SOURCES (USES):							
Operating transfers in		69,916	18,568	128,495		215,138	432,117
Operating transfers out	(8,260)	(1,850)	(36,102)				(46,212)
Total other financing sources (uses)	<u>(8,260)</u>	<u>68,066</u>	<u>(17,534)</u>	<u>128,495</u>	<u>-</u>	<u>215,138</u>	<u>385,905</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	-	1,468	(14,483)	207,767	194,752
FUND BALANCES, JULY 1, 1991	-	-	-	679,587	130,643	235,997	1,046,227
FUND BALANCES, JUNE 30, 1992	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$681,055</u>	<u>\$116,160</u>	<u>\$443,764</u>	<u>\$1,240,979</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUND TYPES - AGENCY FUND - STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1992

	BALANCE JULY 1, 1991	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1992
<u>BAY AREA COMMUNITY COLLEGE DISTRICTS</u> <u>JOINT POWERS AGENCY</u>				
ASSETS:				
Cash and equivalents on deposit in Contra Costa County Treasury	\$1,417,754	\$1,348,625	\$1,580,611	\$1,185,768
Cash and equivalents held by fiscal agent	20,000		2,019	17,981
Due from member districts	148,386	195,906	148,386	195,906
Interest receivable	<u>19,352</u>	<u>4,048</u>	<u>19,352</u>	<u>4,048</u>
TOTAL ASSETS	<u>\$1,605,492</u>	<u>\$1,548,579</u>	<u>\$1,750,368</u>	<u>\$1,403,703</u>
LIABILITIES:				
Accounts payable	\$ 32,410	\$ 8,225	\$ 32,410	\$ 8,225
Outstanding claims	865,000	978,000	865,000	978,000
Due to Bay Area Community College Districts Joint Powers Agency	<u>708,082</u>		<u>290,604</u>	<u>417,478</u>
TOTAL LIABILITIES	<u>\$1,605,492</u>	<u>\$ 986,225</u>	<u>\$1,188,014</u>	<u>\$1,403,703</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON
AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the District for the year ended June 30, 1992, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the District is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash receipts, receivables, billings
- Cash disbursements, payables, purchasing, receiving
- Payrolls
- Journal entries

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992

**INDEPENDENT AUDITORS' COMPLIANCE REPORT BASED ON AN
AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' COMPLIANCE REPORT BASED ON AN
AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the District is the responsibility of the District management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992

STATE REQUIRED SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992 and for the year then ended, and have issued our report thereon dated November 4, 1992. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the standards for financial and compliance audits contained in California Community Colleges Contracted District Audit Manual, issued by the Chancellor's Office of the State of California. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying supplemental schedules of state financial assistance and reconciliation of fund balance and retained earnings between general purpose financial statements and Form CCFS-311 (Annual Financial and Budget Report) for the year ended June 30, 1992 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. These supplemental schedules are the responsibility of the management of the District. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the Governing Board, management and others within the District, and officials of the Chancellor's Office of California Community Colleges. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SUPPLEMENTAL SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1992

	.....PROGRAM ENTITLEMENTS.....			.....PROGRAM REVENUES.....				
	CURRENT							
	<u>YEAR GRANT</u>	<u>PRIOR YEAR</u>	<u>TOTAL</u>	<u>CASH</u>	<u>ACCOUNTS</u>	<u>DEFERRED</u>	<u>TOTAL</u>	<u>PROGRAM</u>
	<u>AUTHORIZED</u>	<u>CARRYOVER</u>	<u>ENTITLEMENT</u>	<u>RECEIVED</u>	<u>RECEIVABLE</u>	<u>REVENUE</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
Matriculation	\$1,173,213	\$ 95,193	\$1,268,406	\$1,268,406		\$ 4,880	\$1,263,526	\$1,263,526
Extended Opportunity Program	970,990	5,132	976,122	970,990		13,537	957,453	957,453
Handicapped Apportionment	670,068	7,573	677,641	670,068		19,327	650,741	650,741
Middle College High School								
Project	150,000	78,289	228,289	210,000	\$ 30,747		240,747	240,747
Instructional equipment		209,242	209,242	209,242			209,242	209,242
Other - restricted	<u>416,080</u>	<u>25,425</u>	<u>441,505</u>	<u>356,893</u>	<u>94,916</u>	<u>40,837</u>	<u>410,972</u>	<u>410,972</u>
TOTAL	<u>\$3,380,351</u>	<u>\$420,854</u>	<u>\$3,801,205</u>	<u>\$3,685,599</u>	<u>\$125,663</u>	<u>\$78,581</u>	<u>\$3,732,681</u>	<u>\$3,732,681</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF FUND BALANCE AND RETAINED EARNINGS BETWEEN GENERAL PURPOSE
FINANCIAL STATEMENTS AND FORM CCFS-311 (ANNUAL FINANCIAL AND BUDGET REPORT)
FOR THE YEAR ENDED JUNE 30, 1992

	<u>DATA PROCESSING CENTER FUND</u>
BALANCE, JUNE 30, 1992 - ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)	\$1,025,429
ADJUSTMENTS TO CONVERT THE DATA PROCESSING CENTER FUND FROM A GOVERNMENTAL FUND TYPE TO A PROPRIETARY FUND TYPE (1):	
Capitalization of expenditures for purchases of fixed assets	421,879
Depreciation and interest expense due to capitalization	<u>(185,846)</u>
BALANCE, JUNE 30, 1992 - GENERAL PURPOSE FINANCIAL STATEMENTS	<u>\$1,261,462</u>

There were no adjustments affecting fund balances or retained earnings of funds not presented.

- (1) The District maintains the Data Processing Center Fund as a governmental fund type for operating purposes, and it is reported as such in the June 30, 1992 Annual Financial and Budget Report (CCFS-311). Accordingly, for operating purposes equipment acquisitions are recorded as expenditures of the fund, and the fixed assets are recorded in the general fixed assets account group and they are not depreciated. Since the District reports the Data Processing Center Fund as a proprietary fund type in the annual financial report, the above adjustments represent capitalization of expenditures for purchases of fixed assets over the years less the current year's depreciation and interest expense.
-

**INDEPENDENT AUDITORS' STATE COMPLIANCE REPORT BASED ON
AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the standards for financial and compliance audits contained in California Community Colleges Contracted District Audit Manual, issued by the Chancellor's Office of the State of California. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. In connection with our audit, we selected and tested transactions and records from the following areas:

- Salaries of Classroom Instructors
- State Aid for Course Repetition
- Required Data Element

- Residency Determination
- Students Actively Enrolled
- Student Probation and Dismissal
- Uses of Matriculation Funds
- Allocation of Costs
- Extended Opportunity Programs and Services Administrator/Director Requirements
- Gann Limit Calculation

The results of our tests indicate that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

In addition, we have audited the accompanying schedules of workload measures for program-based funding and apprenticeship hours of instruction in accordance with the standards noted in the second paragraph. In our opinion, such schedules presents fairly, in all material respects, the workload measures for program-based funding of the District for the year ended June 30, 1992.

This report is intended for the information of the Governing Board, management and others within the District, and officials of the Chancellor's Office of California Community Colleges. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR PROGRAM-BASED FUNDING
FOR THE YEAR ENDED JUNE 30, 1992

	REPORTED DATA
A. Credit Full-Time Equivalent Students (FTES)	
1. Weekly census	22,163
2. Daily census	2,506
3. Actual hours of attendance	2,549
4. Independent Study/Work Experience	<u>264</u>
Total	<u>27,482</u>
B. Noncredit FTES	
1. Actual hours of attendance	<u>64</u>
C. Credit Student Headcount	<u>42,935</u>
D. Gross Square Footage	
1. Existing Facilities	<u>1,163,025</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF APPRENTICESHIP HOURS OF INSTRUCTION
FOR THE YEAR ENDED JUNE 30, 1992

<u>REPORTING PERIODS</u>	<u>TOTAL ANNUAL HOURS REPORTED</u>
JULY 1 TO DECEMBER 31, 1991	22,766
JANUARY 1 TO APRIL 15, 1992	20,010
APRIL 16 TO JUNE 30, 1992	<u>-</u>
TOTAL	<u>42,776</u>

FEDERAL FINANCIAL ASSISTANCE

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying supplemental schedule of federal financial assistance for the year ended June 30, 1992 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. This supplemental schedule is the responsibility of the management of the District. This supplemental schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 1992

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CATALOG NUMBER	.....PROGRAM ENTITLEMENTS.....			.....PROGRAM REVENUES.....				PROGRAM EXPENDITURES
		CURRENT YEAR GRANT AUTHORIZED	PRIOR YEAR CARRYOVER	TOTAL ENTITLEMENT	CASH RECEIVED	ACCOUNTS RECEIVABLE	DEFERRED INCOME	TOTAL REVENUES	
U.S. DEPARTMENT OF EDUCATION									
DIRECT PROGRAMS:									
Pell Grant Program:									
Diablo Valley College	84.063*	\$ 737,584		\$ 737,584	\$ 737,535			\$ 737,535	\$ 737,535
Los Medanos College	84.063*	511,941		511,941	512,167			512,167	512,167
Contra Costa College	84.063*	982,159		982,159	864,929			864,929	864,929
Total		<u>2,231,684</u>		<u>2,231,684</u>	<u>2,114,631</u>			<u>2,114,631</u>	<u>2,114,631</u>
Supplemental Educational Opportunity Grants:									
Diablo Valley College	84.007	40,668		40,668	39,230			39,230	39,230
Los Medanos College	84.007	77,742		77,742	77,742			77,742	77,742
Contra Costa College	84.007	150,000		150,000	113,259			113,259	113,259
Total		<u>268,410</u>		<u>268,410</u>	<u>230,231</u>			<u>230,231</u>	<u>230,231</u>
College Work Study Program:									
Diablo Valley College	84.033	30,564	\$ 3,221	33,785	32,002			32,002	32,002
Los Medanos College	84.033	72,116	7,226	79,342	73,763			73,763	73,763
Contra Costa College	84.033	72,980	24,963	97,943	25,163	\$ 72,780		97,943	97,943
Total		<u>175,660</u>	<u>35,410</u>	<u>211,070</u>	<u>130,928</u>	<u>72,780</u>		<u>203,708</u>	<u>203,708</u>
PASSED THROUGH STATE DEPARTMENT OF EDUCATION:									
Vocational Education - Basic Grants to States									
	84.048	131,060	-	131,060	98,295	1,706	\$44,000	56,001	56,001
Vocational Education - Consumer and Homemaking Education									
	84.049	131,953	3,997	135,950	3,997	112,924	-	116,921	116,921
Vocational Education - Community Based Organizations									
	84.174*	528,307	36,292	564,599	432,522	107,873	-	540,395	540,395
TOTAL U.S. DEPARTMENT OF EDUCATION		\$3,467,074	\$75,699	\$3,542,773	\$3,010,604	\$295,283	\$44,000	\$3,261,887	\$3,261,887

(Continued)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 1992

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CATALOG NUMBER	.....PROGRAM ENTITLEMENTS.....			.....PROGRAM REVENUES.....				PROGRAM EXPENDITURES
		CURRENT YEAR GRANT AUTHORIZED	PRIOR YEAR CARRYOVER	TOTAL ENTITLEMENT	CASH RECEIVED	ACCOUNTS RECEIVABLE	DEFERRED INCOME	TOTAL REVENUES	
U.S. DEPARTMENT OF VETERANS AFFAIRS									
PASSED THROUGH STATE DEPARTMENT OF EDUCATION - Veterans Administration Act	64.111	\$ 1,363		\$ 1,363	\$ 1,363			\$ 1,363	\$ 1,363
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
PASSED THROUGH STATE DEPARTMENT OF EDUCATION - State Legalization Impact Assistance (Amnesty)	13.786	56,733		56,733	30,050	\$ 26,683		56,733	56,733
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$3,525,170	\$75,699	\$3,600,869	\$3,042,017	\$321,996	\$44,000	\$3,319,983	\$3,319,983

(Concluded)

* Major federal financial assistance programs under the Single Audit Act.

Guaranteed Student Loans are approved by outside lending institutions and the District disburses such loans under the U.S. Department of Education Higher Education Act - Insured Loans. Guaranteed Student Loans are also a major federal financial assistance program under the Single Audit Act (federal catalog number 84.032). The District's management estimates the amount of loans received and disbursed during the year ended June 30, 1992 to be \$689,000.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992. We have also audited the District's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 4, 1992.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the District complied with laws and regulations, noncompliance with which could be material in relation to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1992, we considered the District's internal control structure and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinions on the District's general purpose financial statements and on its compliance with specific requirements applicable to major federal financial assistance programs and not to provide assurance on the internal control structure. We also tested the internal control structure used in administering federal financial assistance programs. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 4, 1992.

The District's management is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal accounting and administrative control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- Internal Accounting:

- Cash receipts, receivables, billing
- Cash disbursements, payables, purchasing, receiving
- Payrolls
- Journal entries

- Administrative:

- General Requirements

Political activity
Davis-Bacon Act
Civil rights
Cash management
Relocation assistance and
real property acquisition
Federal financial reports
Allowable costs/cost principles
Drug-Free Workplace Act
Administrative requirements

- Claims for advances and reimbursements

- Amounts claimed or used for matching

- Specific Requirements

Types of services allowed or unallowed
Eligibility
Matching, level of effort, and/or earmarking
requirements
Special reporting requirements
Special tests and provisions related to:
Pell Grant Program
Vocational Education - Community
Based Organizations
Guaranteed Student Loans

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1992, the District expended 80% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing federal financial reports and claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the District's major federal financial assistance programs, which are identified in the accompanying supplemental schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure policies and procedures used in administering federal financial assistance programs and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992. We have also audited the District's compliance applicable to specific requirements of major federal financial assistance programs and have issued our report thereon dated November 4, 1992.

We have also applied procedures to test the District's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying supplemental schedule of federal financial assistance, for the year ended June 30, 1992:

•• General Requirements

Political activity
Davis-Bacon Act
Civil rights
Cash management
Relocation assistance and real property acquisition
Federal financial reports
Allowable costs/cost principles
Drug-Free Workplace Act
Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings, questioned costs and recommendations.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Delwitta L. Touche

November 4, 1992



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992.

We have also audited the District's compliance with the requirements governing:

- Specific Requirements

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, and/or earmarking requirements
- Special reporting requirements
- Special tests and provisions related to:
 - Pell Grant Program
 - Vocational Education - Community Based Organizations
 - Guaranteed Student Loans

- Claims for advances and reimbursements

- Amounts claimed or used for matching

that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying supplemental schedule of federal financial assistance, for the year ended June 30, 1992. The management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings, questioned costs and recommendations. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the District complied, in all material respects, with the requirements referred to in the second paragraph of this report that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1992.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1992, and for the year then ended, and have issued our report thereon dated November 4, 1992. We have also audited the District's compliance applicable to requirements of major federal financial assistance programs and applied procedures to test compliance with general requirements applicable to federal financial assistance programs and have issued our reports thereon dated November 4, 1992.

In connection with our audit of the 1992 general purpose financial statements of the District and with our consideration of the District's internal control structures used to administer federal financial assistance programs, and assessment of control risk as required by Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, we did not select for testing any transactions applicable to nonmajor federal financial assistance programs for the year ended June 30, 1992.

Nothing came to our attention during our audit that caused us to believe that the District had not complied, in all material respects, with the requirements governing:

- • Specific Requirements
 - Types of services allowed or unallowed
 - Eligibility
 - Matching, level of effort, and/or earmarking requirements

- Special reporting requirements
- Special tests and provisions

that are applicable to nonmajor federal financial assistance programs.

This report is intended for the information of the Governing Board, management and others within the District and officials of applicable State and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

November 4, 1992

FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS

**FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS**

The Governing Board,
Contra Costa Community College District:

November 4, 1992

We are pleased to submit to you our findings, questioned costs and recommendations concerning various matters resulting solely from our audit of the Contra Costa Community College District's (the District) general purpose financial statements as of June 30, 1992, and for the year then ended. We have discussed such matters with the District's Business/Facilities Manager.

The matters noted were considered in determining the nature, timing, and extent of our audit tests applied in our audit of the general purpose financial statements, and the findings and recommendations herein do not modify our report dated November 4, 1992, on the general purpose financial statements. We have not performed any substantive auditing procedures subsequent to November 4, 1992; accordingly, this report is based on our knowledge as of that date and should be read with that understanding.

Additionally, the matters noted are not based on the results of any special studies designed to report on these matters. Accordingly, additional information and study may be required before acting on our suggestions.

This section contains findings that are the result of our evaluations on internal controls and tests of compliance with State and federal regulations and other matters noted during our audit. Accordingly, this section is divided into the following categories: Internal Control Structure Findings and Recommendations; State Compliance Findings and Recommendations; and Federal Compliance Findings, Recommendations and Questioned Costs.

INTERNAL CONTROL STRUCTURE FINDINGS AND RECOMMENDATIONS

In planning and performing our audit, we considered the District's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the District's general purpose financial statements and not to provide assurance on the internal control structure. Our consideration of the District's internal control structure was more limited than would be necessary to provide assurance on the District's internal control structure.

For purposes of this letter, a reportable condition involves a matter coming to the independent auditor's attention relating to a significant deficiency in the design or operation of the internal control structure that, in the independent auditor's judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements; and, a material weakness in the internal control structure is a reportable condition in which the design or operation of the internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities may occur in amounts that would be material in relation to the general purpose financial statements being audited and not be detected within a timely period by employees in the normal course of performing their assigned functions. These criteria may be broader than those that may be appropriate for evaluating weaknesses in internal control for management or other purposes.

The management of the District is responsible for establishing and maintaining the District's internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the structure are to provide management with reasonable, but not absolute, assurance that specific District objectives will be achieved. These specific objectives, as they relate to an audit, include the establishment of policies and procedures that provide reasonable assurance that the District has recorded, processed, summarized, and reported financial data that is consistent with management's assertions that are embodied in the general purpose financial statements. In addition, the structure provides management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the general purpose financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities nevertheless may occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our consideration of the District's internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. However, we noted no matters involving the internal control structure and its operation that we consider to be material weaknesses.

Our audit did, however, disclose other conditions that, although not considered by us to be reportable conditions, are weaknesses in the District's internal control structure for which corrective action might be taken. Such weaknesses are discussed below:

FIXED ASSETS

Finding:

As noted in the Single Audit report for the year ended June 30, 1991, the District capitalizes all fixed assets whose cost exceeds \$200 in accordance with the Budget and Accounting Manual of the California Community Colleges. In accordance with Education Code Section 35168, the District maintains a trace inventory of all equipment of \$500 and over. Consequently, there is a reconciling item between the detail listing of fixed assets and the recorded balance of the general fixed assets account group for the items in the \$200 to \$500 range. In addition, there are no procedures in place to retire fixed assets in the \$200 to \$500 range from the general fixed assets account group balance. The general fixed assets account group balance may become overstated when fixed assets whose cost is between \$200 and \$500 are removed from service and not identified by the District.

Recommendation:

The District should develop a procedure to record these retirements in the \$200 to \$500 range on a periodic basis. The District should maintain detailed fixed asset records for all fixed assets recorded in its general fixed assets account group.

District's Response:

The District will implement its procedure to record equipment retirements in the \$200 to \$500 range after five years of service.

STATE COMPLIANCE FINDINGS AND RECOMMENDATIONS

None

FEDERAL COMPLIANCE FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS

FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE (FISAP)

Questioned Costs: \$0

Finding:

Federal Catalog Number: 84.063

The District is required to submit an annual FISAP Report for the administration of student financial aid. The District is required to report the number of students who have attended at least one class, in Part II, Section C of the FISAP report. We noted that, as in the prior year, Contra Costa and Diablo Valley Colleges reported the number of students as the Full-Time Equivalent apportionment attendance number of students, thereby understating the actual number of students.

Recommendation:

The District should use enrollment figures when reporting the number of students and should amend the FISAP report.

District's Response:

The District will use enrollment figures when reporting the number of students and will amend the FISAP report.

FINANCIAL AID TRANSCRIPTS

Questioned Costs: \$0

Finding:

Federal Catalog Number: 84.063

Federal Title IV regulations (34 CFR 668.19) require that the District not disburse financial aid before obtaining a financial aid transcript from each eligible institution previously attended by the student. We noted one student at Diablo Valley College in the current year (also one student in the prior year at Los Medanos College) who received financial aid before a financial aid transcript was obtained. The District has subsequently obtained the missing financial aid transcript and reviewed the student's eligibility, noting that the student was eligible for all aid received.

Recommendation:

The District should ensure that all financial aid transcripts are received prior to the disbursement of financial aid. In addition, the District should ensure that Financial Aid and Admissions and Records coordinate such information between departments.

District's Response:

In the above instance, a notation on the student's financial aid transcript indicating that the student had attended another institution was inadvertently overlooked. In the future, financial aid transcripts will be reviewed more carefully. Also the District will consider the feasibility of coordinating information between Financial Aid and Admissions and Records.

INSTITUTIONAL DISCLOSURE

Questioned Costs: \$0

Finding:

Federal Catalog Number: 84.174

Federal Title IV (34 CFR 668.44) regulations require that before a student enrolls or executes his enrollment contract in a vocational program, the District shall disclose to the student the State licensing requirements, the pass rate of recent graduates for any licensing examinations, the job placement rate of students originally enrolled in that program, and the completion rate for students originally enrolled in that program. We noted that although the District has participated in the

"State-wide Student Follow-up Survey" (SSFS) and formed a committee developing plans to provide students with the required institutional disclosure in Fall 1993, the District is not currently providing such information to students.

Recommendation:

The District should continue its implementation of the SSFS and develop internal procedures to disclose to students the required information.

District's Response:

The District formed a committee responsible for addressing the above disclosure requirements in July of 1992. The District intends to be in compliance by July of 1993. SSFS participation continues into the 1992-1993 year.

GUARANTEED STUDENT LOANS REPORTING REQUIREMENTS

Questioned Costs: \$0

Finding:

Federal Catalog Number: 84.032

Title IV regulations (34 CFR 682.605) require that California Student Aid Commission reports identifying borrowers' enrollment status be confirmed by institutions within 30 days of receipt of the report. Los Medanos College's records do not indicate a date of receipt for the April 1992 report.

Recommendation:

The College should mark the date of receipt on all California Student Aid Commission reports in order to be able to meet Title IV requirements and to document compliance with those requirements.

District's Response:

It is standard procedure to date stamp all incoming documents. It appears the April 1992 report was overlooked. In the future, these reports will be forwarded to one of the Financial Aid Assistants whose primary job will be to assure that all reports are properly date stamped.

Finding:

Questioned Costs: \$0

Federal Catalog Number: 84.032

The District must notify Stafford lenders of a student's enrollment status change if the Student Status Confirmation Report (SSCR) will not be filed within 60 days of the change. Although the Colleges have procedures to report all enrollment changes to the lenders within 60 days, we noted two students from Contra Costa College for whom status changes were not reported on a timely basis.

Recommendation:

The District should review their procedures for reporting all enrollment changes to the lenders within 60 days of the change. Specific procedures found to be inadequate in comprehensively reporting all such changes within the required period should be modified to ensure timely reporting.

District's Response:

The District will review its procedures.

VOCATIONAL EDUCATION (VATEA) REPORT

Questioned Costs: \$0

Finding:

Federal Catalog Number: 84.174

The VATEA interim claim form for reimbursement of program expenditures must be submitted to the Chancellor's Office of the California Community Colleges by July 31. The District did not file its interim 1991-1992 VATEA claim until August 26, 1992, after the July 31 deadline.

Recommendation:

The District should submit its interim VATEA claim form by the deadline.

District's Response:

The District will submit its interim VATEA claim form by the deadline.

We were pleased with the courtesy and cooperation extended us by all the District personnel with whom we worked. We would like to thank and commend the District personnel for a job well done.

Yours truly,

Deloitte & Touche

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	70-71

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Recommendation

Status

INTERNAL CONTROL STRUCTURE FINDINGS AND RECOMMENDATIONS

CASH

The District should reconcile all District cash accounts on a monthly basis.

The District now reconciles all cash accounts on a monthly basis.

FIXED ASSETS

The District should develop a procedure to record Fixed Asset retirements in the \$200 to \$500 range on a periodic basis.

A procedure has been developed, but it has not been implemented. See current year finding.

STATE COMPLIANCE FINDINGS AND RECOMMENDATIONS

STATE AID FOR COURSE REPETITION

The District should review its internal procedures for identifying repeatable courses and monitoring of course repetitions for State Apportionment purposes.

The District has reviewed its procedures for identifying repeatable courses and considers the controls in place to be effective. No exceptions were noted during 1991-92 compliance testing.

FEDERAL COMPLIANCE FINDINGS AND RECOMMENDATIONS

FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE (FISAP)

The District should use enrollment figures when reporting the number of students in the FISAP, and should amend the 1991 FISAP report, which used Full-Time Equivalent apportionment attendance numbers.

Los Medanos College appropriately reported enrollment figures in its 1991-1992 FISAP. See current year finding for discussion of FISAP attendance figures at Diablo Valley and Contra Costa Colleges.

VOCATIONAL EDUCATION (VEA) REPORT

The District should submit the final VEA claim form by the deadline.

The Carl D. Perkins Vocational and Applied Technology Act of 1990 (VATEA) replaced the VEA program. See current year finding.

VOCATIONAL EDUCATION (VEA) TITLE II - STUDENT ELIGIBILITY

The District should review its internal procedures for monitoring and documenting student eligibility in VEA programs and services. The District should also review its internal procedures to ensure that all applicable program compliance requirements are met when a change in program administration occurs.

On-line data check procedures were developed to ensure eligibility compliance.

FINANCIAL AID TRANSCRIPTS

The District should ensure that all financial aid transcripts are received prior to the disbursement of financial aid. In addition, the District should consider that Financial Aid and Admissions and Records should coordinate such information between departments.

See current year finding.

INSTITUTIONAL DISCLOSURE

The District should continue its implementation of the "State-wide Student Follow-up Survey" (SSFS) and develop internal procedures to disclose the following to students who receive Vocational Education Awards: State licensing requirements; pass rates of recent graduates for any licensing examinations; job placement rates of students originally enrolled in that program; completion rates.

See current year finding.