

CONTRA COSTA
COMMUNITY COLLEGE DISTRICT
COUNTY OF CONTRA COSTA
MARTINEZ, CALIFORNIA
FINANCIAL STATEMENTS
JUNE 30, 2000

CONTRA COSTA COMMUNITY COLLEGE DISTRICT TABLE OF CONTENTS

| | <u>Page No.</u> |
|--|-----------------|
| Title Page | 1 |
| Table of Contents | 2 - 4 |
| Objectives of the Single Audit | 5 |
| Organization | 6 |
| FINANCIAL SECTION | 7 |
| Independent Auditors' Report on General-Purpose Financial Statements | 8 - 9 |
| General-Purpose Financial Statements: | |
| Combined Balance Sheet - All Fund Types and Account Groups | 10 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds | 11 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types (Except Capital Projects Fund) | 12 - 13 |
| Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Funds | 14 |
| Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual - All Proprietary Funds (Except Internal Service Fund) | 15 |
| Combined Statement of Cash Flows - All Proprietary Funds | 16 |
| Notes to General-Purpose Financial Statements | 17 - 36 |
| SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS | 37 |
| <u>General Fund – All Sub-Funds</u> | |
| Combining Balance Sheet | 38 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS (continued)

| | <u>Page No.</u> |
|--|-----------------|
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 39 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 40 - 41 |
| <u>All Debt Service Funds</u> | |
| Combining Balance Sheet | 42 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 43 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 44 - 46 |
| <u>All Proprietary Funds</u> | |
| Combining Balance Sheet | 47 |
| Combining Statement of Revenues, Expenses and Changes in Retained Earnings | 48 |
| Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual (Except Internal Service Fund) | 49 – 50 |
| Combining Statement of Cash Flows | 51 |
| <u>All Fiduciary Funds</u> | |
| Combining Balance Sheet | 52 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 53 |
| SUPPLEMENTARY INFORMATION - FEDERAL AND STATE REQUIRED | 54 |
| Schedule of Findings and Questioned Costs | 55 |
| Schedule of Expenditures of Federal Awards | 56 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS (continued)

| | <u>Page No.</u> |
|---|-----------------|
| Notes to Schedule of Expenditures of Federal Awards | 57 |
| Schedule of State Financial Assistance | 58 |
| Reconciliation of Annual Financial and Budget Report (Form CCFS-311) with Audited General-Purpose Financial Statements | 59 |
| Schedule of Workload Measure for State General Apportionment | 60 |
| Schedule of Annual Apprenticeship Hours of Instruction | 61 |
| OTHER INDEPENDENT AUDITORS' REPORTS | 62 |
| Independent Auditors' Report on State Compliance Requirements | 63 - 65 |
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 66 - 67 |
| Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | 68 - 69 |
| STATE COMPLIANCE FINDINGS AND RECOMMENDATIONS SECTION | 70 |
| State Compliance Findings and Recommendations | None |
| Status of Prior Year State Compliance Findings | 71 - 79 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Objectives of the Single Audit

June 30, 2000

Objectives

The single audit of the Contra Costa Community College District (the "District") had the following objectives:

- To determine the fairness of presentation of the District's general-purpose financial statements in accordance with accounting principles generally accepted in the United States of America.
- To obtain reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement by testing the District's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statement amounts.
- To determine that the District complied, in all material respects, with the compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 compliance supplement that are applicable to each major program.
- To determine that the District has established and maintained effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.
- To recommend appropriate actions to correct areas where internal controls could be improved or noncompliance with applicable federal regulations were noted during the audit.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Organization
June 30, 2000

The Contra Costa Community College District (the "District") was established in 1948 as a separate district and began operating in 1949. The District serves Contra Costa County, California with three colleges: Diablo Valley College located in Pleasant Hill, Contra Costa College located in San Pablo, and Los Medanos College located in Pittsburg. The administrative offices of the District are located in Martinez, California. The District also operates satellite education centers in San Ramon and Brentwood. The boundaries of the District are contiguous with the boundaries of the County of Contra Costa, excluding only 48 of the County's 734 square miles. All colleges are accredited two-year colleges offering a wide range of study including vocational and technical education.

The members of the Board of Education of Contra Costa Community College District holding office during the audit period, and their term of office expiration dates are as follows:

GOVERNING BOARD

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|--|----------------|---------------------|
| Kristine L. Chase | President | December 2000 |
| Sheila A. Grilli | Vice President | December 2002 |
| John T. Nejedly | Secretary | December 2002 |
| Greg J. Feere (appointed November 1999) | Member | December 2000 |
| David N. MacDiarmid | Member | December 2002 |
| William M. Corey (resigned October 1999) | Member | N/A |
| Jenny E. Hughes (August 1999 – May 2000) | Student Member | N/A |
| Dilan A. Welihindha (assumed office September 2000) | Student Member | May 2001 |

ADMINISTRATION

Mr. Charles C. Spence
Chancellor

Mr. John E. Hendrickson
Vice-Chancellor, Finance and Administration

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
FINANCIAL SECTION
JUNE 30, 2000

ARMANINO MCKENNA LLP

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INDEPENDENT AUDITORS' REPORT ON GENERAL-PURPOSE FINANCIAL STATEMENTS

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the accompanying general-purpose financial statements of the Contra Costa Community College District (the "District") for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Over the years, the District has not maintained, and is not required by the California State Education Code to maintain, detailed fixed asset records supporting the balances shown in the General Fixed Assets Account Group in the accompanying general-purpose financial statements. Accordingly, we do not express an opinion on the General Fixed Assets Account Group at June 30, 2000.

In our opinion, except for the effects of such adjustments as might have been determined to be necessary had we been able to audit fixed asset records, such general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2000 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District taken as a whole. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, except that the omissions described in the preceding paragraph result in an incomplete presentation, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Armanino McKenna LLP

ARMANINO McKENNA LLP

November 3, 2000

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

| | GOVERNMENTAL FUND TYPES | | | PROPRIETARY FUND TYPES | FIDUCIARY FUND TYPES | ACCOUNT GROUPS | | TOTALS (MEMORANDU ONLY) |
|--|-------------------------|---------------------|----------------------|---------------------------------------|------------------------------|----------------------------|------------------------------|-------------------------------|
| | GENERAL | CAPITAL PROJECTS | DEBT SERVICE | INTERNAL SERVICE AND ENTERPRISE | TRUST AND AGENCY FUNDS | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | | | | | | | | |
| Cash in county treasury | \$ 7,271,794 | \$ - | \$ 5,295,238 | \$ - | \$ 577,205 | \$ - | \$ - | \$ 13,144,237 |
| Cash on hand and in banks | 2,029,930 | - | - | 333,400 | - | - | - | 2,363,330 |
| Revolving fund | 125,223 | - | - | - | - | - | - | 125,223 |
| Local Agency Investment Fund | 2,604,638 | 5,124 | 2,235,705 | 724 | 36,137 | - | - | 4,882,328 |
| Cash held by fiscal agent - restricted for repayment of TRANS | 15,312,915 | - | - | - | - | - | - | 15,312,915 |
| Total cash and cash equivalents | 27,344,500 | 5,124 | 7,530,943 | 334,124 | 613,342 | - | - | 35,828,033 |
| Investments | - | 5,124 | 15,250,381 | - | 485,984 | - | - | 15,741,489 |
| Accounts receivable | 10,089,339 | 3,978,224 | 275,590 | 317,005 | 743,337 | - | - | 15,403,495 |
| Due from other funds | 5,628,049 | 1,664,843 | 556,211 | 3,689,646 | 1,413,055 | - | - | 12,951,804 |
| Inventories | 21,570 | - | - | 1,618,867 | - | - | - | 1,640,437 |
| Prepaid expenditures | 336,929 | - | - | - | - | - | - | 336,929 |
| Property, plant and equipment, net | - | - | - | 2,416,618 | - | 172,393,942 | - | 174,810,560 |
| Other assets | - | - | 91,927 | - | - | - | - | 91,927 |
| Amount available for debt service | - | - | - | - | - | - | 22,946,015 | 22,946,015 |
| Amount to be provided for debt service | - | - | - | - | - | - | 16,571,052 | 16,571,052 |
| Total assets | \$ 43,420,387 | \$ 5,653,315 | \$ 23,705,052 | \$ 8,376,260 | \$ 3,255,718 | \$ 172,393,942 | \$ 39,517,067 | \$ 296,321,741 |
| LIABILITIES AND FUND EQUITY | | | | | | | | |
| Liabilities | | | | | | | | |
| Amount to be provided by future deposits | \$ - | \$ 3,077,601 | \$ - | \$ 4,491,297 | \$ 1,353,172 | \$ - | \$ - | \$ 8,922,070 |
| Accounts payable | 3,747,417 | 374,557 | 908 | 265,961 | 170,300 | - | - | 4,559,143 |
| Accrued liabilities | 2,583,456 | - | - | 62,059 | - | - | - | 2,645,515 |
| Deferred revenue | 6,559,664 | - | - | - | 2,274 | - | - | 6,561,938 |
| Due to other funds | 8,955,565 | 1,627,546 | 758,129 | 773,152 | 837,412 | - | - | 12,951,804 |
| TRANS payable | 15,270,008 | - | - | - | - | - | - | 15,270,008 |
| Liability for self-insurance | - | - | - | 333,400 | - | - | - | 333,400 |
| Capitalized lease obligations, current portion | 173,671 | - | - | 634,112 | - | - | - | 807,783 |
| Compensated absences | - | - | - | - | - | - | 4,738,542 | 4,738,542 |
| Capitalized lease obligations | - | - | - | 571,419 | - | - | 407,525 | 978,944 |
| Certificates of participation | - | - | - | - | - | - | 1,475,000 | 1,475,000 |
| Post-retirement health benefits obligation | - | - | - | - | - | - | 32,896,000 | 32,896,000 |
| Total liabilities | 37,289,781 | 5,079,704 | 759,037 | 7,131,400 | 2,363,158 | - | 39,517,067 | 92,140,147 |
| Fund equity | | | | | | | | |
| Investment in general fixed assets | - | - | - | - | - | 172,393,942 | - | 172,393,942 |
| Fund balances | | | | | | | | |
| Reserved | 756,123 | - | 4,632,821 | - | 892,560 | - | - | 6,281,504 |
| Unreserved | | | | | | | | |
| Designated | - | - | 18,313,194 | - | - | - | - | 18,313,194 |
| Undesignated | 5,374,483 | 573,611 | - | - | - | - | - | 5,948,094 |
| Retained earnings | - | - | - | 1,244,860 | - | - | - | 1,244,860 |
| Total fund equity | 6,130,606 | 573,611 | 22,946,015 | 1,244,860 | 892,560 | 172,393,942 | - | 204,181,594 |
| Total liabilities and fund equity | \$ 43,420,387 | \$ 5,653,315 | \$ 23,705,052 | \$ 8,376,260 | \$ 3,255,718 | \$ 172,393,942 | \$ 39,517,067 | \$ 296,321,741 |

The accompanying notes are an integral part of these 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, 2000

| | GOVERNMENTAL FUND TYPES | | | FIDUCIARY FUND TYPES | TOTALS (MEMORANDUM ONLY) |
|--|-------------------------|---------------------|-----------------|------------------------------|--------------------------------|
| | GENERAL | CAPITAL PROJECTS | DEBT SERVICE | TRUST AND AGENCY FUNDS | |
| REVENUES | | | | | |
| Federal sources | \$ 2,425,837 | \$ - | \$ - | \$ 5,633,871 | \$ 8,059,708 |
| State sources | 61,649,405 | 5,969,095 | - | 268,976 | 67,887,476 |
| Local sources | 67,877,147 | 694,907 | 1,522,924 | 441,520 | 70,536,498 |
| Total revenues | 131,952,389 | 6,664,002 | 1,522,924 | 6,344,367 | 146,483,682 |
| EXPENDITURES | | | | | |
| Academic salaries | 54,623,035 | 5,195 | - | - | 54,628,230 |
| Classified salaries | 28,046,266 | 349 | - | 118,085 | 28,164,700 |
| Employee benefits | 17,773,890 | 4,314 | - | 10,733 | 17,788,937 |
| Books and supplies | 4,686,783 | 31,346 | - | 142,131 | 4,860,260 |
| Contract services and operating expenditures | 16,300,685 | 822,353 | - | 230,172 | 17,353,210 |
| Student financial assistance | - | - | - | 6,537,851 | 6,537,851 |
| Capital outlay | 4,313,818 | 6,479,023 | - | - | 10,792,841 |
| Investment expense | - | - | 4,130 | - | 4,130 |
| Debt service | | | | | |
| Principal retirement | - | - | 35,000 | - | 35,000 |
| Interest expense | 1,014,259 | - | 89,333 | - | 1,103,592 |
| Total expenditures | 126,758,736 | 7,342,580 | 128,463 | 7,038,972 | 141,268,751 |
| Excess of revenues over (under) expenditures | 5,193,653 | (678,578) | 1,394,461 | (694,605) | 5,214,931 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in | 2,781,097 | 705,992 | - | 1,015,751 | 4,502,840 |
| Operating transfers out | (4,516,423) | - | (400,805) | (1,635) | (4,918,863) |
| Other | (1,125,183) | - | 98,823 | - | (1,026,360) |
| Total other financing sources (uses) | (2,860,509) | 705,992 | (301,982) | 1,014,116 | (1,442,383) |
| Excess of revenues and other sources over (under) expenditures and other uses | 2,333,144 | 27,414 | 1,092,479 | 319,511 | 3,772,548 |
| Fund balances, July 1, 1999 | 3,797,462 | 546,197 | 21,853,536 | 573,049 | 26,770,244 |
| Fund balances, June 30, 2000 | \$ 6,130,606 | \$ 573,611 | \$ 22,946,015 | \$ 892,560 | \$ 30,542,792 |

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types (Except Capital Projects Fund)
For the Year Ended June 30, 2000
(Page 1 of 2)

| | GENERAL FUND | | | DEBT SERVICE | | |
|--|--------------|--------------|--|--------------|---------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | |
| Federal sources | \$ 2,498,021 | \$ 2,425,837 | \$ (72,184) | \$ - | \$ - | \$ - |
| State sources | 64,292,858 | 61,649,405 | (2,643,453) | - | - | - |
| Local sources | 66,071,327 | 67,877,147 | 1,805,820 | 1,754,801 | 1,522,924 | (231,877) |
| Total revenues | 132,862,206 | 131,952,389 | (909,817) | 1,754,801 | 1,522,924 | (231,877) |
| EXPENDITURES | | | | | | |
| Academic salaries | 54,946,018 | 54,623,035 | 322,983 | - | - | - |
| Classified salaries | 26,163,689 | 28,046,266 | (1,882,577) | - | - | - |
| Employee benefits | 17,860,783 | 17,773,890 | 86,893 | - | - | - |
| Books and supplies | 5,118,472 | 4,686,783 | 431,689 | - | - | - |
| Contract services and operating expenditures | 16,055,565 | 16,300,685 | (245,120) | - | - | - |
| Student financial assistance | - | - | - | - | - | - |
| Capital outlay | 5,960,526 | 4,313,818 | 1,646,708 | - | - | - |
| Investment expense | - | - | - | 6,000 | 4,130 | 1,870 |
| Debt service | | | | | | |
| Principal retirement | - | - | - | 35,000 | 35,000 | - |
| Interest expense | 911,650 | 1,014,259 | (102,609) | 90,000 | 89,333 | 667 |
| Total expenditures | 127,016,703 | 126,758,736 | 257,967 | 131,000 | 128,463 | 2,537 |
| Excess of revenues over (under) expenditures | 5,845,503 | 5,193,653 | (651,850) | 1,623,801 | 1,394,461 | (229,340) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 2,853,618 | 2,781,097 | (72,521) | - | - | - |
| Operating transfers out | (4,423,296) | (4,516,423) | (93,127) | (748,242) | (400,805) | 347,437 |
| Other | (1,089,674) | (1,125,183) | (35,509) | - | 98,823 | 98,823 |
| Total other financing sources (uses) | (2,659,352) | (2,860,509) | (201,157) | (748,242) | (301,982) | 446,260 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 3,186,151 | 2,333,144 | \$ (853,007) | \$ 875,559 | 1,092,479 | \$ 216,920 |
| Fund balances, July 1, 1999 | | 3,797,462 | | | 21,853,536 | |
| Fund balances, June 30, 2000 | | \$ 6,130,606 | | | \$ 22,946,015 | |

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types (Except Capital Projects Fund)
For the Year Ended June 30, 2000
(Page 2 of 2)

| | TOTALS (MEMORANDUM ONLY) | | |
|--|--------------------------|----------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| <u>REVENUES</u> | | | |
| Federal sources | \$ 2,498,021 | \$ 2,425,837 | \$ (72,184) |
| State sources | 64,292,858 | 61,649,405 | (2,643,453) |
| Local sources | 67,826,128 | 69,400,071 | 1,573,943 |
| Total revenues | <u>134,617,007</u> | <u>133,475,313</u> | <u>(1,141,694)</u> |
| <u>EXPENDITURES</u> | | | |
| Academic salaries | 54,946,018 | 54,623,035 | 322,983 |
| Classified salaries | 26,163,689 | 28,046,266 | (1,882,577) |
| Employee benefits | 17,860,783 | 17,773,890 | 86,893 |
| Books and supplies | 5,118,472 | 4,686,783 | 431,689 |
| Contract services and operating expenditures | 16,055,565 | 16,300,685 | (245,120) |
| Student financial assistance | - | - | - |
| Capital outlay | 5,960,526 | 4,313,818 | 1,646,708 |
| Investment expense | 6,000 | 4,130 | 1,870 |
| Debt service | | | |
| Principal retirement | 35,000 | 35,000 | - |
| Interest expense | 1,001,650 | 1,103,592 | (101,942) |
| Total expenditures | <u>127,147,703</u> | <u>126,887,199</u> | <u>260,504</u> |
| Excess of revenues over (under) expenditures | <u>7,469,304</u> | <u>6,588,114</u> | <u>(881,190)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Operating transfers in | 2,853,618 | 2,781,097 | (72,521) |
| Operating transfers out | (5,171,538) | (4,917,228) | 254,310 |
| Other | (1,089,674) | (1,026,360) | 63,314 |
| Total other financing sources (uses) | <u>(3,407,594)</u> | <u>(3,162,491)</u> | <u>245,103</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ 4,061,710</u> | <u>3,425,623</u> | <u>\$ (636,087)</u> |
| Fund balances, July 1, 1999 | | <u>25,650,998</u> | |
| Fund balances, June 30, 2000 | | <u>\$ 29,076,621</u> | |

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Funds
For the Year Ended June 30, 2000

| | |
|--|----------------------------|
| Operating revenues | <u>\$ 12,909,673</u> |
| Operating expenses | |
| Cost of goods sold | 7,309,778 |
| Classified salaries | 2,861,594 |
| Employee benefits | 511,885 |
| Materials and supplies | 339,115 |
| Contract services and other operating expenses | 846,100 |
| Depreciation | 565,292 |
| Total operating expenses | <u>12,433,764</u> |
| Operating income | <u>475,909</u> |
| Other income (expense) | |
| Interest income | 164 |
| Interest expense | (229,174) |
| Other income | 67,157 |
| Total other income (expense) | <u>(161,853)</u> |
| Income before operating transfers | <u>314,056</u> |
| Other financing sources (uses) | |
| Operating transfers in | 634,317 |
| Operating transfers out | (218,294) |
| Total other financing sources (uses) | <u>416,023</u> |
| Net income | 730,079 |
| Retained earnings - July 1, 1999 | <u>514,781</u> |
| Retained earnings - June 30, 2000 | <u><u>\$ 1,244,860</u></u> |

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual
All Proprietary Funds (Except Internal Service Fund)
For the Year Ended June 30, 2000

| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|----------------|---------------|--|
| Operating revenues | \$ 11,953,808 | \$ 12,715,188 | \$ 761,380 |
| Operating expenses | | | |
| Cost of goods sold | 7,602,299 | 7,309,778 | 292,521 |
| Classified salaries | 4,984,973 | 2,861,594 | 2,123,379 |
| Employee benefits | 535,324 | 511,885 | 23,439 |
| Materials and supplies | 719,922 | 339,115 | 380,807 |
| Contract services and other operating expenses | 843,177 | 651,615 | 191,562 |
| Depreciation | 398,273 | 565,292 | (167,019) |
| Total operating expenses | 15,083,968 | 12,239,279 | 2,844,689 |
| Operating income (loss) | (3,130,160) | 475,909 | 3,606,069 |
| Other income (expense) | | | |
| Interest income | 50,000 | 164 | (49,836) |
| Interest expense | (3,229) | (229,174) | (225,945) |
| Other income | 54,000 | 67,157 | 13,157 |
| Total other income (expense) | 100,771 | (161,853) | (262,624) |
| Income (loss) before operating transfers | (3,029,389) | 314,056 | 3,343,445 |
| Other financing sources (uses) | | | |
| Operating transfers in | 658,402 | 634,317 | (24,085) |
| Operating transfers out | (153,294) | (218,294) | (65,000) |
| Total other financing sources (uses) | 505,108 | 416,023 | (89,085) |
| Net income (loss) | \$ (2,524,281) | 730,079 | \$ 3,254,360 |
| Retained earnings - July 1, 1999 | | 514,781 | |
| Retained earnings - June 30, 2000 | | \$ 1,244,860 | |

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combined Statement of Cash Flows
All Proprietary Funds
For the Year Ended June 30, 2000

| | |
|--|--------------------------|
| Cash flows from operating activities | |
| Operating income | \$ 475,909 |
| Adjustments to reconcile operating income to cash flows from operating activities | |
| Depreciation | 565,292 |
| Changes in assets and liabilities | |
| Accounts receivable | 126,143 |
| Inventories | 93,540 |
| Due to/from other funds | (2,827,847) |
| Amount to be provided by future deposits | 1,802,493 |
| Accounts payable | (90,837) |
| Accrued liabilities | (21,194) |
| Liability for self-insurance | 154,090 |
| Net cash provided by operating activities | <u>277,589</u> |
| Cash flows from non-capital financing activities | |
| Operating transfers in | 634,317 |
| Operating transfers out | (218,294) |
| Interest and other income | 67,321 |
| Net cash provided by non-capital financing activities | <u>483,344</u> |
| Cash flows from capital financing activities | |
| Interest expense | (229,174) |
| Capital expenditures | (128,126) |
| Principal payments under capitalized lease obligations | (572,596) |
| Net cash used in capital financing activities | <u>(929,896)</u> |
| Net decrease in cash and cash equivalents | (168,963) |
| Cash and cash equivalents, July 1, 1999 | <u>503,087</u> |
| Cash and cash equivalents, June 30, 2000 | <u><u>\$ 334,124</u></u> |

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies

A. Accounting Policies

The accompanying general-purpose financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants. The accompanying statements include all funds and account groups of the Contra Costa Community College District.

B. Reporting Equity

The Contra Costa Community College District (the "District") operates three colleges in Contra Costa County, California. The colleges are Diablo Valley College in Pleasant Hill, Los Medanos College in Pittsburg, and Contra Costa College in San Pablo. All funds and account groups which are controlled by the District with both oversight responsibility and accountability for all significant fiscal matters are included as part of the reporting entity. Also included in the reporting entity is Contra Costa Education Center Authority ("Authority"), an organization whose activities to date have been limited to the construction and maintenance of the District office building, issuance of revenue bonds and entering into lease arrangements with the District and Contra Costa Community College Educational Financing Corporation ("Financing Corporation"). The Corporation's activities to date have been limited to the issuance of Certificates of Participation ("COPs") and entering into lease arrangements with the District.

The District, Authority, and Financing Corporation have a financial and operational relationship which meets the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, for inclusion of the Authority and Financing Corporation as a component unit of the District. Accordingly, the financial activities of the Financing Corporation have been included in the District's Debt Service Funds.

The following are those aspects of the relationship between the District and the Financing Corporation, which satisfy GASB Statement No. 14 criteria:

Accountability:

1. The majority of the Authority's and Financing Corporation's Board of Directors were appointed by the District's Board of Trustees.
2. The District is able to impose its will upon the Authority and Financing Corporation.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

B. Reporting Entity (continued)

3. The Authority and Financing Corporation provide specific financial benefits or impose specific financial burdens on the District based upon the following:
- * Upon the termination of the Authority's Joint Powers Authority Agreement, it's Education Center becomes the sole property of the District.
 - * The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Financing Corporation.

Scope of Public Service:

The Authority is a joint powers authority between the County of Contra Costa ("County") and the District. The Authority was formed in 1971 to finance the construction of a building (the "Education Center") to house District administrative offices. The District leases the facilities from the Authority through the year 2000. The District subleases a portion of the Education Center to the County through the year 2009.

Financial Presentation:

For financial presentation purposes, the Authority's and the Financing Corporation's financial activity has been blended, or combined, with the financial data of the District. The financial statements present the Authority's and Financing Corporation's debt in the General Long-Term Debt Account Group. Fixed assets acquired or constructed by the Authority and the Financing Corporation are included in the General Fixed Assets Account Group and the Proprietary Funds.

C. Fund Accounting

The accompanying general-purpose financial statements are structured into three categories of funds and a fourth type of accounting entity, account groups. The fund categories include governmental funds, proprietary funds and fiduciary funds. Account groups are presented for general fixed assets and general long-term debt.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

C. Fund Accounting (continued)

GOVERNMENTAL FUNDS:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs and unfunded post-retirement health care benefits. This classification includes the Accrued Compensated Absences, Post-Retirement Health Benefits, Bond Interest and Redemption, Bond Revenue, COPs and the Financing Corporation Funds.

The Capital Projects Fund provides for the accumulation of funds for site improvements, equipment purchases and the construction of additional facilities.

PROPRIETARY FUNDS:

Proprietary Fund Types are maintained on the accrual basis of accounting and include:

1. The Enterprise Funds are used to account for operations that provide goods or services that are financed primarily by a user charge or where the periodic measurement of net income is deemed appropriate. They include the Bookstore, Cafeteria and Information Technology Funds.
2. The Internal Service Fund ("Self-Insurance") is an Internal Service Fund used to account for the District's property and liability self-insurance activities.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

C. Fund Accounting (continued)

FIDUCIARY FUNDS:

Fiduciary Fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations or other governmental units.

1. Expendable Trust Funds are used to account for assets held by the District as trustee. The District maintains trust funds for student financial aid and scholarships.
2. Agency Funds are used to account for assets of others for which the District acts as an agent. The District maintains agency funds for the associated students, related clubs and organizations.

ACCOUNT GROUPS:

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Thus, the fixed assets and long-term liabilities associated with governmental funds and expendable trust funds are accounted for in the account groups of the District, which include:

1. The General Fixed Assets Account Group accounts for the fixed assets used in governmental fund type operations. The District includes capital leases in this classification for the General Fund.
2. The General Long-Term Debt Account Group accounts for long-term liabilities expected to be financed from governmental funds, including any long-term obligation for accrued compensated absences.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

D. Basis of Accounting

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

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt which is recognized when due.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District applies all Governmental Accounting Standards Board ("GASB") pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Trust and Agency Fund assets and liabilities are also accounted for on the modified accrual basis.

The General Fixed Asset Account Group accounts for fixed assets on the estimated historical cost basis.

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's Governing Board must adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's Governing board and Chancellor during the year to give consideration to unanticipated income and expenditures. It is this final revised budget that is presented in the general-purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting (continued)

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

F. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

G. Receivables

Receivables represent amounts due the District for services the District has performed. All outstanding accounts receivable are deemed collectible. Therefore, no allowance for doubtful accounts is considered necessary.

H. Interfund Transactions

Transactions between funds are not reported as revenue but as a reduction of expenditures of the fund supplying the services or materials.

I. Inventories

a. General Fund

Inventories are recorded at cost and consist primarily of expendable supplies held for consumption.

b. Proprietary Funds

Inventories consist of cafeteria food, textbooks and educational supplies. Inventories are stated at cost using the retail method in the Bookstore Fund and at average cost using the first-in, first-out method in the Cafeteria Fund.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

I. Significant Accounting Policies (continued)

J. Property, Plant and Equipment

Over the years, the District has not maintained detailed fixed asset records supporting the General Fixed Assets Account Group. 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. Since California law does not require such assets to be capitalized in a separate account group, this aspect of generally accepted accounting principles is not followed by the District. However, it is in accordance with the California Community College Accounting Manual.

The proprietary funds capitalize property, plant and equipment, at cost, at the time the asset is purchased. Depreciation of property, plant and equipment in the Proprietary Funds is computed using the straight-line method over the estimated useful lives of five to ten years.

K. Compensated Absences and Sick Leave

The District recognizes the liability for compensated absences in the General Long-Term Debt Account Group. At June 30, 2000, the liability was \$4,738,542.

Sick leave benefits are not recorded as liabilities on the books of the District. Sick leave benefits are recorded as operating expenditures in the period sick leave is taken.

L. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not available for expenditure or amounts legally segregated for a specific future use. The reserve for prepaid items and stores inventory reflect the portions of fund balances represented by prepaid items and stores inventory, respectively. The Reserves for federal, state and local represent the portion of fund balance represented by categorical federal and state funds, and restricted local revenues. These amounts are not available for appropriation and expenditure at the balance sheet date.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

M. Property tax

Secured property taxes attach as an enforceable lien on property annually as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Contra Costa bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

N. Total Columns on Combined Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Cash and Cash Equivalents

Cash and cash equivalents include short-term highly liquid investments with original maturity dates of three months or less.

P. Long-Term Obligations

The District reports all long-term debt of governmental funds at face value in the General Long-Term Debt Account Group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Q. Estimates

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

1. Significant Accounting Policies (continued)

R. Deferred Revenue and Program Advances

Revenue from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as deferred revenue until earned.

S. Fair Value of Pooled Investments

The District records its investments in the Contra Costa County Treasury and the Local Agency Investment Fund (LAIF) at fair value. Changes in fair value are reported as revenue in the statement of revenues, expenditures/expenses and changes in fund balances/retained earnings. The carrying value of investments, including investments in the Contra Costa County Treasury and LAIF external investment pools, at June 30, 2000, approximated their fair value.

2. Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments at June 30, 2000 consist of the following:

| | |
|--|---------------------|
| Pooled Funds | |
| Cash in County Treasury | \$13,144,237 |
| Local Agency Investment Fund | 4,882,328 |
| Deposits | |
| Cash on hand and in banks | 2,363,330 |
| Revolving Fund | 125,223 |
| Cash held by Fiscal Agent - restricted | 15,312,915 |
| Total cash and cash equivalents | 35,828,033 |
| Amount to be provided by future deposits | (8,922,070) |
| Net cash and cash equivalents | <u>\$26,905,963</u> |
| Investments | |
| Municipal bond | \$ 1,000,000 |
| Corporate Note | 4,400,000 |
| U.S. Treasury Bonds | 1,580,000 |
| U.S. Government Agencies | 8,761,489 |
| Total investments | <u>\$15,741,489</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

2. Cash and Cash Equivalents and Investments (continued)

As provided for by the Education Code, Section 41001, a significant portion of the District's cash balances are deposited with the County Treasurer for the purpose of increasing interest earnings through County investment activities. Each respective fund's share of the total pooled cash is included in the accompanying combined balance sheet under the caption "Cash in County Treasury." Interest earned on such pooled cash balances is distributed to the participating funds based upon each fund's average cash balance during the distribution period. The California Government Code requires California banks and savings and loan associations to secure the District's deposits, in excess of federal depository insurance, by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. Alternatively, California law also allows financial institutions to secure an agency's deposits by pledging first deed of trust mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District.

The cash in Local Agency Investment Fund is held by a separate agency. The State of California pools these funds with those of other local agencies in the State and invests the cash as prescribed by the California Government Code. These pooled funds are carried at cost, which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are shared proportionately by all funds in the pool. California State Pool representatives have indicated that the Fund has not invested in "plain vanilla" or complex over-the-counter derivatives. The pool does not invest in structured notes or asset-backed securities. These investments represent approximately .01% of the pool at June 30, 2000.

Under provision of the District's investment policy, and in accordance with Sections 53601 and 53602 of the California Government Code, the District may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies
- Small Business Administration Loans
- Negotiable Certificates of Deposit
- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (State Pool) Deposits
- Passbook Savings Account Demand Deposits
- Repurchase Agreements

At June 30, 2000, the District's investments, with a carrying value of \$15,741,489, which is fair value, consist of a municipal bond, corporate note, U.S Treasury Bonds, and securities of U.S. government agencies.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

2. Cash in County Treasury, Cash and Cash Equivalents and Investments (continued)

Cash in banks and specifically identifiable investments are classified as to credit risk by three categories and summarized below as follows:

- Category 1 - includes investments that are insured or registered or for which securities are held by the District or its agent in the District's name and deposits insured or collateralized with securities held by the District;
- Category 2 - includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name and deposits collateralized with securities held by the pledging financial institution's trust department or agent in the District's name;
- Category 3 - includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name.

The District's investments are carried at fair value and are virtually all considered to be Category 2 investments.

3. Excess of Expenditures Over Appropriations

An excess of expenditures over appropriations exists for several major State classifications of expenditures in the General fund.

These excess expenditures are not in accordance with Education Code Section 42600 and resulted from unanticipated expenditures that were not reflected in the final revised budgets.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

4. Accounts Receivable

| | <u>General Funds</u> | <u>Capital Projects Fund</u> | <u>Debt Service Funds</u> | <u>Proprietary Funds</u> | <u>Fiduciary Funds</u> | <u>Total</u> |
|----------------------------|--------------------------|--------------------------------------|-----------------------------------|------------------------------|----------------------------|---------------------|
| Federal | \$ 1,182,350 | \$ - | \$ - | \$ - | \$688,072 | \$1,870,422 |
| State | 4,306,413 | 3,978,224 | - | - | 17,053 | 8,301,690 |
| Local government and other | <u>4,600,576</u> | <u>-</u> | <u>\$275,590</u> | <u>\$317,005</u> | <u>38,212</u> | <u>5,231,383</u> |
| Total receivables | <u>\$ 10,089,339</u> | <u>\$3,978,224</u> | <u>\$275,590</u> | <u>\$317,005</u> | <u>\$743,337</u> | <u>\$15,403,495</u> |

5. Deferred Revenue

General Fund deferred revenue consists primarily of enrollment and other fees collected for the 2000-01 fiscal year, and categorical monies received during the 1999-00 fiscal year, and unspent at June 30, 2000. At June 30, 2000, the deferred revenue balance in the General Fund amounted to \$6,559,664.

6. Interfund Transactions

Due from / to other funds

Individual amounts due from / to other funds at June 30, 2000 are as follows:

| <u>Fund Type</u> | <u>Due From</u> | <u>Due To</u> |
|------------------|---------------------|---------------------|
| General | \$ 5,628,049 | \$ 8,955,565 |
| Capital Projects | 1,664,843 | 1,627,546 |
| Debt Service | 556,211 | 758,129 |
| Proprietary | 3,689,646 | 773,152 |
| Fiduciary | <u>1,413,055</u> | <u>837,412</u> |
| | <u>\$12,951,804</u> | <u>\$12,951,804</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year June 30, 2000

7. Property, Plant, and Equipment

The Proprietary Funds' property, plant, and equipment, at June 30, 2000, consisted of the following:

| | Bookstore Fund | Cafeteria Fund | Information Technology Fund | Total |
|------------------------------------|-------------------|-------------------|-----------------------------------|--------------------|
| Property, plant and equipment | \$ 530,805 | \$114,921 | \$5,010,272 | \$5,655,998 |
| Less accumulated depreciation | <u>459,915</u> | <u>110,237</u> | <u>2,669,228</u> | <u>3,239,380</u> |
| Property, plant and equipment, net | <u>\$ 70,890</u> | <u>\$ 4,684</u> | <u>\$2,341,044</u> | <u>\$2,416,618</u> |

8. Capitalized Lease Obligations

The District leases land and equipment under various capital leases maintained in either the General Long Term Debt Account Group or recorded in the Proprietary Funds. Future minimum lease payments are as follows:

| <u>Year Ending June 30,</u> | <u>General Long-Term Debt Account Group</u> | <u>Proprietary Funds</u> |
|------------------------------------|---|------------------------------|
| 2001 | \$173,671 | \$ 634,112 |
| 2002 | 146,403 | 634,113 |
| 2003 | 140,570 | 3,715 |
| 2004 | <u>33,833</u> | <u>-</u> |
| Total | 494,477 | 1,271,940 |
| Less amounts representing interest | <u>(86,952)</u> | <u>(66,409)</u> |
| Net minimum lease payments | <u>\$407,525</u> | <u>\$1,205,531</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

9. Operating Leases

The District leases certain facilities and land with lease terms in excess of one year. The agreements do not contain purchase options. The annual rental expense is as follows:

| <u>Year Ending June 30,</u> | <u>Total</u> |
|-----------------------------|--------------|
| 2001 | \$15,395 |
| 2002 | \$11,679 |
| 2003 | \$ 4,370 |
| 2004 | \$ 856 |

Total rental expense in fiscal year 1999-00 under operating leases was \$747,757.

10. Certificates of Participation

In June 1996, the Financing Corporation issued \$1,605,000 of Certificates of Participation with effective interest rates of 4.5% to 5.35% maturing through 2021. The Certificate proceeds are to be used to fund various construction projects. At June 30, 2000, \$1,475,000 remained outstanding on these Certificates of Participation.

The annual debt service requirements for the Certificates of Participation, as of June 30, 2000 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|--------------------|--------------------|--------------------|
| 2001 | \$ 40,000 | \$ 87,495 | \$ 127,495 |
| 2002 | 40,000 | 85,355 | 125,355 |
| 2003 | 40,000 | 83,175 | 123,175 |
| 2004 | 45,000 | 80,955 | 125,955 |
| 2005 | 45,000 | 78,413 | 123,413 |
| Thereafter | <u>1,265,000</u> | <u>737,625</u> | <u>2,002,625</u> |
| | <u>\$1,475,000</u> | <u>\$1,153,018</u> | <u>\$2,628,018</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

11. Post-Retirement 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 contract. 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 recognized the cost of providing those benefits and related administrative costs when paid. Active plan participants at June 30, 2000 totaled 529. Such payments for these retired employees totaled \$2,272,664, for the fiscal year ended June 30, 2000 and were recorded as expenditures in the General Fund.

The District funds the Accumulated Post-Retirement Benefit Obligation ("APBO"), which is defined as the present value of the projected benefits that have already been earned. The actuarially determine APBO at July 1, 1996 was \$32,896,000, of which approximately \$16,000,000 was unfunded. The District made a contribution in 1999 of \$758,000. At June 30, 2000, net assets in the Post-Retirement Health Benefits Fund totaled \$18,703,193, which were designated for future payment of the obligation included in the General Long-Term Debt Account Group.

12. General Long-Term Debt - Schedule of Changes

A schedule of changes in long-term debt for the year ended June 30, 2000 is shown below:

| | <u>July 1, 1999</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2000</u> |
|---|---------------------|------------------|--------------------|----------------------|
| Compensated absences | \$ 4,614,345 | \$124,197 | \$ - | \$ 4,738,542 |
| Certificates of participation | 1,510,000 | - | (35,000) | 1,475,000 |
| Capitalized lease obligations | 564,699 | - | (157,174) | 407,525 |
| Post-retirement health benefits obligation | <u>32,896,000</u> | <u>-</u> | <u>-</u> | <u>32,896,000</u> |
| | <u>\$39,585,044</u> | <u>\$124,197</u> | <u>\$(192,174)</u> | <u>\$39,517,067</u> |

13. Proprietary Funds' Debt

A schedule of changes in debt recorded in the Proprietary Funds for the year ended June 30, 2000 is shown below:

| | <u>July 1, 1999</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2000</u> |
|-------------------------------|---------------------|------------------|--------------------|----------------------|
| Capitalized lease obligations | <u>\$ 1,778,127</u> | <u>\$ -</u> | <u>\$(572,596)</u> | <u>\$1,205,531</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

14. Joint Powers Authorities

The District participates in Bay Area Community College District JPA (BACCDJPA) and Contra Costa County Schools Insurance Group (CCCSIG) for selected insurance coverage.

BACCDJPA administers a cooperative insurance program for member districts. Member districts are insured under certain liability and property insurance policies purchased by BACCDJPA. The following is a summary of financial information for BACCDJPA as of June 30, 2000:

| | |
|-------------------------|-------------|
| Total assets | \$2,984,843 |
| Total liabilities | \$2,380,940 |
| Total retained earnings | \$ 603,903 |
| Total revenues | \$2,256,477 |
| Total expenses | \$2,579,496 |

CCCSIG provides a cooperative program of self-insurance for workers' compensation for member districts. CCCSIG is self-insured for individual workers' compensation claims less than \$500,000 and is covered by insurance for individual claims exceeding such amount to a maximum of \$10,000,000 per claim. Condensed financial information for CCCSIG as of June 30, 1999, is as follows:

| | |
|-------------------------|--------------|
| Total assets | \$49,443,349 |
| Total liabilities | \$21,867,722 |
| Total retained earnings | \$27,575,627 |
| Total revenues | \$12,364,651 |
| Total expenses | \$12,892,102 |

The District also participates in the School Project for Utility Rate Reduction (SPURR). SPURR provides for the direct purchase of gas, electricity, and other utility services. SPURR also provides advisory services relative to utilities. The following is a summary of financial information for SPURR as of June 30, 1999:

| | |
|-------------------|--------------|
| Total assets | \$ 3,977,326 |
| Total liabilities | \$ 3,299,238 |
| Total fund equity | \$ 678,088 |
| Total revenues | \$24,630,000 |
| Total expenses | \$24,907,935 |

The relationship between the District and BACCDJPA, CCCSIG, and SPURR is such that these Joint Powers Authorities are not considered to be component units of the District for financial reporting purposes.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

15. Commitments and Contingencies

A. State and Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

16. Employee Retirement Plans

CalPERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

16. Employee Retirement Plans (continued)

CalPERS (continued)

Plan Description (continued)

plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. There were no required employer contributions for fiscal year 1999-00. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2000, 1999 and 1998 were \$0, \$0 and \$1,239,408, respectively, and equaled 100% of the required contributions for each year.

STRS

Plan Description

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

16. Employee Retirement Plans (continued)

STRS (continued)

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 1999-00 was 7.76% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2000, 1999 and 1998 were \$3,418,043, \$3,143,778 and \$3,113,155, respectively, and equaled 100% of the required contributions for each year.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to General-Purpose Financial Statements
For the Year Ended June 30, 2000

18. Fund Balance/Retained Earnings

The reserved fund balances at June 30, 2000 consisted of the following:

| | |
|-----------------------------|--------------------|
| General Fund | |
| Revolving fund cash | \$ 125,223 |
| Inventories, prepaids, etc. | 23,103 |
| Restricted purposes | <u>607,797</u> |
| | <u>\$ 756,123</u> |
| Debt Service Funds | |
| Debt service | <u>\$4,632,821</u> |
| Fiduciary Funds | |
| Restricted purposes | <u>\$ 892,560</u> |

19. Subsequent Events

On July 5, 2000, the District issued \$15,550,000 of Tax and Revenue Anticipation Notes (TRANs) maturing on October 4, 2001, with interest at 7.00% to provide for anticipated cash flow deficits from operations. The TRANs are a general obligation of the District, and are payable from revenues and cash receipts to be generated by the District during the year ending June 30, 2001. The revenues from the TRANs are deposited with the Contra Costa County Treasurer in a special trust fund established by the County.

On September 29, 2000, the District repaid its 1999 TRANs in the amount of \$15,250,000 and related interest.

SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS

JUNE 30, 2000

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Balance Sheet
General Fund - Sub-Funds
June 30, 2000

| | General Fund Unrestricted | General Fund Unrestricted - TRANS | General Fund Restricted | Total |
|--|---------------------------------|--|-------------------------------|--------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | | | | |
| Cash in county treasury | \$ 4,144,390 | \$ 66,309 | \$ 3,061,095 | \$ 7,271,794 |
| Cash on hand and in banks | 2,029,930 | - | - | 2,029,930 |
| Revolving fund | 125,223 | - | - | 125,223 |
| Local Agency Investment Fund | 2,601,840 | 2,798 | - | 2,604,638 |
| Cash held by fiscal agent - restricted for repayment of TRANS | - | 15,312,915 | - | 15,312,915 |
| Total cash and cash equivalents | 8,901,383 | 15,382,022 | 3,061,095 | 27,344,500 |
| Investments | - | - | - | - |
| Accounts receivable | 7,164,459 | 267,340 | 2,657,540 | 10,089,339 |
| Due from other funds | 3,433,284 | 4,974 | 2,189,791 | 5,628,049 |
| Inventories | 21,570 | - | - | 21,570 |
| Prepaid expenditures | 330,765 | - | 6,164 | 336,929 |
| Total assets | <u>\$ 19,851,461</u> | <u>\$ 15,654,336</u> | <u>\$ 7,914,590</u> | <u>\$ 43,420,387</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 1,759,564 | \$ - | \$ 1,987,853 | \$ 3,747,417 |
| Accrued liabilities | 2,583,456 | - | - | 2,583,456 |
| Deferred revenue | 3,565,493 | - | 2,994,171 | 6,559,664 |
| Due to other funds | 6,065,986 | 384,307 | 2,505,272 | 8,955,565 |
| TRANS payable | - | 15,270,008 | - | 15,270,008 |
| Capitalized lease obligations, current portion | 157,003 | - | 16,668 | 173,671 |
| Total liabilities | <u>14,131,502</u> | <u>15,654,315</u> | <u>7,503,964</u> | <u>37,289,781</u> |
| Fund balances | | | | |
| Reserved | 345,497 | - | 410,626 | 756,123 |
| Unreserved | | | | |
| Designated | - | - | - | - |
| Undesignated | 5,374,462 | 21 | - | 5,374,483 |
| Total fund balances | <u>5,719,959</u> | <u>21</u> | <u>410,626</u> | <u>6,130,606</u> |
| Total liabilities and fund balances | <u>\$ 19,851,461</u> | <u>\$ 15,654,336</u> | <u>\$ 7,914,590</u> | <u>\$ 43,420,387</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund - Sub-Funds
For the Year Ended June 30, 2000

| | General Fund Unrestricted | General Fund Unrestricted - TRANS | General Fund Restricted | Total |
|--|---------------------------------|--|-------------------------------|--------------|
| <u>REVENUES</u> | | | | |
| Federal sources | \$ 12,570 | \$ - | \$ 2,413,267 | \$ 2,425,837 |
| State sources | 47,420,575 | - | 14,228,830 | 61,649,405 |
| Local sources | 63,227,069 | 1,323,385 | 3,326,693 | 67,877,147 |
| Total revenues | 110,660,214 | 1,323,385 | 19,968,790 | 131,952,389 |
| <u>EXPENDITURES</u> | | | | |
| Academic salaries | 52,406,890 | - | 2,216,145 | 54,623,035 |
| Classified salaries | 22,163,945 | - | 5,882,321 | 28,046,266 |
| Employee benefits | 16,742,427 | - | 1,031,463 | 17,773,890 |
| Books and supplies | 3,582,374 | - | 1,104,409 | 4,686,783 |
| Contract services and operating expenditures | 11,810,523 | 37,186 | 4,452,976 | 16,300,685 |
| Capital outlay | 1,256,406 | - | 3,057,412 | 4,313,818 |
| Debt service | | | | |
| Principal retirement | - | - | - | - |
| Interest expense | 104,659 | 909,600 | - | 1,014,259 |
| Total expenditures | 108,067,224 | 946,786 | 17,744,726 | 126,758,736 |
| Excess of revenues over (under) expenditures | 2,592,990 | 376,599 | 2,224,064 | 5,193,653 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Operating transfers in | 1,510,339 | - | 1,270,758 | 2,781,097 |
| Operating transfers out | (2,573,247) | (376,578) | (1,566,598) | (4,516,423) |
| Other | (55,462) | - | (1,069,721) | (1,125,183) |
| Total other financing sources (uses) | (1,118,370) | (376,578) | (1,365,561) | (2,860,509) |
| Excess of revenues and other sources over (under) expenditures and other uses | 1,474,620 | 21 | 858,503 | 2,333,144 |
| Fund balances, July 1, 1999 | 4,245,339 | - | (447,877) | 3,797,462 |
| Fund balances, June 30, 2000 | \$ 5,719,959 | \$ 21 | \$ 410,626 | \$ 6,130,606 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund - Sub-Funds
For the Year Ended June 30, 2000
(Page 1 of 2)

| | GENERAL FUND - UNRESTRICTED | | | GENERAL FUND - UNRESTRICTED - TRANS | | |
|--|-----------------------------|--------------|--|-------------------------------------|-----------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | |
| Federal sources | \$ - | \$ 12,570 | \$ 12,570 | \$ - | \$ - | \$ - |
| State sources | 46,695,880 | 47,420,575 | 724,695 | - | - | - |
| Local sources | 63,118,104 | 63,227,069 | 108,965 | 1,335,396 | 1,323,385 | (12,011) |
| Total revenues | 109,813,984 | 110,660,214 | 846,230 | 1,335,396 | 1,323,385 | (12,011) |
| EXPENDITURES | | | | | | |
| Academic salaries | 52,532,192 | 52,406,890 | 125,302 | - | - | - |
| Classified salaries | 22,243,770 | 22,163,945 | 79,825 | - | - | - |
| Employee benefits | 16,816,745 | 16,742,427 | 74,318 | - | - | - |
| Books and supplies | 3,677,461 | 3,582,374 | 95,087 | - | - | - |
| Contract services and operating expenditures | 11,652,886 | 11,810,523 | (157,637) | 40,000 | 37,186 | 2,814 |
| Capital outlay | 1,475,276 | 1,256,406 | 218,870 | - | - | - |
| Debt service | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest expense | - | 104,659 | (104,659) | 911,650 | 909,600 | 2,050 |
| Total expenditures | 108,398,330 | 108,067,224 | 331,106 | 951,650 | 946,786 | 4,864 |
| Excess of revenues over (under) expenditures | 1,415,654 | 2,592,990 | 1,177,336 | 383,746 | 376,599 | (7,147) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 2,147,184 | 1,510,339 | (636,845) | - | - | - |
| Operating transfers out | (2,520,323) | (2,573,247) | (52,924) | (383,746) | (376,578) | 7,168 |
| Other | (41,081) | (55,462) | (14,381) | - | - | - |
| Total other financing sources (uses) | (414,220) | (1,118,370) | (704,150) | (383,746) | (376,578) | 7,168 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 1,001,434 | 1,474,620 | \$ 473,186 | \$ - | 21 | \$ 21 |
| Fund balances, July 1, 1999 | | 4,245,339 | | | - | |
| Fund balances, June 30, 2000 | | \$ 5,719,959 | | | \$ 21 | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund - Sub-Funds
For the Year Ended June 30, 2000
(Page 2 of 2)

| | GENERAL FUND - RESTRICTED | | | TOTAL | | |
|--|---------------------------|--------------------|--|---------------------|---------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | |
| Federal sources | \$ 2,498,021 | \$ 2,413,267 | \$ (84,754) | \$ 2,498,021 | \$ 2,425,837 | \$ (72,184) |
| State sources | 17,596,978 | 14,228,830 | (3,368,148) | 64,292,858 | 61,649,405 | (2,643,453) |
| Local sources | 1,617,827 | 3,326,693 | 1,708,866 | 66,071,327 | 67,877,147 | 1,805,820 |
| Total revenues | <u>21,712,826</u> | <u>19,968,790</u> | <u>(1,744,036)</u> | <u>132,862,206</u> | <u>131,952,389</u> | <u>(909,817)</u> |
| EXPENDITURES | | | | | | |
| Academic salaries | 2,413,826 | 2,216,145 | 197,681 | 54,946,018 | 54,623,035 | 322,983 |
| Classified salaries | 3,919,919 | 5,882,321 | (1,962,402) | 26,163,689 | 28,046,266 | (1,882,577) |
| Employee benefits | 1,044,038 | 1,031,463 | 12,575 | 17,860,783 | 17,773,890 | 86,893 |
| Books and supplies | 1,441,011 | 1,104,409 | 336,602 | 5,118,472 | 4,686,783 | 431,689 |
| Contract services and operating expenditures | 4,362,679 | 4,452,976 | (90,297) | 16,055,565 | 16,300,685 | (245,120) |
| Capital outlay | 4,485,250 | 3,057,412 | 1,427,838 | 5,960,526 | 4,313,818 | 1,646,708 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest expense | - | - | - | 911,650 | 1,014,259 | (102,609) |
| Total expenditures | <u>17,666,723</u> | <u>17,744,726</u> | <u>(78,003)</u> | <u>127,016,703</u> | <u>126,758,736</u> | <u>257,967</u> |
| Excess of revenues over (under) expenditures | <u>4,046,103</u> | <u>2,224,064</u> | <u>(1,822,039)</u> | <u>5,845,503</u> | <u>5,193,653</u> | <u>(651,850)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 706,434 | 1,270,758 | 564,324 | 2,853,618 | 2,781,097 | (72,521) |
| Operating transfers out | (1,519,227) | (1,566,598) | (47,371) | (4,423,296) | (4,516,423) | (93,127) |
| Other | (1,048,593) | (1,069,721) | (21,128) | (1,089,674) | (1,125,183) | (35,509) |
| Total other financing sources (uses) | <u>(1,861,386)</u> | <u>(1,365,561)</u> | <u>495,825</u> | <u>(2,659,352)</u> | <u>(2,860,509)</u> | <u>(201,157)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ 2,184,717</u> | <u>858,503</u> | <u>\$ (1,326,214)</u> | <u>\$ 3,186,151</u> | <u>2,333,144</u> | <u>\$ (853,007)</u> |
| Fund balances, July 1, 1999 | | <u>(447,877)</u> | | | <u>3,797,462</u> | |
| Fund balances, June 30, 2000 | | <u>\$ 410,626</u> | | | <u>\$ 6,130,606</u> | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Balance Sheet
All Debt Service Funds
June 30, 2000

| | Accrued Compensated Absences | Post- Retirement Health Benefits | Bond Interest and Redemption | COPs | Financing Corporation | Total |
|--------------------------------------|------------------------------------|---|------------------------------------|-------------------|--------------------------|----------------------|
| <u>ASSETS</u> | | | | | | |
| Cash and cash equivalents | | | | | | |
| Cash in county treasury | \$ 3,882,325 | \$ 508,447 | \$ 57,726 | \$ 846,740 | \$ - | \$ 5,295,238 |
| Local Agency Investment Fund | - | 2,235,324 | 381 | - | - | 2,235,705 |
| Total cash and cash equivalents | 3,882,325 | 2,743,771 | 58,107 | 846,740 | - | 7,530,943 |
| Investments | - | 15,250,000 | - | 381 | - | 15,250,381 |
| Accounts receivable | - | 275,444 | 140 | 6 | - | 275,590 |
| Due from other funds | 511,324 | 44,887 | - | - | - | 556,211 |
| Other assets | - | - | - | 91,927 | - | 91,927 |
| Total assets | <u>\$ 4,393,649</u> | <u>\$ 18,314,102</u> | <u>\$ 58,247</u> | <u>\$ 939,054</u> | <u>\$ -</u> | <u>\$ 23,705,052</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 908 | \$ - | \$ - | \$ - | \$ 908 |
| Due to other funds | - | - | 48,242 | 709,887 | - | 758,129 |
| Total liabilities | - | 908 | 48,242 | 709,887 | - | 759,037 |
| Fund balances | | | | | | |
| Reserved | 4,393,649 | - | 10,005 | 229,167 | - | 4,632,821 |
| Unreserved | | | | | | |
| Designated | - | 18,313,194 | - | - | - | 18,313,194 |
| Total fund balances | 4,393,649 | 18,313,194 | 10,005 | 229,167 | - | 22,946,015 |
| Total liabilities and fund balances | <u>\$ 4,393,649</u> | <u>\$ 18,314,102</u> | <u>\$ 58,247</u> | <u>\$ 939,054</u> | <u>\$ -</u> | <u>\$ 23,705,052</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
All Debt Service Funds
For the Year Ended June 30, 2000

| | Accrued Compensated Absences | Post- Retirement Health Benefits | Bond Interest and Redemption | COPs | Financing Corporation | Total |
|--|------------------------------------|---|------------------------------------|------------|--------------------------|---------------|
| REVENUES | | | | | | |
| Local sources | \$ - | \$ 1,388,585 | \$ 10,005 | \$ 124,334 | \$ - | \$ 1,522,924 |
| EXPENDITURES | | | | | | |
| Investment expense | - | 4,130 | - | - | - | 4,130 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | 35,000 | - | 35,000 |
| Interest expense | - | - | - | 89,333 | - | 89,333 |
| Total expenditures | - | 4,130 | - | 124,333 | - | 128,463 |
| Excess of revenues over (under) expenditures | - | 1,384,455 | 10,005 | 1 | - | 1,394,461 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | - | - | - | - | - | - |
| Operating transfers out | - | - | (48,242) | (352,563) | - | (400,805) |
| Other | 124,197 | - | - | - | (25,374) | 98,823 |
| Total other financing sources (uses) | 124,197 | - | (48,242) | (352,563) | (25,374) | (301,982) |
| Excess of revenues and other sources over (under) expenditures and other uses | 124,197 | 1,384,455 | (38,237) | (352,562) | (25,374) | 1,092,479 |
| Fund balances, July 1, 1999 | 4,269,452 | 16,928,739 | 48,242 | 581,729 | 25,374 | 21,853,536 |
| Fund balances, June 30, 2000 | \$ 4,393,649 | \$ 18,313,194 | \$ 10,005 | \$ 229,167 | \$ - | \$ 22,946,015 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
All Debt Service Funds
For the Year Ended June 30, 2000
(Page 1 of 3)

| | ACCRUED COMPENSATED ABSENCES | | | POST-RETIREMENT HEALTH BENEFITS | | |
|--|------------------------------|--------------|--|---------------------------------|---------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ 1,618,801 | \$ 1,388,585 | \$ (230,216) |
| EXPENDITURES | | | | | | |
| Investment expense | - | - | - | 6,000 | 4,130 | 1,870 |
| Debt service | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest expense | - | - | - | - | - | - |
| Total expenditures | - | - | - | 6,000 | 4,130 | 1,870 |
| Excess of revenues over (under) expenditures | - | - | - | 1,612,801 | 1,384,455 | (228,346) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | - | - | - | - | - | - |
| Operating transfers out | - | - | - | - | - | - |
| Other | - | 124,197 | 124,197 | - | - | - |
| Total other financing sources (uses) | - | 124,197 | 124,197 | - | - | - |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ - | 124,197 | \$ 124,197 | \$ 1,612,801 | 1,384,455 | \$ (228,346) |
| Fund balances, July 1, 1999 | | 4,269,452 | | | 16,928,739 | |
| Fund balances, June 30, 2000 | | \$ 4,393,649 | | | \$ 18,313,194 | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
All Debt Service Funds
For the Year Ended June 30, 2000
(Page 2 of 3)

| | BOND INTEREST AND REDEMPTION | | | COPs | | |
|--|------------------------------|-----------|--|--------------|------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| <u>REVENUES</u> | | | | | | |
| Local sources | \$ 11,000 | \$ 10,005 | \$ (995) | \$ 125,000 | \$ 124,334 | \$ (666) |
| <u>EXPENDITURES</u> | | | | | | |
| Investment expense | - | - | - | - | - | - |
| Debt service | | | | | | |
| Principal retirement | - | - | - | 35,000 | 35,000 | - |
| Interest expense | - | - | - | 90,000 | 89,333 | 667 |
| Total expenditures | - | - | - | 125,000 | 124,333 | 667 |
| Excess of revenues over (under) expenditures | 11,000 | 10,005 | (995) | - | 1 | 1 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | | |
| Operating transfers in | - | - | - | - | - | - |
| Operating transfers out | (48,242) | (48,242) | - | (700,000) | (352,563) | 347,437 |
| Other | - | - | - | - | - | - |
| Total other financing sources (uses) | (48,242) | (48,242) | - | (700,000) | (352,563) | 347,437 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ (37,242) | (38,237) | \$ (995) | \$ (700,000) | (352,562) | \$ 347,438 |
| Fund balances, July 1, 1999 | | 48,242 | | | 581,729 | |
| Fund balances, June 30, 2000 | | \$ 10,005 | | | \$ 229,167 | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
All Debt Service Funds
For the Year Ended June 30, 2000
(Page 3 of 3)

| | FINANCING CORPORATION | | | TOTAL | | |
|--|-----------------------|----------|--|--------------|---------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| <u>REVENUES</u> | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ 1,754,801 | \$ 1,522,924 | \$ (231,877) |
| <u>EXPENDITURES</u> | | | | | | |
| Investment expense | - | - | - | 6,000 | 4,130 | 1,870 |
| Debt service | | | | | | |
| Principal retirement | - | - | - | 35,000 | 35,000 | - |
| Interest expense | - | - | - | 90,000 | 89,333 | 667 |
| Total expenditures | - | - | - | 131,000 | 128,463 | 2,537 |
| Excess of revenues over (under) expenditures | - | - | - | 1,623,801 | 1,394,461 | (229,340) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | | |
| Operating transfers in | - | - | - | - | - | - |
| Operating transfers out | - | - | - | (748,242) | (400,805) | 347,437 |
| Other | - | (25,374) | (25,374) | - | 98,823 | 98,823 |
| Total other financing sources (uses) | - | (25,374) | (25,374) | (748,242) | (301,982) | 446,260 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ - | (25,374) | \$ (25,374) | \$ 875,559 | 1,092,479 | \$ 216,920 |
| Fund balances, July 1, 1999 | | 25,374 | | | 21,853,536 | |
| Fund balances, June 30, 2000 | | \$ - | | | \$ 22,946,015 | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Balance Sheet
All Proprietary Funds
June 30, 2000

| | ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUND | |
|---|---------------------|-------------------|---------------------------|------------------------------|-----------------------------|---------------------|
| | Bookstore | Cafeteria | Information Technology | Total Enterprise Funds | Self- Insurance Fund | Total |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | | | | | |
| Cash on hand and in banks | \$ - | \$ - | \$ - | \$ - | \$ 333,400 | \$ 333,400 |
| Local Agency Investment Fund | - | - | 724 | 724 | - | 724 |
| Total cash and cash equivalents | - | - | 724 | 724 | 333,400 | 334,124 |
| Accounts receivable | 284,130 | - | 32,875 | 317,005 | - | 317,005 |
| Due from other funds | 2,747,574 | 382,605 | 559,467 | 3,689,646 | - | 3,689,646 |
| Inventories | 1,610,777 | 8,090 | - | 1,618,867 | - | 1,618,867 |
| Total current assets | 4,642,481 | 390,695 | 593,066 | 5,626,242 | 333,400 | 5,959,642 |
| Property, plant and equipment, net | 70,890 | 4,684 | 2,341,044 | 2,416,618 | - | 2,416,618 |
| | <u>\$ 4,713,371</u> | <u>\$ 395,379</u> | <u>\$ 2,934,110</u> | <u>\$ 8,042,860</u> | <u>\$ 333,400</u> | <u>\$ 8,376,260</u> |
| LIABILITIES AND RETAINED EARNINGS | | | | | | |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Amount to be provided by future deposits | \$ 2,711,861 | \$ 204,597 | \$ 1,574,839 | \$ 4,491,297 | \$ - | \$ 4,491,297 |
| Accounts payable | 135,403 | 46,463 | 84,095 | 265,961 | - | 265,961 |
| Accrued liabilities | 45,378 | - | 16,681 | 62,059 | - | 62,059 |
| Due to other funds | 632,397 | 131,470 | 9,285 | 773,152 | - | 773,152 |
| Liability for self-insurance | - | - | - | - | 333,400 | 333,400 |
| Capitalized lease obligations, current portion | 35,202 | - | 598,910 | 634,112 | - | 634,112 |
| Total current liabilities | 3,560,241 | 382,530 | 2,283,810 | 6,226,581 | 333,400 | 6,559,981 |
| Capitalized lease obligations, net of current portion | 22,227 | - | 549,192 | 571,419 | - | 571,419 |
| Total liabilities | 3,582,468 | 382,530 | 2,833,002 | 6,798,000 | 333,400 | 7,131,400 |
| Retained earnings | 1,130,903 | 12,849 | 101,108 | 1,244,860 | - | 1,244,860 |
| Total liabilities and retained earnings | <u>\$ 4,713,371</u> | <u>\$ 395,379</u> | <u>\$ 2,934,110</u> | <u>\$ 8,042,860</u> | <u>\$ 333,400</u> | <u>\$ 8,376,260</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Funds
For the Year Ended June 30, 2000

| | ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUND | |
|--|------------------|--------------|---------------------------|------------------------------|-----------------------------|---------------|
| | Bookstore | Cafeteria | Information Technology | Total Enterprise Funds | Self- Insurance Fund | Total |
| Operating revenues | \$ 9,376,567 | \$ 1,009,879 | \$ 2,328,742 | \$ 12,715,188 | \$ 194,485 | \$ 12,909,673 |
| Operating expenses | | | | | | |
| Cost of goods sold | 6,620,219 | 689,559 | - | 7,309,778 | - | 7,309,778 |
| Classified salaries | 1,320,565 | 388,777 | 1,152,252 | 2,861,594 | - | 2,861,594 |
| Employee benefits | 247,050 | 65,465 | 199,370 | 511,885 | - | 511,885 |
| Materials and supplies | 168,749 | 16,066 | 154,300 | 339,115 | - | 339,115 |
| Contract services and operating expenses | 252,875 | 19,533 | 379,207 | 651,615 | 194,485 | 846,100 |
| Depreciation | 54,988 | 1,848 | 508,456 | 565,292 | - | 565,292 |
| Total operating expenses | 8,664,446 | 1,181,248 | 2,393,585 | 12,239,279 | 194,485 | 12,433,764 |
| Operating income (loss) | 712,121 | (171,369) | (64,843) | 475,909 | - | 475,909 |
| Other income (expense) | | | | | | |
| Interest income | - | - | 164 | 164 | - | 164 |
| Interest expense | (116,659) | (9,577) | (102,938) | (229,174) | - | (229,174) |
| Other income | - | 67,157 | - | 67,157 | - | 67,157 |
| Total other income (expense) | (116,659) | 57,580 | (102,774) | (161,853) | - | (161,853) |
| Income (loss) before operating transfers | 595,462 | (113,789) | (167,617) | 314,056 | - | 314,056 |
| Other financing sources (uses) | | | | | | |
| Operating transfers in | - | 358,353 | 275,964 | 634,317 | - | 634,317 |
| Operating transfers out | (188,250) | (30,044) | - | (218,294) | - | (218,294) |
| Total other financing sources (uses) | (188,250) | 328,309 | 275,964 | 416,023 | - | 416,023 |
| Net income | 407,212 | 214,520 | 108,347 | 730,079 | - | 730,079 |
| Retained earnings (deficit) - July 1, 1999 | 723,691 | (201,671) | (7,239) | 514,781 | - | 514,781 |
| Retained earnings - June 30, 2000 | \$ 1,130,903 | \$ 12,849 | \$ 101,108 | \$ 1,244,860 | \$ - | \$ 1,244,860 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual
All Proprietary Funds (Except Internal Service Fund)
For the Year Ended June 30, 2000
(Page 1 of 2)

| | BOOKSTORE | | | CAFETERIA | | |
|--|----------------|--------------|--|------------|--------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Operating revenues | \$ 9,074,755 | \$ 9,376,567 | \$ 301,812 | \$ 974,831 | \$ 1,009,879 | \$ 35,048 |
| Operating expenses | | | | | | |
| Cost of goods sold | 6,903,338 | 6,620,219 | 283,119 | 698,961 | 689,559 | 9,402 |
| Classified salaries | 3,274,298 | 1,320,565 | 1,953,733 | 389,334 | 388,777 | 557 |
| Employee benefits | 246,745 | 247,050 | (305) | 65,719 | 65,465 | 254 |
| Materials and supplies | 172,763 | 168,749 | 4,014 | 16,930 | 16,066 | 864 |
| Contract services and operating expenses | 319,710 | 252,875 | 66,835 | 54,124 | 19,533 | 34,591 |
| Depreciation | 47,408 | 54,988 | (7,580) | 1,795 | 1,848 | (53) |
| Total operating expenses | 10,964,262 | 8,664,446 | 2,299,816 | 1,226,863 | 1,181,248 | 45,615 |
| Operating income (loss) | (1,889,507) | 712,121 | 2,601,628 | (252,032) | (171,369) | 80,663 |
| Other income (expense) | | | | | | |
| Interest income | - | - | - | - | - | - |
| Interest expense | (3,229) | (116,659) | (113,430) | - | (9,577) | (9,577) |
| Other income | - | - | - | 54,000 | 67,157 | 13,157 |
| Total other income (expense) | (3,229) | (116,659) | (113,430) | 54,000 | 57,580 | 3,580 |
| Income (loss) before operating transfers | (1,892,736) | 595,462 | 2,488,198 | (198,032) | (113,789) | 84,243 |
| Other financing sources (uses) | | | | | | |
| Operating transfers in | - | - | - | 382,438 | 358,353 | (24,085) |
| Operating transfers out | (153,294) | (188,250) | (34,956) | - | (30,044) | (30,044) |
| Total other financing sources (uses) | (153,294) | (188,250) | (34,956) | 382,438 | 328,309 | (54,129) |
| Net income (loss) | \$ (2,046,030) | 407,212 | \$ 2,453,242 | \$ 184,406 | 214,520 | \$ 30,114 |
| Retained earnings (deficit) - July 1, 1999 | | 723,691 | | | (201,671) | |
| Retained earnings - June 30, 2000 | | \$ 1,130,903 | | | \$ 12,849 | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual
All Proprietary Funds (Except Internal Service Fund)
For the Year Ended June 30, 2000
(Page 2 of 2)

| | INFORMATION TECHNOLOGY | | | TOTAL | | |
|--|------------------------|--------------|--|----------------|---------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Operating revenues | \$ 1,904,222 | \$ 2,328,742 | \$ 424,520 | \$ 11,953,808 | \$ 12,715,188 | \$ 761,380 |
| Operating expenses | | | | | | |
| Cost of goods sold | - | - | - | 7,602,299 | 7,309,778 | 292,521 |
| Classified salaries | 1,321,341 | 1,152,252 | 169,089 | 4,984,973 | 2,861,594 | 2,123,379 |
| Employee benefits | 222,860 | 199,370 | 23,490 | 535,324 | 511,885 | 23,439 |
| Materials and supplies | 530,229 | 154,300 | 375,929 | 719,922 | 339,115 | 380,807 |
| Contract services and other operating expenses | 469,343 | 379,207 | 90,136 | 843,177 | 651,615 | 191,562 |
| Depreciation | 349,070 | 508,456 | (159,386) | 398,273 | 565,292 | (167,019) |
| Total operating expenses | 2,892,843 | 2,393,585 | 499,258 | 15,083,968 | 12,239,279 | 2,844,689 |
| Operating income (loss) | (988,621) | (64,843) | 923,778 | (3,130,160) | 475,909 | 3,606,069 |
| Other income (expense) | | | | | | |
| Interest income | 50,000 | 164 | (49,836) | 50,000 | 164 | (49,836) |
| Interest expense | - | (102,938) | (102,938) | (3,229) | (229,174) | (225,945) |
| Other income | - | - | - | 54,000 | 67,157 | 13,157 |
| Total other income (expense) | 50,000 | (102,774) | (152,774) | 100,771 | (161,853) | (262,624) |
| Income (loss) before operating transfers | (938,621) | (167,617) | 771,004 | (3,029,389) | 314,056 | 3,343,445 |
| Other financing sources (uses) | | | | | | |
| Operating transfers in | 275,964 | 275,964 | - | 658,402 | 634,317 | (24,085) |
| Operating transfers out | - | - | - | (153,294) | (218,294) | (65,000) |
| Total other financing sources (uses) | 275,964 | 275,964 | - | 505,108 | 416,023 | (89,085) |
| Net income (loss) | \$ (662,657) | 108,347 | \$ 771,004 | \$ (2,524,281) | 730,079 | \$ 3,254,360 |
| Retained earnings (deficit) - July 1, 1999 | | (7,239) | | | 514,781 | |
| Retained earnings - June 30, 2000 | | \$ 101,108 | | | \$ 1,244,860 | |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Cash Flows
All Proprietary Funds
For the Year Ended June 30, 2000

| | ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUND | |
|---|------------------|------------------|---------------------------|------------------------------|-----------------------------|-------------------|
| | Bookstore | Cafeteria | Information Technology | Total Enterprise Funds | Self- Insurance Fund | Total |
| Cash flows from operating activities | | | | | | |
| Operating income (loss) | \$ 712,121 | \$ (171,369) | \$ (64,843) | \$ 475,909 | \$ - | \$ 475,909 |
| Adjustments to reconcile operating income (loss) to cash flows from operating activities | | | | | | |
| Depreciation | 54,988 | 1,848 | 508,456 | 565,292 | - | 565,292 |
| Changes in assets and liabilities | | | | | | |
| Accounts receivable | 147,226 | - | (21,083) | 126,143 | - | 126,143 |
| Inventories | 94,752 | (1,212) | - | 93,540 | - | 93,540 |
| Due to/from other funds | (2,235,058) | (387,397) | (205,392) | (2,827,847) | - | (2,827,847) |
| Amount to be provided by future deposits | 1,383,379 | 154,622 | 264,492 | 1,802,493 | - | 1,802,493 |
| Accounts payable | (91,770) | 3,349 | (2,416) | (90,837) | - | (90,837) |
| Accrued liabilities | 7,991 | (10,846) | (18,339) | (21,194) | - | (21,194) |
| Liability for self-insurance | - | - | - | - | 154,090 | 154,090 |
| Net cash provided by (used in) operating activities | <u>73,629</u> | <u>(411,005)</u> | <u>460,875</u> | <u>123,499</u> | <u>154,090</u> | <u>277,589</u> |
| Cash flows from non-capital financing activities | | | | | | |
| Operating transfers in | - | 358,353 | 275,964 | 634,317 | - | 634,317 |
| Operating transfers out | (188,250) | (30,044) | - | (218,294) | - | (218,294) |
| Interest and other income | - | 67,157 | 164 | 67,321 | - | 67,321 |
| Net cash provided by (used in) non-capital financing activities | <u>(188,250)</u> | <u>395,466</u> | <u>276,128</u> | <u>483,344</u> | <u>-</u> | <u>483,344</u> |
| Cash flows from capital financing activities | | | | | | |
| Interest expense | (116,659) | (9,577) | (102,938) | (229,174) | - | (229,174) |
| Capital expenditures | (31,394) | - | (96,732) | (128,126) | - | (128,126) |
| Principal payments under capitalized lease obligations | (30,427) | - | (542,169) | (572,596) | - | (572,596) |
| Net cash used in capital financing activities | <u>(178,480)</u> | <u>(9,577)</u> | <u>(741,839)</u> | <u>(929,896)</u> | <u>-</u> | <u>(929,896)</u> |
| Net increase (decrease) in cash and cash equivalents | (293,101) | (25,116) | (4,836) | (323,053) | 154,090 | (168,963) |
| Cash and cash equivalents, July 1, 1999 | <u>293,101</u> | <u>25,116</u> | <u>5,560</u> | <u>323,777</u> | <u>179,310</u> | <u>503,087</u> |
| Cash and cash equivalents, June 30, 2000 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 724</u> | <u>\$ 724</u> | <u>\$ 333,400</u> | <u>\$ 334,124</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Balance Sheet
All Fiduciary Funds
June 30, 2000

| | Student Financial Aid | Student Scholarship and Loan | Associated Students | Student Body Center Building and Operating | Totals |
|--|-----------------------------|------------------------------------|------------------------|---|---------------------|
| <u>ASSETS</u> | | | | | |
| Cash and cash equivalents | | | | | |
| Cash in county treasury | \$ - | \$ 108,615 | \$ 468,590 | \$ - | \$ 577,205 |
| Local Agency Investment Fund | - | 36,137 | - | - | 36,137 |
| Total cash and cash equivalents | - | 144,752 | 468,590 | - | 613,342 |
| Investments | - | 485,984 | - | - | 485,984 |
| Accounts receivable | 735,011 | 8,127 | 199 | - | 743,337 |
| Due from other funds | 363,360 | 4,722 | 125,291 | 919,682 | 1,413,055 |
| Total assets | <u>\$ 1,098,371</u> | <u>\$ 643,585</u> | <u>\$ 594,080</u> | <u>\$ 919,682</u> | <u>\$ 3,255,718</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | |
| Liabilities | | | | | |
| Amount to be provided by future deposits | \$ 295,753 | \$ - | \$ - | \$ 1,057,419 | \$ 1,353,172 |
| Accounts payable | 23,689 | 3,963 | 141,112 | 1,536 | 170,300 |
| Deferred revenue | 2,274 | - | - | - | 2,274 |
| Due to other funds | 770,332 | 7,147 | 58,447 | 1,486 | 837,412 |
| Total liabilities | <u>1,092,048</u> | <u>11,110</u> | <u>199,559</u> | <u>1,060,441</u> | <u>2,363,158</u> |
| Fund balances | | | | | |
| Reserved | <u>6,323</u> | <u>632,475</u> | <u>394,521</u> | <u>(140,759)</u> | <u>892,560</u> |
| Total liabilities and fund balances | <u>\$ 1,098,371</u> | <u>\$ 643,585</u> | <u>\$ 594,080</u> | <u>\$ 919,682</u> | <u>\$ 3,255,718</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Fiduciary Funds
For the Year Ended June 30, 2000

| | Student Financial Aid | Student Scholarship and Loan | Associated Students | Student Body Center Building and Operating | Totals |
|--|-----------------------------|------------------------------------|------------------------|---|-------------------|
| REVENUES | | | | | |
| Federal sources | \$ 5,633,871 | \$ - | \$ - | \$ - | \$ 5,633,871 |
| State sources | 268,976 | - | - | - | 268,976 |
| Local sources | - | 169,272 | 183,558 | 88,690 | 441,520 |
| Total revenues | <u>5,902,847</u> | <u>169,272</u> | <u>183,558</u> | <u>88,690</u> | <u>6,344,367</u> |
| EXPENDITURES | | | | | |
| Classified salaries | - | - | - | 118,085 | 118,085 |
| Employee benefits | - | - | - | 10,733 | 10,733 |
| Books and supplies | - | - | 139,651 | 2,480 | 142,131 |
| Contract services and operating expenditures | - | 120 | 16,873 | 213,179 | 230,172 |
| Student financial assistance | 6,373,583 | 164,268 | - | - | 6,537,851 |
| Total expenditures | <u>6,373,583</u> | <u>164,388</u> | <u>156,524</u> | <u>344,477</u> | <u>7,038,972</u> |
| Excess of revenues over (under) expenditures | <u>(470,736)</u> | <u>4,884</u> | <u>27,034</u> | <u>(255,787)</u> | <u>(694,605)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in | 473,653 | 696 | - | 541,402 | 1,015,751 |
| Operating transfers out | (1,466) | - | - | (169) | (1,635) |
| Total other financing sources (uses) | <u>472,187</u> | <u>696</u> | <u>-</u> | <u>541,233</u> | <u>1,014,116</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 1,451 | 5,580 | 27,034 | 285,446 | 319,511 |
| Fund balances, July 1, 1999 | <u>4,872</u> | <u>626,895</u> | <u>367,487</u> | <u>(426,205)</u> | <u>573,049</u> |
| Fund balances, June 30, 2000 | <u>\$ 6,323</u> | <u>\$ 632,475</u> | <u>\$ 394,521</u> | <u>\$ (140,759)</u> | <u>\$ 892,560</u> |

SUPPLEMENTARY INFORMATION - FEDERAL AND STATE REQUIRED

JUNE 30, 2000

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2000

Summary of Auditors' Results

| | |
|--|-------------|
| Type of opinion on financial statements | Qualified |
| Reportable conditions noted | None noted |
| Material weaknesses noted | None noted |
| Noncompliance considered material | None noted |
| Type of opinion on compliance for major programs | Unqualified |
| Questioned costs | None |
| Audit findings | None |
| Identification of major programs | |
| U.S. Department of Education (Student Financial Aid Cluster) | |
| Federal Pell Grant Program (CFDA #84.063) | |
| Federal Supplemental Educational Opportunity | |
| Grant Program (SEOG) (CFDA #84.007) | |
| Federal College Work-Study Program (CFDA #84.033) | |
| Dollar threshold of Type A/Type B programs | |
| Type A | \$300,000 |
| Type B | \$100,000 |
| Whether the auditee qualifies as low-risk | No |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

| <u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Grant/ Pass-through Entity Identification Number</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|---|---------------------------------|
| U.S. Department of Defense | | | |
| Basic Scientific Research | | | |
| Center for Science Excellence | 12.431 | DAAH04-96-1-0004 | \$ 274,794 |
| Total U.S. Department of Defense | | | <u>274,794</u> |
| U.S. Department of Education | | | |
| <i>Student Financial Aid Cluster</i> | | | |
| Federal Supplemental Educational Opportunity | | | |
| Grant Program (FSEOG) | 84.007 | H300072 | 550,292 |
| Federal College Work-Study Program (FWS) | 84.033 | H400333 | 327,835 |
| Federal Pell Grant Program (PELL) | 84.063 | n/a | 5,064,918 |
| <i>Total Student Financial Aid Cluster</i> | | | <u>5,943,045</u> |
| Higher Education-Institutional Aid | | | |
| Strengthening Institutions | 84.031A | P031A990030 | 220,114 |
| Strengthening Institutions Program | 84.031A | P031A930481-97 | 23,192 |
| Strengthening Institutions Program at Contra Costa College | 84.031A | P031A30011-97 | 2,139 |
| TRIO - Talent Search | | | |
| Talent Search Program | 84.044A | P044A980186-99 (99-00) | 113,265 |
| Talent Search Program | 84.044A | P044A980186 (98-99) | 83,572 |
| <i>Pass through California Department of Education</i> | | | |
| Vocational Education-Basic Grants to States | | | |
| Title I-B State Leadership - Nutrition | 84.048 | 99-0103 | 943 |
| Title I-B State Leadership - Special Populations | 84.048 | 99-0104 | 29,203 |
| Title I-C | 84.048 | 99-C01-012 | 647,158 |
| Title I-B State Leadership - Integrating Tech & Learning | 84.048 | 99-0105 | 45,816 |
| Title I-B State Leadership - Retail Management | 84.048 | 99-0102 | 86,846 |
| Tech-Prep Education | | | |
| Title II, Tech Prep | 84.243 | 99-TP-08 | 85,648 |
| Title II, Tech Prep | 84.243 | 99-TP-09 | 65,254 |
| Title II, Tech Prep | 84.243 | 99-TP-10 | 81,296 |
| Total U.S. Department of Education | | | <u>7,427,491</u> |
| U.S. Department of Health and Human Services | | | |
| <i>Pass through California Community Colleges Chancellor's Office</i> | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | n/a | 167,731 |
| <i>Pass through California Department of Education</i> | | | |
| Child Care and Development Block Grant | | | |
| Child Mentor Program | 93.575 | n/a | 3,682 |
| <i>Pass through San Francisco State University</i> | | | |
| Family Violence Prevention and Services/Grants for Battered Women's Shelters | | | |
| SF Bay Area Center for EDE in Violence Counseling | 93.592 | U81/CCU913437-01 | 4,601 |
| <i>Pass through California Community Colleges Chancellor's Office</i> | | | |
| Foster Care Education | | | |
| Foster Care--Title IV-E | 93.600 | n/a | 6,000 |
| Total U.S. Department of Health and Human Services | | | <u>182,014</u> |
| Total Federal Expenditures | | | <u>\$ 7,884,299</u> |

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

2. Federal Pell Grant Program ("PELL") Expenditure Reimbursements

Total District PELL expenditures for the year ended June 30, 2000 were \$5,064,918. Of that amount, \$4,917,177 had been reimbursed by the United States Department of Education. Therefore, the amount of unreimbursed PELL expenditures for the year ended June 30, 2000 was \$147,741.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of State Financial Assistance
For the Year Ended June 30, 2000

| PROGRAM NAME | PROGRAM ENTITLEMENTS | | | PROGRAM REVENUES | | | | PROGRAM EXPENDITURES |
|-------------------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | CURRENT YEAR | PY CARRYOVER | TOTAL | CASH RECEIVED | ACCOUNTS RECEIVABLE | DEFERRED REVENUE | TOTAL | TOTAL |
| STATE PROGRAMS | | | | | | | | |
| AB602 Board Fin Aid Staffing | \$ 227,453 | \$ - | \$ 227,453 | \$ 137,216 | \$ 20,421 | \$ 4,554 | \$ 153,083 | \$ 153,083 |
| Basic Skills ESL | 75,000 | - | 75,000 | 56,250 | 13,892 | - | 70,142 | 70,142 |
| CalWORKS | 1,433,607 | 19,397 | 1,453,004 | 1,453,006 | - | 1 | 1,453,005 | 1,457,755 |
| CAN/Assist | 17,925 | - | 17,925 | 11,950 | 5,975 | 508 | 17,417 | 17,417 |
| CARE | 361,805 | - | 361,805 | 361,806 | (1) | 5,545 | 356,260 | 365,395 |
| CNET (Telecomm Infrastructure) TTIP | 600,883 | 728,928 | 1,329,811 | 1,329,811 | - | 768,499 | 561,312 | 561,312 |
| College One-Stop | 141,000 | - | 141,000 | 105,750 | 34,194 | - | 139,944 | 139,944 |
| Common Course Numbering | 50,000 | - | 50,000 | 50,000 | - | 13,842 | 36,158 | 36,158 |
| DOD Science Equipment | 7,650 | - | 7,650 | - | 7,650 | - | 7,650 | 7,650 |
| DSPS | 1,377,770 | 8,266 | 1,386,036 | 1,384,542 | - | 69,079 | 1,315,463 | 1,320,877 |
| DSPS Access Project | 30,000 | - | 30,000 | 22,500 | 7,400 | - | 29,900 | 29,900 |
| Electronic Data Exchange | 197,032 | - | 197,032 | - | 138,741 | - | 138,741 | 138,741 |
| Environmental Health & Safety | 228,002 | 149,650 | 377,652 | 341,171 | 4,553 | - | 345,724 | 345,725 |
| Environmental Tech State Leadership | 135,000 | 12,069 | 147,069 | 123,989 | 21,600 | 1,977 | 143,612 | 155,478 |
| EOPS | 1,774,212 | - | 1,774,212 | 1,776,213 | - | 5,758 | 1,770,455 | 1,775,282 |
| Faculty and Staff Diversity | 31,138 | 8,601 | 39,739 | 39,739 | - | - | 39,739 | 39,739 |
| Faculty Joint Project | 75,000 | - | 75,000 | 66,033 | 8,057 | - | 74,090 | 74,090 |
| Foster Care / Enhanced funding | 6,000 | - | 6,000 | - | 6,000 | - | 6,000 | 6,000 |
| Foster Parent Training | 262,213 | - | 262,213 | 100,705 | 161,508 | - | 262,213 | 274,073 |
| Foster Relative Training - CCC | 30,000 | - | 30,000 | 30,000 | - | - | 30,000 | 30,236 |
| Heritage Project - LMC | 37,400 | - | 37,400 | 30,000 | 7,400 | - | 37,400 | 37,562 |
| Independent Living | 27,870 | - | 27,870 | 2,850 | 25,020 | - | 27,870 | 28,744 |
| Instructional Equipment | 1,911,170 | 1,499,918 | 3,411,088 | 3,411,087 | - | 1,292,489 | 2,118,598 | 2,118,599 |
| Instructional Innovation Grant | 30,000 | - | 30,000 | - | 30,000 | - | 30,000 | 30,000 |
| IS/GIS | 242,800 | 173,281 | 416,081 | 377,233 | 38,848 | - | 416,081 | 431,192 |
| Job Development Incentive Training | 300,000 | - | 300,000 | 252,000 | - | 204,881 | 47,119 | 47,119 |
| Job Development Incentive Training | 299,967 | - | 299,967 | 251,967 | 36,419 | - | 288,386 | 288,386 |
| Library Literacy Project | 35,000 | - | 35,000 | 26,250 | 6,399 | - | 32,649 | 32,649 |
| Marketing CCC CalWORKS/TANF | 30,000 | - | 30,000 | 22,500 | - | 2,371 | 20,129 | 20,129 |
| Matriculation | 1,628,372 | 329 | 1,628,701 | 1,628,372 | - | 5,143 | 1,623,229 | 1,631,517 |
| Multimedia | 249,950 | 39,665 | 289,615 | 249,623 | 39,992 | - | 289,615 | 315,705 |
| Network Technology Academy | 249,984 | - | 249,984 | 209,987 | 23,872 | - | 233,859 | 233,859 |
| Nutrition BLIP | 18,028 | - | 18,028 | - | - | - | - | - |
| Opportunity West Richmond | 4,301 | - | 4,301 | 4,301 | - | - | 4,301 | 4,301 |
| Puente Project | 954,000 | - | 954,000 | 765,810 | 52,853 | - | 818,663 | 818,663 |
| School to Work Grant - DVC | - | - | - | - | - | - | - | 179 |
| Science Symposium | 10,034 | - | 10,034 | - | 7,685 | - | 7,685 | 7,685 |
| Staff Development | 142,397 | 141,238 | 283,635 | 279,012 | - | 51,159 | 227,853 | 227,852 |
| State Pre-School Grant | 1,006,060 | - | 1,006,060 | 777,326 | 177,339 | - | 954,665 | 954,665 |
| Student Equity Plan | 30,000 | - | 30,000 | - | 15,583 | - | 15,583 | 15,583 |
| Student Success/Olympic | 104,355 | - | 104,355 | 85,175 | 22,192 | 2,243 | 105,124 | 105,124 |
| TANF | 176,436 | 32,479 | 208,915 | 208,915 | - | 41,183 | 167,732 | 167,731 |
| Telecomm Grant - CCC | 150,000 | - | 150,000 | 150,000 | - | 130,877 | 19,123 | 19,123 |
| Transfer & Articulation | 54,911 | - | 54,911 | - | - | - | - | - |
| USSP Grant | 4,738 | - | 4,738 | - | 4,651 | - | 4,651 | 4,651 |
| TOTAL STATE GRANTS | \$ 14,759,463 | \$ 2,813,821 | \$ 17,573,284 | \$ 16,123,089 | \$ 918,243 | \$ 2,600,109 | \$ 14,441,223 | \$ 14,540,015 |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Reconciliation of Annual Financial and Budget Report
(Form CCFS-311) with Audited General-Purpose Financial Statements
For the Year Ended June 30, 2000

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Enterprise</u> | <u>Post- Retirement Health Benefits</u> |
|--|-------------------------|-----------------------------|---------------------|---|
| June 30, 2000 Annual Financial and Budget Report | | | | |
| Fund balance per CCFS-311 | \$ 6,160,205 | \$ 549,893 | \$ 1,143,978 | \$ 18,703,192 |
| Adjustments and reclassifications | | | | |
| Unrecorded market value adjustment | - | - | - | (389,998) |
| Miscellaneous closing entries | <u>(29,599)</u> | <u>23,718</u> | <u>100,882</u> | <u>-</u> |
| Fund balance per audit, June 30, 2000 | <u>\$ 6,130,606</u> | <u>\$ 573,611</u> | <u>\$ 1,244,860</u> | <u>\$ 18,313,194</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Workload Measures for State General Apportionment
Annualized Attendance as of June 30, 2000

| | <u>Reported Data</u> | <u>Audit Adjustments</u> | <u>Revised Data</u> |
|---|--------------------------|------------------------------|-------------------------|
| Categories | | | |
| A. Credit full-time equivalent student (FTES) | | | |
| 1. Weekly census | 24,614 | - | 24,614 |
| 2. Daily census | 1,611 | - | 1,611 |
| 3. Actual hours of attendance | 2,024 | - | 2,024 |
| 4. Independent study work experience | <u>152</u> | <u>-</u> | <u>152</u> |
| Total | <u>28,401</u> | <u>-</u> | <u>28,401</u> |
| B. Noncredit FTES | | | |
| 1. Actual hours of attendance | <u>235</u> | <u>-</u> | <u>235</u> |

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Annual Apprenticeship Hours of Instruction
Annualized Attendance as of June 30, 2000

| Reporting periods | <u>Reported Annual Hours</u> |
|----------------------------|--------------------------------------|
| July 1 - December 31, 1999 | 30,975 |
| January 1 - April 15, 2000 | - |
| April 16 - June 30, 2000 | <u>27,237</u> |
| Total | <u><u>58,212</u></u> |

OTHER INDEPENDENT AUDITORS' REPORTS

ARMANINO MCKENNA LLP

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the general-purpose financial statements of the Contra Costa Community College District (the "District") for the fiscal year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. Our audit was made in accordance with governmental auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, except as discussed in the following paragraph, we conducted our audit for compliance as required in Part II, State and Federal Compliance Requirements for those programs identified in the State Department of Finance's June 2000 transmittal of audit requirements for community colleges. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

State General Apportionment Testing Structure

Required Data Elements

The District maintains a separate and complete tabulation for each course section reported for state attendance support.

Enrollment Fees

The District collected and reported enrollment fees in accordance with state requirements.

Students Actively Enrolled

The District claimed only actively enrolled students, as of the census date, for state attendance support.

Instructional Service Agreements/Contracts

The District did not enter into any instructional service agreements in fiscal year 1999-00.



Annual Compliance Focus

Economic Development Grants

The District did not receive any economic development grants in fiscal year 1999-00.

Salaries of Classroom Instructors

The District's salaries of classroom instructors equaled or exceeded 50 percent of the District's current expense of education ("CEE") in accordance with Section 84362 of the Education Code.

Uses of Matriculation Funds

The District's expenditures for Matriculation were made in accordance with the three-year Matriculation Plan. Additionally, the District met state matching requirements and has augmented services in existence during the 1986-87 base year.

Allocation of Costs

The District allocated charges for salaries of instructors teaching FTES generating classes, school counselors providing academic advisement, and financial aid officers conducting need analysis to either the Extended Opportunity Programs and Services ("EOPS") or the Handicapped Student Program and Services ("HSPS") whenever such programs required the staff, referred to above, to perform additional functions which were beyond the scope of services provided to all students in the performance of their regular duty assignments. Cost allocation for these activities did not exceed the supplementary services provided for EOPS and HSPS.

EOPS Administrator/Director Requirements

The District's EOPS plan and expenditures met the applicable requirements of Title 5 of the *California Code of Regulations*. Further, the District met the requirement to contribute from non-EOPS sources the salary of the EOPS director/administrator. The Director's level of responsibility in administering the EOPS programs was in compliance with state guidelines.

Gann Limit Calculation

The District met the requirements of the Gann Amendment which establishes maximum appropriation limits for public agencies.

Scheduled Maintenance Program

The District spent \$10,186,556 in the general fund for 1999-2000 on operation and maintenance of plant (Object Code 6500).

Activity

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

In our opinion, the District complied with the compliance requirements for the state programs listed and tested above. Further, except for the items referred to in the following paragraph, nothing came to our attention as a result of the aforementioned procedures to indicate that the District had not complied with the terms and conditions of state assisted educational programs not selected for testing.

This report is intended solely for the information and use of the Board of Trustees, audit committee, management and others within the District, the State Department of Education, the Chancellor's Office of California Community Colleges and various county, state and federal regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Armanino McKenna LLP
ARMANINO McKENNA LLP

November 3, 2000

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

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the general-purpose financial statements of Contra Costa Community College District (the "District") as of and for the year ended June 30, 2000, and have issued our report thereon dated November 3, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the District in a separate letter dated November 3, 2000.



This report is intended solely for the information and use of the Board of Trustees, audit committee, management and others within the District, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Armanino Mc Kenna LLP

ARMANINO McKENNA LLP

November 3, 2000

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

Board of Trustees
Contra Costa Community College District
Martinez, California

Compliance

We have audited the compliance of Contra Costa Community College District (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.



Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, audit committee, management and others within the District, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Armanino McKenna LLP

ARMANINO McKENNA LLP

November 3, 2000

STATE COMPLIANCE FINDINGS AND RECOMMENDATIONS SECTION

JUNE 30, 2000

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

1. Account Reconciliations - Material Weakness

Finding

Although performed at year end, several account reconciliations were not prepared or reviewed on a timely basis throughout the year. Specifically, they include the following:

- General and Fiduciary Fund Bank Accounts
- Accounts Receivable
- Deferred Revenue
- Accounts Payable

As a result, over 100 adjustments were recorded subsequent to filing the Annual Financial and Budget Report with the Chancellor's office. The fund balances of the funds were revised as noted on page 61 of the June 30, 1999 financial statements.

Current Status

General Fund bank reconciliations were completed through June 30, 2000. Daily reconciliations between actual cash collections, system records and bank deposits are being done.

There are no significant unreconciled receivables remaining.

Categorical program revenues were reconciled and ready for the 1999-00 audit. No significant unreconciled deferred revenue is remaining.

Accounts Payable, per the Datatel system, no longer requires a reconciliation. A voucher creates accounts payable when issued, and is released when paid.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

2. Budgetary Practices - Reportable Condition

Finding

The Final revised budget presented in the District's accounting system and financial statements differed significantly in the categorization of expenditures from the budget approved by the District's Governing Board in the August 25, 1999 meeting. Although the total expenditures remained substantially unchanged, the final revised budget resulted in significant excess expenditures over appropriations, by major object code, in the General Fund and Debt Service Funds. Expenditures cannot legally exceed appropriation by major object accounts.

Current Status

No reportable condition necessary in the current year.

3. Financial Reporting

Finding

We noted several reconciling differences between the expenditures reported on the Fiscal Operations Report and Application to Participate (FISAP) for Pell, Federal Supplemental Educational Opportunity Grant (SEOG), and Federal Work Study (FWS) and the District's student financial aid expenditures recorded on the general ledger. Contra Costa College had offsetting errors in excess of \$50,000 and Los Medanos College had one error in excess of \$50,000. However, the net effect of the differences for all campuses was minor.

Current Status

Condition not noted in current year.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

4. Electronic Data Processing ("EDP")

Finding

Although the EDP Department has improved the control environment, we noted EDP does not have a formal written microcomputer policy addressing the following areas:

- Restrictions and limitations on the use of personal computers and the data they contain and/or generate.
- Security of the personal computers to ensure safeguarding of District assets.
- Backup procedures to ensure reliable data is available at all times.

Current Status

The District has two Board Policies: 4006 – Software Use Policy and 4007 – Acceptable Technology Use Policy, which address restrictions and limitations on the use of personal computers and the data they contain and/or generate.

Regarding security of personal computers, labs are manned by technicians when open and locked at other times. Buildings are locked after hours. In some cases, in open areas, computers are attached to furniture or bolted down.

Regarding backup procedures, there are processes in place to regularly backup files. Written procedures are still being developed.

5. Payroll

Finding

During our review of payroll expenditures, we noted the following:

- Payroll employees are able to access, add, and change employee data master files. Changes to pay rates and additions to payroll are not reviewed by an independent party to verify the additions and corrections are accurate and properly authorized.
- The payroll manager has the ability to review, approve, and input payroll information creating a lack of segregation of duties.
- Documentation is not maintained of object codes charged for employee salary and benefits, essential to support charges to state and federal programs. While performing payroll testing we noted the following coding errors:

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

5. Payroll (continued)

- One employee was an instructional aide per the Classified Personnel Requisition, however, was paid from the non-instructional budget code.
- Two employees charged to instructional budget codes should have been paid from non-instructional budget codes.
- One employee was being paid at Class IV, Step 12 but should have been paid at Class V, Step 14.

Current Status

During implementation of DataTel, both Payroll and Human Resources Departments had access to enter employees on the system. This dual access has not yet been removed. The Information Technology Department is working with Payroll and Human Resources to restrict access such that only Human Resource enters employees on the system and Payroll pays them.

Regarding object code documentation, employees are now linked with Positions. If an employee is to work in a new department, the college must send a written request to Human Resources and the employee will be linked to the appropriate Position or a new Position will be created.

6. Cash Disbursements and Cash Receipts - Associated Student Body

Finding

During our review of the internal controls of Contra Costa College's Associated Student Body, we noted the following:

- Manually prepared transaction journals are not reconciled to the District's on-line general ledger.
- Employees are not cross-trained to perform functions of absent employees.
- Financial information is provided only upon request from the clubs.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

6. Cash Disbursements and Cash Receipts - Associated Student Body

During our testing of Associated Student Body expenditures and revenues, we noted the following:

- Two Diablo Valley College disbursements did not have dual signatures on the Authorization For Payment form.
- A Diablo Valley College cash deposit did not have supporting documentation.
- A Los Medanos College disbursement did not have a supporting receipt/invoice.

Current Status

Condition not noted in current year.

7. Bookstore - Segregation of Duties

Finding

Due to the small size of the Center for Higher Education bookstore (a satellite location for Diablo Valley College), one individual collects all receipts and prepares the cash drawer reconciliation without sufficient review.

Current Status

The hours of operation have been reduced. The bookstore's lease for a separate location will terminate in November 2000. Sales reports are sent to the Diablo Valley College Bookstore via e-mail on a daily basis now, and site visits are being made weekly.

8. Cafeteria - Cash Receipts

Finding

The Diablo Valley College cafeteria does not use a cash register for football game food sales. The supporting documentation for sales consists of a cash sheet signed by one individual.

Current Status

The Director of Business Services states the college will implement adequate cash controls for the fall 2000 football season.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

9. Capital Projects

Finding

Each project's expenditures and revenues were not reconciled to the general ledger throughout the year, which resulted in sub-fund classification errors and untimely filing of claim reimbursements. The lack of timely filing makes cash management more difficult and results in lost interest income for the District.

Current Status

Condition not noted in current year.

10. General Fixed Asset Account Group

Finding

Although the District hired an outside company to perform a physical count of fixed assets in the current year, the project was not completed by June 30, 1999.

Current Status

Inventory records are transferred to DataTel. Ongoing input is done when each purchase is made. A process for an annual inventory update is being reviewed.

11. General

Finding

During the audit process, we noted the following:

- Selected vendor invoices could not be located or were misfiled.
- General Fund expenditures were not properly classified between the 4000 and 5000 object codes.
- Several year-end journal entries were posted without review or approval.

Current Status

Condition not noted in current year.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

12. Attendance

Finding

Our review of internal controls and compliance procedures over the attendance system noted the following:

- The instructor or another employee does not review grade report data entry for accuracy. This could allow a data entry error to go unnoticed. Students could inadvertently be given credit for a higher grade than achieved or credit for a course in which it was not earned.
- All admissions and records employees have access to override the system for dismissed students. No supervisory approval is required for this override.

Current Status

Beginning in fall 1999, each instructor had the ability to enter grades directly into Colleague. The instructor verifies the accuracy of input and electronically stamps their signature. Only the instructor of record will be allowed to enter and change grades.

The academic probation and dismissal process has not been done during fiscal year 2000 because the Colleges are still in the process of reviewing transcript data transferred from the legacy system to insure its accuracy. The earliest the colleges would run the reports would be fall 2000 affecting spring 2001 registration.

13. Allocation of Costs

Finding

A District employee's cost was charge 50% to DSP&S and 50% to matriculation on the Time Sheet for Multi-Funded Categorical Personnel, but was allocated 37% to DSP&S and 63% to matriculation on the approved Certificated Personnel Requisition in the employee's personnel file.

Current Status

The position control feature of the DataTel system provides for the allocation of costs. A report will be developed for each location business officer to annually verify the accuracy of these allocations.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

14. Economic Development

Finding

The District does not identify personal and real property purchased with Economic Development funds.

Current Status

Categorical funded equipment purchases, including Economic Development, are recorded by general ledger account beginning in the 2000-01 fiscal year.

15. Matriculation

Finding

Contra Costa College used estimated expenditures to complete the District match portion of the 1998-99 Credit and Noncredit Matriculation Report.

Current Status

Condition not noted in current year.

16. Inventory of Equipment

Finding

During our audit of federal compliance, we noted the following concerning equipment purchased with federal program funds:

- Current property records are not maintained. Each item of equipment, should be identified by an accurate description, manufacturer's serial number, and an identification number and acquisition date.
- A control system is not in place to ensure adequate safeguards to prevent loss, theft or damage of equipment.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Status of Prior Year State Compliance Findings
June 30, 2000

16. Inventory of Equipment (continued)

Current Status

Categorical funded equipment purchases are recorded by general ledger account beginning in the 2000-01 fiscal year.

17. VATEA

Finding

A PBX operator's payroll expense, for August 21-September 20, was improperly charged to the VATEA budget code even after supervisor approval.

Current Status

Condition not noted in current year.