

**CONTRA COSTA**  
**COMMUNITY COLLEGE DISTRICT**  
**COUNTY OF CONTRA COSTA**  
**MARTINEZ, CALIFORNIA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

# 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
<b>FINANCIAL SECTION</b>	<b>7</b>
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 Fund Types	14
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual - All Proprietary Fund Types (Except Internal Service Fund)	15
Combined Statement of Cash Flows - All Proprietary Fund Types	16
Notes to General-Purpose Financial Statements	17 - 35
<b>SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS</b>	<b>36</b>
<u>General Fund – All Sub-Funds</u>	
Combining Balance Sheet	37

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
TABLE OF CONTENTS (continued)

	<u>Page No.</u>
<u>General Fund – All Sub-Funds, continued</u>	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	39 - 40
<u>All Debt Service Funds</u>	
Combining Balance Sheet	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	43 - 45
<u>All Proprietary Fund Types</u>	
Combining Balance Sheet	46
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	47
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual (Except Internal Service Fund)	48 - 49
Combining Statement of Cash Flows	50
<u>All Fiduciary Fund Types</u>	
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	52
SUPPLEMENTARY INFORMATION - FEDERAL AND STATE REQUIRED	53
Schedule of Findings and Questioned Costs	54
Schedule of Expenditures of Federal Awards	55

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
TABLE OF CONTENTS (continued)**

	<u>Page No.</u>
Notes to Schedule of Expenditures of Federal Awards	56
Schedule of State Financial Assistance	57
Reconciliation of Annual Financial and Budget Report (Form CCFS-311) with Audited General-Purpose Financial Statements	58
Schedule of Workload Measures for State General Apportionment	59
Schedule of Annual Apprenticeship Hours of Instruction	60
OTHER INDEPENDENT AUDITORS' REPORTS	61
Independent Auditors' Report on State Compliance Requirements	62 - 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

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Objectives of the Single Audit**  
**June 30, 2001**

---

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, 2001

---

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>
Sheila A. Grilli	President	December 2002
John T. Nejedly	Vice President	December 2002
David N. MacDiarmid	Secretary	December 2002
David J. Girard	Member	December 2004
Jess H. Reyes	Member	December 2004
Dilan A. Welihindha	Student Member	(September 2000 – 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, 2001

---

## ARMANINO MCKENNA LLP

Certified Public Accountants & Consultants  
1855 Olympic Boulevard, Suite 225  
Walnut Creek, CA 94596-5091  
ph 925.939.8500  
fx 925.939.2820

### 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, 2001, 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, 2001.

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, 2001, 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 October 18, 2001 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, 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

October 18, 2001

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2001

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE	INTERNAL SERVICE AND ENTERPRISE	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
<b>ASSETS</b>								
Cash and cash equivalents								
Cash in county treasury	\$ 5,702,761	\$ -	\$ 4,753,052	\$ -	\$ 927,488	\$ -	\$ -	\$ 11,383,301
Cash on hand and in banks	1,870,660	-	-	106,450	-	-	-	1,977,110
Revolving fund	159,270	-	-	-	-	-	-	159,270
Local Agency Investment Fund	8,043,407	-	3,203,465	-	361,676	-	-	11,608,548
Cash held by fiscal agent - restricted for repayment of TRANS	15,987,236	-	-	-	-	-	-	15,987,236
Total cash and cash equivalents	31,763,334	-	7,956,517	106,450	1,289,164	-	-	41,115,465
Investments	-	-	17,272,355	-	140,055	-	-	17,412,410
Accounts receivable	14,735,710	7,396,684	321,468	329,590	26,060	-	-	22,809,512
Due from other funds	2,528,335	155,000	43,678	378,303	338,442	-	-	3,443,758
Inventories	-	-	-	1,565,749	-	-	-	1,565,749
Prepaid expenditures	1,389,742	-	-	-	-	-	-	1,389,742
Property, plant and equipment, net	-	-	-	2,069,796	-	192,894,004	-	194,963,800
Other assets	122,434	-	116,331	-	-	-	-	238,765
Amount available for debt service	-	-	-	-	-	-	25,697,012	25,697,012
Amount to be provided for debt service	-	-	-	-	-	-	13,298,960	13,298,960
<b>Total assets</b>	<b>\$ 50,539,555</b>	<b>\$ 7,551,684</b>	<b>\$ 25,710,349</b>	<b>\$ 4,449,888</b>	<b>\$ 1,793,721</b>	<b>\$ 192,894,004</b>	<b>\$ 38,995,972</b>	<b>\$ 321,935,173</b>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>Liabilities</b>								
Amount to be provided by future deposits	\$ -	\$ 6,563,494	\$ -	\$ 2,343,022	\$ 292,266	\$ -	\$ -	\$ 9,198,782
Accounts payable	3,479,637	1,112,008	1,277	160,832	192,475	-	-	4,946,229
Accrued liabilities	3,404,985	119	-	166,766	1,986	-	-	3,573,856
Deferred revenue	10,124,485	-	-	-	2,274	-	-	10,126,759
Due to other funds	2,805,091	-	12,060	231,576	395,031	-	-	3,443,758
TRANS payable	16,728,410	-	-	-	-	-	-	16,728,410
Liability for self-insurance	-	-	-	106,450	-	-	-	106,450
Capitalized lease obligations, current portion	296,105	-	-	624,703	-	-	-	920,808
Compensated absences	-	-	-	-	-	-	4,402,196	4,402,196
Capitalized lease obligations	-	-	-	21,321	-	-	262,776	284,097
Certificates of participation	-	-	-	-	-	-	1,435,000	1,435,000
Post-retirement health benefits obligation	-	-	-	-	-	-	32,896,000	32,896,000
Total liabilities	36,838,713	7,675,621	13,337	3,654,670	884,032	-	38,995,972	88,062,345
<b>Fund equity</b>								
Investment in general fixed assets	-	-	-	-	-	192,894,004	-	192,894,004
Fund balances								
Reserved	694,383	-	4,634,400	-	909,689	-	-	6,238,472
Unreserved								
Designated	-	-	21,062,612	-	-	-	-	21,062,612
Undesignated	13,006,459	(123,937)	-	-	-	-	-	12,882,522
Retained earnings	-	-	-	795,218	-	-	-	795,218
Total fund equity	13,700,842	(123,937)	25,697,012	795,218	909,689	192,894,004	-	233,872,828
<b>Total liabilities and fund equity</b>	<b>\$ 50,539,555</b>	<b>\$ 7,551,684</b>	<b>\$ 25,710,349</b>	<b>\$ 4,449,888</b>	<b>\$ 1,793,721</b>	<b>\$ 192,894,004</b>	<b>\$ 38,995,972</b>	<b>\$ 321,935,173</b>

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, 2001

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE	TRUST AND AGENCY FUNDS	
<b>REVENUES</b>					
Federal sources	\$ 2,385,947	\$ -	\$ -	\$ 5,288,274	\$ 7,674,221
State sources	73,913,745	14,709,521	-	294,758	88,918,024
Local sources	72,377,776	149,641	2,412,824	556,037	75,496,278
Total revenues	<u>148,677,468</u>	<u>14,859,162</u>	<u>2,412,824</u>	<u>6,139,069</u>	<u>172,088,523</u>
<b>EXPENDITURES</b>					
Academic salaries	59,883,390	672	-	-	59,884,062
Classified salaries	29,556,750	43	-	27,524	29,584,319
Employee benefits	19,116,823	24,759	-	1,720	19,143,302
Books and supplies	5,457,202	59,155	-	170,708	5,687,065
Contract services and operating expenditures	19,052,135	626,991	-	243,664	19,922,790
Student financial assistance	-	-	-	5,801,463	5,801,463
Capital outlay	3,962,148	15,978,338	-	-	19,940,486
Investment expense	-	-	15,772	-	15,772
Debt service					
Principal retirement	-	-	40,000	-	40,000
Interest expense	966,011	-	87,493	-	1,053,506
Total expenditures	<u>137,994,459</u>	<u>16,689,960</u>	<u>143,267</u>	<u>6,245,079</u>	<u>161,072,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,683,009</u>	<u>(1,830,798)</u>	<u>2,269,557</u>	<u>(106,010)</u>	<u>11,015,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	4,893,451	1,133,250	-	131,917	6,158,618
Operating transfers out	(6,247,546)	-	(19,023)	(1,802)	(6,268,371)
Other	(1,758,678)	-	500,463	(6,976)	(1,265,191)
Total other financing sources (uses)	<u>(3,112,773)</u>	<u>1,133,250</u>	<u>481,440</u>	<u>123,139</u>	<u>(1,374,944)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>7,570,236</u>	<u>(697,548)</u>	<u>2,750,997</u>	<u>17,129</u>	<u>9,640,814</u>
Fund balances, July 1, 2000	<u>6,130,606</u>	<u>573,611</u>	<u>22,946,015</u>	<u>892,560</u>	<u>30,542,792</u>
Fund balances, June 30, 2001	<u>\$ 13,700,842</u>	<u>\$ (123,937)</u>	<u>\$ 25,697,012</u>	<u>\$ 909,689</u>	<u>\$ 40,183,606</u>

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, 2001  
(Page 1 of 2)

	GENERAL FUND			DEBT SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Federal sources	\$ 3,657,478	\$ 2,385,947	\$ (1,271,531)	\$ -	\$ -	\$ -
State sources	77,296,776	73,913,745	(3,383,031)	-	-	-
Local sources	72,748,704	72,377,776	(370,928)	2,020,161	2,412,824	392,663
Total revenues	153,702,958	148,677,468	(5,025,490)	2,020,161	2,412,824	392,663
<b>EXPENDITURES</b>						
Academic salaries	60,206,637	59,883,390	323,247	-	-	-
Classified salaries	30,076,360	29,556,750	519,610	-	-	-
Employee benefits	19,250,840	19,116,823	134,017	-	-	-
Books and supplies	7,569,674	5,457,202	2,112,472	-	-	-
Contract services and operating expenditures	21,084,140	19,052,135	2,032,005	-	-	-
Student financial assistance	-	-	-	-	-	-
Capital outlay	6,852,528	3,962,148	2,890,380	-	-	-
Investment expense	-	-	-	20,200	15,772	4,428
Debt service						
Principal retirement	-	-	-	-	40,000	(40,000)
Interest expense	1,241,000	966,011	274,989	137,000	87,495	49,505
Total expenditures	146,281,179	137,994,459	8,286,720	157,200	143,267	13,933
Excess (deficiency) of revenues over (under) expenditures	7,421,779	10,683,009	3,261,230	1,862,961	2,269,557	406,596
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	3,786,798	4,893,451	1,106,653	-	-	-
Operating transfers out	(5,257,408)	(6,247,546)	(990,138)	(12,165)	(19,023)	(6,858)
Other	(7,957,330)	(1,758,678)	6,198,652	15,200	500,463	485,263
Total other financing sources (uses)	(9,427,940)	(3,112,773)	6,315,167	3,035	481,440	478,405
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ (2,006,161)	7,570,236	\$ 9,576,397	\$ 1,865,996	2,750,997	\$ 885,001
Fund balances, July 1, 2000		6,130,606			22,946,015	
Fund balances, June 30, 2001		\$ 13,700,842			\$ 25,697,012	

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, 2001  
 (Page 2 of 2)

	TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Federal sources	\$ 3,657,478	\$ 2,385,947	\$ (1,271,531)
State sources	77,296,776	73,913,745	(3,383,031)
Local sources	74,768,863	74,790,600	21,735
Total revenues	155,723,119	151,090,292	(4,632,827)
<b>EXPENDITURES</b>			
Academic salaries	60,206,637	59,883,390	323,247
Classified salaries	30,076,360	29,536,750	539,610
Employee benefits	19,250,840	19,116,823	134,017
Books and supplies	7,569,674	5,457,202	2,112,472
Contract services and operating expenditures	21,084,140	19,052,135	2,032,005
Student financial assistance	-	-	-
Capital outlay	6,852,528	3,962,148	2,890,380
Investment expense	20,200	15,772	4,428
Debt service			
Principal retirement	-	40,000	(40,000)
Interest expense	1,378,000	1,053,506	324,494
Total expenditures	146,438,379	138,137,726	8,300,653
Excess (deficiency) of revenues over (under) expenditures	9,284,740	12,952,566	3,667,826
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	3,786,798	4,893,451	1,106,653
Operating transfers out	(5,269,573)	(6,266,569)	(996,996)
Other	(7,942,130)	(1,258,215)	6,683,915
Total other financing sources (uses)	(9,424,905)	(2,631,333)	6,793,572
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ (140,165)	10,321,233	\$ 10,461,398
Fund balances, July 1, 2000		29,076,621	
Fund balances, June 30, 2001		\$ 39,397,854	

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 Types  
For the Year Ended June 30, 2001

---

Operating revenues	<u>\$ 12,980,391</u>
Operating expenses	
Cost of goods sold	8,083,203
Classified salaries	3,073,973
Employee benefits	578,702
Materials and supplies	339,455
Contract services and other operating expenses	986,208
Depreciation	533,456
Total operating expenses	<u>13,594,997</u>
Operating loss	<u>(614,606)</u>
Other income (expense)	
Interest expense	(3,567)
Other income	58,774
Total other income (expense)	<u>55,207</u>
Loss before other financing sources (uses)	<u>(559,399)</u>
Other financing sources (uses)	
Operating transfers in	496,317
Operating transfers out	(386,564)
Total other financing sources (uses)	<u>109,753</u>
Net loss	(449,646)
Retained earnings - July 1, 2000	<u>1,244,864</u>
Retained earnings - June 30, 2001	<u><u>\$ 795,218</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 Fund Types (Except Internal Service Fund)**  
**For the Year Ended June 30, 2001**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Operating revenues	\$ 12,523,321	\$ 12,785,906	\$ 262,585
Operating expenses			
Cost of goods sold	8,185,909	8,083,203	102,706
Classified salaries	3,074,313	3,073,973	340
Employee benefits	583,797	578,702	5,095
Materials and supplies	355,500	339,455	16,045
Contract services and other operating expenses	731,896	791,723	(59,827)
Depreciation	601,820	533,456	68,364
Total operating expenses	13,533,235	13,400,512	132,723
Operating income (loss)	(1,009,914)	(614,606)	395,308
Other income (expense)			
Interest expense	(2,000)	(3,567)	(1,567)
Other income	30,000	58,774	28,774
Total other income (expense)	28,000	55,207	27,207
Income (loss) before other financing sources (uses)	(981,914)	(559,399)	422,515
Other financing sources (uses)			
Operating transfers in	493,337	496,317	2,980
Operating transfers out	(171,814)	(386,564)	(214,750)
Total other financing sources (uses)	321,523	109,753	(211,770)
Net income (loss)	\$ (660,391)	(449,646)	\$ 210,745
Retained earnings - July 1, 2000		1,244,864	
Retained earnings - June 30, 2001		\$ 795,218	

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended June 30, 2001

---

Cash flows from operating activities	
Operating loss	\$ (614,606)
Adjustments to reconcile operating loss to cash flows from operating activities	
Depreciation	533,456
Changes in assets and liabilities	
Accounts receivable	(12,585)
Inventories	53,119
Due to/from other funds	2,769,767
Amount to be provided by future deposits	(2,148,275)
Accounts payable	(105,129)
Accrued liabilities	104,707
Liability for self-insurance	(226,950)
Net cash provided by operating activities	<u>353,504</u>
Cash flows from non-capital financing activities	
Operating transfers in	496,317
Operating transfers out	(386,564)
Other income	58,774
Net cash provided by non-capital financing activities	<u>168,527</u>
Cash flows from capital financing activities	
Interest expense	(3,567)
Capital expenditures	(186,633)
Principal payments under capitalized lease obligations	(559,505)
Net cash used in capital financing activities	<u>(749,705)</u>
Net decrease in cash and cash equivalents	(227,674)
Cash and cash equivalents, July 1, 2000	<u>334,124</u>
Cash and cash equivalents, June 30, 2001	<u>\$ 106,450</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, 2001

---

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 financial statements include all funds and account groups of the Contra Costa Community College District.

B. Reporting Entity

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 Financing 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, the Authority, and the Financing Corporation, which satisfy GASB Statement No. 14 criteria:

Accountability:

1. The majority of the Authority's and the 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 the Financing Corporation.

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Notes to General-Purpose Financial Statements**  
**For the Year Ended June 30, 2001**

---

**1. Significant Accounting Policies (continued)**

**B. Reporting Entity (continued)**

3. The Authority and the 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. 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 the 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 Fund Types.

Subsequent to June 30, 2001, the Authority was terminated and the assets were transferred to the District (see Note 18).

**C. Fund Accounting**

The accompanying general-purpose financial statements are structured into three categories of fund types and a fourth type of accounting entity, account groups. The fund type categories include governmental, proprietary and fiduciary fund types. 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, 2001

---

1. Significant Accounting Policies (continued)

C. Fund Accounting (continued)

GOVERNMENTAL FUND TYPES:

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, 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 FUND TYPES:

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, 2001

---

1. Significant Accounting Policies (continued)

C. Fund Accounting (continued)

**FIDUCIARY FUND TYPES:**

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 fund types 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 fund types 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 fund types, including any long-term obligation for compensated absences.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Notes to General-Purpose Financial Statements  
For the Year Ended June 30, 2001

---

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 fund types 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 fund types 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.

Fiduciary fund type assets and liabilities are also accounted for on the modified accrual basis.

The General Fixed Assets 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 governmental fund types. 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, 2001

---

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.

G. Receivables

Receivables represent amounts due the District for services the District has performed. Accounts receivable have been reduced to their net realizable value by recording an allowance for uncollectible amounts.

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 Fund Types

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, 2001

---

1. 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, the District does not follow this aspect of generally accepted accounting principles. However, it is in accordance with the California Community College Accounting Manual.

The proprietary fund types capitalize property, plant and equipment, at cost, at the time the asset is purchased. Depreciation of property, plant and equipment in the proprietary fund types is computed using the straight-line method over the assets' 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, 2001, the liability was \$4,402,196.

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, 2001

---

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 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 fund types in the General Long-Term Debt Account Group. Long-term debt and other obligations financed by proprietary fund types 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, 2001

---

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, 2001, approximated their fair value.

2. Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments at June 30, 2001 consist of the following:

Pooled Funds	
Cash in County Treasury	\$11,383,301
Local Agency Investment Fund	11,608,548
Deposits	
Cash on hand and in banks	1,977,110
Revolving fund	159,270
Cash held by fiscal agent - restricted	<u>15,987,236</u>
Total cash and cash equivalents	41,115,465
Amount to be provided by future deposits	<u>(9,198,782)</u>
Net cash and cash equivalents	<u>\$31,916,683</u>
Investments	
Municipal bonds	\$ 1,015,670
Corporate notes	5,151,909
U.S. Treasury Bonds	2,467,070
U.S. Government Agencies' securities	<u>8,777,761</u>
Total investments	<u>\$17,412,410</u>

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Notes to General-Purpose Financial Statements**  
**For the Year Ended June 30, 2001**

---

**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 an agency'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 agency.

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 LAIF 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, 2001.

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, 2001, the District's investments, with a fair value of \$17,412,410, consist of municipal bonds, corporate notes, 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, 2001**

---

**2. 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, 2001

---

4. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2001:

	<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	\$ 1,643,324	\$ -	\$ -	\$ -	\$21,153	\$ 1,664,477
State	9,346,963	7,396,684	-	-	-	16,743,647
Local government and other	<u>3,745,423</u>	<u>-</u>	<u>\$321,468</u>	<u>\$329,590</u>	<u>4,907</u>	<u>4,401,388</u>
Total receivables	<u>\$14,735,710</u>	<u>\$7,396,684</u>	<u>\$321,468</u>	<u>\$329,590</u>	<u>\$26,060</u>	<u>\$22,809,512</u>

5. Deferred Revenue

General Fund deferred revenue consists primarily of enrollment and other fees collected for the 2001-02 fiscal year, and categorical monies received during the 2000-01 fiscal year, and unspent at June 30, 2001. At June 30, 2001, the deferred revenue balance in the General Fund amounted to \$10,124,485.

6. Interfund Transactions

Due from / to other funds

Individual amounts due from / to other funds at June 30, 2001 are as follows:

<u>Fund / Fund Type</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,528,335	\$ 2,805,091
Capital Projects	155,000	-
Debt Service	43,678	12,060
Proprietary	378,303	231,576
Fiduciary	<u>338,442</u>	<u>395,031</u>
	<u>\$3,443,758</u>	<u>\$3,443,758</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Notes to General-Purpose Financial Statements  
For the Year Ended June 30, 2001

---

**7. Property, Plant, and Equipment**

The Proprietary Fund Types' property, plant, and equipment, at June 30, 2001, consisted of the following:

	Bookstore Fund	Cafeteria Fund	Information Technology Fund	Total
Property, plant and equipment	\$ 545,016	\$117,889	\$5,179,649	\$5,842,554
Less accumulated depreciation	<u>(512,404)</u>	<u>(110,656)</u>	<u>(3,149,698)</u>	<u>(3,772,758)</u>
Property, plant and equipment, net	<u>\$ 32,612</u>	<u>\$ 7,233</u>	<u>\$2,029,951</u>	<u>\$2,069,796</u>

Depreciation expense for the Proprietary Fund Types was \$533,456 for the year ended June 30, 2001.

**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>
2002	N/A	\$ 655,480
2003	\$ 190,545	3,714
2004	<u>72,231</u>	<u>-</u>
Total	<u>\$ 262,776</u>	<u>659,194</u>
Less amounts representing interest		<u>(13,170)</u>
Net minimum lease payments		<u>\$ 646,024</u>

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Notes to General-Purpose Financial Statements**  
**For the Year Ended June 30, 2001**

---

**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 lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2002	\$ 101,316
2003	\$ 96,967
2004	\$ 11,411
2005	\$ 1,674

Total rental expense in fiscal year 2000-01 under operating leases was \$1,659,215.

**10. Certificates of Participation**

In June 1996, the Financing Corporation issued \$1,605,000 of Certificates of Participation ("COPs") with effective interest rates of 4.5% to 5.35% maturing through 2021. The COPs proceeds are to be used to fund various construction projects. At June 30, 2001, \$1,435,000 remained outstanding on these Certificates of Participation.

The annual debt service requirements for the Certificates of Participation, as of June 30, 2001 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2006	50,000	75,825	125,825
Thereafter	<u>1,215,000</u>	<u>661,800</u>	<u>1,876,800</u>
	<u>\$1,435,000</u>	<u>\$1,065,523</u>	<u>\$2,500,523</u>

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Notes to General-Purpose Financial Statements**  
**For the Year Ended June 30, 2001**

---

**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's union contracts. The amount of the District's contribution towards such annual premiums per employee, is determined according to the collective bargaining agreements or court settlements. The District recognizes the cost of providing those benefits and related administrative costs when paid. Active plan participants at June 30, 2001 totaled 561. Such payments for these retired employees totaled \$2,955,431 for the fiscal year ended June 30, 2001 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 determined APBO at July 1, 1996 was \$32,896,000, of which approximately \$16,000,000 was unfunded. At June 30, 2001, net assets in the Post-Retirement Health Benefits Fund totaled \$21,062,612, 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 general long-term debt for the year ended June 30, 2001 is shown below:

	<u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2001</u>
Compensated absences	\$ 4,738,542	\$ -	\$ (336,346)	\$ 4,402,196
Certificates of participation	1,475,000	-	(40,000)	1,435,000
Capitalized lease obligations	407,525	-	(144,749)	262,776
Post-retirement health benefits obligation	<u>32,896,000</u>	<u>-</u>	<u>-</u>	<u>32,896,000</u>
	<u>\$39,517,067</u>	<u>\$ -</u>	<u>\$(521,095)</u>	<u>\$38,995,972</u>

**13. Proprietary Fund Types' Debt**

A schedule of changes in debt recorded in the Proprietary Fund Types for the year ended June 30, 2001 is shown below:

	<u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2001</u>
Capitalized lease obligations	<u>\$ 1,205,531</u>	<u>\$ -</u>	<u>\$(559,507)</u>	<u>\$ 646,024</u>

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Notes to General-Purpose Financial Statements**  
**For the Year Ended June 30, 2001**

---

**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, 2000:

Total assets	\$ 7,899,323
Total liabilities	\$ 7,659,187
Total fund equity	\$ 240,136
Total revenues	\$20,837,736
Total expenses	\$20,722,370

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, 2001

---

15. Commitments and Contingencies

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 to the District's general-purpose financial statements.

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 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 2000-01. 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, 2001, 2000 and 1999 were \$0, \$0, and \$0, 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, 2001

---

16. Employee Retirement Plans (continued)

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 issues 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 offices, 7667 Folsom Boulevard, Sacramento, California 95826.

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 2000-01 was 8.25% 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, 2001, 2000 and 1999 were \$3,471,789, \$3,418,043, and \$3,393,245, respectively, and equaled 100% of the required contributions for each year.

Cash Balance Plan

The Cash Balance Plan (the "CB Plan") is an alternative STRS contribution plan for instructors. Instructors, who chose not to sign up for STRS or FICA may participate in the CB Plan. The District contribution rate for the CB Plan for the fiscal year 2000-01 was 4% of annual payroll. Contributions for the 2000-01 year were \$249,467.

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Notes to General-Purpose Financial Statements**  
**For the Year Ended June 30, 2001**

---

**17. Fund Balance/Retained Earnings**

The reserved fund balances at June 30, 2001 consisted of the following:

General Fund	
Inventories, prepaids, etc.	<u>\$ 694,383</u>
Debt Service Funds	
Debt service	<u>\$4,634,400</u>
Fiduciary Funds	
Restricted purposes	<u>\$ 909,689</u>

**18. Subsequent Events**

On July 1, 2001, the District issued \$12,690,000 of Tax and Revenue Anticipation Notes (TRANs) maturing on June 28, 2002, with interest at 5.10% 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, 2002. The revenues from the TRANs are deposited with the Contra Costa County Treasurer in a special trust fund established by the County.

On October 4, 2001, the District repaid its 2000 TRANs in the amount of \$15,550,000 plus related interest.

In October 2001, the Education Authority was dissolved and its assets were transferred to the District.

**SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS**

**JUNE 30, 2001**

---

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Balance Sheet  
General Fund - Sub-Funds  
June 30, 2001

	General Fund Unrestricted	General Fund Unrestricted - TRANS	General Fund Restricted	Total
<b><u>ASSETS</u></b>				
Cash and cash equivalents				
Cash in county treasury	\$ 2,023,244	\$ 66,309	\$ 3,613,208	\$ 5,702,761
Cash on hand and in banks	1,870,660	-	-	1,870,660
Revolving fund	159,270	-	-	159,270
Local Agency Investment Fund	8,043,407	-	-	8,043,407
Cash held by fiscal agent - restricted for repayment of TRANS	-	15,987,236	-	15,987,236
Total cash and cash equivalents	12,096,581	16,053,545	3,613,208	31,763,334
Investments	-	-	-	-
Accounts receivable	6,517,316	1,174,801	7,043,593	14,735,710
Due from other funds	2,528,335	-	-	2,528,335
Inventories	-	-	-	-
Prepaid expenditures	1,389,742	-	-	1,389,742
Other assets	122,434	-	-	122,434
 Total assets	 <u>\$ 22,654,408</u>	 <u>\$ 17,228,346</u>	 <u>\$ 10,656,801</u>	 <u>\$ 50,539,555</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities				
Accounts payable	\$ 1,734,988	\$ -	\$ 1,744,649	\$ 3,479,637
Accrued liabilities	2,844,531	-	560,454	3,404,985
Deferred revenue	3,873,772	-	6,250,713	10,124,485
Due to other funds	246,573	499,936	2,058,582	2,805,091
TRANS payable	-	16,728,410	-	16,728,410
Capitalized lease obligations, current portion	279,437	-	16,668	296,105
Total liabilities	<u>8,979,301</u>	<u>17,228,346</u>	<u>10,631,066</u>	<u>36,838,713</u>
Fund balances				
Reserved	668,648	-	25,735	694,383
Unreserved				
Designated	-	-	-	-
Undesignated	13,006,459	-	-	13,006,459
Total fund balances	<u>13,675,107</u>	<u>-</u>	<u>25,735</u>	<u>13,700,842</u>
 Total liabilities and fund balances	 <u>\$ 22,654,408</u>	 <u>\$ 17,228,346</u>	 <u>\$ 10,656,801</u>	 <u>\$ 50,539,555</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, 2001

	General Fund Unrestricted	General Fund Unrestricted - TRANS	General Fund Restricted	Total
<b><u>REVENUES</u></b>				
Federal sources	\$ 12,765	\$ -	\$ 2,373,182	\$ 2,385,947
State sources	56,424,508	-	17,489,237	73,913,745
Local sources	69,593,532	1,398,843	1,385,401	72,377,776
Total revenues	126,030,805	1,398,843	21,247,820	148,677,468
<b><u>EXPENDITURES</u></b>				
Academic salaries	57,232,146	-	2,651,244	59,883,390
Classified salaries	25,197,276	-	4,359,474	29,556,750
Employee benefits	18,207,866	-	908,957	19,116,823
Books and supplies	3,923,140	-	1,534,062	5,457,202
Contract services and operating expenditures	12,593,559	37,576	6,421,000	19,052,135
Capital outlay	1,124,567	-	2,837,581	3,962,148
Debt service				
Principal retirement	-	-	-	-
Interest expense	104,659	861,352	-	966,011
Total expenditures	118,383,213	898,928	18,712,318	137,994,459
Excess of revenues over expenditures	7,647,592	499,915	2,535,502	10,683,009
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	4,318,673	-	574,778	4,893,451
Operating transfers out	(3,896,332)	(499,936)	(1,851,278)	(6,247,546)
Other	(114,785)	-	(1,643,893)	(1,758,678)
Total other financing sources (uses)	307,556	(499,936)	(2,920,393)	(3,112,773)
Excess of revenues and other sources over (under) expenditures and other uses	7,955,148	(21)	(384,891)	7,570,236
Fund balances, July 1, 2000	5,719,959	21	410,626	6,130,606
 Fund balances, June 30, 2001	 \$ 13,675,107	 \$ -	 \$ 25,735	 \$ 13,700,842

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, 2001  
(Page 1 of 2)

	GENERAL FUND - UNRESTRICTED			GENERAL FUND - UNRESTRICTED - TRANS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Federal sources	\$ 12,765	\$ 12,765	\$ -	\$ -	\$ -	\$ -
State sources	53,256,372	56,424,508	3,168,136	-	-	-
Local sources	70,614,037	69,593,532	(1,020,505)	1,774,190	1,398,843	(375,347)
Total revenues	123,883,174	126,030,805	2,147,631	1,774,190	1,398,843	(375,347)
<b>EXPENDITURES</b>						
Academic salaries	57,239,452	57,232,146	7,306	-	-	-
Classified salaries	25,213,052	25,197,276	15,776	-	-	-
Employee benefits	18,229,544	18,207,866	21,678	-	-	-
Books and supplies	5,908,946	3,923,140	1,985,806	-	-	-
Contract services and operating expenditures	13,727,997	12,593,559	1,134,438	40,000	37,576	2,424
Capital outlay	2,233,698	1,124,567	1,109,131	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest expense	-	104,659	(104,659)	1,241,000	861,352	379,648
Total expenditures	122,552,689	118,383,213	4,169,476	1,281,000	898,928	382,072
Excess of revenues over expenditures	1,330,485	7,647,592	6,317,107	493,190	499,915	6,725
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	3,278,608	4,318,673	1,040,065	-	-	-
Operating transfers out	(4,000,079)	(3,896,332)	103,747	(493,190)	(499,936)	(6,746)
Other	(1,815,155)	(114,785)	1,700,370	-	-	-
Total other financing sources (uses)	(2,536,626)	307,556	2,844,182	(493,190)	(499,936)	(6,746)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (1,206,141)	7,955,148	\$ 9,161,289	\$ -	(21)	\$ (21)
Fund balances, July 1, 2000		5,719,959			21	
Fund balances, June 30, 2001		\$ 13,675,107			\$ -	

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, 2001  
(Page 2 of 2)

	GENERAL FUND - RESTRICTED			TOTAL		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Federal sources	\$ 3,644,713	\$ 2,373,182	\$ (1,271,531)	\$ 3,657,478	\$ 2,385,947	\$ (1,271,531)
State sources	24,040,404	17,489,237	(6,551,167)	77,296,776	73,913,745	(3,383,031)
Local sources	360,477	1,385,401	1,024,924	72,748,704	72,377,776	(370,928)
Total revenues	28,045,594	21,247,820	(6,797,774)	153,702,958	148,677,468	(5,025,490)
<b>EXPENDITURES</b>						
Academic salaries	2,967,185	2,651,244	315,941	60,206,637	59,883,390	323,247
Classified salaries	4,863,308	4,359,474	503,834	30,076,360	29,556,750	519,610
Employee benefits	1,021,296	908,957	112,339	19,250,840	19,116,823	134,017
Books and supplies	1,660,728	1,534,062	126,666	7,569,674	5,457,202	2,112,472
Contract services and operating expenditures	7,316,143	6,421,000	895,143	21,084,140	19,052,135	2,032,005
Capital outlay	4,618,830	2,837,581	1,781,249	6,852,528	3,962,148	2,890,380
Debt service						
Principal retirement	-	-	-	-	-	-
Interest expense	-	-	-	1,241,000	966,011	274,989
Total expenditures	22,447,490	18,712,318	3,735,172	146,281,179	137,994,459	8,286,720
Excess of revenues over (under) expenditures	5,598,104	2,535,502	(3,062,602)	7,421,779	10,683,009	3,261,230
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	508,190	574,778	66,588	3,786,798	4,893,451	1,106,653
Operating transfers out	(764,139)	(1,851,278)	(1,087,139)	(5,257,408)	(6,247,546)	(990,138)
Other	(6,142,175)	(1,643,893)	4,498,282	(7,957,330)	(1,758,678)	6,198,652
Total other financing sources (uses)	(6,398,124)	(2,920,393)	3,477,731	(9,427,940)	(3,112,773)	6,315,167
Excess of revenues and other sources over (under) expenditures and other uses	\$ (800,020)	(384,891)	\$ 415,129	\$ (2,006,161)	7,570,236	\$ 9,576,397
Fund balances, July 1, 2000		410,626			6,130,606	
Fund balances, June 30, 2001		\$ 25,735			\$ 13,700,842	



CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Balance Sheet  
All Debt Service Funds  
June 30, 2001

	Accrued Compensated Absences	Post- Retirement Health Benefits	Bond Interest and Redemption	COPs	Financing Corporation	Total
<b>ASSETS</b>						
Cash and cash equivalents						
Cash in county treasury	\$ 4,393,649	\$ 212,689	\$ 12,060	\$ 134,654	\$ -	\$ 4,753,052
Local Agency Investment Fund	-	3,203,465	-	-	-	3,203,465
Total cash and cash equivalents	4,393,649	3,416,154	12,060	134,654	-	7,956,517
Investments	-	17,272,355	-	-	-	17,272,355
Accounts receivable	-	321,468	-	-	-	321,468
Due from other funds	18,547	25,131	-	-	-	43,678
Other assets	-	28,781	-	87,550	-	116,331
Total assets	<u>\$ 4,412,196</u>	<u>\$ 21,063,889</u>	<u>\$ 12,060</u>	<u>\$ 222,204</u>	<u>\$ -</u>	<u>\$ 25,710,349</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ -	\$ 1,277	\$ -	\$ -	\$ -	\$ 1,277
Due to other funds	-	-	12,060	-	-	12,060
Total liabilities	-	1,277	12,060	-	-	13,337
Fund balances						
Reserved	4,412,196	-	-	222,204	-	4,634,400
Unreserved						
Designated	-	21,062,612	-	-	-	21,062,612
Total fund balances	4,412,196	21,062,612	-	222,204	-	25,697,012
Total liabilities and fund balances	<u>\$ 4,412,196</u>	<u>\$ 21,063,889</u>	<u>\$ 12,060</u>	<u>\$ 222,204</u>	<u>\$ -</u>	<u>\$ 25,710,349</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, 2001

	Accrued Compensated Absences	Post- Retirement Health Benefits	Bond Interest and Redemption	COPs	Financing Corporation	Total
<b>REVENUES</b>						
Local sources	\$ -	\$ 2,283,274	2,055	\$ 127,495	\$ -	\$ 2,412,824
<b>EXPENDITURES</b>						
Investment expense	-	15,772	-	-	-	15,772
Debt service						
Principal retirement	-	-	-	40,000	-	40,000
Interest expense	-	-	-	87,495	-	87,495
Total expenditures	-	15,772	-	127,495	-	143,267
Excess of revenues over expenditures	-	2,267,502	2,055	-	-	2,269,557
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	(12,060)	(6,963)	-	(19,023)
Other	18,547	481,916	-	-	-	500,463
Total other financing sources (uses)	18,547	481,916	(12,060)	(6,963)	-	481,440
Excess of revenues and other sources over (under) expenditures and other uses	18,547	2,749,418	(10,005)	(6,963)	-	2,750,997
Fund balances, July 1, 2000	4,393,649	18,313,194	10,005	229,167	-	22,946,015
Fund balances, June 30, 2001	\$ 4,412,196	\$ 21,062,612	\$ -	\$ 222,204	\$ -	\$ 25,697,012

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, 2001  
(Page 1 of 3)

	ACCRUED COMPENSATED ABSENCES			POST-RETIREMENT HEALTH BENEFITS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ 1,881,001	\$ 2,283,274	\$ 402,273
<b>EXPENDITURES</b>						
Investment expense	-	-	-	20,200	15,772	4,428
Debt service						
Principal retirement	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total expenditures	-	-	-	20,200	15,772	4,428
Excess of revenues over expenditures	-	-	-	1,860,801	2,267,502	406,701
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Other	-	18,547	18,547	15,200	481,916	466,716
Total other financing sources (uses)	-	18,547	18,547	15,200	481,916	466,716
Excess of revenues and other sources over expenditures and other uses	\$ -	18,547	\$ 18,547	\$ 1,876,001	2,749,418	\$ 873,417
Fund balances, July 1, 2000		4,393,649			18,313,194	
Fund balances, June 30, 2001		\$ 4,412,196			\$ 21,062,612	

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, 2001  
(Page 2 of 3)

	BOND INTEREST AND REDEMPTION			COPs		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Local sources	\$ 2,160	\$ 2,055	\$ (105)	\$ 137,000	\$ 127,495	\$ (9,505)
<b>EXPENDITURES</b>						
Investment expense	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	40,000	(40,000)
Interest expense	-	-	-	137,000	87,495	49,505
Total expenditures	-	-	-	137,000	127,495	9,505
Excess of revenues over (under) expenditures	2,160	2,055	(105)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(12,165)	(12,060)	105	-	(6,963)	(6,963)
Other	-	-	-	-	-	-
Total other financing sources (uses)	(12,165)	(12,060)	105	-	(6,963)	(6,963)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (10,005)	(10,005)	\$ -	\$ -	(6,963)	\$ (6,963)
Fund balances, July 1, 2000		10,005			229,167	
Fund balances, June 30, 2001		\$ -			\$ 222,204	

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, 2001  
(Page 3 of 3)

	FINANCING CORPORATION			TOTAL		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ 2,020,161	\$ 2,412,824	\$ 392,663
<b>EXPENDITURES</b>						
Investment expense	-	-	-	20,200	15,772	4,428
Debt service						
Principal retirement	-	-	-	-	40,000	(40,000)
Interest expense	-	-	-	137,000	87,495	49,505
Total expenditures	-	-	-	157,200	143,267	13,933
Excess of revenues over (under) expenditures	-	-	-	1,862,961	2,269,557	406,596
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	(12,165)	(19,023)	(6,858)
Other	-	-	-	15,200	500,463	485,263
Total other financing sources (uses)	-	-	-	3,035	481,440	478,405
Excess of revenues and other sources over expenditures and other uses	\$ -	-	\$ -	\$ 1,865,996	2,750,997	\$ 885,001
Fund balances, July 1, 2000		-			22,946,015	
Fund balances, June 30, 2001		\$ -			\$ 25,697,012	

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Balance Sheet  
All Proprietary Fund Types  
June 30, 2001

	ENTERPRISE FUNDS				INTERNAL SERVICE FUND	
	Bookstore	Cafeteria	Information Technology	Total Enterprise Funds	Self- Insurance Fund	Total
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents						
Cash on hand and in banks	\$ -	\$ -	\$ -	\$ -	\$ 106,450	\$ 106,450
Total cash and cash equivalents	-	-	-	-	106,450	106,450
Accounts receivable	174,132	146,183	9,275	329,590	-	329,590
Due from other funds	-	-	378,303	378,303	-	378,303
Inventories	1,557,658	8,091	-	1,565,749	-	1,565,749
Total current assets	1,731,790	154,274	387,578	2,273,642	106,450	2,380,092
Property, plant and equipment, net	32,612	7,233	2,029,931	2,069,796	-	2,069,796
	<u>\$ 1,764,402</u>	<u>\$ 161,507</u>	<u>\$ 2,417,529</u>	<u>\$ 4,343,438</u>	<u>\$ 106,450</u>	<u>\$ 4,449,888</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>						
Liabilities						
Current liabilities						
Amount to be provided by future deposits	\$ 974,961	\$ 50,951	\$ 1,217,108	\$ 2,343,022	\$ -	\$ 2,343,022
Accounts payable	74,421	32,906	53,505	160,832	-	160,832
Accrued liabilities	131,352	10,688	24,726	166,766	-	166,766
Due to other funds	178,233	53,343	-	231,576	-	231,576
Liability for self-insurance	-	-	-	-	106,450	106,450
Capitalized lease obligations, current portion	25,793	-	598,910	624,703	-	624,703
Total current liabilities	1,384,762	147,888	1,994,249	3,526,899	106,450	3,633,349
Capitalized lease obligations, net of current portion	-	-	21,321	21,321	-	21,321
Total liabilities	<u>1,384,762</u>	<u>147,888</u>	<u>2,015,570</u>	<u>3,548,220</u>	<u>106,450</u>	<u>3,654,670</u>
Retained earnings	379,640	13,619	401,959	795,218	-	795,218
Total liabilities and retained earnings	<u>\$ 1,764,402</u>	<u>\$ 161,507</u>	<u>\$ 2,417,529</u>	<u>\$ 4,343,438</u>	<u>\$ 106,450</u>	<u>\$ 4,449,888</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
All Proprietary Fund Types  
For the Year Ended June 30, 2001

	ENTERPRISE FUNDS				INTERNAL SERVICE FUND	
	Bookstore	Cafeteria	Information Technology	Total Enterprise Funds	Self- Insurance Fund	Total
Operating revenues	\$ 9,213,377	\$ 1,214,413	\$ 2,358,116	\$ 12,785,906	\$ 194,485	\$ 12,980,391
Operating expenses						
Cost of goods sold	7,417,938	665,265	-	8,083,203	-	8,083,203
Classified salaries	1,463,996	441,090	1,168,887	3,073,973	-	3,073,973
Employee benefits	280,287	81,102	217,313	578,702	-	578,702
Materials and supplies	237,629	21,463	80,363	339,455	-	339,455
Contract services and other operating expenses	270,771	47,290	473,662	791,723	194,485	986,208
Depreciation	52,568	418	480,470	533,456	-	533,456
Total operating expenses	9,723,189	1,256,628	2,420,695	13,400,512	194,485	13,594,997
Operating loss	(509,812)	(42,215)	(62,579)	(614,606)	-	(614,606)
Other income (expense)						
Interest income	-	-	-	-	-	-
Interest expense	(3,567)	-	-	(3,567)	-	(3,567)
Other income	-	58,774	-	58,774	-	58,774
Total other income (expense)	(3,567)	58,774	-	55,207	-	55,207
Income (loss) before other financing sources (uses)	(513,379)	16,559	(62,579)	(559,399)	-	(559,399)
Other financing sources (uses)						
Operating transfers in	-	132,888	363,429	496,317	-	496,317
Operating transfers out	(237,885)	(148,679)	-	(386,564)	-	(386,564)
Total other financing sources (uses)	(237,885)	(15,791)	363,429	109,753	-	109,753
Net income (loss)	(751,264)	768	300,850	(449,646)	-	(449,646)
Retained earnings - July 1, 2000	1,130,904	12,851	101,109	1,244,864	-	1,244,864
Retained earnings - June 30, 2001	\$ 379,640	\$ 13,619	\$ 401,959	\$ 795,218	\$ -	\$ 795,218

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual  
Proprietary Fund Types (Except Internal Service Fund)  
For the Year Ended June 30, 2001  
(Page 1 of 2)

	BOOKSTORE			CAFETERIA		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Operating revenues	\$ 9,344,284	\$ 9,213,377	\$ (130,907)	\$ 1,047,613	\$ 1,214,413	\$ 166,800
Operating expenses						
Cost of goods sold	7,371,893	7,417,938	(46,045)	814,016	665,265	148,751
Classified salaries	1,464,043	1,463,996	47	441,345	441,090	255
Employee benefits	280,313	280,287	26	85,962	81,102	4,860
Materials and supplies	237,645	237,629	16	21,646	21,463	183
Contract services and other operating expenses	258,757	270,771	(12,014)	49,004	47,290	1,714
Depreciation	67,250	52,568	14,682	-	418	(418)
Total operating expenses	9,679,901	9,723,189	(43,288)	1,411,973	1,256,628	155,345
Operating income (loss)	(335,617)	(509,812)	(174,195)	(364,360)	(42,215)	322,145
Other income (expense)						
Interest expense	(2,000)	(3,567)	(1,567)	-	-	-
Other income	-	-	-	30,000	58,774	28,774
Total other income (expense)	(2,000)	(3,567)	(1,567)	30,000	58,774	28,774
Income (loss) before other financing sources (uses)	(337,617)	(513,379)	(175,762)	(334,360)	16,559	350,919
Other financing sources (uses)						
Operating transfers in	-	-	-	-	132,888	132,888
Operating transfers out	(171,814)	(237,885)	(66,071)	-	(148,679)	(148,679)
Total other financing sources (uses)	(171,814)	(237,885)	(66,071)	-	(15,791)	(15,791)
Net income (loss)	\$ (509,431)	(751,264)	\$ (241,833)	\$ (334,360)	768	\$ 335,128
Retained earnings - July 1, 2000		1,130,904			12,851	
Retained earnings - June 30, 2001		\$ 379,640			\$ 13,619	



CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual  
Proprietary Fund Types (Except Internal Service Fund)  
For the Year Ended June 30, 2001  
(Page 2 of 2)

	INFORMATION TECHNOLOGY			TOTAL		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Operating revenues	\$ 2,131,424	\$ 2,358,116	\$ 226,692	\$ 12,523,321	\$ 12,785,906	\$ 262,585
Operating expenses						
Cost of goods sold	-	-	-	8,185,909	8,083,203	102,706
Classified salaries	1,168,925	1,168,887	38	3,074,313	3,073,973	340
Employee benefits	217,522	217,313	209	583,797	578,702	5,095
Materials and supplies	96,209	80,363	15,846	355,500	339,455	16,045
Contract services and other operating expenses	424,135	473,662	(49,527)	731,896	791,723	(59,827)
Depreciation	534,570	480,470	54,100	601,820	533,456	68,364
Total operating expenses	2,441,361	2,420,695	20,666	13,533,235	13,400,512	132,723
Operating income (loss)	(309,937)	(62,579)	247,358	(1,009,914)	(614,606)	395,308
Other income (expense)						
Interest expense	-	-	-	(2,000)	(3,567)	(1,567)
Other income	-	-	-	30,000	58,774	28,774
Total other income (expense)	-	-	-	28,000	55,207	27,207
Income (loss) before other financing sources (uses)	(309,937)	(62,579)	247,358	(981,914)	(559,399)	422,515
Other financing sources (uses)						
Operating transfers in	493,337	363,429	(129,908)	493,337	496,317	2,980
Operating transfers out	-	-	-	(171,814)	(386,564)	(214,750)
Total other financing sources (uses)	493,337	363,429	(129,908)	321,523	109,753	(211,770)
Net income (loss)	\$ 183,400	300,850	\$ 117,450	\$ (660,391)	(449,646)	\$ 210,745
Retained earnings - July 1, 2000		101,109			1,244,864	
Retained earnings - June 30, 2001		\$ 401,959			\$ 795,218	

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended June 30, 2001

	ENTERPRISE FUNDS				INTERNAL SERVICE FUND	
	Bookstore	Cafeteria	Information Technology	Total Enterprise Funds	Self- Insurance Fund	Total
Cash flows from operating activities						
Operating loss	\$ (509,812)	\$ (42,215)	\$ (62,579)	\$ (614,606)	\$ -	\$ (614,606)
Adjustments to reconcile operating loss to cash flows from operating activities						
Depreciation	52,568	418	480,470	533,456	-	533,456
Changes in assets and liabilities						
Accounts receivable	109,998	(146,183)	23,600	(12,585)	-	(12,585)
Inventories	53,119	-	-	53,119	-	53,119
Due to/from other funds	2,293,410	304,478	171,879	2,769,767	-	2,769,767
Amount to be provided by future deposits	(1,736,898)	(153,646)	(257,731)	(2,148,275)	-	(2,148,275)
Accounts payable	(60,982)	(13,557)	(30,590)	(105,129)	-	(105,129)
Accrued liabilities	85,974	10,688	8,045	104,707	-	104,707
Liability for self-insurance	-	-	-	-	(226,950)	(226,950)
Net cash provided by (used in) operating activities	<u>287,377</u>	<u>(40,017)</u>	<u>333,094</u>	<u>580,454</u>	<u>(226,950)</u>	<u>353,504</u>
Cash flows from non-capital financing activities						
Operating transfers in	-	132,888	363,429	496,317	-	496,317
Operating transfers out	(237,885)	(148,679)	-	(386,564)	-	(386,564)
Other income	-	58,774	-	58,774	-	58,774
Net cash provided by (used in) non-capital financing activities	<u>(237,885)</u>	<u>42,983</u>	<u>363,429</u>	<u>168,527</u>	<u>-</u>	<u>168,527</u>
Cash flows from capital financing activities						
Interest expense	(3,567)	-	-	(3,567)	-	(3,567)
Capital expenditures	(14,290)	(2,966)	(169,377)	(186,633)	-	(186,633)
Principal payments under capitalized lease obligations	(31,635)	-	(527,870)	(559,505)	-	(559,505)
Net cash used in capital financing activities	<u>(49,492)</u>	<u>(2,966)</u>	<u>(697,247)</u>	<u>(749,705)</u>	<u>-</u>	<u>(749,705)</u>
Net decrease in cash and cash equivalents	-	-	(724)	(724)	(226,950)	(227,674)
Cash and cash equivalents, July 1, 2000	-	-	724	724	333,400	334,124
Cash and cash equivalents, June 30, 2001	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,450</u>	<u>\$ 106,450</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Balance Sheet  
All Fiduciary Fund Types  
June 30, 2001

	Student Financial Aid	Student Scholarship and Loan	Associated Students	Student Body Center Building and Operating	Totals
<b><u>ASSETS</u></b>					
Cash and cash equivalents					
Cash in county treasury	\$ 347,075	\$ 32,628	\$ 547,785	\$ -	\$ 927,488
Local Agency Investment Fund	-	361,676	-	-	361,676
Total cash and cash equivalents	347,075	394,304	547,785	-	1,289,164
Investments	-	140,055	-	-	140,055
Accounts receivable	21,153	4,857	50	-	26,060
Due from other funds	57,726	1,304	14,428	264,984	338,442
Total assets	<u>\$ 425,954</u>	<u>\$ 540,520</u>	<u>\$ 562,263</u>	<u>\$ 264,984</u>	<u>\$ 1,793,721</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities					
Amount to be provided by future deposits	\$ -	\$ -	\$ -	\$ 292,266	\$ 292,266
Accounts payable	38,148	3,783	141,327	9,217	192,475
Accrued liabilities				1,986	1,986
Deferred revenue	2,274	-	-	-	2,274
Due to other funds	381,243	-	13,788	-	395,031
Total liabilities	<u>421,665</u>	<u>3,783</u>	<u>155,115</u>	<u>303,469</u>	<u>884,032</u>
Fund balances					
Reserved	4,289	536,737	407,148	(38,485)	909,689
Total liabilities and fund balances	<u>\$ 425,954</u>	<u>\$ 540,520</u>	<u>\$ 562,263</u>	<u>\$ 264,984</u>	<u>\$ 1,793,721</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
All Fiduciary Fund Types  
For the Year Ended June 30, 2001

	Student Financial Aid	Student Scholarship and Loan	Associated Students	Student Body Center Building and Operating	Totals
<b>REVENUES</b>					
Federal sources	\$ 5,288,274	\$ -	\$ -	\$ -	\$ 5,288,274
State sources	294,758	-	-	-	294,758
Local sources	-	74,021	165,416	316,600	556,037
Total revenues	<u>5,583,032</u>	<u>74,021</u>	<u>165,416</u>	<u>316,600</u>	<u>6,139,069</u>
<b>EXPENDITURES</b>					
Classified salaries	-	-	-	27,524	27,524
Employee benefits	-	-	-	1,720	1,720
Books and supplies	-	-	161,071	9,637	170,708
Contract services and operating expenditures	-	-	16,082	227,582	243,664
Student financial assistance	<u>5,631,870</u>	<u>169,593</u>	<u>-</u>	<u>-</u>	<u>5,801,463</u>
Total expenditures	<u>5,631,870</u>	<u>169,593</u>	<u>177,153</u>	<u>266,463</u>	<u>6,245,079</u>
Excess of revenues over (under) expenditures	<u>(48,838)</u>	<u>(95,572)</u>	<u>(11,737)</u>	<u>50,137</u>	<u>(106,010)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	46,804	(166)	24,366	60,913	131,917
Operating transfers out	-	-	-	(1,802)	(1,802)
Other financing sources	-	-	-	(6,976)	(6,976)
Total other financing sources (uses)	<u>46,804</u>	<u>(166)</u>	<u>24,366</u>	<u>52,135</u>	<u>123,139</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(2,034)</u>	<u>(95,738)</u>	<u>12,629</u>	<u>102,272</u>	<u>17,129</u>
Fund balances, July 1, 2000	<u>6,323</u>	<u>632,475</u>	<u>394,519</u>	<u>(140,757)</u>	<u>892,560</u>
Fund balances, June 30, 2001	<u>\$ 4,289</u>	<u>\$ 536,737</u>	<u>\$ 407,148</u>	<u>\$ (38,485)</u>	<u>\$ 909,689</u>

**SUPPLEMENTARY INFORMATION - FEDERAL AND STATE REQUIRED**

**JUNE 30, 2001**

---

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2001**

---

**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)	
Talent Search Program (CFDA #84.044A)	
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, 2001**

<i>Federal Grants/Pass-through Grants/Programs or Clause Title</i>	<i>Federal CFDA Number</i>	<i>Grant/ Pass-through Entity Identification Number</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Defense</b>			
Basic Scientific Research			
Instrumentation	12.431	DAAD19-0010453	\$ 29,916
Center for Science Excellence	12.431	DAAH04-96-1-0004	342,073
<b>Total U.S. Department of Defense</b>			<u>371,989</u>
<b>National Science Foundation</b>			
Education and Human Resources			
Incorporating FTNDR Across the Two-Year College Chemistry Curriculum	47.076	DUE-0088169	25,562
<b>Total National Science Foundation</b>			<u>25,562</u>
<b>U.S. Department of Education</b>			
<i>Student Financial Aid Chapter</i>			
Federal Supplemental Educational Opportunity			
Grant Program (FSEOG)	84.007	H900072	436,287
Federal College Work-Study Program (FWP)	84.033	H400733	265,833
Federal Pell Grant Program (PELL)	84.063	n/a	4,637,748
<b>Total Student Financial Aid Chapter</b>			<u>5,339,868</u>
Adult Education - State Grant Program			
Ralph L. Bunche and Civic Education Grant	84.002A	PCA 14109	34,970
Higher Education-Institutional Aid			
Strengthening Institutions	84.031A	P031A990030	479,166
TRIO - Talent Search			
Talent Search Program	84.044A	P044A980186-01	238,529
<i>Pass through California Department of Education</i>			
Vocational Education-Basic Grants to States			
Title I-D State Leadership - Nutrition	84.048	99-0103	6,423
Title I-C	84.048	99-001-012	525,237
Title I-C	84.048	99-001-012	16,286
Title I-E State Leadership - Integrating Tech & Learning	84.048	99-0105	2,596
Title I-E State Leadership - Rural Management	84.048	99-0102	12,529
Minority Science and Engineering Improvements	84.138A	F120A000072	23,087
Tech-Prep Education			
Title II, Tech Prep	84.243	00-021-20	71,000
Title II, Tech Prep	84.243	00-021-18	71,000
Title II, Tech Prep	84.243	00-021-19	71,000
<b>Total U.S. Department of Education</b>			<u>6,903,691</u>
<b>U.S. Department of Health and Human Services</b>			
<i>Pass through California Community Colleges Chancellor's Office</i>			
Temporary Assistance for Needy Families (TANF)	93.558	n/a	163,872
<i>Pass through California Department of Education</i>			
Child Care and Development Block Grant			
Child Mentor Program	93.558	n/a	5,671
<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 Consulting	93.592	U91AC0913437-01	565
<i>Pass through California Community Colleges Chancellor's Office</i>			
Foster Care Education			
Foster Care-Title IV-E	93.600	n/a	313,520
<b>Total U.S. Department of Health and Human Services</b>			<u>483,617</u>
<b>Total Federal Expenditures</b>			<u>\$ 7,874,859</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, 2001

---

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, 2001 were \$4,691,918. Of that amount, \$4,637,748 had been reimbursed by the United States Department of Education. Therefore, the amount of unreimbursed PELL expenditures for the year ended June 30, 2001 was \$54,170.



CONTRA COSTA COMMUNITY COLLEGE DISTRICT  
Schedule of State Financial Assistance  
For the Year Ended June 30, 2001

PROGRAM NAME	PROGRAM ENTITLEMENTS			PROGRAM REVENUES				PROGRAM EXPENDITURES
	CURRENT YEAR	FY CARRYOVER	TOTAL	CASH RECEIVED	ACCOUNTS RECEIVABLE	DEFERRED REVENUE	TOTAL	TOTAL
<b>STATE PROGRAMS</b>								
ABRREL Rural Fin Aid Studies	134,733	8,507	143,240	132,122	15,412	2,170	135,287	137,895
Alameda Tech Production Cr	-	-	-	-	-	-	-	-
Basic Skills ESL	50,000	-	50,000	37,500	8,850	-	46,350	46,350
CANWORK	1,401,500	1	1,401,501	1,403,778	-	144,604	1,791,087	1,291,087
CAN/Assist - CCC	5,000	-	5,000	5,000	-	-	5,000	5,000
CAN/Assist - DVC	5,000	581	5,581	5,000	-	-	5,000	5,000
CAN/Assist - LMC	5,000	-	5,000	5,000	-	-	5,000	5,000
CARE	368,334	5,545	403,803	398,264	-	9,928	348,426	348,426
Castellon Software Development Specialists	298,441	-	298,441	250,000	-	39,644	211,044	211,044
Clear Choice Day Care & overhead	27,358	-	27,358	-	24,313	-	24,313	24,313
Child Day Care & overhead - LMC	58,512	-	58,512	-	51,618	-	51,618	51,618
Child Day Trng Center - LMC	7,001	-	7,001	7,001	-	-	7,001	7,001
CNET	752,741	768,469	1,521,210	1,011,240	-	633,441	887,799	887,799
College One-Stop	94,000	-	94,000	94,510	9,480	-	94,000	94,000
Community Service Learning	25,000	-	25,000	18,730	6,250	-	25,000	25,000
Convergence Technologies	409,992	-	409,992	341,331	-	58,544	302,491	302,491
DOD Science Experiment	-	-	-	-	-	-	-	-
DSHS	1,674,701	71,337	1,746,038	1,674,060	-	196,076	1,518,882	1,528,973
DSHS Access Project	-	-	-	740	-	743	-	-
Environmental Health & Safety	-	-	-	-	86,258	-	86,258	86,258
Environmental Ther State Library	133,000	-	133,000	113,400	20,226	-	133,626	133,626
EOPS	2,200,833	3,758	2,204,591	2,096,732	79,684	69,121	2,145,537	2,121,793
Faculty and Staff Diversity	31,138	-	31,138	30,586	-	6,915	23,671	24,787
Faculty Joint Project	50,000	-	50,000	38,971	18,971	-	49,942	49,942
Foster Care/ Enhanced Housing	4,000	-	4,000	-	5,183	-	5,183	5,183
Forst/ Parent Training	348,089	-	348,089	177,373	376,618	-	347,791	347,791
Foster Relative Training - CCC	30,000	-	30,000	-	30,000	-	30,000	30,000
Future of Science Teaching	34,250	-	34,250	26,876	-	9,605	11,235	11,234
Heritage Project - LMC	37,400	-	37,400	-	34,065	-	34,065	34,065
Immigrant Ed: Community service	-	-	-	-	-	-	-	-
Independence Living - CCC	12,500	-	12,500	1,093	4,447	-	12,500	12,500
Independence Living - LMC	11,910	-	11,910	7,383	4,634	-	11,946	11,946
Instructional Equipment	4,319,563	3,392,469	7,712,032	5,681,921	-	2,954,690	1,777,362	2,725,262
ISGIS	-	-	-	-	-	-	-	-
Job Development Incentive Training	755,573	214,579	970,151	497,191	158,713	180,400	493,304	515,363
Kernal of Public Policy	25,000	-	25,000	-	15,246	-	15,246	15,246
Library Library Project	23,333	-	23,333	17,508	5,816	-	23,310	23,310
Marketing CCC CalWORKS/TANF	-	3,171	3,171	1,371	-	-	3,371	10,403
Manufacturing	1,716,425	5,643	1,722,068	1,722,268	-	52,514	1,669,754	1,669,754
Media/Video	-	-	-	-	33,423	-	33,423	33,423
Net Team	298,724	-	298,724	250,978	1,323	-	252,311	252,311
Norwood Technology Academy	-	15,572	15,572	15,572	-	381	15,211	15,211
Puzzle Project	1,944,000	-	1,944,000	-	1,944,333	-	1,944,333	1,944,333
Private Project / Carryover	102,217	-	102,217	102,217	-	-	102,217	102,217
Science Symposium	-	1,349	1,349	-	1,312	-	1,312	1,312
Staff Development	139,672	58,159	198,831	195,433	-	43,242	138,213	138,213
Santa Energy Alliance	411,910	-	411,910	411,010	-	-	411,010	411,010
South Pre-School Grant (1)	1,073,489	-	1,073,489	477,484	436,541	-	1,073,995	1,073,995
Student Equity Plan	14,617	-	14,617	-	15,961	-	15,961	15,961
Student Success/Olympic - CCC	16,067	-	16,067	12,800	2,628	-	15,128	15,128
Student Success/Olympic	12,700	2,243	14,943	9,715	11,627	-	22,152	22,152
Support for Learning Communities	15,601	-	15,601	15,601	-	-	15,601	15,601
Supporting Community College Faculty	83,393	-	83,393	-	41,687	-	41,687	41,687
TANF	167,614	41,184	208,798	167,634	961	4,702	163,372	163,372
Teacher & Reading Development Project	187,500	-	187,500	187,300	-	89,397	98,109	98,109
Teacher Resource (Federal grant)	231,250	-	231,250	7,719	51,699	-	59,358	59,358
Tech Prep / Manufacturing	289,081	-	289,081	-	12,465	-	12,465	12,465
Telecomm Grant - CCC	-	-	-	-	-	-	-	-
Transfer & Articulation	51,387	54,915	106,302	106,298	-	82,041	24,257	24,257
Workforce Dev Inst Equipment Upgrade	99,526	-	99,526	83,862	-	34,292	49,110	49,220
Workforce Dev Inst Equip/Engineering Tech	38,000	-	38,000	31,820	438	-	32,278	32,278
<b>TOTAL STATE GRANTS</b>	<b>\$ 70,525,734</b>	<b>\$ 2,280,825</b>	<b>\$ 72,806,559</b>	<b>\$ 18,551,134</b>	<b>\$ 2,482,983</b>	<b>\$ 4,538,649</b>	<b>\$ 17,404,648</b>	<b>\$ 17,317,313</b>

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, 2001

---

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Enterprise Funds</u>	<u>Trust Funds</u>
June 30, 2001 Annual Financial and Budget Report				
Fund balance per CCFS-311	\$ 13,831,417	\$25,410,147	\$ 906,914	\$ 908,140
Adjustments and reclassifications				
Unrecorded market value adjustment	-	272,437	-	-
Miscellaneous closing entries	<u>(130,575)</u>	<u>14,428</u>	<u>(111,696)</u>	<u>1,549</u>
Fund balance per audit, June 30, 2001	<u>\$ 13,700,842</u>	<u>\$ 25,697,012</u>	<u>\$ 795,218</u>	<u>\$ 909,689</u>

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Schedule of Workload Measures for State General Apportionment**  
**Annualized Attendance as of June 30, 2001**

---

	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
<b>Categories</b>			
<b>A. Credit full-time equivalent student (FTES)</b>			
1. Weekly census	26,597	-	26,597
2. Daily census	2,043	-	2,043
3. Actual hours of attendance	1,833	-	1,833
4. Independent study work experience	137	-	137
<b>Total</b>	<u>30,610</u>	<u>-</u>	<u>30,610</u>
<b>B. Noncredit FTES</b>			
1. Actual hours of attendance	<u>576</u>	<u>-</u>	<u>576</u>

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**  
**Schedule of Annual Apprenticeship Hours of Instruction**  
**Annualized Attendance as of June 30, 2001**

Reporting periods	<u>Reported Annual Hours</u>
July 1 - December 31, 2000	30,983
January 1 - April 15, 2001	-
April 16 - June 30, 2001	<u>28,905</u>
Total	<u><u>59,888</u></u>

## OTHER INDEPENDENT AUDITORS' REPORTS

## ARMANINO MCKENNA LLP

Certified Public Accountants & Consultants  
1855 Olympic Boulevard, Suite 225  
Walnut Creek, CA 94596-5091  
ph 925.939.8500  
fx 925.939.2820

### INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees  
Contra Costa Community College District  
Martinez, California

We have audited, 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, the general-purpose financial statements of the Contra Costa Community College District (the "District") for the fiscal year ended June 30, 2001, and have issued our report thereon dated October 18, 2001.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the following compliance requirements, set forth in Section 400, State Compliance Requirements of the *Contracted District Audit Manual* issued by the California Community Colleges Chancellor's Office (July 2001). However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. The following are the specific compliance requirements set forth:

#### **Salaries of Classroom Instructors (50 Percent Law)**

##### **Requirement:**

Each district's salaries of classroom instructors shall equal or exceed 50 percent of the district's current expense of education in accordance with Section 84362 of the *Education Code*.

#### **Apportionment for Instructional Service Agreements/Contracts**

##### **Requirement:**

This compliance requirement applies to instructional service agreements/contracts in which:

1. instruction is conducted at the contractor's facility, and
2. the contractor's employees are used to instruct classes, and
3. the district is paying the contractor on a per unit basis for use of facilities and/or reimbursement for employees' salaries, and
4. the contractor is paying the college/district enrollment fees for the students, and
5. the district is reporting the FTES from these classes.



Community colleges may claim FTES for classes given at a contractor's site and use the contractor's employees as instructors for the classes. In order for these FTES to be eligible for State funding the following regulatory requirements must be met:

- a) Programs must be approved by the State Chancellor's Office and courses must be part of those approved programs or the college must have received delegated authority to separately approve those courses,
- b) Courses must be open to the general public,
- c) Students must be under the immediate supervision of a district employee,
- d) The district employee must possess valid credentials or meet the minimum qualifications required for the assignment, and
- e) the district and public or private agency, individual, or group of individuals with whom the district has a contract and/or instructional agreement does not receive full compensation for the direct education costs for the conduct of the class from any other source.

### **Required Data Elements**

#### **Requirement:**

Each district shall have the ability to support timely, accurate and complete information for the following workload measures used in the calculation of State General Apportionment:

1. Credit Full-Time Equivalent Student (FTES) in weekly census, daily census, actual hour of attendance and Apprenticeship courses.
2. Noncredit FTES in actual hour of attendance and distance education courses.
3. Credit Student Headcount Data.
4. Gross Square Footage and FTES in less than 100% leased space.

### **Students Actively Enrolled**

#### **Requirement:**

Each district shall claim for apportionment purposes only the attendance of students actively enrolled in a course section as of the census date (if census procedures are used to record attendance in the course section).

### **Uses of Matriculation Funds**

#### **Requirement:**

Districts are required to use local funds to support at least 75 percent of the matriculation activities with the remaining expenditures claimable against the State matriculation allocation. All expenditures related to the allocation, both State and local funded portions, must be consistent with the district's State-approved matriculation plan and identifiable within the ten activities listed above. This 25 percent State funds, 75 percent local funds ratio applies district-wide not per college or within individual activity groups.

Districts must use the annual State matriculation allocation to expand levels of services that were in place in 1986-87, or to add entirely new services. The State allocation may not be used to supplant district funded services, including personnel costs, that existed in 1986-87 or before.

#### **Allocation of Costs (DSP&S and EOP&S)**

##### **Requirement:**

Salaries of instructors teaching FTES generating classes, school counselors providing advisement, Student Services at the Dean level or above, and financial aid officers conducting need analysis are not considered supportable charges against either Extended Opportunity Programs and Services (EOP&S) or Disables Student Program and Services (DSP&S) accounts unless their activities require them to perform additional functions for the EOP&S or DSP&S programs that are beyond the scope of services provided to all students in the normal performance of the regular duty assignments. These activities may be supported only to the extent of the supplementary services provided for EOP&S and DSP&S.

##### **Finding:**

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 ("EOP&S") 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 EOP&S and HSPS.

#### **EOP&S Administrator/Director Requirements**

##### **Requirement:**

Districts accepting EOP&S funds are required to contribute from non-EOP&S sources the salary of the EOP&S director/administrator at the rate of 100 percent of salary and benefits for formal program activities associated with the implementation and operation of EOP&S specific activities over-and-above general supervision of EOP&S activities.

#### **Gann Limit Calculation**

##### **Requirement:**

Each district shall calculate and adopt an appropriation limit annually in a public meeting. The calculation and adoption shall be verified by certified public accountants as part of annual financial audits.



### **Enrollment Fee**

#### **Requirement:**

Community college districts are required to report the total amount the students should have paid for enrollment fees for purposes of determining each district's share of apportionments annually.

### **Economic Development Program (EDP)**

#### **Requirement:**

In addition to complying with standard grant conditions, community colleges must comply with all state laws and regulations concerning each of the following:

1. Procedures for subcontracts or grant amendments, including appropriate authorization by the Chancellor's Office.
2. Procurement procedures.
3. Travel authorization.
4. Hiring procedures.
5. Appropriate use of fiscal agents.

### **Scheduled Maintenance Program**

#### **Requirement:**

Funds provided by the State must be to supplement, not supplant, district deferred maintenance funds. This is defined as the amount spent in fiscal year 1995-96 for Operation and Maintenance of Plant increased by an amount equal to the State's contribution and the district's match for the Scheduled Maintenance Program for the year being audited.

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

*Armanino McKenna LLP*

ARMANINO McKENNA LLP

October 18, 2001

## ARMANINO MCKENNA LLP

Certified Public Accountants & Consultants  
1855 Olympic Boulevard, Suite 225  
Walnut Creek, CA 94596-5091  
ph 925.939.8500  
fx 925.939.2820

### 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, 2001, and have issued our report thereon dated October 18, 2001. 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 October 18, 2001.



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

October 18, 2001

## ARMANINO MCKENNA LLP

Certified Public Accountants & Consultants  
1855 Olympic Boulevard, Suite 225  
Walnut Creek, CA 94596-5091  
ph 925.939.8500  
fx 925.939.2820

### 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, 2001. 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, 2001.



### 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

October 18, 2001

STATE COMPLIANCE FINDINGS AND RECOMMENDATIONS SECTION

JUNE 30, 2001

---

NONE