

CONTRA COSTA
COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH AUDITORS' REPORTS THEREON

JUNE 30, 2002

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Objectives of the Single Audit
June 30, 2002

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 basic financial statements in accordance with accounting principles generally accepted in the United States of America.
- To obtain reasonable assurance about whether the District's basic 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 test and report on the District's 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 where noncompliance with applicable federal regulations was noted during the audit.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Organization
June 30, 2002

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
Victoria English	Student Member	(September 2002 - May 2003)

ADMINISTRATION

Mr. Charles C. Spence
Chancellor

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
FINANCIAL SECTION
JUNE 30, 2002

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the accompanying financial statements of the business-type activities and fiduciary funds of the Contra Costa Community College District (the "District") as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary funds of the District as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as of July 1, 2001.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2002 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.



The Management's Discussion and Analysis (MD&A) on pages 7 through 16 is not a required part of the financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole, except for the fund financials on pages 37 through 49 that are not presented on the full accrual, total economic resources basis of accounting but are presented on the modified accrual, current financial resources basis of accounting.

Armanino McKenna LLP

ARMANINO McKENNA LLP

October 4, 2002

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

New Accounting Standards

In June 1999, the Governmental Accounting Standards Board ("GASB") released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," which established new reporting formats for annual statements. In November 1999, GASB released Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," which applied the new reporting models to public colleges and universities. In its "Accounting Advisory No. 2001-01", the State Chancellor's Office opined that the California Community Colleges would best benefit from, and would "therefore implement," the business-type activities ("BTA") reporting model, as outlined in GASB Statement No. 34. According to the GASB's implementation schedule, the District's effective implementation date began with fiscal year 2001-2002.

Because the new reporting model is such a departure from that used in prior years, the District has also presented (in supplemental schedules) the District's financial statements using the fund statements format, which continues as the format that the District uses in reporting to the State Chancellor's Office.

As required by the new reporting model, the annual report consists of three government-wide financial statements that provide information on the District as a whole: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. These statements are designed to emulate corporate presentation models, whereby all District activities are consolidated into one total. The focus of the Statement of Net Assets is designed to be similar to "bottom line" results for the District. This statement, for the first time, combines and consolidates current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Assets focus on both the gross costs, and the net costs, of District activities, which are supported mainly by property taxes, state apportionment, and other state revenues. This approach is intended to summarize and simplify the analysis of cost of various District services to students and the public.

The following discussion and analysis provides an overview of the District's financial activities. Since this is a transition year for the new format, only one year of information is presented in the audited financial statements. In subsequent years, both the financial statements and the discussion and analysis, will include comparisons of current to prior year activity.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector institutions. Net assets, the difference between assets and liabilities, are one way to measure the financial health of the District.

Statement of Net Assets	2002
Current assets	
Cash and short-term investments	\$ 35,444,752
Receivables	26,627,338
Inventory, prepaid expenses, and other	<u>3,474,389</u>
Total current assets	65,546,479
Non-current assets	
Capital assets, net	<u>80,887,782</u>
Total assets	<u>\$146,434,261</u>
Current liabilities	
Accounts payable and accrued liabilities	\$ 15,559,619
Deferred revenues	9,522,227
Long-term liabilities - current portion	<u>378,795</u>
Total current liabilities	<u>\$ 25,460,641</u>
Non-current liabilities	
Long-term liabilities	<u>7,371,468</u>
Total liabilities	<u>\$ 32,832,109</u>
Net assets	
Property	\$ 78,778,182
Restricted	1,187,101
Unrestricted	10,583,636
Unrestricted - designated for retiree health benefits	<u>23,053,233</u>
Total net assets	<u>\$113,602,152</u>

The components of cash and short-term investments are primarily the debt-funding for the District's life-time, retiree health benefits, \$23.1 million; the state-mandated, 5%- reserve over "General Fund" expenditures, \$6.6 million; 2001-02 College budget carry-overs, \$5.0 million; and the net cash effect of non-cash assets, receivables, and liabilities.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

Accounts receivable primarily represents funding owed to the District by the state for capital and non-capital apportionment and grants. The total owed to the District by the state is approximately \$19.6 million. Local property taxes comprise \$3.7 million of the amounts due to the District, and federal grants receivable make up another \$1.6 million. The remaining accounts receivable are made up of student receivables, book vendor credits, and miscellaneous items.

Inventories and prepaid items, respectively represent bookstore merchandise inventory, and prepayments for July 2002 health insurance, and the first half of the 02-03 workers compensation premium.

Net capital assets represent the District's original investment in land, site improvements, buildings and equipment, less accumulated depreciation.

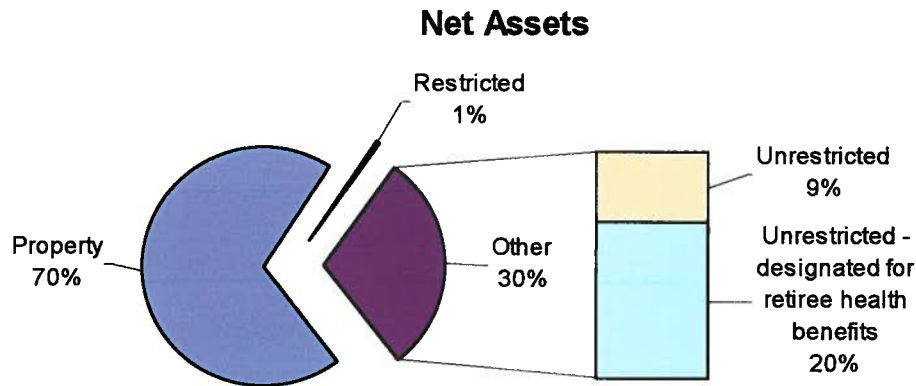
Accounts payable and accrued liabilities primarily represent year-end accruals for services and goods received by the District during fiscal 2001-02, for which payment would not be made until 2002-03. The accounts payable amount primarily represents debt on vendor invoices, but does include an \$800,000 accrual for unresolved energy costs related to our participation in a consortium contract with Enron Corporation. Accrued liabilities principally represent 2001-02 payroll expenditures not paid until 2002-03. Approximately \$3.0 million of the liability represents June short-term personnel payroll, regularly paid on July 10th. The remainder represents increases for 2001-02 negotiated salary agreements not settled till late in the fiscal year.

Deferred revenues represent prepayments made to the District for which services have yet to be rendered. \$4.3 million of this amount represents student tuition and registration fees received during 2001-02 for the 2002-03 summer and fall terms. The other \$5.2 million represents funding for grants and contracts whose terms and conditions extend beyond 2001-02 fiscal year.

Other current liabilities are composed of that portion of long-term lease and financing debt that is to be paid during 2002-03, plus a year-end accrual for the District's "deductible" for all outstanding insurance claims as of June 30, 2002.

The District's non-current liabilities primarily consist of the accumulated liability for accrued employee compensated absences, \$5.5 million; the remaining debt on the certificates of participation that were used to help construct the Diablo Valley College, Student Body Center, \$1.4 million; and numerous capitalized lease obligations for the purchase of various equipment throughout the District, \$0.5 million.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002



The largest component of the District's "net assets" is the investment in capital assets (net of related debt), \$78.8 million. This represents the District's initial cost for property, plant, and equipment, less accumulated depreciation, less any remaining debt used for the initial purchase. The next largest component, at \$33.6 million, is the District's "unrestricted net assets", of which \$23.1 million has been Board-designated as debt-funding for the District's liability for retiree health benefits, estimated in 1996, to be \$32.9 million. The remaining \$1.2 million in "restricted net assets" represents assets whose use is earmarked for specific purposes, such as grant and construction projects.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets (see next page) presents the financial results of the District's "operations" as well as its "non-operating activities." The distinction between these two activities involves the concepts of "exchange" and "non-exchange". An operating activity is one in which a "direct payment"/exchange is made by one party to another for the receipt of specified goods or services, i.e., the payor is the one receiving benefit. As an example, tuition, paid by a student is an "exchange" for instructional services. Likewise, grant and contract-funding received on the condition that the District provide specific/contracted services, is also an "exchange." Both are therefore recorded as "operating revenue." The receipt of state apportionments and property taxes, however, do not include this "exchange" relationship between "payment" and the "receipt of benefit." Such revenues are deemed "non-exchange" transactions, and are therefore treated as "non-operating" activities.

Because the primary sources of funding that support the District's instructional activities come from state apportionment and local property taxes, the financial results of the District's "operations" will result in a net operating expense.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

The primary components of "tuition and fees" are the \$11 per unit enrollment fee that is charged to all students registering for classes, and the additional \$136 per unit fee that is charged to all non-resident students. The discrepancy between these fees is due to the fact that resident student instruction is largely subsidized by local property taxes and state apportionment. Non-resident students must pay for the full cost of instruction. Respectively, these two revenue streams account for \$5.2 and \$4.1 million. \$1.4 million of the "gross total" is due to Board of Governor's (fee) Waivers, which is offset by an equal amount in "scholarship discounts." Another \$1.1 million is collected in the form of parking permits. The remainder is collected from an assortment of other student fees.

The largest component of the District's operating revenues is non-capital grants and contracts. The largest sub-component, \$14.5 million, results from funding received from the state for categorical programs, such as DSP&S, EOP&S, Matriculation, etc.; Federal grants, \$2.8 million, include funding for vocational training and higher education programs. Included in local grants and contracts, \$5.7 million, are all of the contracted education services, as well as all other miscellaneous service revenue received by the District.

The revenue from auxiliary enterprises consists primarily of revenue from the District's bookstore and cafeteria operations. These two enterprise operations account for \$11.6 and \$1.2 million respectively.

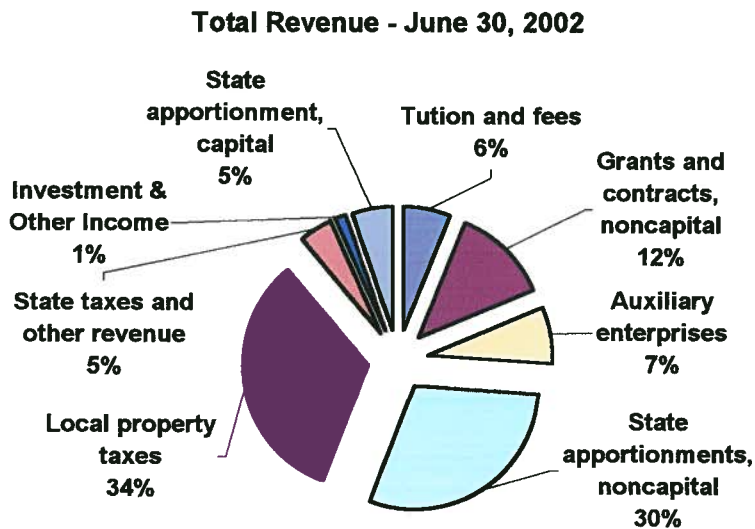
Statement of Revenues, Expenses & Changes in Net Assets	2002
Operating revenues	
Tuition and fees	\$ 11,456,253
Grants and contracts, noncapital	22,954,547
Auxiliary enterprises	<u>13,722,144</u>
Total operating revenues	48,132,944
Operating expenses	
Salaries and benefits	126,732,976
Books and supplies	5,865,454
Contract services and operating expenses	33,449,010
Utilities	4,493,060
Depreciation	<u>8,239,733</u>
Total operating expenses	178,780,233
Operating loss	<u>(130,647,289)</u>
Nonoperating revenues	
State apportionments, noncapital	54,843,202
Local property taxes	60,976,927
State taxes and other revenue	8,306,779
Investment income	2,342,238

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

Other non-operating revenues and expenditures	<u>\$ 148,783</u>
Total non-operating revenues	<u>126,617,929</u>
Loss before other revenues, expenses, gains or losses	(4,029,360)
State apportionment, capital	<u>9,687,450</u>
Increase in net assets	5,658,090
Net assets - beginning of year	<u>107,944,062</u>
Net assets - end of year	<u>\$113,602,152</u>

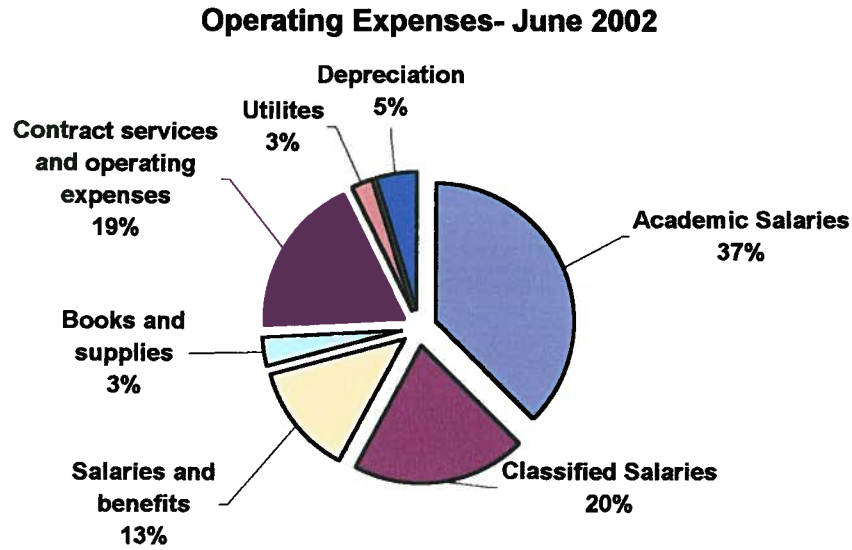
The principal components of the District's non-operating revenue are: non-capital state apportionment, local property taxes, other state funding, and interest income. With the exception of interest income, all of this revenue is received to support the District's instructional activities. The interest income is primarily earned on investments designated for the funding of the District's liability for retiree health benefits, \$1.2 million, and from the issuance of a 2001 tax revenue anticipation note, \$0.8 million. The rest is earned on funds held in the County Treasury during the fiscal year.

The "state apportionments, capital" revenues principally represent state funding for state capital projects and deferred maintenance programs.



CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Management's Discussion and Analysis
 For the Year Ended June 30, 2002

The largest component of the District's operating expense is the cost associated with salaries and benefits. Nearly 71% percent of the total expense is spent in this area. "Contract services and other operating expenses" account for an additional 19% of the total. This latter category includes \$9.0 million for cost of goods sold in the auxiliary operations. It also includes \$7.5 million spent in connection with programs funded by grants and contracts. The remainder of this expenditure category includes insurance premiums, facilities rental, equipment repair, and a host of other expenditures necessary to the operation of the District.



Operating Expenses by Functional Classification

	<u>2002</u>	<u>2001</u>	Change
Instruction	\$ 72,364,780	\$ 65,509,066	10.5%
Academic Support	13,482,315	11,078,808	21.7%
Student Services	20,116,463	19,607,106	2.6%
Operation and Maintenance of Plant	12,029,279	10,740,520	12.0%
Instructional Support	26,836,516	24,239,598	10.7%
Community Services and Economic Development	2,574,375	2,372,572	8.5%
Ancillary Services, Auxiliary Services	28,234,772	23,592,706	19.7%
Student Aid	1,459,844	1,390,558	5.0%
Physical Property	<u>1,681,889</u>	<u>3,538,481</u>	-52.5%
Total	<u>\$178,780,233</u>	<u>\$162,069,415</u>	

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

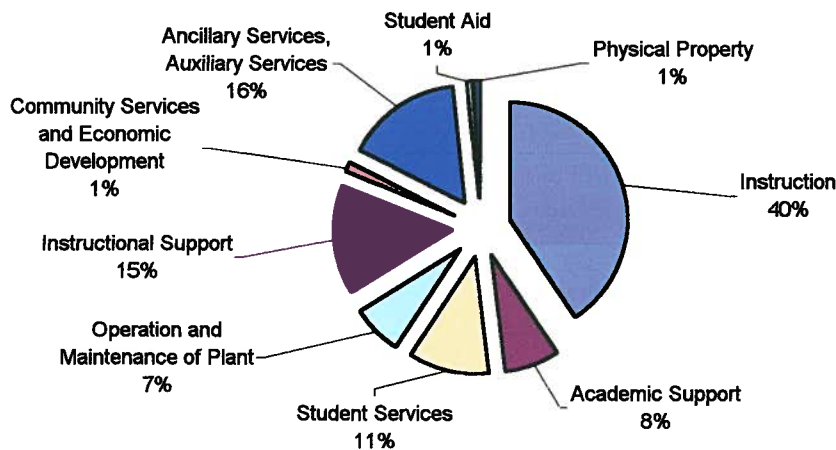
Between the years of 2001-02 and 2000-01, the District has undergone many changes and expansions. The District has experienced growth in the areas of services provided to students and the public; a 4.62 percent increase in enrollment; growth in faculty and classified staff; and growth in categorical funding in the form of new grants and projects.

As the Functional Expense comparative shows, expenses have increased in all areas except in the area of physical property. All of the other functions are directly connected to salaries and labor cost increases. In 2001-02, the District had increase in contractual pay of 6.25% as well as a \$1.6 million increase for parity pay. The greatest increases occurred in the area of Instruction and Academic/Instructional Support. These costs were primarily afforded by increases in non-capital apportionment revenue which the District also received during this period.

Categorical funding increased during this period as well. The District went from approximately \$24.8 million in funding to over \$27.9 million by the end of the 2002 fiscal period. These augmentations in funding can be directly attributed to the efforts of the grant writing teams which have been established District-wide.

As more services are provided, so increases the cost on the wear and tear of the physical plant. The decrease of costs in this area occurred because of the knowledge, in March 2002, that the District had won a \$120 million general obligation bond, and there was the prospect that the District would also gain another \$47 million in the fall of 2002 from the statewide construction bond election. The District elected to hold-off on certain expenses to await the new funding sources.

Operating Expenses by Functional Classification - 2002



CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Management's Discussion and Analysis
 For the Year Ended June 30, 2002

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the District during the year. The statement is divided into five parts. The first part deals with the operating cash flows, and shows the net cash used by the operating activities of the District. The second section reflects cash flows from non-capital financing activities. The third section reflects the cash received from investing activities, and shows the purchases, proceeds, and interest received from investing activities. The fourth section deals with the net cash received from financing activities related to the acquisition of capital and related items. The fifth section, (not summarized here) reconciles the net cash activity to the net operation expense on the Statement of Revenue, Expenses, and Changes in Net Asset.

Statement of Cash Flows	2002
Cash provided by (used in)	
Operating activities	\$(117,535,865)
Non-capital financing activities	103,540,213
Capital and related financing activities	(2,400,423)
Investing activities	<u>(15,313,943)</u>
Net decrease in cash	(31,710,018)
Cash-beginning of year	<u>48,378,844</u>
Cash-end of year	<u>\$ 16,668,826</u>

Economic Factors that will Affect the Future

The District is dependent on the State of California for a majority of its revenue. State law and regulation further specifies the allowed uses of state revenue. The most important element of state funding is in the General Apportionment calculation which accounts for 82% of the District's primary "operating fund," the Unrestricted General Fund.

Although the District receives local income from property tax proceeds and student enrollment fees, these local income sources are but a component of the state Base Apportionment calculation. Local income is deducted from the computed total funding level to determine the amount of state funds necessary to fund the District's Base Apportionment. In this manner, the finances of the District are directly tied to the state economy, state revenues, and the state legislative process to allocate revenues for public purposes.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2002

The economic downturn which began in the 2001-02 fiscal year has resulted in a major loss of state personal income tax revenue. The state, in turn, has elected to curtail some categorical programs and to under fund community college general fund programs statewide compared to the actual costs of inflation. Recent economic forecasts prepared by state agencies and private institutions indicate that a recovery will occur in the 2004-05 fiscal year.

The District is closely following state economic forecasts and will develop its financial plan to assure a balanced budget in future fiscal years.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Statement of Net Assets

June 30, 2002

ASSETS

Current assets	
Cash and cash equivalents	\$ 16,668,826
Investments	18,775,926
Accounts receivable	22,363,649
Taxes receivable	3,732,077
Interest receivable	531,612
Inventories	1,678,379
Prepaid items	1,711,623
Other assets	84,387
Total current assets	<u>65,546,479</u>
Noncurrent assets	
Capital assets, net	<u>80,887,782</u>
Total assets	<u>146,434,261</u>

LIABILITIES

Current liabilities	
Accounts payable	8,209,795
Accrued liabilities	7,349,824
Deferred tuition and fees revenue	4,208,840
Deferred grants and contracts	5,221,788
Other deferred revenue	91,599
Claims payable	84,300
Capitalized lease obligations, current portion	254,495
Certificates of participation, current portion	40,000
Total current liabilities	<u>25,460,641</u>
Noncurrent liabilities	
Capitalized lease obligations, net of current portion	500,105
Compensated absences	5,516,363
Certificates of participation	1,355,000
Total noncurrent liabilities	<u>7,371,468</u>
Total liabilities	<u>32,832,109</u>

NET ASSETS

Net assets	
Investment in capital assets, net of related debt	78,738,182
Restricted	1,187,101
Unrestricted	33,676,869
Total net assets	<u>\$ 113,602,152</u>

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2002

Operating revenues	
Tuition and fees	\$ 11,456,253
Grants and contracts, noncapital	
Federal	2,789,198
State	14,479,316
Local	5,686,033
Auxiliary enterprises	13,722,144
Total operating revenues	<u>48,132,944</u>
Operating expenses	
Academic salaries	66,947,457
Classified salaries	36,380,449
Employee benefits	23,405,070
Books and supplies	5,865,454
Contract services and operating expenses	33,449,010
Utilities	4,493,060
Depreciation	8,239,733
Total operating expenses	<u>178,780,233</u>
Operating loss	<u>(130,647,289)</u>
Nonoperating revenues (expenses)	
State apportionments, noncapital	54,843,202
Local property taxes	60,976,927
State taxes and other revenue	8,306,779
Investment income	2,342,238
Interest expense	(406,546)
Other non-operating expenses	(120,012)
Other non-operating revenues	675,341
Total nonoperating revenues, net	<u>126,617,929</u>
Loss before other revenues, expenses, gains, or losses	<u>(4,029,360)</u>
State apportionments, capital	<u>9,687,450</u>
Increase in net assets	5,658,090
Net assets	
Beginning of year	<u>107,944,062</u>
End of year	<u>\$ 113,602,152</u>

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Statement of Cash Flows
For the Year Ended June 30, 2002

Cash flows from operating activities	
Tuition and fees	\$ 12,208,289
Federal grants and contracts	2,812,057
State grants and contracts	13,196,152
Local grants and contracts	5,783,466
Payments to suppliers	(42,491,320)
Payment to/on behalf of employees	(122,450,345)
Auxiliary enterprise sales and charges	13,872,008
Other receipts (payments)	(466,172)
Net cash used in operating activities	<u>(117,535,865)</u>
Cash flows from non-capital financing activities	
State apportionments and receipts	62,085,694
Property taxes	58,138,854
Student organization disbursements	(682,575)
Principal paid on non-capital debt	(29,418,410)
Borrowings on non-capital debt	12,690,000
Interest paid on non-capital debt	(512,452)
Other receipts (payments)	1,239,102
Net cash provided by non-capital financing activities	<u>103,540,213</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	1,351,496
State apportionments for capital purposes	8,638,376
Purchases of capital assets	(12,264,940)
Principal paid on capital debt	(40,000)
Interest paid on capital debt	(85,355)
Net cash used by capital and related financing activities	<u>(2,400,423)</u>
Cash flows from investing activities	
Purchase of investments, net	(18,775,926)
Interest on investments	3,461,983
Net cash used in investing activities	<u>(15,313,943)</u>
Net decrease in cash and cash equivalents	(31,710,018)
Cash and cash equivalents	
Beginning of year	<u>48,378,844</u>
End of year	<u>\$ 16,668,826</u>
	(continued)

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Statement of Cash Flows
For the Year Ended June 30, 2002

Cash flows from operating activities	
Operating loss	\$ (130,647,289)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	8,239,733
Changes in assets and liabilities	
Accounts receivable	142,980
Inventories	(112,630)
Prepaid expenses	(464,957)
Other assets	(1,125)
Accounts payable	2,527,197
Accrued liabilities	3,525,338
Deferred tuition and fees	443,757
Deferred grants and contracts	(1,149,629)
Other deferred revenue	(17,090)
Claims payable	(22,150)
Net cash used in operating activities	<u>\$ (117,535,865)</u>

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Statement of Fiduciary Net Assets
June 30, 2002

ASSETS

Current assets	
Cash and cash equivalents	\$ 289,619
Investments	348,538
Accounts receivable	492,842
Other receivable	<u>35,586</u>
 Total assets	 <u>1,166,585</u>

LIABILITIES

Current liabilities	
Accounts payable	273,239
Other deferred revenue	<u>2,274</u>
 Total liabilities	 <u>275,513</u>

NET ASSETS

Net assets	
Held in trust for student organizations and student financial assistance purposes	<u>\$ 891,072</u>

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2002

Additions	
Federal grants and contracts	\$ 6,971,501
State grants and contracts	579,374
Local grants and contracts	531,842
Tuitions and fees	194,810
Investment income	24,669
Other income	14,736
Total additions	<u>8,316,932</u>
Deductions	
Benefits provided to students and student organizations	7,606,007
Administrative expenses	<u>729,542</u>
Total deductions	<u>8,335,549</u>
Change in net assets	(18,617)
Net assets	
Beginning of year	<u>909,689</u>
End of year	<u><u>\$ 891,072</u></u>

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

1. Significant Accounting Policies

A. Accounting Policies

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, followed by Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The District has implemented the changes required by these statements in the current year, as required. The change in financial statement presentation provides a comprehensive look at the total government and requires the following changes:

- A Management Discussion and Analysis ("MD&A") section providing an analysis of the District's overall financial position and results of operations.
- The District has adopted the business-type activities reporting model which requires only the enterprise fund financial statements as the government-wide financial statements. The financial statements are reported on a full accrual, total economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets net of related debt, restricted, and unrestricted. Fund financial statements are presented for the District's fiduciary funds.

The District has not elected to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued after November 30, 1989.

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 which are controlled by the District are included as part of the reporting entity. Also included in the reporting entity is 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.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

1. Significant Accounting Policies (continued)

B. Reporting Entity (continued)

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

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

Accountability:

1. The majority of the 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 Financing Corporation.
3. The Financing Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - * The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Financing Corporation.

Financial Presentation:

For financial presentation purposes, the Financing Corporation's financial activity has been blended with the financial data of the District.

C. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. 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.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

1. Significant Accounting Policies (continued)

C. Budgets and Budgetary Accounting (continued)

These budgets are revised by the District's governing board and Chancellor during the year to give consideration to unanticipated income and expenditures.

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.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District's basic financial statements are reported using the total economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

E. Property Taxes

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. Property taxes are recognized as revenues in the years for which they are levied.

F. Cash and Cash Equivalents

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

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.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

1. Significant Accounting Policies (continued)

H. Inventories

Inventories are recorded at cost and consist primarily of expendable supplies held for consumption, cafeteria food, textbooks, and educational supplies. The cafeteria fund uses the first-in, first-out method and the bookstore uses the retail method. The cost is recorded as expense as the inventory is consumed.

I. Property, Plant, and Equipment

Property, plant, and equipment are defined by the District as assets with an initial unit cost of \$1,000 (except for land and construction in process, the threshold for which is \$25,000) or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated property, plant, and equipment are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight-line method over the estimated useful lives of the assets (3 to 50 years).

J. Deferred Tuition and Fee Revenue

Tuition and fee revenues received and related to the period after June 30, 2002, have been deferred.

K. Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Family Education Loans, and PLUS loans. Federal Programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133 Audit of States, Local Governments, and Non-Profit Organizations, and the Compliance Supplement.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

1. Significant Accounting Policies (continued)

M. Compensated Absences

The District records a liability for employees' compensated absences. Employees are allowed to carry over a limited number of vacation days and load banking from year to year. At June 30, 2002, the liability was \$5,516,363.

N. 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.

O. 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, expenses, and changes in net assets.

2. Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments at June 30, 2002 consisted of the following:

Pooled Funds	
Cash in County Treasury	\$ 5,016,618
Local Agency Investment Fund	8,735,564
Deposits	
Cash on hand and in banks	2,761,374
Revolving fund	<u>155,270</u>
Total cash and cash equivalents	<u>\$16,668,826</u>
Investments	
Municipal bonds	\$ 2,068,910
Corporate notes	2,136,146
U.S. Treasury bonds	5,834,536
U.S. government agencies' securities	<u>8,736,334</u>
Total investments	<u>\$18,775,926</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

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. 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 ("LAIF") 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. Interest earned is deposited quarterly into participating funds. Any investment losses are shared proportionately by all funds in the pool. The District's investments with LAIF at June 30, 2002, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

As of June 30, 2002, the District had \$8,735,564 invested in LAIF, which had invested 3.086% of the pool investment funds in Structured Notes and Asset-Backed Securities.

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:

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

2. Cash and Cash Equivalents and Investments (continued)

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, 2002, the District's investments, with a fair value of \$18,775,926, consist of municipal bonds, corporate notes, U.S Treasury Bonds, and securities of U.S. government agencies. Deposits, and specifically identifiable investments, are classified as to credit risk by three categories and summarized below as follows:

- Category 1 - includes securities that are insured or registered or which are held by the District, or by its agent in the District's name, and deposits insured or collateralized with securities held by the District;
- Category 2 - includes uninsured and unregistered securities which 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 securities 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 all considered to be Category 2 investments.

3. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2002:

Student tuition and fees	\$ 621,150
Auxiliary enterprises and other operating activities	529,141
Federal, state, and local	21,311,895
Other	<u>208,006</u>
	22,670,192
Less allowance for doubtful accounts	<u>(306,543)</u>
Net accounts receivable	<u>\$22,363,649</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

4. Capital Assets

Property, plant, and equipment consisted of the following at June 30:

	Balance <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>2002</u>
Land	\$ 1,696,574	\$ -	\$ -	\$ 1,696,574
Improvements	13,772,281	153,578	-	13,925,859
Buildings	95,340,679	1,828,981	-	97,169,660
Construction in progress	-	9,971,310	-	9,971,310
Equipment	<u>30,662,448</u>	<u>311,149</u>	-	<u>30,973,597</u>
	141,471,982	12,265,018	-	153,737,000
Less accumulated depreciation	<u>(64,609,407)</u>	<u>(8,239,811)</u>	-	<u>(72,849,218)</u>
Property, plant, and equipment, net	<u>\$76,862,575</u>	<u>\$4,025,207</u>	<u>\$ -</u>	<u>\$80,887,782</u>

Depreciation expense was \$8,239,733 for the year ended June 30, 2002.

5. Deferred Revenue

Deferred revenue consisted primarily of enrollment and other fees collected for the 2002-03 fiscal year, and categorical monies received during the 2001-02 fiscal year, and unspent at June 30, 2002. At June 30, 2002, the deferred revenue balance amounted to \$9,522,227.

6. Capitalized Lease Obligations

The District leases equipment under various capital leases. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2003	\$292,341
2004	166,392
2005	91,660
2006	91,660
2007	79,400
2008 - 2009	<u>158,800</u>
Total	880,253
Less amounts representing interest	<u>(125,653)</u>
Net minimum lease payments	754,600
Less current portion	<u>(254,495)</u>
Long term portion	<u>\$500,105</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

7. Operating Leases

The District leases certain facilities and land with lease terms in excess of one year. The annual lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2003	\$1,035,160
2004	\$1,088,051
2005	\$1,135,977
2006	\$ 396,560
2007	\$ 436,729
2008 - 2012	\$2,032,296

Total rental expense in fiscal year 2001-02 under operating leases was \$709,158.

8. 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 6.00% maturing through 2021. The COPs proceeds were used to fund various construction projects. At June 30, 2002, \$1,395,000 remained outstanding on these Certificates of Participation.

The annual debt service requirements for the Certificates of Participation, as of June 30, 2002 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2007	50,000	72,900	122,900
2008-2012	310,000	314,400	624,400
2013-2017	425,000	208,500	633,500
2018-2021	430,000	66,000	496,000
	<u>\$1,395,000</u>	<u>\$ 980,168</u>	<u>\$2,375,168</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

9. 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, 2002 totaled 615. Such payments for these retired employees totaled \$3,293,981 for the fiscal year ended June 30, 2002 and were recorded as expenses.

The District partially 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. Investments set aside for funding purposes were \$22,822,554 at June 30, 2002.

10. 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 basic financial statements.

11. 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, 2001:

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

11. Joint Powers Authorities (continued)

Total assets	\$3,582,517
Total liabilities	\$2,566,503
Total retained earnings	\$1,016,014
Total revenues	\$2,318,980
Total expenses	\$2,104,175

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, 2001, is as follows:

Total assets	\$52,241,761
Total liabilities	\$31,491,367
Total retained earnings	\$20,750,394
Total revenues	\$12,816,693
Total expenses	\$19,469,319

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, 2001:

Total assets	\$17,687,131
Total liabilities	\$16,178,001
Total fund equity	\$ 1,509,130
Total revenues	\$41,692,747
Total expenses	\$40,456,950

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 Basic Financial Statements
For the Year Ended June 30, 2002

12. 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 2001-02. 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, 2002, 2001 and 2000 were \$0, \$0, and \$0, respectively, and equaled 100% of the required contributions for each year.

STRS

Plan Description

The District contributes to the State Teachers' Retirement System ("STRS"), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS 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.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2002

12. Employee Retirement Plans (continued)

STRS (continued)

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2001-02 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, 2002, 2001 and 2000 were \$3,659,425, \$3,471,789 and \$3,418,043, 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 2001-02 was 4% of annual payroll. Contributions for the 2001-02 year were \$312,669.

13. Net Asset Designation

The District has designated \$23,053,233 of its unrestricted net assets toward retiree health benefits for its employees.

14. Subsequent Events

On July 1, 2002, the District issued \$14,695,000 of Tax and Revenue Anticipation Notes (TRANs) maturing on June 30, 2003 and July 31, 2003, with interest at 3.00%, to provide for anticipated cash flow deficits from operations. The TRANs are a general obligation of the District, and are payable from cash receipts to be generated by the District during the year ending June 30, 2003. The revenues from the TRANs are deposited with the Contra Costa County Treasurer in a special trust fund established by the County.

In March 2002, voters in the District passed Measure A providing for \$120 million in construction bond financing. On July 1, 2002, the District issued the first series of Measure A General Obligation Bonds totaling \$50 million, maturing between August 1, 2003 and August 1, 2026, with an average effective interest rate of 4.91%.

SUPPLEMENTARY INFORMATION
FUND FINANCIALS
JUNE 30, 2002

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Balance Sheet - All Funds
June 30, 2002

	Current Funds		Plant Funds	Total District (Memorandum Only)	Auxiliary Organizations	Total Reporting Entity (Memorandum Only)
	Unrestricted	Restricted				
ASSETS						
Cash and cash equivalents	\$ 24,243,925	\$ 3,209,535	\$ 133,204	\$ 27,586,664	\$ 84,300	\$ 27,670,964
Investments	18,775,926	348,538	-	19,124,464	-	19,124,464
Accounts receivable	6,195,239	7,671,272	8,460,839	22,327,350	529,141	22,856,491
Taxes receivable	3,732,077	-	-	3,732,077	-	3,732,077
Interest receivable	531,522	5,017	90	536,629	-	536,629
Due from (to) other funds	200,384	(829,345)	643,145	14,184	(14,184)	-
Inventories	-	-	-	-	1,678,379	1,678,379
Prepaid items	1,711,623	-	-	1,711,623	-	1,711,623
Other assets	1,215	-	83,172	84,387	-	84,387
Capital assets, net	-	-	-	-	1,625,856	1,625,856
Total assets	\$ 55,391,911	\$ 10,405,017	\$ 9,320,450	\$ 75,117,378	\$ 3,903,492	\$ 79,020,870
LIABILITIES AND FUND EQUITY						
Liabilities						
Deposits payable	\$ -	\$ 454,111	\$ 7,249,211	\$ 7,703,322	\$ 2,993,364	\$ 10,696,686
Accounts payable	3,411,213	3,339,950	1,364,233	8,115,396	367,638	8,483,034
Accrued liabilities	7,259,591	30,463	-	7,290,054	59,770	7,349,824
Deferred tuition and fees revenue	4,208,840	-	-	4,208,840	-	4,208,840
Deferred grants and contracts	-	5,221,788	-	5,221,788	-	5,221,788
Other deferred revenue	91,599	2,274	-	93,873	-	93,873
Claims payable	-	-	-	-	84,300	84,300
Total liabilities	14,971,243	9,048,586	8,613,444	32,633,273	3,505,072	36,138,345
Fund balances and net assets						
Fund balances						
Restricted	1,711,623	1,356,431	707,006	3,775,060	-	3,775,060
Unrestricted	38,709,045	-	-	38,709,045	-	38,709,045
Total fund balances	40,420,668	1,356,431	707,006	42,484,105	-	42,484,105
Net assets						
Investment in capital assets	-	-	-	-	1,625,856	1,625,856
Unrestricted	-	-	-	-	(1,227,436)	(1,227,436)
Total net assets	-	-	-	-	398,420	398,420
Total fund balances and net assets	40,420,668	1,356,431	707,006	42,484,105	398,420	42,882,525
Total liabilities and fund equity	\$ 55,391,911	\$ 10,405,017	\$ 9,320,450	\$ 75,117,378	\$ 3,903,492	\$ 79,020,870

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Statement of Changes in Fund Balances and Net Assets - All Funds
For the Year Ended June 30, 2002

	Current Funds		Plant Funds	Total District (Memorandum Only)	Auxiliary Organizations	Total Reporting Entity (Memorandum Only)
	Unrestricted	Restricted				
Revenues						
Local property taxes	\$ 60,764,055	\$ -	\$ 212,872	\$ 60,976,927	\$ -	\$ 60,976,927
State taxes and other revenue	5,174,792	3,131,987	-	8,306,779	-	8,306,779
State apportionments	54,518,646	324,556	9,687,450	64,530,652	-	64,530,652
Federal grants and contracts	14,205	9,746,494	-	9,760,699	-	9,760,699
State grants and contracts	18,733	15,039,957	-	15,058,690	-	15,058,690
Local grants and contracts	4,240,047	1,797,228	125,355	6,162,630	55,245	6,217,875
Tuitions and fees	10,562,613	1,300,250	-	11,862,863	(211,800)	11,651,063
Sales and services of education departments	135,803	-	-	135,803	-	135,803
Auxiliary enterprises	-	-	-	-	14,957,556	14,957,556
Investment income	2,343,919	24,524	(1,536)	2,366,907	-	2,366,907
Bond proceeds	-	-	350,000	350,000	-	350,000
Private gifts, grants, and contracts	169,610	-	19,928	189,538	-	189,538
Other financing sources	-	-	-	-	-	-
Total revenues	137,942,423	31,364,996	10,394,069	179,701,488	14,801,001	194,502,489
Expenditures						
Academic salaries	63,578,730	3,368,727	-	66,947,457	-	66,947,457
Classified salaries	28,651,697	4,284,891	-	32,936,588	3,495,808	36,432,396
Employee benefits	20,561,239	1,059,411	-	21,620,650	673,819	22,294,469
Books and supplies	4,351,762	1,530,818	-	5,882,580	171,109	6,053,689
Contract services and operating expenditures	8,862,810	6,491,841	-	15,354,651	9,999,985	25,354,636
Financial aid	3,117	9,084,739	-	9,087,856	-	9,087,856
Retirement of indebtedness	617,111	-	125,356	742,467	30,135	772,602
Expended for plant facilities	4,287,825	2,685,790	13,284,262	20,257,877	118,000	20,375,877
Utilities	3,603,707	840,404	-	4,444,111	49,729	4,493,840
Depreciation	-	-	-	-	538,954	538,954
Other	106,939	140,073	-	247,012	-	247,012
Total expenditures	134,624,937	29,486,694	13,409,618	177,521,249	15,077,539	192,598,788
Mandatory transfers	(1,971,422)	471,422	1,500,000	-	-	-
Non-mandatory transfers	(75,311)	(1,928,717)	2,124,288	120,260	(120,260)	-
Total transfers among funds	(2,046,733)	(1,457,295)	3,624,288	120,260	(120,260)	-
Net increase (decrease) in fund balance	1,270,753	421,007	608,739	2,300,499	(396,798)	1,903,701
Fund balance						
Beginning of year	39,149,915	935,424	98,267	40,183,606	795,218	40,978,824
End of year	\$ 40,420,668	\$ 1,356,431	\$ 707,006	\$ 42,484,105	\$ 398,420	\$ 42,882,525

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Combining Balance Sheet

Current Funds - Unrestricted

June 30, 2002

	General Fund Unrestricted	General Fund Unrestricted - TRANS	Accrued Compensated Absences	Post-Retirement Health Benefits	Total Current Unrestricted Funds
ASSETS					
Cash and cash equivalents	\$ 15,746,982	\$ 38,119	\$ 4,412,196	\$ 4,046,628	\$ 24,243,925
Investments	-	-	-	18,775,926	18,775,926
Accounts receivable	6,195,239	-	-	-	6,195,239
Taxes receivable	3,732,077	-	-	-	3,732,077
Interest receivable	135,044	174,544	-	221,934	531,522
Due from (to) other funds	(729,777)	(210,473)	1,131,889	8,745	200,384
Prepaid items	1,711,623	-	-	-	1,711,623
Other assets	1,215	-	-	-	1,215
Total assets	\$ 26,792,403	\$ 2,190	\$ 5,544,085	\$ 23,053,233	\$ 55,391,911

LIABILITIES AND FUND BALANCES

Liabilities					
Accounts payable	\$ 3,410,938	-	-	\$ 275	\$ 3,411,213
Accrued liabilities	7,259,591	-	-	-	7,259,591
Deferred tuition and fees revenue	4,208,840	-	-	-	4,208,840
Other deferred revenue	91,599	-	-	-	91,599
Total liabilities	14,970,968	-	-	275	14,971,243
Fund balances (deficits)					
Fund balances					
Restricted	1,711,623	-	-	-	1,711,623
Unrestricted	10,109,812	2,190	5,544,085	23,052,958	38,709,045
Total fund balance	11,821,435	2,190	5,544,085	23,052,958	40,420,668
Total liabilities and fund balances	\$ 26,792,403	\$ 2,190	\$ 5,544,085	\$ 23,053,233	\$ 55,391,911

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Combining Statement of Changes in Fund Balance
 Current Funds - Unrestricted
 For the Year Ended June 30, 2002

	General Fund Unrestricted	General Fund Unrestricted - TRANS	Accrued Compensated Absences	Post-Retirement Health Benefits	Total Current Unrestricted Funds
Revenues					
Local property taxes	\$ 60,764,055	\$ -	\$ -	\$ -	\$ 60,764,055
State taxes and other revenue	5,174,792	-	-	-	5,174,792
State apportionments	54,518,646	-	-	-	54,518,646
Federal grants and contracts	14,205	-	-	-	14,205
State grants and contracts	18,733	-	-	-	18,733
Local grants and contracts	3,479,819	-	-	760,228	4,240,047
Tuitions and fees	10,562,613	-	-	-	10,562,613
Sales and services of educational departments	135,803	-	-	-	135,803
Investment income	327,209	781,971	-	1,234,739	2,343,919
Private gifts, grants, and contracts	169,610	-	-	-	169,610
Total revenues	<u>135,165,485</u>	<u>781,971</u>	<u>-</u>	<u>1,994,967</u>	<u>137,942,423</u>
Expenditures					
Academic salaries	63,578,730	-	-	-	63,578,730
Classified salaries	28,651,697	-	-	-	28,651,697
Employee benefits	20,561,239	-	-	-	20,561,239
Books and supplies	4,351,762	-	-	-	4,351,762
Contract services and operating expenditures	8,824,525	33,664	-	4,621	8,862,810
Financial aid	3,117	-	-	-	3,117
Retirement of indebtedness	104,659	512,452	-	-	617,111
Expended for plant facilities	4,287,825	-	-	-	4,287,825
Utilities	3,603,707	-	-	-	3,603,707
Other	106,939	-	-	-	106,939
Total expenditures	<u>134,074,200</u>	<u>546,116</u>	<u>-</u>	<u>4,621</u>	<u>134,624,937</u>
Mandatory transfers	(1,971,422)	-	-	-	(1,971,422)
Non-mandatory transfers	(973,535)	(233,665)	1,131,889	-	(75,311)
Total transfers among funds	<u>(2,944,957)</u>	<u>(233,665)</u>	<u>1,131,889</u>	<u>-</u>	<u>(2,046,733)</u>
Revenues over (under) expenditures	<u>(1,853,672)</u>	<u>2,190</u>	<u>1,131,889</u>	<u>1,990,346</u>	<u>1,270,753</u>
Fund balance					
Beginning of year	13,675,107	-	4,412,196	21,062,612	39,149,915
End of year	\$ 11,821,435	\$ 2,190	\$ 5,544,085	\$ 23,052,958	\$ 40,420,668

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Budgetary Comparison Schedule
 General Fund - Unrestricted
 June 30, 2002

	GENERAL FUND UNRESTRICTED				GENERAL FUND UNRESTRICTED - TRANS			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Local property taxes	\$ 58,000,645	\$ 61,253,862	\$ 60,764,055	\$ (489,807)	\$ -	\$ -	\$ -	\$ -
State taxes and other revenue	5,112,150	4,852,150	5,174,792	322,642	-	-	-	-
State apportionments	43,466,133	54,749,320	54,518,646	(230,674)	-	-	-	-
Federal grants and contracts	12,765	12,765	14,205	1,440	-	-	-	-
State grants and contracts	8,176,038	18,733	18,733	-	-	-	-	-
Local grants and contracts	3,609,405	2,679,540	3,479,819	800,279	-	-	-	-
Tuition and fees	10,902,973	10,473,351	10,562,613	89,262	-	-	-	-
Sales and services of educational departments	226,585	312,427	135,803	(176,624)	-	-	-	-
Investment income	498,156	498,156	327,209	(170,947)	1,257,601	780,680	781,971	1,291
Private gifts, grants, and contracts	-	338,200	169,610	(168,590)	-	-	-	-
Other financing sources	60	-	-	-	-	-	-	-
Total revenues	130,004,910	135,188,504	135,165,485	(23,019)	1,257,601	780,680	781,971	1,291
Expenditures								
Academic salaries	57,535,405	64,371,229	63,578,730	792,499	-	-	-	-
Classified salaries	24,282,026	29,370,346	28,651,697	718,649	-	-	-	-
Employee benefits	19,300,527	20,652,524	20,561,239	91,285	-	-	-	-
Books and supplies	6,197,083	5,773,618	4,351,762	1,421,856	-	-	-	-
Contract services and operating expenditures	12,689,094	10,865,738	8,824,525	2,041,213	-	34,000	33,664	336
Financial aid	-	531	3,117	(2,586)	-	-	-	-
Retirement of indebtedness	-	-	104,659	(104,659)	951,850	512,500	512,452	48
Expended for plant facilities	2,112,577	5,779,095	4,287,825	1,491,270	-	-	-	-
Utilities	11,374,936	3,408,980	3,603,707	(194,727)	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Other	1,700	210,000	106,939	103,061	-	-	-	-
Total expenditures	133,493,348	140,432,061	134,074,200	6,357,861	951,850	546,500	546,116	384
Mandatory transfers	1,624,522	(2,172,436)	(1,971,422)	201,014	-	-	-	-
Non-mandatory transfers	-	(163,548)	(973,535)	(807,987)	(305,751)	(234,180)	(233,665)	515
Total transfers among funds	1,624,522	(2,337,984)	(2,944,957)	(606,973)	(305,751)	(234,180)	(233,665)	515
Revenues over (under) expenditures	(1,863,916)	(7,581,541)	(1,853,672)	5,727,869	-	-	2,190	2,190
Fund Balance								
Beginning of year	10,619,055	5,852,274	13,675,107	7,822,833	-	-	-	-
End of year	\$ 8,755,139	\$ (1,729,267)	\$ 11,821,435	\$ 13,550,702	\$ -	\$ -	\$ 2,190	\$ 2,190

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Combining Balance Sheet

Current Funds - Restricted

June 30, 2002

	General Fund Restricted	Student Financial Aid	Student Scholarship and Loan	Associated Students	Student Body Center Building and Operating	Total Current Restricted Funds
ASSETS						
Cash and cash equivalents	\$ 2,465,805	\$ -	\$ 190,899	\$ 552,831	\$ -	\$ 3,209,535
Investments	-	-	348,538	-	-	348,538
Accounts receivable	7,178,430	492,842	-	-	-	7,671,272
Interest receivable	-	-	5,017	-	-	5,017
Due from (to) other funds	(859,914)	62,413	(4,444)	67,881	(95,281)	(829,345)
Total assets	\$ 8,784,321	\$ 555,255	\$ 540,010	\$ 620,712	\$ (95,281)	\$ 10,405,017
LIABILITIES AND FUND BALANCES						
Liabilities						
Deposits payable	\$ -	\$ 452,562	\$ -	\$ -	\$ 1,549	\$ 454,111
Accounts payable	3,066,711	101,037	5,224	160,781	6,197	3,339,950
Accrued liabilities	30,463	-	-	-	-	30,463
Deferred grants and contracts	5,221,788	-	-	-	-	5,221,788
Other deferred revenue	-	2,274	-	-	-	2,274
Total liabilities	\$ 8,318,962	\$ 555,873	\$ 5,224	\$ 160,781	\$ 7,746	\$ 9,048,586
Fund balances (deficits)						
Fund balances	465,359	(618)	534,786	459,931	(103,027)	1,356,431
Restricted	-	-	-	-	-	-
Total liabilities and fund balances	\$ 8,784,321	\$ 555,255	\$ 540,010	\$ 620,712	\$ (95,281)	\$ 10,405,017

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Changes in Fund Balance
Current Funds - Restricted
For the Year Ended June 30, 2002

	General Fund Restricted	Student Financial Aid	Student Scholarship and Loan	Associated Students	Student Body Center Building and Operating	Total Restricted Funds
Revenues						
State taxes and other revenue	\$ 3,131,987	\$ -	\$ -	\$ -	\$ -	\$ 3,131,987
State apportionments	324,556	-	-	-	-	324,556
Federal grants and contracts	2,774,993	6,971,501	-	-	-	9,746,494
State grants and contracts	14,460,583	579,374	-	-	-	15,039,957
Local grants and contracts	1,265,386	-	144,570	256,887	130,385	1,797,228
Tuitions and fees	1,105,440	-	-	-	194,810	1,300,250
Investment income (loss)	(145)	-	22,390	5,179	(2,900)	24,524
Total revenues	23,062,800	7,550,875	166,960	262,066	322,295	31,364,996
Expenditures						
Academic salaries	3,368,727	-	-	-	-	3,368,727
Classified salaries	4,232,944	-	-	-	51,947	4,284,891
Employee benefits	1,055,845	-	-	-	3,566	1,059,411
Books and supplies	1,342,583	-	-	182,755	5,480	1,530,818
Contract services and operating expenditures	6,243,326	-	476	26,344	221,695	6,491,841
Financial aid	1,478,732	7,561,072	44,935	184	109,315	9,084,739
Expended for plant facilities	2,576,291	-	-	-	780	2,685,790
Utilities	839,624	-	-	-	-	840,404
Other	13,073	-	127,000	-	-	140,073
Total expenditures	21,151,145	7,561,072	172,411	209,283	392,783	29,486,694
Mandatory transfers	471,422	-	-	-	-	471,422
Non-mandatory transfers	(1,943,453)	5,290	3,500	-	5,946	(1,928,717)
Total transfers among funds	(1,472,031)	5,290	3,500	-	5,946	(1,457,295)
Revenues over (under) expenditures	439,624	(4,907)	(1,951)	52,783	(64,542)	421,007
Fund balance						
Beginning of year	25,735	4,289	536,737	407,148	(38,485)	935,424
End of year	\$ 465,359	\$ (618)	\$ 534,786	\$ 459,931	\$ (103,027)	\$ 1,356,431

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Budgetary Comparison Schedule
 General Fund - Restricted
 June 30, 2002

	GENERAL FUND RESTRICTED				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
Revenues					
State taxes and other revenue	\$ 3,662,558	\$ 3,261,568	\$ 3,131,987	\$	(129,581)
State apportionments	-	326,540	324,556		(1,984)
Federal grants and contracts	1,709,520	4,034,269	2,774,993		(1,259,276)
State grants and contracts	11,462,629	17,630,075	14,460,583		(3,169,492)
Local grants and contracts	-	941,572	1,265,386		323,814
Tuitions and fees	-	1,229,792	1,105,440		(124,352)
Investment income	-	-	(145)		(145)
Total revenues	<u>16,834,707</u>	<u>27,423,816</u>	<u>23,062,800</u>		<u>(4,361,016)</u>
Expenditures					
Academic salaries	1,592,960	3,574,865	3,368,727		206,138
Classified salaries	3,122,976	4,479,132	4,232,944		246,188
Employee benefits	690,176	1,275,653	1,055,845		219,808
Books and supplies	532,976	1,409,057	1,342,583		66,474
Contract services and operating expenditures	2,342,982	10,335,598	6,243,326		4,092,272
Financial aid	3,406,344	1,666,619	1,478,732		187,887
Expended for plant facilities	2,930,941	2,736,576	2,576,291		160,285
Utilities	-	678,637	839,624		(160,987)
Other	698,738	-	13,073		(13,073)
Total expenditures	<u>15,318,093</u>	<u>26,156,137</u>	<u>21,151,145</u>		<u>5,004,992</u>
Manadatory transfers	(1,516,614)	450,000	471,422		21,422
Non-mandatory transfers	-	(1,942,797)	(1,943,453)		(656)
Total transfers among funds	<u>(1,516,614)</u>	<u>(1,492,797)</u>	<u>(1,472,031)</u>		<u>20,766</u>
Revenues over (under) expenditures	-	(225,118)	439,624		664,742
Fund balance					
Beginning of year	70,146	-	25,735		25,735
End of year	<u>\$ 70,146</u>	<u>\$ (225,118)</u>	<u>\$ 465,359</u>		<u>\$ 690,477</u>

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Combining Balance Sheet
 Plant Funds
 June 30, 2002

	Unexpended Plant	Retirement of Indebtedness	Total Plant Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 133,204	\$ 133,204
Accounts receivable	8,460,839	-	8,460,839
Interest receivable	-	90	90
Due from (to) other funds	643,145	-	643,145
Other assets	-	83,172	83,172
Total assets	\$ 9,103,984	\$ 216,466	\$ 9,320,450
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Deposits payable	\$ 7,249,211	\$ -	\$ 7,249,211
Accounts payable	1,364,233	-	1,364,233
Total liabilities	8,613,444	-	8,613,444
Fund balances			
Restricted	490,540	216,466	707,006
Total fund balance (deficit)	490,540	216,466	707,006
Total liabilities and fund balances	\$ 9,103,984	\$ 216,466	\$ 9,320,450

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Combining Statement of Changes in Fund Balance
Plant Funds
For the Year Ended June 30, 2002

	Unexpended Plant	Retirement of Indebtedness	Total Plant Funds
Revenues			
Local property taxes	\$ 212,872	\$ -	\$ 212,872
State apportionments	9,687,450	-	9,687,450
Local grants and contracts	-	125,355	125,355
Investment income	(1,745)	209	(1,536)
Bond proceeds	350,000	-	350,000
Private gifts, grants, and contracts	19,928	-	19,928
Total revenues	<u>10,268,505</u>	<u>125,564</u>	<u>10,394,069</u>
Expenditures			
Retirement of indebtedness	-	125,356	125,356
Expended for plant facilities	13,284,262	-	13,284,262
Total expenditures	<u>13,284,262</u>	<u>125,356</u>	<u>13,409,618</u>
Mandatory transfers	1,500,000	-	1,500,000
Non-mandatory transfers	2,130,234	(5,946)	2,124,288
Total transfers among funds	<u>3,630,234</u>	<u>(5,946)</u>	<u>3,624,288</u>
Revenue over (under) expenditures	<u>614,477</u>	<u>(5,738)</u>	<u>608,739</u>
Fund balance (deficit)			
Beginning of year	<u>(123,937)</u>	<u>222,204</u>	<u>98,267</u>
End of year	<u>\$ 490,540</u>	<u>\$ 216,466</u>	<u>\$ 707,006</u>

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Combining Balance Sheet
 Auxiliary Organizations
 June 30, 2002

	Bookstore	Cafeteria	Information Technology	Self- Insurance	Total Auxiliary Funds
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 84,300	\$ 84,300
Accounts receivable	523,547	-	5,594	-	529,141
Due from (to) other funds	(58,609)	(20,744)	65,169	-	(14,184)
Inventory	1,670,288	8,091	-	-	1,678,379
Capital assets, net	32,896	9,818	1,583,142	-	1,625,856
Total assets	\$ 2,168,122	\$ (2,835)	\$ 1,653,905	\$ 84,300	\$ 3,903,492

ASSETS

LIABILITIES AND NET ASSETS

Liabilities					
Deposits payable	\$ 1,049,564	\$ 20,135	\$ 1,923,665	\$ -	\$ 2,993,364
Accounts payable	307,350	32,222	28,066	-	367,638
Accrued liabilities	51,012	8,758	-	-	59,770
Claims payable	-	-	-	84,300	84,300
Total liabilities	1,407,926	61,115	1,951,731	84,300	3,505,072
Net assets (deficits)					
Investment in capital assets	32,896	9,818	1,583,142	-	1,625,856
Net assets (deficit)	727,300	(73,768)	(1,880,968)	-	(1,227,436)
Unrestricted	760,196	(63,950)	(297,826)	-	398,420
Total net assets (deficits)	1,487,496	(137,682)	(1,094,652)	(1,227,436)	(1,227,436)
Total liabilities and net assets	\$ 2,168,122	\$ (2,835)	\$ 1,653,905	\$ 84,300	\$ 3,903,492

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Combining Statement of Changes in Net Assets

Auxiliary Organizations

For the Year Ended June 30, 2002

	Bookstore	Cafeteria	Information Technology	Total Auxiliary Funds
Revenues				
Local grants and contracts	\$ -	\$ 55,245	\$ -	\$ 55,245
Tuitions and fees	(211,800)	-	-	(211,800)
Auxiliary enterprises	11,627,049	1,199,750	2,130,757	14,957,556
Total revenues	<u>11,415,249</u>	<u>1,254,995</u>	<u>2,130,757</u>	<u>14,801,001</u>
Expenditures				
Classified salaries	1,670,527	462,842	1,362,439	3,495,808
Employee benefits	328,235	87,898	257,686	673,819
Books and supplies	67,436	32,666	71,007	171,109
Contract services and operating expenditures	8,697,538	719,354	583,093	9,999,985
Retirement of indebtedness	-	-	30,135	30,135
Expended for plant facilities	4,093	24,246	89,661	118,000
Utilities	23,965	2,608	23,156	49,729
Depreciation	35,679	4,250	499,025	538,954
Total expenditures	<u>10,827,473</u>	<u>1,333,864</u>	<u>2,916,202</u>	<u>15,077,539</u>
Non-mandatory transfers	(207,220)	1,300	85,660	(120,260)
Revenues over (under) expenditures	<u>380,556</u>	<u>(77,569)</u>	<u>(699,785)</u>	<u>(396,798)</u>
Net assets (deficit)				
Beginning of year	379,640	13,619	401,959	795,218
End of year	<u>\$ 760,196</u>	<u>\$ (63,950)</u>	<u>\$ (297,826)</u>	<u>\$ 398,420</u>

See Notes to Fund Financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Fund Financials
June 30, 2002

1. Basis of Presentation

The fund financials are presented for additional information only and are not required for special purpose governments engaged only in business-type activities. The fund financials are presented for analysis purposes and are not a presentation of the District's financial position or changes in its financial position in accordance with accounting principles generally accepted in the United States of America.

**SUPPLEMENTARY INFORMATION
FEDERAL AND STATE REQUIRED
JUNE 30, 2002**

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identification Number</u>	<u>Federal Expenditures</u>
U.S. Department of Defense			
Basic Scientific Research	12.431		\$ 417,827
<i>Total U.S. Department of Defense</i>			<u>417,827</u>
National Science Foundation			
Education and Human Resources	47.076		114,375
<i>Total National Science Foundation</i>			<u>114,375</u>
U.S. Department of Energy			
School to Work Program	81.999999999		121,935
<i>Total U.S. Department of Energy</i>			<u>121,935</u>
U.S. Department of Education			
<i>Student Financial Aid Cluster</i>			
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007		374,365
Federal Family Education Loans (FFEL)	84.032		144,487
Federal College Work-Study Program (FWS)	84.033		324,009
Federal Pell Grant Program (PELL)	84.063		6,457,170
<i>Total Student Financial Aid Cluster</i>			<u>7,300,031</u>
Adult Education - State Grant Program	84.002		171,263
Higher Education-Institutional Aid	84.031		515,009
TRIO - Talent Search	84.044		253,236
Undergraduate International Studies and Foreign Language Programs	84.116		84,121
Minority Science and Engineering Improvements	84.120		167,707
Tech-Prep Education	84.243		184,716
<i>Subtotal Direct Programs</i>			<u>8,798,018</u>
Pass-Through Programs From			
Pass through California Department of Education			
Vocational Education-Basic Grants to States	84.048	99-C01-012	520,580
<i>Total U.S. Department of Education</i>			<u>9,318,598</u>
U.S. Department of Health and Human Services			
Pass-Through Programs From			
California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	n/a	162,281
Foster Care Education	93.600	n/a	310,542
<i>Subtotal Direct Programs</i>			<u>472,823</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>472,823</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 10,323,623</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

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 basic financial statements.

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

Total District PELL expenditures for the year ended June 30, 2002 were \$6,457,170. Of that amount, \$6,452,650 had been reimbursed by the United States Department of Education. Therefore, the amount of unreimbursed PELL expenditures for the year ended June 30, 2002 was \$4,520.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Schedule of State Financial Assistance
 For the Year Ended June 30, 2002

PROGRAM NAME	PROGRAM ENTITLEMENTS			PROGRAM REVENUES			PROGRAM EXPENDITURES	
	Current Year	Prior Year Carryover	Total	Cash Received	Accounts Receivable	Deferred Revenue	Total	Total
AB602 Board Fin Aid Staffing	\$ 124,524	\$ 2,170	\$ 126,694	\$ 119,745	\$ 33,974	\$ -	\$ 153,719	\$ 119,745
AND Enrollment	59,701	-	59,701	-	-	-	3,007	3,007
Basic Skills ESL	28,650	3,510	32,160	22,260	4,786	-	27,047	27,047
CAIWORKS	1,293,833	1,438,524	2,732,357	1,476,342	-	484,116	992,226	992,226
CAN/Assist - OCC	5,000	-	5,000	5,000	-	-	872	4,128
CAN/Assist - DVC	5,000	-	5,000	5,000	-	-	4,975	4,975
CAN/Assist - LMC	5,000	-	5,000	5,000	-	-	5,000	5,000
CARE	412,671	9,938	422,609	406,876	-	631	406,246	406,246
CENTRAM II & Administration	346,436	-	346,436	291,006	48,058	-	339,064	339,064
Certified Software Development Specialist	298,221	70,687	368,908	195,376	-	31,043	164,333	164,333
Cesar Chavez Day Grant & overhead	-	-	-	-	14	-	14	14
Child Dev Trng Consortium - LMC	69,734	729	70,463	728	57,451	-	58,179	58,180
CNET	908,071	633,441	1,541,512	7,001	-	-	7,001	-
College One-Stop	47,000	-	47,000	1,541,512	-	-	835,768	835,768
Community Services Learning	16,667	-	16,667	22,403	24,598	705,744	47,000	47,000
Convergent Technologies	509,492	38,544	548,036	12,500	-	7,166	5,334	5,334
DSPS	1,660,872	215,047	1,875,919	444,532	13,675	-	458,207	458,207
Economic Data Exchange	350,000	47,942	397,942	1,731,670	-	64,777	1,666,893	1,719,840
Environmental Tec State Ldrshp	135,000	1,282	136,282	262,500	258,231	-	520,731	520,731
EOPFS	2,215,139	97,725	2,312,864	114,682	18,557	69,049	133,239	133,239
Faculty and Staff Diversity	30,821	6,915	37,736	2,215,136	19,057	-	2,165,145	2,165,148
Faculty Joint Project	25,000	-	25,000	30,586	-	2,779	27,807	27,807
FFPSE Faculty Support	12,000	-	12,000	18,750	1,091	-	19,841	19,841
FFPSE Faculty Support	6,000	-	6,000	5,183	-	-	6,000	6,000
FFPSE Faculty Support	234,927	-	234,927	72,478	161,790	-	234,268	234,268
FFPSE Parent Training	30,000	-	30,000	29,912	-	-	29,912	29,912
FFPSE Parent Training - OCC	30,000	-	30,000	29,912	-	-	29,912	29,912
FFS Institutionalization	24,900	-	24,900	8,367	-	-	23,307	23,307
Heritage Project - LMC	37,400	-	37,400	14,940	-	-	37,400	37,400
Independent Living - OCC	12,500	-	12,500	23,823	-	-	12,483	12,483
Independent Living - LMC	12,100	-	12,100	2,500	9,983	-	12,100	12,100
Instructional Equipment	863,749	-	863,749	5,014	7,086	-	2,045,614	2,084,349
Job Development Incentive Training	62,103	2,958,690	3,020,793	3,822,439	-	1,776,825	2,045,614	2,084,349
Journal of Public Policy	28,420	204,880	233,300	179,276	34,193	-	198,231	198,231
Library Literacy Project	11,667	-	11,667	21,420	515	-	21,935	21,935
Lottery	11,667	-	11,667	5,811	1,795	-	7,606	7,606
Lottery	11,667	-	11,667	729,678	-	-	729,678	729,678
Marina Center	150,000	-	150,000	150,000	131,656	-	131,656	131,656
Marketing CCC CAIWORKS/TANF	2,371	-	2,371	-	-	-	-	-
Maintenance	1,786,478	56,668	1,843,146	1,790,634	-	70,027	1,720,607	1,720,607
Net Team	298,936	46,473	345,409	187,719	-	46,473	141,246	141,246
PAESMEM	10,000	-	10,000	-	-	-	-	-
PAESMEM	1,964,000	-	1,964,000	-	1,848,494	-	1,848,494	1,848,494
Puente Project	25,000	27,170	52,170	102,217	-	75,047	27,170	27,170
Puente Project / Carryover	25,000	-	25,000	15,000	5,294	-	20,294	20,294
Service Learning & Administration	206,633	51,159	257,792	172,050	35,608	-	172,050	172,050
Staff Development	618,468	-	618,468	618,468	-	35,608	618,468	618,468
State Energy Allocation	1,073,489	-	1,073,489	628,581	488,497	-	1,117,078	1,117,078
State Pre-School Grant (1)	-	-	-	-	-	-	-	-
Student Equity Plan	-	-	-	-	-	-	-	-
Student Success	-	631	631	-	-	-	631	631
Student Success / Olympic	-	-	-	-	-	-	-	-
Supporting Community College Faculty	48,932	-	48,932	-	14,933	-	29,497	29,497
TANF	159,233	8,739	167,972	171,651	362	9,735	162,278	162,281
Teacher & Reading Development Prnsup	350,000	-	350,000	262,500	85,738	-	348,238	348,238
Teacher Path	196,024	-	196,024	117,614	-	91,312	26,302	26,302
Tech Prep / Multimedia	289,081	-	289,081	-	92,219	-	92,219	92,219
Transfer & Articulation	51,387	-	51,387	133,428	23,904	-	23,904	23,904
Workforce Dev Instt Equ/Engineering Tech	-	-	-	-	4,357	-	4,357	4,357
Workforce Dev Instt Equ/Multimedia Upgrade	-	-	-	35,070	15,924	-	50,994	50,994
Total state grants	\$ 17,110,279	\$ 5,441,121	\$ 22,551,400	\$ 17,927,866	\$ 3,497,520	\$ 3,486,465	\$ 17,938,520	\$ 17,989,662

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Reconciliation of Annual Financial and Budget Report
 (Form CCFS-311) with Audited Basic Financial Statements
 For the Year Ended June 30, 2002

	Current Funds Unrestricted	Current Funds Restricted	Plant Funds	Auxiliary Organizations
June 30, 2002 Annual Financial and Budget Report Fund balance per CCFS-311	<u>\$ 40,635,078</u>	<u>\$ 1,334,860</u>	<u>\$ 707,005</u>	<u>\$ 398,925</u>
Adjustments and reclassifications				
Reclassification of capital assets	(192,986)	-	-	-
Reclassification of Federal Work Study District Match	(21,422)	21,422	-	-
Miscellaneous closing entries	<u>(2)</u>	<u>149</u>	<u>1</u>	<u>(505)</u>
Fund balance per audit, June 30, 2002	<u>\$ 40,420,668</u>	<u>\$ 1,356,431</u>	<u>\$ 707,006</u>	<u>\$ 398,420</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Schedule of Workload Measures for State General Apportionment
 Annualized Attendance
 June 30, 2002

	Reported Data	Audit Adjustments	Revised Data
Credit Full-time equivalent student (FTES)			
Weekly census	22,877	-	22,877
Daily census	2,559	-	2,559
Actual hours of attendance	2,037	-	2,037
Independent study work experience	97	-	97
Summer intersession	3,733	-	3,733
Total	<u>31,303</u>	<u>-</u>	<u>31,303</u>
Noncredit FTES			
Actual hours of attendance	528	-	528
Summer intersession	55	-	55
Total	<u>583</u>	<u>-</u>	<u>583</u>
Gross square footage			
Existing facilities	2,284,092	-	2,284,092
New facilities	-	-	-
FTES in leased facilities	<u>312</u>	<u>-</u>	<u>312</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Annual Apprenticeship Hours of Instruction
Annualized Attendance
June 30, 2002

	<u>Reported Annual Hours</u>
Reporting periods	
July 1 - December 31, 2001	1,476
January 1 - April 15, 2002	-
April 16 - June 30, 2002	<u>1,623</u>
Total	<u><u>3,099</u></u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
OTHER INDEPENDENT AUDITORS' REPORTS
JUNE 30, 2002

ARMANINO MCKENNA LLP

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the basic financial statements of the Contra Costa Community College District (the "District") for the fiscal year ended June 30, 2002, and have issued our report thereon dated October 4, 2002.

Our audit was made in accordance with auditing standards generally accepted in the United States of America, and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following state laws and regulations in accordance with Section 400 of the Chancellor's Office's *California Community Colleges Contracted District Audit Manual* (CDAM):

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 activities claimable against state matriculation funds. 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 Disabled 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.

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.

Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, The Contra Costa Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2002.

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

October 4, 2002

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**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 basic financial statements of Contra Costa Community College District (the "District") as of and for the year ended June 30, 2002, and have issued our report thereon dated October 4, 2002. 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 basic 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 basic 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.



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

Board of Trustees
Contra Costa Community College District
Martinez, California

Compliance

We have audited the compliance of Contra Costa Community College District (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. 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, 2002.



Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Armanino McKenna LLP
ARMANINO McKENNA LLP

November 27, 2002

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2002

Summary of Auditors' Results

Type of opinion on financial statements	Unqualified
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

1. U.S. Department of Education - Student Financial Aid Cluster
 Federal Supplemental Educational Opportunity
 Grant Program (SEOG) (CFDA #84.007)
 Federal College Work-Study Program (CFDA #84.033)
 Federal Pell Grant Program (CFDA #84.063)
2. U.S. Department of Defense - Basic Scientific Research (CFDA #12.431)
3. U.S. Department of Education - Vocational Education - Basic Grants to States
 (CFDA #84.048)
4. U.S. Department of Education - Higher Education-Institutional Aid (CFDA #84.031)

Dollar threshold of Type A/Type B programs	\$309,709
Whether the auditee qualifies as low-risk	Yes

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2002

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Findings and Questioned Costs

No matters were reported.

Section IV - Status of Prior Year Audit Findings

No prior year audit findings.

Section V - Corrective Action Plan

There were neither current year findings nor questioned costs (see Section III above).

CONTRA COSTA COMMUNITY COLLEGE DISTRICT
State Compliance Findings and Recommendations
June 30, 2002

Current Year Findings

There were none.

Prior Year Findings

There were none.