

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

1991 SINGLE AUDIT REPORT

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INTRODUCTION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

500 Court Street, Martinez, California 94553
510/229-1000

Governing Board

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

Chancellor

Robert D. Jensen

Contra Costa College
Diablo Valley College
Los Medanos College

December 4, 1991

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

Re: Annual Financial Reports

Dear Board Members:

The comprehensive annual financial report for the fiscal year ending June 30, 1991 is hereby submitted. The audit is in effect the "report card" on the financial records for last year's District activities.

The past year has been another year of strong growth in the student population served by the District's three colleges of Contra Costa, Diablo Valley and Los Medanos. The District exceeded its State funded growth cap of 712 ADA or 3.22% by 892 ADA. While this is a positive sign that the District's three colleges are responding to the education demands of our citizens, the State's funding process left the District with 892 unfunded ADA. If the District had been fully funded for the 892 unfunded ADA over "CAP", we would have been eligible for approximately an additional \$1,844,763 in revenue.

The expenditures within the audited statements of the District contain continued expenditures for the San Ramon Center for Higher Education, the District's site and facility remodeling programs for our three colleges, increases in size of the regular classified and certificated staffs at all locations, increased funding for additional part-time instructors, plus funding for the increased salary and fringe benefit costs per the negotiated agreements between the District and the staff bargaining units. Additionally, the District hired 21 new faculty to meet its AB1725 full time/part time ratio requirements. The District, per the attached audited statement, carries into the new fiscal year a fiscally prudent reserve of about \$7.0 million, which is reflected in the Unrestricted General Fund.

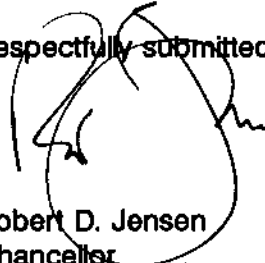
Honorable Board of Trustees
Contra Costa Community College District
December 4, 1991
2

The District's system of internal accounting controls is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use and disposition and to provide reliable records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting controls should not exceed the benefits likely to be derived therefrom and that the evaluation of costs and benefits requires estimates and judgements by management. All internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. Being new, I have specifically asked your external auditors to comment on the "soundness" of our internal accounting controls and as noted on page 39, they found no material weaknesses.

Beginning with the 1991-92 fiscal year, Program Based Funding will become the State's method of revenue allocation to the District. Program Based Funding will not be as financially favorable to our District as the revenue allocation method under SB851. Additionally, the District will no longer receive an infusion of new AB1725 Program Improvement Funds.

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

Respectfully submitted,



Robert D. Jensen
Chancellor



Christopher Leivas
District Business/Facilities Manager

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION JUNE 30, 1991

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

The District Chancellor for fiscal 1991 was John I. Carhart. On July 15, 1991, Dr. Robert D. Jensen became the District Chancellor. The District's Governing Board at June 30, 1991 is as follows:

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

FINANCIAL SECTION

GENERAL PURPOSE FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

The Governing Board,
Contra Costa Community College District:

We have audited the accompanying general purpose financial statements of the Contra Costa Community College District (the District) as of June 30, 1991, and for the year then ended, listed in the financial section of the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on the general purpose financial statements based on our audit.

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

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the District at June 30, 1991 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund financial statements listed in the financial section of the foregoing table of contents and the supplemental combining information on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual (GAAP Basis) - General Fund are presented for purposes of

additional analysis and are not a required part of the general purpose financial statements. Such combining and individual fund financial statements and supplemental combining information is the responsibility of the management of the District. Such combining and individual fund financial statements and supplemental combining information have been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

Deloitte & Touche

October 4, 1991

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1991

	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPE ENTERPRISE</u>	<u>FIDUCIARY FUND TYPE TRUST AND AGENCY</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>			<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM OBLIGATIONS</u>	
<u>ASSETS</u>								
ASSETS:								
Cash and investments in County treasury	\$ 9,536,776	\$2,551,358	\$ 207,995	\$ 606,954	\$1,641,619			\$ 14,544,702
Investments in County treasury			6,195,000					6,195,000
Cash on hand and in banks	75,000	100,000		928,241	1,070,772			2,174,013
Accounts receivable	2,455,299	358,755		169,667	55,781			3,039,502
Interest receivable	56,837	19,697	74,341	6,219	20,480			177,574
Due from member districts					148,386			148,386
Due from other funds	391,467	508,184		121,893	19,662			1,041,206
Inventories	164,383			1,020,635				1,185,018
Prepaid expenses	124,713	23,997						148,710
Property, plant and equipment				550,093		\$126,935,282		127,485,375
Amount available in debt service fund							\$ 6,477,336	6,477,336
Resources to be provided for retirement of general long-term obligations							25,674,454	25,674,454
TOTAL	\$12,804,475	\$3,561,991	\$6,477,336	\$3,403,702	\$2,956,700	\$126,935,282	\$32,151,790	\$188,291,276

(Continued)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1991

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPE TRUST AND AGENCY	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	CAPITAL PROJECTS	OEBT SERVICE			GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Accounts payable	\$ 731,191	\$ 13,856		\$ 146,950	\$ 32,410			\$ 924,407
Accrued salaries and related benefits	3,123,964							3,123,964
Vested compensated absences							\$ 1,059,270	1,059,270
Outstanding claims liability					865,000			865,000
Deposits					241,256			241,256
Due to Bay Area Community College Districts Joint Powers Agency					708,082			708,082
Due to other funds	276,132	3,500		697,849	63,725			1,041,206
Deferred revenue	1,632,500							1,632,500
Bonds payable							133,000	133,000
Capital lease obligations				64,959			328,520	393,479
Postretirement health benefits obligation							30,631,000	30,631,000
Total liabilities	<u>5,763,787</u>	<u>17,356</u>		<u>909,758</u>	<u>1,910,473</u>		<u>32,151,790</u>	<u>40,753,164</u>
FUND EQUITY:								
Investment in general fixed assets						\$126,935,282		126,935,282
Retained earnings				2,493,944				2,493,944
Fund balances:								
Reserved	736,956	3,544,635	\$ 105,146		1,046,227			5,432,964
Unreserved:								
Designated	4,322,296		6,372,190					10,694,486
Undesignated	1,981,436							1,981,436
Total fund equity	<u>7,040,688</u>	<u>3,544,635</u>	<u>6,477,336</u>	<u>2,493,944</u>	<u>1,046,227</u>	<u>126,935,282</u>	<u>-</u>	<u>147,538,112</u>
TOTAL	<u>\$12,804,475</u>	<u>\$3,561,991</u>	<u>\$6,477,336</u>	<u>\$3,403,702</u>	<u>\$2,956,700</u>	<u>\$126,935,282</u>	<u>\$32,151,790</u>	<u>\$188,291,276</u>

(Concluded)

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1991

	GOVERNMENTAL FUND TYPES			FIDUCIARY	TOTAL
	GENERAL	CAPITAL PROJECTS	DEBT SERVICE	FUND TYPE EXPENDABLE TRUST	(MEMORANDUM ONLY)
REVENUES:					
Federal	\$ 1,090,309			\$2,389,699	\$ 3,480,008
State	58,520,054	\$1,314,215			59,834,269
Local	32,064,654	365,448	\$ 414,831	290,258	33,135,191
Total revenues	<u>91,675,017</u>	<u>1,679,663</u>	<u>414,831</u>	<u>2,679,957</u>	<u>96,449,468</u>
EXPENDITURES:					
Current expenditures:					
Certified salaries	40,801,110				40,801,110
Classified salaries	17,324,148			246,513	17,570,661
Employee benefits	11,109,294				11,109,294
Books, supplies, and equipment replacement	3,169,076				3,169,076
Operating expenditures	9,409,202			68,217	9,477,419
Other				38,521	38,521
Capital outlay	3,213,516	4,420,669			7,634,185
Debt service:					
Principal retirement			36,000		36,000
Interest			6,270		6,270
Student financial aid				2,529,606	2,529,606
Total expenditures	<u>85,026,346</u>	<u>4,420,669</u>	<u>42,270</u>	<u>2,882,857</u>	<u>92,372,142</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,648,671</u>	<u>(2,741,006)</u>	<u>372,561</u>	<u>(202,900)</u>	<u>4,077,326</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	171,675	3,114,775	3,054,100	477,721	6,818,271
Operating transfers out	(6,191,982)	(32,100)		(31,528)	(6,255,610)
Proceeds from sales of general fixed assets	28,961				28,961
Total other financing sources (uses)	<u>(5,991,346)</u>	<u>3,082,675</u>	<u>3,054,100</u>	<u>446,193</u>	<u>591,622</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	657,325	341,669	3,426,661	243,293	4,668,948
FUND BALANCES, JULY 1, 1990	<u>6,383,363</u>	<u>3,202,966</u>	<u>3,050,675</u>	<u>802,934</u>	<u>13,439,938</u>
FUND BALANCES, JUNE 30, 1991	<u>\$ 7,040,688</u>	<u>\$3,544,635</u>	<u>\$6,477,336</u>	<u>\$1,046,227</u>	<u>\$18,108,886</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL (GAAP BASIS) -
GENERAL FUND WITH SUPPLEMENTAL COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 1991**

	.....SUPPLEMENTAL COMBINING INFORMATION.....								
	GENERAL FUND - UNRESTRICTED			GENERAL FUND - RESTRICTED			GENERAL FUND - TOTAL		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES:									
Federal sources:									
Veterans Education Act	\$ 1,499	\$ 1,499					\$ 1,499	\$ 1,499	
Higher Education Act									
Vocational Education Act				\$ 922,004	\$ 877,142	\$ (44,862)	922,004	877,142	\$ (44,862)
Other				226,706	211,668	(15,038)	226,706	211,668	(15,038)
Total	<u>1,499</u>	<u>1,499</u>		<u>1,148,710</u>	<u>1,088,810</u>	<u>(59,900)</u>	<u>1,150,209</u>	<u>1,090,309</u>	<u>(59,900)</u>
State sources:									
Principal apportionment	45,951,081	46,160,897	\$ 209,816				45,951,081	46,160,897	209,816
Equalization apportionment	765,446	761,898	(3,548)				765,446	761,898	(3,548)
Handicapped apportionment				649,074	641,501	(7,573)	649,074	641,501	(7,573)
Apprenticeship apportionment	174,798	174,798					174,798	174,798	
Extended Opportunity Program				980,747	973,066	(7,681)	980,747	973,066	(7,681)
Board of Governors Grants	238,709	271,002	32,293				238,709	271,002	32,293
Lottery apportionment	3,091,230	3,091,230					3,091,230	3,091,230	
Tax relief subventions -									
Homeowners' exemptions	617,351	646,137	28,786				617,351	646,137	28,786
Matriculation				1,498,423	1,403,231	(95,192)	1,498,423	1,403,231	(95,192)
Instructional equipment				1,222,036	1,012,571	(209,465)	1,222,036	1,012,571	(209,465)
Program based improvement	2,396,539	2,575,385	178,846				2,396,539	2,575,385	178,846
Other	55,505	55,978	473	890,305	752,360	(137,945)	945,810	808,338	(137,472)
Total	<u>53,290,659</u>	<u>53,737,325</u>	<u>446,666</u>	<u>5,240,585</u>	<u>4,782,729</u>	<u>(457,856)</u>	<u>58,531,244</u>	<u>58,520,054</u>	<u>(11,190)</u>
Local:									
District property taxes	24,414,969	24,224,616	(190,353)				24,414,969	24,224,616	(190,353)
Interest	941,250	929,857	(11,393)				941,250	929,857	(11,393)
Student fees	3,999,672	4,064,618	64,946	1,060,760	1,065,622	4,862	5,060,432	5,130,240	69,808
Other	1,522,044	1,780,918	258,874		(977)	(977)	1,522,044	1,779,941	257,897
Total	<u>30,877,935</u>	<u>31,000,009</u>	<u>122,074</u>	<u>1,060,760</u>	<u>1,064,645</u>	<u>3,885</u>	<u>31,938,695</u>	<u>32,064,654</u>	<u>125,959</u>
TOTAL REVENUES	<u>\$84,170,093</u>	<u>\$84,738,833</u>	<u>\$ 568,740</u>	<u>\$7,450,055</u>	<u>\$6,936,184</u>	<u>\$(513,871)</u>	<u>\$91,620,148</u>	<u>\$91,675,017</u>	<u>\$ 54,869</u>

(Continued)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL (GAAP BASIS) -
GENERAL FUND WITH SUPPLEMENTAL COMBINING INFORMATION
FOR THE YEAR ENDED JUNE 30, 1991**

	.....SUPPLEMENTAL COMBINING INFORMATION.....						GENERAL FUND - TOTAL		
	GENERAL FUND - UNRESTRICTED			GENERAL FUND - RESTRICTED			BUDGET	ACTUAL	OVER (UNDER) BUDGET
	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET			
EXPENDITURES:									
Current expenditures:									
Salaries and benefits:									
Certificated salaries:									
Teaching	\$32,208,012	\$32,234,441	\$ 26,429	\$ 299,436	\$ 271,024	\$(28,412)	\$32,507,448	\$32,505,465	\$ (1,983)
Nonteaching	6,983,272	7,060,518	77,246	1,195,249	1,235,127	39,878	8,178,521	8,295,645	117,124
Total	39,191,284	39,294,959	103,675	1,494,685	1,506,151	11,466	40,685,969	40,801,110	115,141
Classified salaries:									
Noninstructional	12,826,223	13,642,070	815,847	1,944,628	2,014,683	70,055	14,770,851	15,656,753	885,902
Instructional	2,268,609	1,625,273	(643,336)	98,290	42,122	(56,168)	2,366,899	1,667,395	(699,504)
Total	15,094,832	15,267,343	172,511	2,042,918	2,056,805	13,887	17,137,750	17,324,148	186,398
Employee benefits	10,471,344	10,476,116	4,772	638,138	633,178	(4,960)	11,109,482	11,109,294	(188)
Total salaries and benefits	64,757,460	65,038,418	280,958	4,175,741	4,196,134	20,393	68,933,201	69,234,552	301,351
Books, supplies, and equipment replacement	3,020,508	2,794,820	(225,688)	384,052	374,256	(9,797)	3,404,560	3,169,076	(235,484)
Operating expenses	8,757,142	8,489,437	(267,705)	1,084,364	919,765	(164,599)	9,841,506	9,409,202	(432,304)
Capital outlay:									
Buildings	307,827	279,822	(28,005)				307,827	279,822	(28,005)
Books	93,830	88,983	(4,847)	40,710	42,345	1,635	134,540	131,328	(3,212)
Equipment	1,635,017	1,341,277	(293,740)	1,740,809	1,461,089	(279,720)	3,375,826	2,802,366	(573,460)
Total capital outlay	2,036,674	1,710,082	(326,592)	1,781,519	1,503,434	(278,085)	3,818,193	3,213,516	(604,677)
Total expenditures	78,571,784	78,032,757	(539,027)	7,425,676	6,993,589	(432,087)	85,997,460	85,026,346	(971,114)
REVENUES OVER (UNDER) EXPENDITURES	<u>5,598,309</u>	<u>6,706,076</u>	<u>1,107,767</u>	<u>24,379</u>	<u>(57,405)</u>	<u>(81,784)</u>	<u>5,622,688</u>	<u>6,648,671</u>	<u>1,025,983</u>
OTHER FINANCING SOURCES (USES):									
Operating transfers in	94,250	168,348	74,098	3,773	3,327	(446)	98,023	171,675	73,652
Operating transfers out	(5,875,353)	(5,979,049)	103,696	(211,473)	(212,933)	1,460	(6,086,826)	(6,191,982)	105,156
Subfund transfers in (out)	(465,099)	(270,796)	194,303	465,099	270,796	(194,303)			
Proceeds from sales of general fixed assets	22,050	28,961	6,911				22,050	28,961	6,911
Total other financing sources (uses)	<u>(6,224,152)</u>	<u>(6,052,536)</u>	<u>(171,617)</u>	<u>257,399</u>	<u>61,190</u>	<u>196,209</u>	<u>(5,966,753)</u>	<u>(5,991,346)</u>	<u>24,593</u>
CONTINGENCIES	<u>498,784</u>	<u>-</u>	<u>498,784</u>	<u>181,032</u>	<u>-</u>	<u>181,032</u>	<u>679,816</u>	<u>-</u>	<u>679,816</u>
EXPENDITURES AND OTHER USES OVER (UNDER) REVENUES AND OTHER SOURCES	<u>(1,124,627)</u>	<u>653,540</u>	<u>1,778,167</u>	<u>100,746</u>	<u>3,785</u>	<u>(96,961)</u>	<u>(1,023,881)</u>	<u>657,325</u>	<u>1,681,206</u>
FUND BALANCE, JULY 1, 1990	<u>6,451,636</u>	<u>6,375,803</u>	<u>(75,833)</u>	<u>7,560</u>	<u>7,560</u>	<u>-</u>	<u>6,459,196</u>	<u>6,383,363</u>	<u>(75,833)</u>
FUND BALANCE, JUNE 30, 1991	<u>\$ 5,327,009</u>	<u>\$ 7,029,343</u>	<u>\$ 1,702,334</u>	<u>\$ 108,306</u>	<u>\$ 11,345</u>	<u>\$(96,961)</u>	<u>\$(5,435,315)</u>	<u>\$ 7,040,688</u>	<u>\$ 1,605,373</u>

See notes to general purpose financial statements.

(Concluded)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL (GAAP BASIS) -
CAPITAL PROJECTS FUND AND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 1991**

	.....CAPITAL PROJECTS FUND.....			.....DEBT SERVICE FUND.....		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
REVENUES:						
State revenue	\$ 6,505,987	\$1,314,215	\$(5,191,772)			
Local revenue	<u>200,000</u>	<u>365,448</u>	<u>165,448</u>	\$ 391,600	\$ 414,831	\$23,231
Total revenues	<u>6,705,987</u>	<u>1,679,663</u>	<u>(5,026,324)</u>	<u>391,600</u>	<u>414,831</u>	<u>23,231</u>
EXPENDITURES:						
Capital outlay	11,715,440	4,420,669	(7,294,771)			
Debt service:						
Principal retirement				36,000	36,000	
Interest				<u>6,180</u>	<u>6,270</u>	<u>90</u>
Total expenditures	<u>11,715,440</u>	<u>4,420,669</u>	<u>(7,294,771)</u>	<u>42,180</u>	<u>42,270</u>	<u>90</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,009,453)</u>	<u>(2,741,006)</u>	<u>2,268,447</u>	<u>349,420</u>	<u>372,561</u>	<u>23,141</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	2,357,634	3,114,775	757,141	3,054,100	3,054,100	
Operating transfers out	<u>(70,371)</u>	<u>(32,100)</u>	<u>38,271</u>			
Total other financing sources (uses)	<u>2,287,263</u>	<u>3,082,675</u>	<u>795,412</u>	<u>3,054,100</u>	<u>3,054,100</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(2,722,190)</u>	<u>341,669</u>	<u>3,063,859</u>	<u>3,403,520</u>	<u>3,426,661</u>	<u>23,141</u>
FUND BALANCE, JULY 1, 1990	<u>3,202,966</u>	<u>3,202,966</u>	<u>-</u>	<u>3,050,675</u>	<u>3,050,675</u>	<u>-</u>
FUND BALANCES, JUNE 30, 1991	<u>\$ 480,776</u>	<u>\$3,544,635</u>	<u>\$ 3,063,859</u>	<u>\$6,454,195</u>	<u>\$6,477,336</u>	<u>\$23,141</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENSES
AND RETAINED EARNINGS - ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 1991

OPERATING REVENUES:	
Sales	\$7,439,787
Contract services	<u>1,811,233</u>
Total operating revenues	<u>9,251,020</u>
OPERATING EXPENSES:	
Cost of sales	4,886,834
Classified salaries	2,181,834
Employee benefits	417,476
Depreciation expense	254,408
Interest expense	8,717
Other	<u>923,182</u>
Total operating expenses	<u>8,672,451</u>
OPERATING INCOME	<u>578,569</u>
NONOPERATING REVENUES:	
Interest	84,711
Other	<u>10,356</u>
Total nonoperating revenues	<u>95,067</u>
INCOME BEFORE OPERATING TRANSFERS	<u>673,636</u>
OTHER FINANCING SOURCES (USES):	
Operating transfers in	76,615
Operating transfers out	<u>(639,276)</u>
Total other financing uses	<u>(562,661)</u>
NET INCOME	110,975
RETAINED EARNINGS, JULY 1, 1990	<u>2,382,969</u>
RETAINED EARNINGS, JUNE 30, 1991	<u>\$2,493,944</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 1991

OPERATING ACTIVITIES:	
Operating income	\$ 578,569
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	254,408
Other income	10,356
(Increase) decrease in assets:	
Receivables	108,806
Inventories	(198,878)
Due from other funds	(121,893)
Increase in liabilities:	
Due to other funds	74,918
Accounts payable and accrued liabilities	3,193
Net cash provided by operating activities	<u>709,479</u>
NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers in	76,615
Operating transfers out	(639,276)
Net cash used for noncapital financing activities	<u>(562,661)</u>
CAPITAL FINANCING ACTIVITIES - Payment of	
capital lease obligations	<u>(17,662)</u>
INVESTING ACTIVITIES:	
Purchase of equipment	(78,390)
Interest income	84,711
Net cash provided by investing activities	<u>6,321</u>
NET INCREASE IN CASH AND EQUIVALENTS	135,477
CASH AND EQUIVALENTS, JULY 1, 1990	<u>1,399,718</u>
CASH AND EQUIVALENTS, JUNE 30, 1991	<u>\$1,535,195</u>

See notes to general purpose financial statements.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

As a result, the general purpose financial statements of the District include the financial activities of the District, including its three community colleges, the combined totals of the associated student funds which represent the various student clubs and activities of colleges within the District, and the Bay Area Community College District's Joint Powers Authority for which it serves as custodian.

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

- **Governmental Funds:**

- **The General Fund** accounts for all financial resources applicable to the general operations of the District which are not accounted for in another fund. Restricted general funds represent resources restricted by the categorical source of the income. The only restriction on use of unrestricted general funds is that the unrestricted funds be used for carrying out the instructional purpose of the District.
- **The Capital Projects Fund** accounts for resources designated for the acquisition and construction of major capital facilities which, by their nature, may require more than one budgetary cycle for completion.
- **The Debt Service Fund** accounts for the accumulation of resources for, and payment of postretirement health benefits obligations, principal, interest, and related costs on assessment and revenue bonds recorded in the General Long-Term Obligations Account Group. The District maintains three debt service funds:

1. 1969 Interest Redemption Fund is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and related costs.
 2. 1969 Revenue Fund is used to account for lease payments from Contra Costa College Bookstore which are pledged toward repayment of the bonds.
 3. Postretirement Health Benefits Fund is used to account for the accumulation of resources for retired employees' health benefits.
- Proprietary Funds account for operations that are financed and operated in a manner similar to business enterprises where the intent of the District is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges. These funds include the bookstore, cafeteria and data processing center enterprise funds.
 - Fiduciary Funds account for assets held by the District as a trustee or agent for individuals, private organizations, other governments and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. The District maintains four expendable trust funds, the Financial Aid Fund, the Student Loan and Scholarship Fund, the Associated Students and Trust Accounts Fund, and the Student Body Center Building and Operating Fund, which was established for the fiscal year commencing July 1, 1990. Agency funds are custodial in nature and do not involve measurement of results of operations. The District maintains one agency fund, the Bay Area Community College Districts Joint Powers Agency.

Effective July 1, 1990, the Bay Area Community College Districts Joint Powers Agency (Agency) adopted Statement No. 10 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires an accrual of unpaid claim costs including estimates of costs related to incurred but not reported claims. The effect of this accounting change on the Agency's financial statements was to reclassify \$865,000 from Due to Bay Area Community College Districts Joint Powers Agency to Outstanding claims liability during fiscal 1991.

- The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations. No depreciation has been provided on general fixed assets. Depreciation of fixed assets in the proprietary funds is computed using the straight-line method over their estimated useful lives.
- The General Long-Term Obligations Account Group is used to account for the outstanding principal balances of long-term debt, capital lease obligations, health benefits obligations and the long-term portion of compensated absences expected to be financed from governmental funds.

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

- Governmental and Fiduciary Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of

the current fiscal period. Substantially all revenues are susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred, except for interest on long-term debt, which is recognized when due.

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

Budgets and Budgetary Accounting - By State law, the District's governing board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 7 of each year. A hearing must be conducted to hear public comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are reviewed and revised by the District's governing board during the year to give consideration to changes in revenue and expenditures. The final adopted revised budgets are presented in the financial statements.

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances are liquidated when the commitments are paid, and any outstanding encumbrances at June 30 are included as a reservation of fund balance.

State Revenues (Principally Apportionment and Categorical Revenues) - State principal apportionment revenues, based on funded average daily attendance, and categorical revenues are recognized when earned.

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

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

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

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

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

Cash and investments in County treasury reflect participation in the common investment pool of the County and are stated at cost.

Investments in County treasury are comprised of certificates of deposit and Federal National Mortgage Association (FNMA) certificates.

Cash and Equivalents - For purposes of the statement of cash flows, the Proprietary Funds consider all highly liquid assets (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Inventories are stated at the lower of average cost (using the first-in, first-out method) or market.

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

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

The Proprietary Funds capitalize property, plant and equipment at the time the asset is purchased.

Vested compensated absences are recorded in the General Long-Term Obligations Account Group. Such obligations are liquidated in accordance with collective bargaining agreement provisions.

Pension costs are funded currently.

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

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

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

2. FUND BALANCES

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

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

The District's June 30, 1991 fund balance includes amounts which are reserved for specific purposes as follows:

	Fund Type				
	General		Capital Projects	Debt Service	Expendable Trust
	Restricted	Unrestricted			
Inventories		\$164,383			
Prepaid expenses		124,713	\$ 23,997		
Student loan receivables					\$ 1,129
Debt service requirements				\$105,146	
Associated students					130,643
Student financial aid					678,458
Investments			100,000		
Restricted programs	\$11,345				235,997
Encumbrances		436,515			
Construction projects			3,420,638		
Total reserved	\$11,345	\$725,611	\$3,544,635	\$105,146	\$1,046,227

The District's June 30, 1991 fund balance includes amounts which are designated in accordance with provisions of the Education Code by the Governing Board as follows:

	<u>Fund Type</u>	
	<u>General Fund</u>	<u>Debt</u>
	<u>Unrestricted</u>	<u>Service</u>
Emergency reserve - 5% of unrestricted expenditures	\$4,247,296	
Postretirement Health Benefits Obligation		\$6,372,190
Revolving cash accounts	<u>75,000</u>	
Total	<u>\$4,322,296</u>	<u>\$6,372,190</u>

The District ended fiscal year 1991 with a \$96,371 deficit in the Cafeteria Enterprise Fund. This deficit balance will be covered by future internally generated revenues and/or transfers from college allocations.

3. CASH AND INVESTMENTS

The District maintains cash deposits and investments with the County treasurer. Cash and investments deposited with the County treasurer are part of the common investment pool of the County (Contra Costa County Treasury Pool). At June 30, 1991, the District had \$20,739,702 in unrestricted and restricted cash and investments in such County pool. The County is restricted by State code Section 53635 pursuant to Section 53601 to invest in public time deposits; U.S. Treasuries; State registered warrants, notes or bonds; local State agencies; federal agencies; bankers' acceptances; commercial paper; negotiable certificates of deposit; or repurchase or reverse repurchase agreements.

Deposits - At June 30, 1991, the District's bank account balances totaled \$2,653,185. The bank account balances reconcile to the District's cash on hand and in bank balances totaling \$2,174,013, as shown in the combined balance sheet. The District's bank account balances were covered by federal depository insurance or by collateral held by the banks in the District's name.

4. INTERFUND TRANSACTIONS

Interfund receivables and payables by individual fund at June 30, 1991 are as follows:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>							
	<u>Total</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Funds</u>		<u>Student Loan and Scholarship Fund</u>	<u>Fiduciary Funds</u>	
				<u>Bookstore Fund</u>	<u>Cafeteria Fund</u>		<u>Financial Aid Fund - Pell</u>	<u>Financial Aid Fund - CMS</u>
General Fund	\$ 391,467		\$3,500	\$ 83,301	\$240,941	\$60	\$11,740	\$51,925
Capital Projects Fund	508,184	\$134,577		373,607				
Enterprise Funds:								
Data Processing Center	121,893	121,893						
Fiduciary Funds:								
Student Body Center Building and Operating Fund	11,802	11,802						
Student Loan and Scholarship Fund	7,860	7,860						
Total	\$1,041,206	\$276,132	\$3,500	\$456,908	\$240,941	\$60	\$11,740	\$51,925

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Operating transfers for the 1991 fiscal year were as follows:

Transfer from the General Fund to:

Capital Projects Fund for future capital outlays	\$2,615,646
Student Financial Aid Expendable Trust Fund:	
For College Work Study district match	\$ 72,977
For Extended Opportunity Programs and Services	139,957
For Supplemental Education Opportunity Grants district match	<u>24,266</u>
Total	237,200
Cafeteria Enterprise Fund to fund operations	76,615
Associated Students	3,228
Student Body Center Building and Operating Fund	237,293
Postretirement Health Benefits Debt Service Fund to fund postretirement health benefits obligation	<u>3,022,000</u>
Total	6,191,982

Transfer from the Capital Projects Fund to Bond Interest and Redemption Fund to service debt

32,100

Transfer from the Student Financial Aid Expendable Trust Fund to the General Fund for administrative costs of the Pell Grant, College Work Study and SEOG programs

31,528

Transfer from the Bookstore Enterprise Fund to General Fund to fund student activities

140,147

Transfer from the Bookstore Enterprise Fund to the Capital Projects Fund for future capital outlays

499,129

Total interfund transfers

\$6,894,886

5. LONG-TERM OBLIGATIONS

Changes in long-term obligations of the District during 1991 were as follows:

	Balance July 1, 1990	Additions	Reductions	Balance June 30, 1991
Assessment bonds	\$ 30,000		\$ 30,000	
Revenue bonds	139,000		6,000	\$ 133,000
Capital lease obligations	357,421		28,901	328,520
Vested compensated absences	926,482	\$132,788		1,059,270
Postretirement health benefits obligation	<u>33,859,700</u>		<u>3,228,700</u>	<u>30,631,000</u>
Total	<u>\$35,312,603</u>	<u>\$132,788</u>	<u>\$3,293,601</u>	<u>\$32,151,790</u>

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

Assessment Bonds - The assessment bonds were issued to finance sewer improvements on the Los Medanos College campus. Interest of 7% is payable semiannually. Final payments totaling \$32,100 (including interest of \$2,100) were paid in fiscal 1991.

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

The annual debt service requirements for revenue bonds, as of June 30, 1991, including interest payments of \$40,920 follow:

Year ending June 30:	
1992	\$ 9,990
1993	9,810
1994	9,630
1995	9,450
1996	9,270
Thereafter	<u>125,770</u>
Total	<u>\$173,920</u>

Capital Lease Obligations - A capital lease is a lease that transfers substantially all benefits and risks inherent in the ownership of the property to the lessee, who accounts for the lease as an acquisition of an asset and the incurrence of a liability. Property, plant, and equipment having a net book value of \$909,208 are pledged as security against the following capital leases.

	<u>Obligation</u>	<u>Assets</u>
Governmental Fund Types:		
Lease of land, obligation not discounted as lease had no implicit interest rate, due \$20,000 annually on November 1, final payment of \$15,000 due in 2000; option to acquire for \$1 in 2001	\$195,001	\$475,001
Family Life Center Annex lease, due \$24,000 annually including interest implicit in the lease at 10.6%; option to acquire for \$1 in 2005	<u>133,519</u>	<u>325,207</u>
Total governmental fund types	328,520	800,208
Proprietary Fund Types -		
Lease of printers, due \$26,379 annually including interest implicit in the lease at 10.5%; lease expires in 1993	<u>64,959</u>	<u>109,000</u>
Total	<u>\$393,479</u>	<u>\$909,208</u>

At June 30, 1991, the District's future minimum payments under capital leases are as follows:

	<u>Governmental Fund Type</u>	<u>Proprietary Fund Type</u>
1992	\$ 43,997	\$26,379
1993	43,997	26,379
1994	43,997	26,379
1995	43,997	
1996	43,997	
Thereafter	<u>286,976</u>	
Total minimum lease payments	506,961	79,137
Less amount representing interest	<u>(178,441)</u>	<u>(14,178)</u>
Present value of capital lease obligations	<u>\$328,520</u>	<u>\$64,959</u>

The District leases its District office building from the Education Center Authority; a portion of the Building is subleased to the County of Contra Costa for \$32,000 per year. The Authority was formed in 1971 by the County and the District and issued \$2.8 million of revenue bonds to finance construction of the Building on land owned by the District. At June 30, 1991, the capital lease obligation associated with the Education Center Building was fully amortized; however, the District is still contractually obligated to the Authority under the lease agreement to pay \$246,000 per year through 1993. Such required payments are not included in the table of capital lease payments above.

Bond proceeds which were not required for construction were retained by the Authority for debt service. The bonds bear interest at 6% and mature in increasing annual installments through 1993.

Summarized financial position of the Education Center Authority at June 30, 1991 is as follows:

	<u>Operating Fund</u>	<u>General Long-Term Obligations Account Group</u>
Cash and investments - restricted	\$973,596	
Amount available in operating fund for retirement of bonds		\$240,400
Amount to be provided from operating fund for retirement of bonds	<u> </u>	<u>409,600</u>
Total assets	<u>\$973,596</u>	<u>\$650,000</u>
Liabilities - revenue bonds payable		\$650,000
Fund balance:		
Reserved	\$651,500	
Unreserved - undesignated	<u>322,096</u>	<u> </u>
Total liabilities and fund balance	<u>\$973,596</u>	<u>\$650,000</u>

Postretirement Health Benefits Obligation - The District offers subsidized health insurance benefits to all employees who retire from the District and meet the age and service requirements for eligibility. Such benefits are required through the District's collective bargaining agreements. Annual premiums are based on rates set by the health carriers with whom the District contracts. The amount of the District's contribution towards such annual premiums per employee, is determined according to the collective bargaining agreements or court settlements. The District recognizes the cost of providing those benefits and related administrative costs when paid. Active plan participants at June 30, 1991 totaled 335. Such payments for these retired employees totaled \$798,628 for fiscal year ended June 30, 1991 and were recorded as expenditures in the General Fund.

Effective fiscal year ended June 30, 1990, although not legally required, the District has elected to begin funding, in anticipation of future accounting standards, over a thirty year period, the Accumulated Postretirement Benefit Obligation (APBO), which is defined as the present value of the projected benefits that have already been earned. The actuarially determined APBO is \$30,631,000 at June 30, 1991. The decrease in the APBO from June 30, 1990 of \$3,228,700 is due to changes in actuarial assumptions for the discount rate and health trend. The District's actuarially required contribution was \$1,847,000 for fiscal 1991 and its actual contribution was \$3,022,000, increasing the total funding to \$6,372,190. At June 30, 1991, cash and investments and interest receivable in the Postretirement Health Benefits Debt Service Fund totaled \$6,372,190, which was designated for future payment of the obligation included in the General Long-Term Obligations Account Group.

Other Obligations - The District has no significant long-term noncancelable operating leases. Total rental expenditures for facilities and nonfacilities were \$1,207,007 and related sublease rental income was \$21,917 for fiscal 1991.

Additions to vested compensated absences reflect net changes in vested vacation for salaried employees.

6. TAX AND REVENUE ANTICIPATION NOTES (TRANS)

On July 2, 1990, the District issued \$5,000,000 of TRANS at an interest rate of 5.95%, due June 28, 1991. These TRANS were issued under the authority of the California Government Code. Proceeds from the issuance of TRANS were used to meet fiscal 1991 general fund expenditures, including operating expenditures, capital expenditures and the discharge of other obligations or indebtedness of the District. TRANS are general obligations of the District but are payable only from taxes, revenues, cash receipts and other monies received by the District. On June 28, 1991, the TRANS were repaid in accordance with the above terms.

On July 1, 1991, the District issued \$5,000,000 of TRANS at an interest rate of 4.90% due June 30, 1992.

7. PROPERTY, PLANT, AND EQUIPMENT

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

	Balance July 1, 1990	Additions	Retirements	Balance June 30, 1991
Land	\$ 1,498,177	\$ 20,000		\$ 1,518,177
Land improvements	18,294,583	388,373		18,682,956
Buildings and improvements	78,821,842	4,143,825		82,965,667
Equipment	<u>21,069,562</u>	<u>2,982,758</u>	<u>\$283,838</u>	<u>23,768,482</u>
Total	<u>\$119,684,164</u>	<u>\$7,534,956</u>	<u>\$283,838</u>	<u>\$126,935,282</u>

The proprietary fund types include fixed assets (equipment) of \$550,093 (\$1,305,141 net of accumulated depreciation of \$755,048).

8. EMPLOYEE RETIREMENT PLANS

All full-time employees are eligible to participate under defined benefit retirement plans maintained by agencies of the State of California. Certificated employees are eligible to participate in the cost-sharing multiple-employer State Teachers' Retirement System (STRS). Classified employees are eligible to participate in the agent multiple-employer Public Employees' Retirement Fund (the Fund) of the Public Employees' Retirement System (PERS), which acts as a common investment administrator and administrative agent for participating public entities within the State of California. The District's covered payroll for certificated employees participating in STRS and classified employees participating in PERS for the year ended June 30, 1991 was \$31,275,867 and \$12,906,095, respectively. For the year then ended, the District's total payroll for all certificated and classified employees was \$40,801,110 and \$17,570,661, respectively.

PERS

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

Participating employees are required to contribute 7% of their salary to the Fund. Based on a valuation by the Fund's actuaries, all employers, including the District, are required to contribute 7.646% for the period July 1, 1990 through December 31, 1990 and 6.917% for the period January 1, 1991 through June 30, 1991 of covered payroll to the Fund for its classified employees. The funding policy of the Fund provides for actuarially determined periodic contributions by the District at rates such that sufficient assets will be available to the Fund to pay benefits when due. The District's contribution to the Fund for the year ended June 30, 1991 was made in accordance with the actuarially determined requirements computed as of June 30, 1990. The Fund uses the level percentage of payroll modification of the Entry Age Normal Actuarial Cost Method to determine the contribution rate for normal cost and to amortize unfunded actuarial liabilities. Unfunded actuarial liabilities are amortized through 2011.

The contribution requirement, which was met by the District, for the year ended June 30, 1991 was \$1,890,227, which consisted of \$986,800 from the District and \$903,427 from the employees. The District's contribution consisted of \$893,489 normal cost (6.923% of current covered payroll) and \$93,311 amortization of the unfunded actuarial liability (0.723% of current covered payroll for the period July 1, 1990 through December 31, 1990 and (0.006)% of current covered payroll for the period January 1, 1991 through June 30, 1991). The District's 1990 contribution represented less than 1% of total contributions required of all participating districts. There were no significant changes in actuarial assumptions, benefit provisions, actuarial funding method or other factors.

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

The pension benefit obligation of the subfund was computed as part of an actuarial valuation performed as of June 30, 1990, but reflects all plan amendments adopted through June 30, 1991. The significant actuarial assumptions used in the 1990 valuation to compute the pension benefit obligation were an assumed rate of return on investment assets of 8.5%, annual payroll increases of 5.5% attributable to inflation and 1.5% attributable to merit or seniority, and no postretirement benefit increases.

Funding status information of the subfund as of June 30, 1990 follows:

Pension benefit obligation:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,298,000,000
Current employees:	
Accumulated employee contributions and allocated investment earnings	2,314,000,000
Employer-financed, vested	3,479,000,000
Employer-financed, nonvested	<u>222,000,000</u>
Total pension benefit obligation	10,313,000,000
Net assets available for benefits, at cost (total market value, \$10,834,000)	<u>9,554,000,000</u>
Unfunded pension benefit obligation	<u>\$ 759,000,000</u>

Ten-year historical trend information showing the subfund's progress in accumulating sufficient assets to pay benefits when due is being accumulated prospectively commencing in the PERS June 30, 1990 comprehensive annual financial report.

Trend information is as follows:

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

* Unfunded pension benefit obligation as a percentage of annual covered payroll information is not readily available.

STRS

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

Certificated employees are required to contribute 8% of their salary to STRS. The District, based on a valuation by STRS' actuaries, is required to contribute 8.25% of covered payroll for its certificated employees to STRS. The contribution requirement, which was met by the District, for the year ended June 30, 1991 was \$5,082,328, which consisted of \$2,580,259 from the District and \$2,502,069 from the employees.

The pension benefit obligation for STRS was computed as part of an actuarial valuation performed June 30, 1990. STRS does not make separate measurements of pension benefit obligations and the related net assets available for benefits for individual districts. The pension benefit obligation and the related net assets available for benefits for STRS will be included in the 1991 financial statements for STRS and the State of California.

The significant actuarial assumptions used by STRS to compute the June 30, 1990 actuarial valuation are the same as those applied in prior years. The assumed long-term investment yield is 8.5% and the assumed long-term salary increase assumption for inflation is 6.5%. The normal cost of covered payroll was 17.19% and the 40-year amortization rate for the unfunded actuarial obligation as a percentage of payroll is 3.59%. Member and employer contribution rates are set by law and are not affected by the assumptions. The District's employer contributions to STRS met the required contribution rate established by law.

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

The District's 1991 contribution represented less than 1% of total contributions required of all participating districts. Ten-year historical trend information showing STRS' progress in accumulating sufficient assets to pay benefits when due is being accumulated prospectively commencing in the STRS June 30, 1989 comprehensive annual financial report.

9. CONTINGENCIES

At June 30, 1991, the District is involved in various claims and litigation, none of which District's legal counsel expects to have a material adverse effect on the District's operations or financial condition.

10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains three enterprise funds - Bookstore Fund, Cafeteria Fund and Data Processing Center Fund. Segment information for the fiscal year ended June 30, 1991 was as follows:

	Bookstore Fund	Cafeteria Fund	Data Processing Center Fund	Total
Revenues (operating and nonoperating)	\$5,969,987	\$1,509,965	\$1,866,135	\$9,346,087
Income before operating transfers	687,935	(20,164)	5,865	673,636
Operating transfers in (out)	(639,276)	76,615		(562,661)
Net income	48,659	56,451	5,865	110,975
Equipment additions		15,934	61,325	77,259
Net working capital	1,441,130	(167,386)	670,107	1,943,851
Total assets	2,061,138	152,488	1,190,076	3,403,702
Retained earnings (deficit)	1,465,198	(96,371)	1,125,117	2,493,944

FINANCIAL SECTION
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1991

	<u>POSTRETIREMENT HEALTH BENEFITS</u>	<u>BOND INTEREST AND REDEMPTION</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and investments in County treasury	\$ 103,689	\$104,306	\$ 207,995
Investments in County treasury	6,195,000		6,195,000
Interest receivable	<u>73,501</u>	<u>840</u>	<u>74,341</u>
TOTAL	<u>\$6,372,190</u>	<u>\$105,146</u>	<u>\$6,477,336</u>
<u>FUND BALANCE</u>			
Reserved		\$105,146	\$ 105,146
Unreserved - Designated	<u>\$6,372,190</u>	<u> </u>	<u>6,372,190</u>
TOTAL	<u>\$6,372,190</u>	<u>\$105,146</u>	<u>\$6,477,336</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1991

	POSTRETIREMENT HEALTH BENEFITS	BOND INTEREST AND REDEMPTION	BOND REVENUE	INTERFUND ELIMINATIONS	TOTAL
REVENUES:					
Local:					
Rentals			\$9,600		\$ 9,600
Interest	\$ 398,379	\$ 6,852			405,231
Total revenues	<u>398,379</u>	<u>6,852</u>	<u>9,600</u>		<u>414,831</u>
EXPENDITURES:					
Debt service					
Principal retirement		36,000			36,000
Interest		6,270			6,270
Total expenditures	<u>-</u>	<u>42,270</u>	<u>-</u>		<u>42,270</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>398,379</u>	<u>(35,418)</u>	<u>9,600</u>		<u>372,561</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	3,022,000	41,700		\$(9,600)	3,054,100
Operating transfers out			(9,600)	9,600	
Total other financing sources (uses)	<u>3,022,000</u>	<u>41,700</u>	<u>(9,600)</u>	<u>-</u>	<u>3,054,100</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>3,420,379</u>	<u>6,282</u>			<u>3,426,661</u>
FUND BALANCES, JULY 1, 1990	<u>2,951,811</u>	<u>98,864</u>	<u>-</u>	<u>-</u>	<u>3,050,675</u>
FUND BALANCES, JUNE 30, 1991	<u>\$6,372,190</u>	<u>\$105,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,477,336</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

**DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 1991**

	POSTRETIREMENT HEALTH BENEFITS			BOND INTEREST REDEMPTION		BOND REVENUE.....			INTERFUNO ELIMINATIONS	...TOTAL (MEMORANDUM ONLY)...		
	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET	BUDGET	ACTUAL	OVER (UNDER) BUDGET		BUDGET	ACTUAL	OVER (UNDER) BUDGET
REVENUES:													
Local:													
Rentals							\$9,600	\$9,600		\$ 9,600	\$ 9,600		
Interest	\$ 375,000	\$ 398,379	\$23,379	\$ 7,000	\$ 6,852	\$(148)				382,000	405,231	\$23,231	
Total revenues	<u>375,000</u>	<u>398,379</u>	<u>23,379</u>	<u>7,000</u>	<u>6,852</u>	<u>(148)</u>	<u>9,600</u>	<u>9,600</u>		<u>391,600</u>	<u>414,831</u>	<u>23,231</u>	
EXPENDITURES:													
Debt service:													
Principal				36,000	36,000						36,000	36,000	
Interest				6,180	6,270	90					6,180	6,270	
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,180</u>	<u>42,270</u>	<u>90</u>	<u>-</u>	<u>-</u>		<u>42,180</u>	<u>42,270</u>	<u>90</u>	
REVENUES OVER (UNDER) EXPENDITURES	<u>375,000</u>	<u>398,379</u>	<u>23,379</u>	<u>(35,180)</u>	<u>(35,418)</u>	<u>(238)</u>	<u>9,600</u>	<u>9,600</u>		<u>349,420</u>	<u>372,561</u>	<u>23,141</u>	
OTHER FINANCING SOURCES (USES):													
Operating transfers in	3,022,000	3,022,000		41,700	41,700					\$(9,600)	3,054,100	3,054,100	
Operating transfers out							(9,600)	(9,600)		9,600			
Total other financing sources (uses)	<u>3,022,000</u>	<u>3,022,000</u>	<u>-</u>	<u>41,700</u>	<u>41,700</u>	<u>-</u>	<u>(9,600)</u>	<u>(9,600)</u>		<u>-</u>	<u>3,054,100</u>	<u>3,054,100</u>	
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>3,397,000</u>	<u>3,420,379</u>	<u>23,379</u>	<u>6,520</u>	<u>6,282</u>	<u>(238)</u>					<u>3,403,520</u>	<u>3,426,661</u>	
FUND BALANCES, JULY 1, 1990	<u>2,951,811</u>	<u>2,951,811</u>	<u>-</u>	<u>98,864</u>	<u>98,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,675</u>	<u>3,050,675</u>	
FUND BALANCES, JUNE 30, 1991	<u>\$6,348,811</u>	<u>\$6,372,190</u>	<u>\$23,379</u>	<u>\$105,384</u>	<u>\$105,146</u>	<u>\$(238)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,454,195</u>	<u>\$6,477,336</u>	

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ENTERPRISE FUNDS - COMBINING BALANCE SHEET
JUNE 30, 1991

	<u>BOOKSTORE</u>	<u>CAFETERIA</u>	<u>DATA PROCESSING CENTER</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and investments in County treasury			\$ 606,954	\$ 606,954
Cash on hand and in banks	\$ 888,984	\$ 39,257		928,241
Accounts receivable	160,947	8,720		169,667
Interest receivable			6,219	6,219
Due from other funds			121,893	121,893
Inventories	987,139	33,496		1,020,635
Property, plant and equipment - net	<u>24,068</u>	<u>71,015</u>	<u>455,010</u>	<u>550,093</u>
TOTAL	<u>\$2,061,138</u>	<u>\$152,488</u>	<u>\$1,190,076</u>	<u>\$3,403,702</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES:</u>				
Accounts payable and accrued liabilities	\$ 139,032	\$ 7,918		\$ 146,950
Due to other funds	456,908	240,941		697,849
Capital lease obligations			\$ 64,959	64,959
Total liabilities	<u>595,940</u>	<u>248,859</u>	<u>64,959</u>	<u>909,758</u>
RETAINED EARNINGS (DEFICIT)	<u>1,465,198</u>	<u>(96,371)</u>	<u>1,125,117</u>	<u>2,493,944</u>
TOTAL	<u>\$2,061,138</u>	<u>\$152,488</u>	<u>\$1,190,076</u>	<u>\$3,403,702</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ENTERPRISE FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENSES AND RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 1991

	<u>BOOKSTORE</u>	<u>CAFETERIA</u>	<u>DATA PROCESSING CENTER</u>	<u>TOTAL</u>
OPERATING REVENUES:				
Sales	\$5,936,710	\$1,503,077		\$7,439,787
Contract services			\$1,811,233	1,811,233
Total operating revenues	<u>5,936,710</u>	<u>1,503,077</u>	<u>1,811,233</u>	<u>9,251,020</u>
OPERATING EXPENSES:				
Cost of sales	4,130,159	756,675		4,886,834
Classified salaries	740,404	541,274	900,156	2,181,834
Employee benefits	180,266		237,210	417,476
Depreciation expense	3,343	11,315	239,750	254,408
Interest expense			8,717	8,717
Other	227,880	220,865	474,437	923,182
Total operating expenses	<u>5,282,052</u>	<u>1,530,129</u>	<u>1,860,270</u>	<u>8,672,451</u>
OPERATING INCOME (LOSS)	<u>654,658</u>	<u>(27,052)</u>	<u>(49,037)</u>	<u>578,569</u>
NONOPERATING REVENUES:				
Interest	33,088	6,888	44,735	84,711
Other	189		10,167	10,356
Total nonoperating revenues	<u>33,277</u>	<u>6,888</u>	<u>54,902</u>	<u>95,067</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>687,935</u>	<u>(20,164)</u>	<u>5,865</u>	<u>673,636</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in		76,615		76,615
Operating transfers out	(639,276)			(639,276)
Total other financing sources (uses)	<u>(639,276)</u>	<u>76,615</u>	<u>-</u>	<u>(562,661)</u>
NET INCOME	48,659	56,451	5,865	110,975
RETAINED EARNINGS (DEFICIT), JULY 1, 1990	<u>1,416,539</u>	<u>(152,822)</u>	<u>1,119,252</u>	<u>2,382,969</u>
RETAINED EARNINGS (DEFICIT), JUNE 30, 1991	<u>\$1,465,198</u>	<u>\$ (96,371)</u>	<u>\$1,125,117</u>	<u>\$2,493,944</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ENTERPRISE FUNDS - COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1991

	<u>BOOKSTORE</u>	<u>CAFETERIA</u>	<u>DATA PROCESSING CENTER</u>	<u>TOTAL</u>
OPERATING ACTIVITIES:				
Operating income (loss)	\$654,658	\$(27,052)	\$(49,037)	\$ 578,569
Adjustments to reconcile operating income to net cash used by operating activities:				
Depreciation expense	3,343	11,315	239,750	254,408
Other income	189		10,167	10,356
(Increase) decrease in assets:				
Receivables	107,540	(6,335)	7,601	108,806
Inventories	(207,449)	8,571		(198,878)
Due from other funds			(121,893)	(121,893)
Increase (decrease) in liabilities:				
Due to other funds	300,930	(34,181)	(191,831)	74,918
Accounts payable and accrued liabilities	9,088	(5,895)		3,193
Net cash provided by (used for) operating activities	<u>868,299</u>	<u>(53,577)</u>	<u>(105,243)</u>	<u>709,479</u>
NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in		76,615		76,615
Operating transfers out	(639,276)			(639,276)
Net cash used for noncapital financing activities	<u>(639,276)</u>	<u>76,615</u>	<u>-</u>	<u>(562,661)</u>
CAPITAL FINANCING ACTIVITIES:				
Payment of capital lease obligations			(17,662)	(17,662)
Net cash used for capital financing activities			<u>(17,662)</u>	<u>(17,662)</u>
INVESTING ACTIVITIES:				
Purchase of equipment	(1,131)	(15,934)	(61,325)	(78,390)
Interest income	33,088	6,888	44,735	84,711
Net cash provided by (used for) investing activities	<u>31,957</u>	<u>(9,046)</u>	<u>(16,590)</u>	<u>6,321</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	260,980	13,992	(139,495)	135,477
CASH AND EQUIVALENTS, JULY 1, 1990	<u>628,004</u>	<u>25,265</u>	<u>746,449</u>	<u>1,399,718</u>
CASH AND EQUIVALENTS, JUNE 30, 1991	<u>\$888,984</u>	<u>\$ 39,257</u>	<u>\$606,954</u>	<u>\$1,535,195</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS - COMBINING BALANCE SHEET
JUNE 30, 1991

EXPENDABLE TRUST FUNDS.....						AGENCY FUNDS	FIDUCIARY
	STUDENT FINANCIAL AID.....		ASSOCIATED STUDENTS AND TRUST ACCOUNTS	STUDENT BODY CENTER BUILDING AND OPERATING FUND	TOTAL	BAY AREA COMMUNITY COLLEGE DISTRICTS JOINT POWERS AGENCY	FUNDS TOTAL	
	PELL	CWS	STUDENT LOAN AND SCHOLARSHIP					
ASSETS								
Cash and investments in County treasury					\$ 223,865	\$1,417,754	\$1,641,619	
Cash on hand and in banks	\$11,740		\$667,133	\$371,899	1,050,772	20,000	1,070,772	
Accounts receivable		\$51,925	3,526		330		55,781	
Interest receivable			1,128			19,352	20,480	
Due from member districts						148,386	148,386	
Due from other funds			7,860		11,802		19,662	
TOTAL	<u>\$11,740</u>	<u>\$51,925</u>	<u>\$679,647</u>	<u>\$371,899</u>	<u>\$235,997</u>	<u>\$1,605,492</u>	<u>\$2,956,700</u>	
LIABILITIES AND FUND BALANCE								
LIABILITIES:								
Accounts payable						\$ 32,410	\$ 32,410	
Outstanding claims liability						865,000	865,000	
Deposits				\$241,256	\$ 241,256		241,256	
Due to Bay Area Community College Districts Joint Powers Agency						708,082	708,082	
Due other funds	\$11,740	\$51,925	\$ 60		63,725		63,725	
Total liabilities	11,740	51,925	60	241,256	304,981	1,605,492	1,910,473	
FUND BALANCE - Reserved	-	-	679,587	130,643	\$235,997	-	1,046,227	
TOTAL	<u>\$11,740</u>	<u>\$51,925</u>	<u>\$679,647</u>	<u>\$371,899</u>	<u>\$235,997</u>	<u>\$1,605,492</u>	<u>\$2,956,700</u>	

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS - EXPENDABLE TRUST FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1991

	.....STUDENT FINANCIAL AID.....			STUDENT LOAN AND SCHOLARSHIP	ASSOCIATED STUDENTS AND TRUST ACCOUNTS	STUDENT BODY CENTER BUILDING AND OPERATING FUND	TOTAL
	PELL	CWS	SEOG				
REVENUES:							
Federal	\$1,974,293	\$175,886	\$239,520				\$2,389,699
Local		977		\$180,206	\$107,049	\$ 2,026	290,258
Total revenues	<u>1,974,293</u>	<u>176,863</u>	<u>239,520</u>	<u>180,206</u>	<u>107,049</u>	<u>2,026</u>	<u>2,679,957</u>
EXPENDITURES:							
Classified salaries		246,513					246,513
Student financial aid	1,967,223		242,655	319,728			2,529,606
Operating expenditures					64,895	3,322	68,217
Other				390	38,131		38,521
Total expenditures	<u>1,967,223</u>	<u>246,513</u>	<u>242,655</u>	<u>320,118</u>	<u>103,026</u>	<u>3,322</u>	<u>2,882,857</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>7,070</u>	<u>(69,650)</u>	<u>(3,135)</u>	<u>(139,912)</u>	<u>4,023</u>	<u>(1,296)</u>	<u>(202,900)</u>
OTHER FINANCIAL SOURCES (USES):							
Operating transfers in		72,977	24,266	139,957	3,228	237,293	477,721
Operating transfers out	(7,070)	(3,327)	(21,131)				(31,528)
Total other financing sources (uses)	<u>(7,070)</u>	<u>69,650</u>	<u>3,135</u>	<u>139,957</u>	<u>3,228</u>	<u>237,293</u>	<u>446,193</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				45	7,251	235,997	243,293
FUND BALANCE, JULY 1, 1990	-	-	-	679,542	123,392	-	802,934
FUND BALANCE, JUNE 30, 1991	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$679,587</u>	<u>\$130,643</u>	<u>\$235,997</u>	<u>\$1,046,227</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS - AGENCY FUNDS - STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1991

	<u>BALANCE</u> <u>JULY 1,</u> <u>1990</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30,</u> <u>1991</u>
BAY AREA COMMUNITY COLLEGE DISTRICTS				
<u>JOINT POWERS AGENCY</u>				
ASSETS:				
Cash and Investments in County treasury	\$1,260,699	\$1,602,284	\$1,445,229	\$1,417,754
Cash on hand and in banks	20,000			20,000
Interest receivable	23,613	19,352	23,613	19,352
Other receivables	144,350	148,386	144,350	148,386
Prepaid expenses	<u>26,201</u>		<u>26,201</u>	
TOTAL ASSETS	<u>\$1,474,863</u>	<u>\$1,770,022</u>	<u>\$1,639,393</u>	<u>\$1,605,492</u>
LIABILITIES:				
Accounts payable		\$ 32,410		\$ 32,410
Outstanding claims liability		865,000		865,000
Founding member deposits	\$ 15,220		\$ 15,220	
Due to Bay Area Community College Districts Joint Powers Agency	<u>1,459,643</u>		<u>751,561</u>	<u>708,082</u>
TOTAL LIABILITIES	<u>\$1,474,863</u>	<u>\$ 897,410</u>	<u>\$ 766,781</u>	<u>\$1,605,492</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of and for the year ended June 30, 1991 and have issued our report thereon dated October 4, 1991.

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

In planning and performing our audit of the general purpose financial statements of the District for the year ended June 30, 1991, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

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

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

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

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

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

This report is intended for the information of the District, the Chancellor's Office of California Community Colleges and various county, State and federal regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Deloitte & Touche

October 4, 1991

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



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

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of Contra Costa Community College District (the District) as of and for the year ended June 30, 1991 and have issued our report thereon dated October 4, 1991.

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

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

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

This report is intended for the information of the District, the Chancellor's Office of California Community Colleges and various county, State, and federal regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Deloitte & Touche

October 4, 1991

STATE REQUIRED SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITORS' REPORT

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of and for the year ended June 30, 1991 and have issued our report thereon dated October 4, 1991. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the California Community Colleges Contracted District Audit Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

Deloitte & Touche

October 4, 1991

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1991

	.....PROGRAM ENTITLEMENTS.....			.....PROGRAM REVENUES.....				
	CURRENT YEAR GRANT <u>AUTHORIZED</u>	PRIOR YEAR CARRYOVER	TOTAL ENTITLEMENT	CASH RECEIVED	ACCOUNTS RECEIVABLE	DEFERRED REVENUE	TOTAL REVENUES	PROGRAM EXPENDITURES
Instructional Equipment	\$ 939,510	\$ 517,236	\$1,456,746	\$1,221,813		\$209,242	\$1,012,571	\$1,012,571
Extended Opportunity Programs and Services	980,747		980,747	980,747		5,132	975,615	975,615
Disabled Students Programs and Services	649,074		649,074	649,074		7,573	641,501	641,501
Matriculation	1,207,462	290,961	1,498,423	1,498,423		95,193	1,403,230	1,403,230
Foster Parent Training AB-602 Board Financial	32,244		32,244	15,593	\$15,101		30,694	30,694
Aid Staffing	26,793		26,793	26,793		28	26,765	26,765
Independent Living	8,000	1,396	9,396	5,746	3,583		9,329	9,329
Middle College High School Project	150,000	156,074	306,074	274,444		78,289	196,155	196,155
ED > NET	12,000		12,000	12,000		6,270	5,730	5,730
EBT Hazardous Materials	17,500		17,500	17,500			17,500	17,500
High Tech Center	15,649		15,649	15,649			15,649	15,649
In-Service Training Vocational Education	11,000		11,000	9,350		3,042	6,308	6,308
Instructional Improvement	74,000		74,000	29,459	27,730		57,189	57,189
Staff Development	150,848	75,605	226,453	232,616			232,616	232,616
Faculty and Staff Diversity	33,075	6,167	39,242	39,243		4,678	34,565	34,565
Workability III	93,600		93,600	74,880	18,486		93,366	93,366
Program Improvement	<u>2,575,385</u>		<u>2,575,385</u>	<u>2,575,385</u>		<u>74,733</u>	<u>2,500,652</u>	<u>2,500,652</u>
TOTAL	<u>\$6,976,887</u>	<u>\$1,047,439</u>	<u>\$8,024,326</u>	<u>\$7,678,715</u>	<u>\$64,900</u>	<u>\$484,180</u>	<u>\$7,259,435</u>	<u>\$7,259,435</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF FUND BALANCE AND RETAINED EARNINGS BETWEEN GENERAL PURPOSE
FINANCIAL STATEMENTS AND FORM CCFS-311 (ANNUAL FINANCIAL AND BUDGET REPORT)
FOR THE YEAR ENDED JUNE 30, 1991

	PROPRIETARY FUND TYPE (DATA PROCESSING CENTER)
BALANCE, JUNE 30, 1991 ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311)	\$ 735,066
ADJUSTMENTS TO CONVERT THE DATA PROCESSING CENTER FUND FROM A GOVERNMENTAL FUND TYPE TO A PROPRIETARY FUND TYPE:(1)	
Capitalization of expenditures for purchases of fixed assets	638,518
Depreciation and interest expense due to capitalization	<u>(248,467)</u>
BALANCE, JUNE 30, 1991 - GENERAL PURPOSE FINANCIAL STATEMENTS	<u>\$1,125,117</u>

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

- (1) The District maintains the Data Processing Center fund as a Governmental fund type for operating purposes, and it is reported as such in the June 30, 1991 Annual Financial and Budget Report (CCFS-311). Accordingly, for operating purposes equipment acquisitions are recorded as expenditures of the fund, and the fixed assets are recorded in the General Fixed Asset Account Group and they are not depreciated. Since the District reports the Data Processing Center fund as a Proprietary fund type in the annual financial report, the above adjustments represent capitalization of expenditures for purchases of fixed assets over the years less the current year's depreciation and interest expense.
-



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

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of and for the year ended June 30, 1991 and have issued our report thereon dated October 4, 1991.

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

The District's management is responsible for the District's compliance with laws and regulations. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws and regulations. Our objective was to determine whether the District complied, in all material respects, with the provisions listed below. In connection with our audit, we selected and tested transactions and records from the following programs:

- Salaries of Classroom Instructors - A minimum of 50% of the District's current expense of education was expended during the fiscal year for salaries of classroom instructors.
- Excess Costs of Special Courses for the Disabled - District costs and levels of service charged to categorical programs for the disabled were properly determined and accounted to satisfy State requirements.

- Student Probation and Dismissal - The District's student probation and dismissal policies and procedures comply with State requirements.
- Allocation of Costs - For costs not exclusive to one categorical program, the District charged the programs incurring such costs using an acceptable allocation method.
- EOPS Administrator/Director Requirements - The District paid from non-EOPS sources the total salary and benefits of its EOPS Administrators/Directors.
- Instructional Equipment - District expenditures charged to the State instructional equipment program complied with State guidelines.
- Audit Trail Accountability - For student attendance reported to State, the District maintained a separate and complete tabulation of attendance for each course section by student.
- State Aid for Course Repetition - The District reported student attendance for repeated courses complied with State requirements.
- Residency Determination - The District properly classified residency of each student and only the attendance of California residents or nonresidents pursuant to Sections 78462 or 84711 of the Education Code was claimed for State support.
- Census and Drop Procedures - The District has claimed for apportionment purposes only the attendance of students actively enrolled in a course section as of the census date.

In our opinion, the District complied, in all material respects, with the provisions referred to in the preceding paragraph that are applicable to each of the programs for the year ended June 30, 1991.

In addition, we have audited the accompanying schedules of average daily attendance and apprenticeship hours of instruction in accordance with the standards noted in the second paragraph. In our opinion, such schedules present fairly, in all material respects, the average daily attendance and apprenticeship hours of instruction of the District for the year ended June 30, 1991.

This report is intended for the information of the District, the Chancellor's Office of California Community Colleges and various county, State, and federal regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Deloitte & Touche

October 4, 1991

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 1991

<u>AVERAGE DAILY ATTENDANCE (ADA) CATEGORY</u>	<u>NONRESIDENT ADA</u>	<u>TOTAL REPORTED RESIDENT ADA</u>	<u>TOTAL</u>
A. Summer intersession 1990			
1. Noncredit		4	4
2. Credit	16	1,578	1,594
B. Summer intersession 1991			
1. Credit	7	304	311
C. Census procedure courses			
1. Weekly student contact hours	351	18,371	18,722
2. Daily student contact hours	6	769	775
D. Independent study/work experience	1	290	291
E. Actual hours of attendance courses			
1. Noncredit	1	55	56
2. Credit	<u>17</u>	<u>2,338</u>	<u>2,355</u>
F. Total average daily attendance	<u>399</u>	<u>23,709</u>	<u>24,108</u>

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF APPRENTICESHIP HOURS OF INSTRUCTION
FOR THE YEAR ENDED JUNE 30, 1991

<u>REPORTING PERIODS</u>	<u>TOTAL ANNUAL HOURS REPORTED</u>
JULY 1 TO DECEMBER 31, 1990	20,258
JANUARY 1 TO APRIL 15, 1991	-
APRIL 16 TO JUNE 30, 1991	<u>25,385</u>
TOTAL	<u>45,643</u>

FEDERAL FINANCIAL ASSISTANCE PROGRAMS



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Governing Board,
Contra Costa Community College District:

We have audited the general purpose financial statements of the Contra Costa Community College District (the District) as of and for the year ended June 30, 1991 and have issued our report thereon dated October 4, 1991. These general purpose 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 of the general purpose financial statements in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying supplemental schedule of federal financial assistance for the year ended June 30, 1991 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such supplemental schedule is the responsibility of the District's management. Such supplemental schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Deloitte & Touche

October 4, 1991

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1991

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CATALOG NUMBER	.....PROGRAM ENTITLEMENTS.....			.....PROGRAM REVENUES.....			PROGRAM EXPENDITURES
		CURRENT YEAR GRANT AUTHORIZED	PRIOR YEAR CARRYOVER	TOTAL ENTITLEMENT	CASH RECEIVED	ACCOUNTS RECEIVABLE	TOTAL REVENUES	
<u>U.S. DEPARTMENT OF EDUCATION</u>								
DIRECT PROGRAMS:								
Pell Grants:								
Diablo Valley College	84.063*	\$ 590,289		\$ 590,289	\$ 600,204		\$ 600,204	\$ 600,204
Los Medanos College	84.063*	436,486		436,486	437,919		437,919	437,919
Contra Costa College	84.063*	1,005,521		1,005,521	936,170		936,170	936,170
Supplemental Educational Opportunity Grants:								
Diablo Valley College	84.007	41,853		41,853	40,701		40,701	40,701
Los Medanos College	84.007	66,057		66,057	63,819		63,819	63,819
Contra Costa College	84.007	135,000		135,000	135,000		135,000	135,000
College Work Study:								
Diablo Valley College	84.033	32,218	\$ 3,286	35,504	21,093	\$ 9,555	30,648	30,648
Los Medanos College	84.033	72,268	1,217	73,485	51,900	14,323	66,223	66,223
Contra Costa College	84.033	73,600	7,710	81,310	50,968	28,047	79,015	79,015
Higher Education Act Insured Loans	84.032*							
Total		<u>2,453,292</u>	<u>12,213</u>	<u>2,465,505</u>	<u>2,337,774</u>	<u>51,925</u>	<u>2,389,699</u>	<u>2,389,699</u>
PASSED THROUGH STATE DEPARTMENT OF EDUCATION:								
Vocational Education Act:								
Subpart 2A	84.048*	463,526	27,688	491,214	375,328	97,011	472,339	472,339
Subpart 2B	84.048*	314,760	41,945	356,705	277,977	59,005	336,982	336,982
Subpart 3	84.049	17,966	3,917	21,883	16,871	4,329	21,200	21,200
Special 3 Coop Ed Training	84.049		52,202	52,202	2,279	44,342	46,621	46,621
Total		<u>796,252</u>	<u>125,752</u>	<u>922,004</u>	<u>672,455</u>	<u>204,687</u>	<u>877,142</u>	<u>877,142</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$3,249,544</u>	<u>\$137,965</u>	<u>\$3,387,509</u>	<u>\$3,010,229</u>	<u>\$256,612</u>	<u>\$3,266,841</u>	<u>\$3,266,841</u>

(Continued)

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1991

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CATALOG NUMBER	.....PROGRAM ENTITLEMENTS.....			.....PROGRAM REVENUES.....			PROGRAM EXPENDITURES
		CURRENT YEAR GRANT AUTHORIZED	PRIOR YEAR CARRYOVER	TOTAL ENTITLEMENT	CASH RECEIVED	ACCOUNTS RECEIVABLE	TOTAL REVENUES	
U.S. DEPARTMENT OF <u>VETERANS AFFAIRS</u>								
PASSED THROUGH STATE DEPARTMENT OF EDUCATION - Veterans Administration Act	64.111				\$ 1,499		\$ 1,499	\$ 1,499
OFFICE OF HUMAN <u>DEVELOPMENT SERVICES</u>								
PASSED THROUGH STATE DEPARTMENT OF EDUCATION - State Legalization Impact Assistance (Amnesty)	13.786	\$ 120,126	\$ 106,580	\$ 226,706	201,580	\$ 10,088	211,668	211,668
TOTAL FEDERAL ASSISTANCE		\$ 3,369,670	\$ 244,545	\$ 3,614,215	\$ 3,213,308	\$ 266,700	\$ 3,480,008	\$ 3,480,008

(Concluded)

*Major program(s) tested for compliance under the Single Audit Act. Stafford loans are approved by outside lending institutions and the District disburses Stafford loans under the U.S. Department of Education Higher Education Act - Insured Loans. The District's management estimates the amount of loans received and disbursed during the year ended June 30, 1991 to be approximately \$512,700.

disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate. For the purpose of this report, we have classified the significant internal accounting and administrative control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- Internal Accounting:

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

- Administrative:

- General Requirements

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

- Specific Requirements

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, or earmarking
- Reporting
- Claims for advances and reimbursements
- Amounts claimed or used for matching
- Special requirements, if any

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

During the year ended June 30, 1991, the District expended 83% of its total federal financial assistance under major federal financial assistance programs and 17% under nonmajor programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the District's major federal

financial assistance programs, which are identified in the accompanying supplemental schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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

This report is intended for the information of the District and the Chancellor's Office of California Community Colleges and various county, State and federal regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Deloitte & Touche

October 4, 1991



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

The Governing Board,
Contra Costa Community College District:

We have applied procedures to test the Contra Costa Community College District's (the District) compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1991:

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

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

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those requirements.

This report is intended for the information of the District, the Chancellor's Office of California Community Colleges and various county, State and federal regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Deloitte & Touche

October 4, 1991



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

The Governing Board,
Contra Costa Community College District:

We have audited the Contra Costa Community College District's (the District) compliance with the requirements governing:

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, or earmarking
- Reporting
- Claims for advances and reimbursements
- Amounts claimed or used for matching
- Special requirements, if any

that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1991. The management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to in the first paragraph of this report that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1991.

This report is intended for the information of the District, the Chancellor's Office of California Community Colleges and various county, State and federal regulatory agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Deloitte & Touche

October 4, 1991

FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS



FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS

The Governing Board,
Contra Costa Community College District:

October 4, 1991

We are pleased to submit to you our findings and recommendations concerning various matters resulting solely from our audit of the Contra Costa Community College District's (the District) general purpose financial statements as of June 30, 1991, and for the year then ended. We have discussed such matters with the District's Business/Facilities Manager.

The matters noted were considered in determining the nature, timing, and extent of our audit tests applied in our audit of the general purpose financial statements, and the findings and recommendations herein do not modify our report dated October 4, 1991, on the general purpose financial statements. We have not performed any substantive auditing procedures subsequent to October 4, 1991; accordingly, this report is based on our knowledge as of that date and should be read with that understanding.

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

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

INTERNAL CONTROL STRUCTURE FINDINGS AND RECOMMENDATIONS

In planning and performing our audit of the Contra Costa Community College District's (the District) general purpose financial statements for the year ended June 30, 1991, we considered the District's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the District's general purpose financial statements and not to provide assurance on the internal control structure.

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

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

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

Our consideration of the District's internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. However, we noted no matters involving the internal control structure and its operation that we consider to be material weaknesses. Our audit did, however, disclose certain weaknesses in the District's internal control structure for which corrective action might be taken. Such weaknesses are discussed below:

CASH

Finding:

Diablo Valley College (DVC) uses two bank accounts to maintain the funds of the Len R. Hulse Memorial Scholarship and Student Loan Fund which is administered by the Financial Aid office at DVC. At June 30, 1991, the Len R. Hulse Memorial scholarship passbook account had a balance of \$1,647 and the Len R. Hulse Student Loan Fund Certificate of Deposit had a balance of \$18,701. These bank accounts are not reconciled by the District office, and as a result, cash balances could become misstated.

Recommendation:

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

District's Response:

The District will incorporate these bank accounts into the monthly reconciliation process.

FIXED ASSETS

Finding:

In accordance with the Budget and Accounting Manual of the California Community Colleges, the District capitalizes all fixed assets whose cost exceeds \$200. In accordance with Education Code Section 35168, the District maintains a trace inventory of all equipment of \$500 and over. Consequently, there is a reconciling item between the detail listing and the General Fixed Assets Account Group balance for the items in the \$200 - \$500 range. In addition, there are no procedures in place to retire fixed assets in the \$200 - \$500 range from the General Fixed Assets Account Group balance. The General Fixed Assets Account Group balance may become overstated when fixed assets whose cost is between \$200 and \$500 are removed from service and not identified by the District.

Recommendation:

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

District's Response:

The District will develop a procedure to record equipment retirements in the \$200 - \$500 range after 5 years of service.

STATE COMPLIANCE FINDINGS AND RECOMMENDATIONS

STATE AID FOR COURSE REPETITION

Finding:

Section 58161 of the California Code of Regulations does not allow a district to claim State Apportionment for attendance of a student in a course in which the student has previously received a grade from the district unless certain conditions are met. One of these conditions is that course content must differ each time the course is repeated. We noted one student at Diablo Valley College who repeated a course three times for which the topic changed only two times and for which the District

claimed State apportionment all three times. Due to the overcap of the District's Average Daily Attendance apportionment, this finding will not result in a reduction of State Apportionment revenue.

Recommendation:

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

District's Response:

The District will amend the annual ADA report by .09 ADA. Additionally, the District will review its internal procedures for identifying repeatable courses and monitoring course repetitions for State Apportionment purposes.

FEDERAL COMPLIANCE FINDINGS AND RECOMMENDATIONS AND QUESTIONED COSTS

FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE (FISAP) Questioned Costs: \$0

Finding:

The District is required to submit annually a FISAP Report for the administration of student financial aid. The District is required to report the number of students, defined as all students who have attended at least one class, in Part II, Section C of the FISAP report. We noted that the District reported the number of students as the Full-Time Equivalent apportionment attendance number of students, thereby understating the actual number of students.

Recommendation:

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

District's Response:

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

VOCATIONAL EDUCATION (VEA) REPORT Questioned Costs: \$0

Finding:

The VEA final claim form for reimbursement of program expenditures must be submitted to the Chancellor's Office of the California Community Colleges by November 1 following the ending of the fiscal year claimed. We noted that the District did not file its final fiscal 1990 VEA claim until November 27, 1990, after the November 1 deadline.

Recommendation:

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

District's Response:

The District will file the VEA report by the deadline, or file a formal extension if necessary.

VOCATIONAL EDUCATION (VEA) TITLE II - STUDENT ELIGIBILITY

Questioned Costs: \$0

Finding:

To be eligible for participation in VEA Title II programs and services, a student must be identified as a vocational student. We noted that three students in the Disabled Program at Contra Costa College selected for testing did not meet the eligibility requirements.

Recommendation:

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

District's Response:

The District has reviewed its internal procedures for monitoring and documenting student eligibility in VEA programs and services. New procedures will be implemented for Spring 1992 to ensure compliance.

FINANCIAL AID TRANSCRIPTS

Questioned Costs: \$0

Finding:

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

Recommendation:

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

District's Response:

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

INSTITUTIONAL DISCLOSURE

Questioned Costs: \$0

Finding:

Federal Title IV (34 CFR 668.44) regulations require that before a student enrolls or executes his enrollment contract in a vocational program, the District shall disclose to the student the State licensing requirements, the pass rate of recent graduates for any licensing examinations, the job placement rate of students originally enrolled in that particular program, and the completion rate for students originally enrolled in that particular program. We noted that although the District will go on-line with the "State-wide Student Follow-up Survey" (SSFS) in Spring 1992 and plans to begin providing students with the required institutional disclosure information in Fall 1992, the District is not currently providing such information to students.

Recommendation:

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

District's Response:

The District will develop procedures to disclose the required information to students.

OTHER ADMINISTRATIVE MATTERS AND RECOMMENDATIONS

None.

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

Yours truly,

Deloitte & Touche

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.