James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

To Management
Contra Costa Community College District
Martinez, California

We have recently completed the audit of the financial statements of Contra Costa Community College District and have issued our report thereon dated December 23, 2015. In planning and performing our audit of your financial statements for year ended June 30, 2015, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters that we are submitting for your consideration for the improvement of the Contra Costa Community College District accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated December 23, 2015 on the financial statements of the Contra Costa Community College District.

Current Year Recommendations

2015-1 DSPS

Criteria
For all Disabled Student Programs and Services participants, the District should have the following documentation on file: a signed application, verification of disability and identification of educational limitation(s), a Student Educational Contract, documentation of services provided and documentation that verifies the student was notified of all policies dealing with rights and responsibilities in receiving services. Authority cited: Title 5 of the California Code of Regulations, Article 1, Sections 56002, 56004, 56005, 56006, 56010 and Article 2, Section 56022.

Condition:
During the audit, it was noted that the DSPS office did not have a signed application on file for a Disabled Student Programs and Services participant, Student 1000205 attending Diablo Valley College.

Effect
The District is not in compliance with state Disable Student Programs and Services requirements.

Cause
The DSPS office gave the student application to student; however the student has not brought the signed application back to the office.

Fiscal Impact
None- Due to the student having all the required documents other than the student application, it was determined that there is no fiscal impact.

Recommendation
The District should have a process of review in place to ensure all DSPS participants have the proper documentation filled out. If documentation is pending then a note should be included in each students file as to what documentation is missing.

Management Response:
The DSPS office will follow up with student to insure application is filled out and placed in students file.

2015-2 Prepaid Expense and Accounts Payable Recognition Recommendation

Criteria:
Prepaid Expenses should not be booked until amounts are actually paid for. Accounts Payable balances should not be booked until expenses are accrued.

Condition:
During the audit of year-end prepaid expense and accounts payable balances, noted that a prepaid expense and accounts payable balance $1,249,474 was booked for July 2015 health insurance services to be received.

Cause:
Due to July 2015 insurance premium transactions being labeled with a 6/30/15 transaction date, the accounting system recognized the transactions as a credit to accounts payable and a debit to prepaid expense as of 6/30/15.

Effect:
Prepaid Expense and Accounts Payable balances were both overstated by $1,249,474.

Recommendations:
Year-end balances should be reviewed to ensure proper cut-off.

Management Response:
Year-end balances will be reviewed to ensure proper cut-off.

<u>Status of Prior Year Recommendations</u>

2014-01 Outstanding accounts receivable, payable and deferred revenue balances in Fund 74

Criteria: Outstanding items totaling $39,736 that make up the Accounts Receivable, Accounts Payable, and Deferred Revenue balances should be investigated periodically to determine if items should be removed in order to ensure assets and liabilities are fairly stated.

Condition: Upon request for details that make up the balances for certain receivable, payable, and deferred revenue accounts under fund 74, the client was unable to provide details of what items made up the outstanding balances and stated that these have been stagnant items in the system from as early as 2008.

Cause: In prior years, there were manual entries booked into fund 74 in order to balance the fund that need to be removed, as they are no longer outstanding

Effect: Assets and liabilities may be misstated due to old items being booked into the system and rolled over year to year that are not actually outstanding.

Recommendation: We recommend the removal of old AP, AR, and deferred revenue items that are no longer outstanding. The District should investigate old balances from year to year and evaluate whether they are outstanding or if they need to be removed.

Status: Implemented

2014-02 Payables with debit balances recommendation

Criteria: Prepayments and overpayments of liabilities should be classified as Prepaid Expenses for proper financial statement presentation.

Condition: The District's accounts payable and prepaid expense balances were misstated

Cause: The District booked prepayment of their workers' compensation liability as a debit payable balance.

Effect: Payables balance is understated by $864,617. Prepaid Expense balance is understated by $864,617 as well. RJE-2 was booked for fair presentation of the financial statements.

Recommendation: Management should book all overpayments of liabilities to Prepaid Expense. Payable balances should have a zero balance if paid for, not a debit balance.

Status: Implemented

2014-03 Allowance for Doubtful Accounts

Criteria: Allowance for doubtful accounts should be evaluated, reviewed and adjusted during the year to appropriately adjust the allowance.

Condition: Allowance for doubtful accounts has not changed in four years. However, a review is being performed each year, but the account is not being adjusted.

Cause: No adjustments made to allowance for doubtful accounts for the past four years.

Effect: None

Recommendation: Management should review the adequacy of the allowance during the year and appropriately adjust the allowance. This can be done by conducting an overall evaluation of the accounts and reviewing the success rate of collection efforts. These efforts should minimize the need for a year-end adjustment of this account as well as improve the accuracy of interim financial statements.

Status: Implemented

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 23, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the financial statements of Contra Costa Community College District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 23, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 29, 2012, and addendum dated May 24, 2013, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Contra Costa Community College District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Contra Costa Community College District is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2015. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are new Governmental Accounting Standards that may affect the District in future years. See Attachment A.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the collectability of receivables and the net pension liability. Management's estimate of the collectability of receivables is based their experience, the nature of the receivables and subsequent collections. Management's estimate of the net pension liability is based on an independent actuarial valuation. We evaluated the key factors and assumptions used to develop these estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most significant disclosures are those related to long-term liabilities in Note 10.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements identified during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. A prior period adjustment was recorded as a result of the implementation of GASB 68 in the amount of $155,366,222.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Contra Costa Community College District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 23, 2015.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Contra Costa Community College District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Contra Costa Community College District's auditors.

This report is intended solely for the information and use of the Board of Trustees and management of Contra Costa Community College District and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 23, 2015

Attachment A – Upcoming Changes in Accounting Standards
As of June 30, 2015

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Trust in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Trust. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 72 - Fair Value Measurement and Application
Effective for the fiscal year ending June 30, 2016

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68
Effective for the fiscal year ending June 30, 2017

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

GASB 74 - Financial Reporting for Postemployment Benefits Other Than Pension Plans (OPEB)
Effective for the fiscal year ending June 30, 2017

This standard establishes the requirements for other postemployment benefit plans administered by trusts to report on their operations, including setting new uniform requirements for actuarial valuations of the total OPEB liability, and reporting various 10-year trend data as required supplementary information. The financial statements of pension plans will not change substantially as a result of GASB 74, though the additional note disclosures and required supplementary information will be significant. Additionally, actuarial valuations conducted in accordance with GASB 74 will have to match the government’s fiscal year, or be rolled forward to that date by the actuary.

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
Effective for the fiscal year ending June 30, 2018

This standard establishes new requirements for governments to report a “net OPEB liability” for the unfunded portion of its other postemployment benefits, which includes retiree medical benefits.

Historically, governments have only been required to report a net OPEB liability to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net OPEB liability based on the current funded status of their OPEB plans. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

GASB 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments
Effective for the fiscal year ending June 30, 2016

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

GASB 77 - Tax Abatement Disclosures
Effective for the fiscal year ending June 30, 2016

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Contra Costa Community College District
pathways to success

MANAGEMENT REPRESENTATION LETTER

December 23, 2015

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the financial statements of the business-type activities, the fiduciary funds and the aggregate discretely presented component units of Contra Costa Community College District as of June 30, 2015 and 2014 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Contra Costa Community College District in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 23, 2015:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 24, 2014 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All components of net position are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

OMB Circular A-133

1. With respect to federal awards, we represent the following to you:

   a. We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133.
   b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133.
   c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133.
   d. The methods of measurement or presentation have not changed from those used in the prior period.
   e. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
   f. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
   g. We have, in accordance with OMB Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
   h. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
   i. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
   j. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a

material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.

k. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
l. We have received no requests from a federal agency to audit one or more specific programs as a major program.
m. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
n. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and the U.S. Office of Management and Budget's, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
o. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
p. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
q. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
r. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
s. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by OMB Circular A-133, and we are responsible for preparing and implementing a correction action plan for each audit finding.
t. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
u. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.
v. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

Additional Representations

- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- With respect to the supplementary information accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
  - We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- With respect to the required supplementary information accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
  - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- Provisions for uncollectible receivables have been properly identified and recorded.
- With respect to pension and postretirement benefits:
  - We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.

- We have reviewed, approved and taken responsibility for the financial statements and related notes and acknowledge the auditor's role in preparation of this information.

Jonah Nicholas, Associate Vice Chancellor/Chief Financial Officer

Arzu Smith, Director of District Finance Services

James Marta & Company LLP

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT

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SUPPLEMENTARY INFORMATION

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Contra Costa Community College District
Martinez, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the fiduciary funds and the aggregate discretely presented component units of Contra Costa Community College District (the "District"), as of and for the years ended June 30, 2015 and 2014, which comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements,.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinions

Summary of Opinions

Opinion Unit	Type of Opinion
Business Type Activities	Unmodified
Fiduciary Funds	Unmodified
Discretely Presented Component Units	
Contra Costa College Foundation	Unmodified
Los Medanos College Foundation	Unmodified
Diablo Valley College Foundation	Adverse

Basis for Adverse Opinion on One of the Discretely Presented Component Units
We were unable to obtain accurate financial information or sufficient evidence to audit the accounts of Diablo Valley College Foundation.

In our opinion, except for the effects of the matter described in the Basis for Adverse Opinion on one of the Discretely Presented Component Units, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, fiduciary funds and the remaining aggregate discretely presented component units of Contra Costa Community College District (the "District"), as of June 30, 2015 and 2014, and the results of its operations, changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in fiscal year 2015 Contra Costa Community College District adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; and *GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement – an amendment of GASB Statement No. 68* which required a restatement of net position as of July 1, 2014. The implementation of GASB 68 required the District to recognize its unfunded net pension liability resulting in a negative unrestricted net position in the current year. The District currently funds this obligation on a pay-as-you-go basis. The District anticipates that its ongoing funding and current resources are sufficient to meet its obligations as they come due. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the retiree health plan, schedule of proportionate share of net pension liability and schedule of pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements as a whole. The accompanying supplemental information as listed in the table of contents, including the schedule of expenditures of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 23, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

USING THE INDEPENDENT AUDITOR'S REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Contra Costa Community College District (the District) as of June 30, 2015. The report consists of three basic financial statements that provide information about the District as a whole:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Contra Costa Community College District's financial statements are presented in accordance with Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and local Governments and No. 35, Basic Financial Statements – and Management Discussion and Analysis – for Public College and Universities.* These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The entity-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The California Community Colleges Chancellor's Office has recommended that all State community colleges follow the Business Type Activity (BTA) model for financial statement reporting purposes.

The Contra Costa, Diablo Valley, and Los Medanos Foundations (the Foundations) are legally separate, tax-exempt component units of the District. The Foundations act primarily as fundraising organizations to provide grants and scholarships to students and support to employees, programs, and departments of the District. Financial statements for the Foundations can be obtained from the Foundation's Business Offices at the respective colleges.

FINANCIAL HIGHLIGHTS

The District's primary funding source is general revenue comprised of local property taxes, student enrollment fees, and apportionment received from the State of California, based upon student attendance. A basic allocation established by State regulations plus an amount per full time equivalent student (FTES) is the primary basis of the total general revenue. In FY 2014-15, the District received apportionment and Education Protection Account (Proposition 30) funding of $151,115,399. This amount is mostly due to FTES funding at $4,676 per credit FTES and $2,812 per non-credit FTES. These dollar amounts per FTES are reflective of a 0.85 percent cost of living adjustment (COLA), which is only the second COLA given to the California Community Colleges since FY 2007-08. In addition, the District continued to receive funding from the passage of Proposition 30, which stabilized funding for the community college system after its passage in November 2012.

On the personnel side, after several years of significant staffing reductions the District experienced a $4.1 million year-over-year increase in its salary costs within its Unrestricted General Fund. Benefit costs, including health benefits and pension contributions, also increased approximately $3.4 million year-over-year.

The District acts as a pass-through for financial aid funds distributed to its students. During FY 2014-2015, the District provided in excess of $36.5 million in financial aid to students attending classes at its three colleges and two centers. This aid was provided in the form of grants, scholarships and loans funded through the Federal government and the State System Office.

In 2002, 2006, and 2014 the voters of Contra Costa County approved over $856 million in capital bonds to be financed through property tax assessments. During FY 2014-15, the District finalized and closed its 2002 bond program; the 2006 and 2014 bond programs are still ongoing. The District is utilizing these funds for several construction and modernization projects at its three college campuses. Current project commitments total $31.1 million to be funded with the District's bond programs.

THE DISTRICT AS A WHOLE

Table 1

Statement of Net Position

ASSETS	2015	2014	Change	2013	Change
Current Assets					
Cash and investments	$ 155,987,256	$ 208,699,669	$ (52,712,413)	$ 94,195,440	$ 114,504,229
Accounts receivable (net)	25,430,729	29,695,784	(4,265,055)	30,945,056	(1,249,272)
Other current assets	2,855,780	3,457,528	(601,748)	3,232,419	225,109
Total Current Assets	184,273,765	241,852,981	(57,579,216)	128,372,915	113,480,066
Other Assets	174,289,654	8,318,309	165,971,345	13,957,646	(5,639,337)
Capital assets (net)	380,015,105	351,636,251	28,378,854	322,318,550	29,317,701
Total Assets	738,578,524	601,807,541	136,770,983	464,649,111	137,158,430
DEFERRED OUTFLOWS	13,198,235	-	13,198,235	1,428,458	(1,428,458)
Total Assets and Deferred Outflows	$ 751,776,759	$ 601,807,541	$ 149,969,218	$ 466,077,569	$ 135,729,972
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	$ 37,600,300	$ 28,431,666	$ 9,168,634	$ 22,796,109	$ 5,635,557
Current portion of long-term debt	23,732,060	8,176,801	15,555,259	5,290,879	2,885,922
Total Current Liabilities	61,332,360	36,608,467	24,723,893	28,086,988	8,521,479
Long-term debt	592,476,800	372,581,633	219,895,167	236,186,297	136,395,336
Total Liabilities	653,809,160	409,190,100	244,619,060	264,273,285	144,916,815
DEFERRED INFLOWS	60,586,189	23,498,784	37,087,405	20,263,899	3,234,885
Total Liabilities and Deferred Inflows	714,395,349	432,688,884	281,706,465	284,537,184	148,151,700
NET POSITION					
Invested in capital assets	143,963,742	145,234,411	(1,270,669)	158,087,023	(12,852,612)
Restricted	64,103,031	42,116,460	21,986,571	30,732,317	11,384,143
Unrestricted	(170,685,363)	(18,232,214)	(152,453,149)	(7,278,955)	(10,953,259)
Total Net Position	37,381,410	169,118,657	(131,737,247)	181,540,385	(12,421,728)
Total Liabilities and Net Position	$ 751,776,759	$ 601,807,541	$ 149,969,218	$ 466,077,569	$ 135,729,972

Cash and investments consist primarily of funds held in the Contra Costa County Treasury, actively managed investment accounts, and the Local Agency Investment Fund (LAIF). The changes in our cash position are explained in the Statement of Cash Flows on pages 13 and 14.

Much of the unrestricted net position has been designated by the Board or by contracts for purposes such as our required general reserve for ongoing financial health, commitments on contracts, other post-employment benefits, and auxiliary services reserves.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Position* on page 12.

Table 2

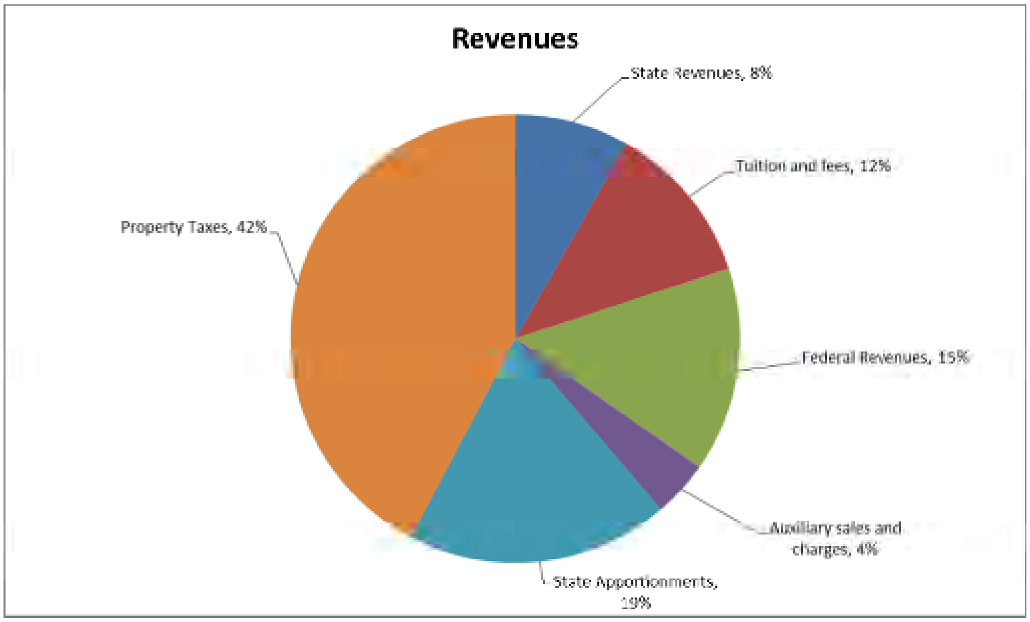
OPERATING REVENUES	2015	2014	Change	2013	Change
Tuition and fees	$ 33,764,768	$ 33,920,186	$ (155,418)	$ 31,518,382	$ 2,401,804
Auxiliary sales, charges and other	11,779,422	14,637,270	(2,857,848)	14,102,283	534,987
Total Operating Revenues	45,544,190	48,557,456	(3,013,266)	45,620,665	2,936,791
OPERATING EXPENSES			-		-
Salaries and benefits	163,374,535	164,886,415	(1,511,880)	156,642,346	8,244,069
Supplies and other expenses	77,283,467	73,857,305	3,426,162	69,115,434	4,741,871
Depreciation	12,684,387	12,152,376	532,011	11,448,550	703,826
Total Operating Expenses	253,342,389	250,896,096	2,446,293	237,206,330	13,689,766
Loss on operations	(207,798,199)	(202,338,640)	(5,459,559)	(191,585,665)	(10,752,975)
NONOPERATING REVENUES			-		-
State apportionments	54,604,744	54,973,012	(368,268)	54,529,671	443,341
Property taxes	121,966,648	93,917,670	28,048,978	83,537,881	10,379,789
State revenues	23,794,915	23,348,726	446,189	20,541,168	2,807,558
Federal revenues	42,660,966	41,174,836	1,486,130	36,268,141	4,906,695
Net interest expense	(17,687,704)	(14,953,291)	(2,734,413)	(10,291,554)	(4,661,737)
Other nonoperating revenues	972,051	1,259,417	(287,366)	27,010	1,232,407
Total Nonoperating Revenue	226,311,620	199,720,370	26,591,250	184,612,317	15,108,053
OTHER REVENUES					
State and local capital income	5,115,554	-	5,115,554	-	-
Change in Net Position	$ 23,628,975	$ (2,618,270)	$ 26,247,245	$ (6,973,348)	$ 4,355,078

Operational and other highlights for the District in FY 2014-15 include:

- The District contributed $6.86 million to an irrevocable trust for retiree health benefits. This contribution continued the District's commitment to fully fund its actuarially determined annual required contribution for other post-employment benefits.
- The District continued to operate well-above the 50% law threshold, coming in at 53.07% in FY 2014-15.
- Property tax revenue, a component of apportionment funding, increased from $73.40 million in FY 2013-14 to $81.53 million in FY 2014-15. This is a testament to the improving local and state economy.

- Non-resident FTES revenue increased from $13.03 million in FY 2013-14 to $13.28 million in FY 2014-15.
- Auxiliary revenue consists of bookstore and cafeteria operations.
- Federal and state revenues relate primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted to allowable expenses related to the programs.

Shown below are two graphs that show the components of the District's revenue and expenses.



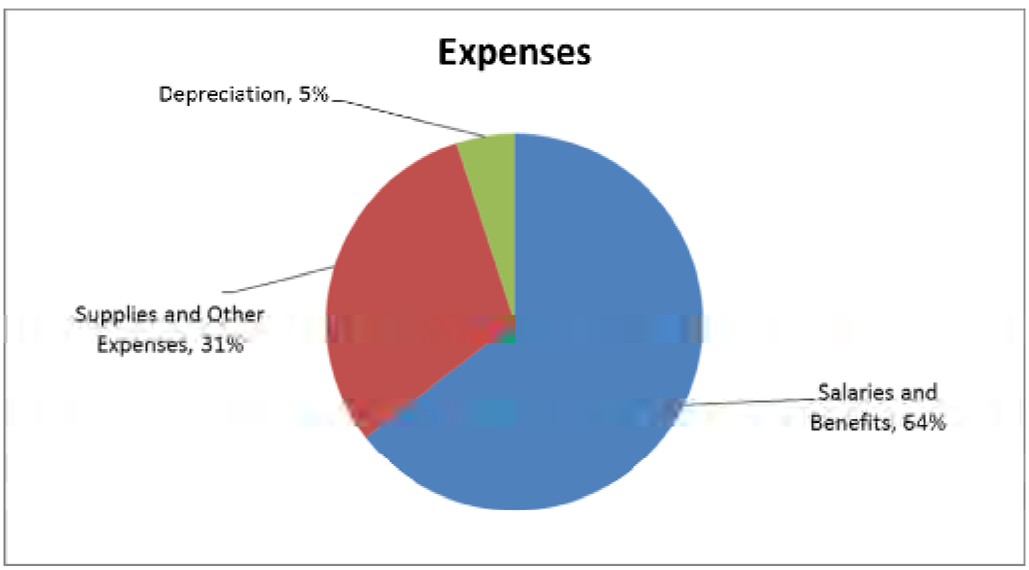


Table 3

Changes in Cash Position

	2015	2014	Change	2013	Change
Cash Provided by (Used in)					
Operating Activities	$ (196,832,774)	$ (189,150,860)	$ (7,681,914)	$ (186,500,381)	$ (2,650,479)
Noncapital financing activities	208,594,577	192,103,693	16,490,884	183,809,868	8,293,825
Capital financing activities	101,149,714	105,743,192	(4,593,478)	(33,891,247)	139,634,439
Investing activities	(165,623,930)	5,808,204	(171,432,134)	5,772,506	35,698
Net Increase (Decrease) in Cash	(52,712,413)	114,504,229	(167,216,642)	(30,809,254)	145,313,483
Cash, Beginning of Year	208,699,669	94,195,440	114,504,229	125,004,694	(30,809,254)
Cash, End of Year	$ 155,987,256	$ 208,699,669	$ (52,712,413)	$ 94,195,440	$ 114,504,229

The Statement of Cash Flows on pages 13 and 14 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. The District's primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services – our students. The District depends upon this funding to continue its current level of operations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had $380.0 million in a broad range of capital assets, including land, buildings, furniture and equipment. As a comparison, at June 30, 2014, the District's net capital assets were $351.6 million. The District is currently in the middle of a major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds resulting from voter-approved Measure A+ 2006 and Measure E 2014. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought in to the depreciable Buildings and Improvement category.

Capital projects will continue for the next several fiscal years, with primary funding provided by the District's general obligation bonds, including the new Measure E $450 million program that has been incorporated into the District's audit in fiscal year ending June 30, 2015.

Table 4

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Land and construction in progress	$ 59,635,631	$ 27,359,790	$ 20,507,844	$ 66,487,577
Buildings and improvements	398,728,583	31,898,624	823,065	429,804,142
Furniture and equipment	52,535,906	2,312,671	12,495	54,836,082
Subtotal	510,900,120	61,571,085	21,343,404	551,127,801
Accumulated depreciation	(159,263,869)	(12,684,387)	(835,560)	(171,112,696)
	$ 351,636,251	$ 48,886,698	$ 20,507,844	$ 380,015,105

Obligations

At the end of the 2014-2015 fiscal year, the District had $455.8 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Contra Costa Community College District boundaries.

In addition to the above obligation, the District is obligated to employees of the District for vacation and load banking benefits, retiree benefits, lease purchase agreements for equipment, and its share of unfunded pension liabilities for the CalSTRS and CalPERS retirement systems.

Table 5

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation bonds	$ 343,945,000	$ 120,000,000	$ 8,085,000	$ 455,860,000
Compensated Absences and Capital Leases	13,030,016	155,189	625,963	12,559,242
COPs and notes payable	700,000	-	700,000	-
OPEB (retiree benefits)	23,083,418	-	1,291,614	21,791,804
Net Pension Liability	-	155,366,222	29,368,408	125,997,814
Total Long-Term Debt	$ 380,758,434	$ 275,521,411	$ 40,070,985	$ 616,208,860

UNRESTRICTED GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Governing Board adopted the final amendment to the budget for the 2014-2015 fiscal year on September 9, 2015.

The District continued to see a vast majority of its expenditures within the unrestricted general fund go towards employee salary and benefits. In FY 2014-15, approximately 88% of all expenses within the unrestricted general fund went towards paying the salaries and benefits of current and retired employees. Retiree health benefit expenses as a stand-alone item constitute approximately 6.5% of the unrestricted general fund expenses.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE CONTRA COSTA COMMUNTIY COLLEGE DISTRICT

The economic position of the District is closely tied to the State of California as the general revenue allocated to the District represents the majority of the total unrestricted sources of revenues within the General Fund.

The approval of Proposition 30 by the voters of California allowed the community college system to maintain its base funding levels and stabilize the system revenue through 2018-19. In addition, the state was able to fund a COLA of 1.02% as well as increases to the base allocations and allotments for full-time faculty hiring; combined, these result in greater than $8.5 million in additional revenue for the District in FY 2015-16.

The CCCCD Governing Board continues to maintain the District's reserves in anticipation of a slow economic recovery and uncertain funding post Proposition 30. A Districtwide minimum reserve of 5%, a Board Contingency Reserve of 5%, plus college-level reserves yield a $40.4 million budgeted ending fund balance for FY 2015-16.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information contact the Contra Costa Community College District, Finance Department, (925) 229-6944.

FINANCIAL SECTION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION
PRIMARY GOVERNMENT

JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 33,049,992	$ 24,915,264
Restricted cash and cash equivalents	122,937,264	183,784,405
Accounts receivable, net	25,430,729	29,695,784
Due from fiduciary funds	141,642	33,035
Prepaid expenses	470,134	1,023,824
Stores inventories	2,244,004	2,400,669
Total Current Assets	184,273,765	241,852,981
Noncurrrent Assets		
Investments - noncurrent portion	174,289,654	8,318,309
Nondepreciable capital assets	66,487,576	59,635,631
Depreciable capital assets, net of depreciation	313,527,529	292,000,620
Total Noncurrent Assets	554,304,759	359,954,560
Total Assets	738,578,524	601,807,541
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	13,198,235	-
LIABILITIES		
Current Liabilities		
Accounts payable	18,890,898	13,406,930
Interest payable	8,107,064	6,531,202
Due to fiduciary funds	15,675	82,063
Unearned revenue	10,586,663	8,411,471
Long-term liabilities - current portion	23,732,060	8,176,801
Total Current Liabilities	61,332,360	36,608,467
Noncurrent Liabilities		
Compensated absences payable	12,544,853	13,008,826
OPEB Liability	21,791,804	23,083,418
Net Pension Liability	125,997,814	-
Long-term liabilities - noncurrent portion	432,142,329	336,489,389
Total Noncurrent Liabilities	592,476,800	372,581,633
Total Liabilities	653,809,160	409,190,100
DEFERRED INFLOWS OF RESOURCES		
Bond Premium	25,524,739	23,498,784
Pension related	35,061,450	-
Total Deferred Inflows	60,586,189	23,498,784
NET POSITION		
Invested in capital assets, net of related debt	143,963,742	145,234,411
Restricted for:		
Debt service	43,097,651	23,732,167
Capital projects	20,746,664	17,965,454
Other Activities	258,716	418,839
Unrestricted	(170,685,363)	(18,232,214)
Total Net Position	$ 37,381,410	$ 169,118,657

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
OPERATING REVENUES		
Student Tuition and Fees		
Net of scholarship discount and allowance	$ 33,764,768	$ 33,920,186
Auxilary Enterprise Sales and Charges		
Bookstore	9,977,652	10,334,574
Cafeteria	1,487,072	930,010
Other enterprise	-	45,000
Other operating revenues	314,698	3,327,686
Total Operating Revenues	45,544,190	48,557,456
OPERATING EXPENSES		
Salaries	122,733,316	117,601,558
Employee benefits	44,231,484	47,284,857
Supplies and Materials	4,821,190	4,757,315
Services and other operating costs	35,929,246	33,737,275
Student financial aid	36,533,031	35,362,715
Depreciation	12,684,387	12,152,376
Total Operating Expenses	256,932,654	250,896,096
Operating Income (loss)	(211,388,464)	(202,338,640)
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	54,604,744	54,973,012
Local property taxes, levied for general purposes	80,849,308	73,712,229
Taxes levied for other specific purposes	41,117,340	20,205,441
Federal revenues	42,660,966	41,174,836
State revenues, other	26,362,563	22,472,835
State taxes and other revenues	1,022,617	875,891
Investment income	1,341,904	102,059
Interest expense on capital related debt	(19,029,608)	(15,055,350)
Transfer from agency fund	189,129	189,780
Transfer to agency fund	(6,753,819)	(6,905,955)
Other nonoperating revenue (expenses)	7,536,741	7,975,592
Total Nonoperating Revenues (Expenses)	229,901,885	199,720,370
Income (Loss) Before Other Revenues and Expenses	18,513,421	(2,618,270)
OTHER REVENUES AND EXPENSES		
State revenues, capital	4,333,249	-
Local revenues, capital	782,305	-
Total Other Income	5,115,554	-
CHANGE IN NET POSITION	23,628,975	(2,618,270)
NET POSITION, BEGINNING OF YEAR, as originally reported	169,118,657	181,540,385
Prior period adjustment	(155,366,222)	(9,803,458)
NET POSITION, BEGINNING OF YEAR, as restated	13,752,435	171,736,927
NET POSITION, END OF YEAR	$ 37,381,410	$ 169,118,657

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
PRIMARY GOVERNMENT

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash flows from operating activities		
Tuition and fees	$ 34,334,533	$32,855,386
Payments to vendors for supplies and services	(34,651,703)	(35,055,953)
Payments to or on behalf of employees	(172,584,804)	(163,024,876)
Payments to students for scholarships and grants	(35,712,115)	(35,362,715)
Auxiliary enterprise sales and charges	11,466,617	11,309,584
Other operating receipts (payements)	314,698	127,714
Net cash flows from operating activites	(196,832,774)	(189,150,860)
Cash flows from noncapital financing activities		
State apportionments	29,178,217	38,852,812
Property taxes - non debt related	80,849,308	73,712,229
Federal grants and contracts	42,660,966	41,174,836
State grants and contracts	56,511,253	37,426,191
Local grants and contracts	576,057	875,891
Other nonoperating	(1,181,224)	61,734
Net cash flows from noncapital financing activites	208,594,577	192,103,693
Cash flows from capital financing activities		
Purchase of capital assets	(41,158,904)	(38,053,031)
State revenue, capital projects	4,333,249	1,298,952
Property taxes - related to capital debt	42,194,961	20,205,441
Proceeds from issuance of debt	122,025,955	145,073,471
Principal paid on capital debt	(8,791,801)	(6,651,551)
Interest paid on capital debt	(17,453,746)	(16,130,090)
Net cash flows from capital financing activities	101,149,714	105,743,192
Cash flows from investing activities		
Proceeds from sales/maturity of investments	37,658,144	8,160,250
Purchase of investments	(210,450,268)	(2,481,984)
Interest income received	7,168,194	129,938
Net cash flows from investing activities	(165,623,930)	5,808,204
Net change in cash and equivalents	(52,712,413)	114,504,229
Cash and equivalents, beginning of year	208,699,669	94,195,440
Cash and equivalents, end of year	$ 155,987,256	$ 208,699,669

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS (CONTINUED)
PRIMARY GOVERNMENT

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Reconciliation of net operating loss to net cash		
Flows from operating activities		
Operating loss	$ (207,798,199)	$ (202,338,640)
Adjustments to reconcile operating loss to net		
cash flows from operating activities:		
Depreciation expense	12,684,387	12,152,376
(Increase) decrease in:		
Accounts receivable	123,899	(349,628)
Stores inventories	156,665	(303,539)
Prepaid expenses	553,690	843,703
Increase (decrease) in:		
Accounts payable and accrued liabilities	5,131,581	2,766,607
Deferred revenue	1,112,010	(587,458)
Funds held for others	-	60,904
Net pension liability	(7,505,193)	-
OPEB liability	(1,291,614)	(1,395,185)
Net cash flows from operating activities	$ (196,832,774)	$ (189,150,860)

	2015	2014
Cash and cash equivalents consist of the following:		
Cash in banks	$ 547,937	$ 345,305
Cash in county treasury	155,005,647	207,921,749
Cash in LAIF	433,672	432,615
Total cash and cash equivalents	$ 155,987,256	$ 208,699,669

CONTRA COSTA COMMUNITY COLLEGE DISTRICTCONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2015 AND 2014

	2015		2014	
	Trust	**Agency**	**Trust**	**Agency**
ASSETS				
Cash and cash equivalents	$ 494,620	$ 2,786,734	$ 493,066	$ 2,615,832
Investments	74,034,371	-	66,797,848	-
Accounts receivable	76,272	(3,196)	58,797	4
Due from other funds	241	15,435	179	81,985
Total Assets	74,605,504	2,798,973	67,349,890	2,697,821
LIABILITIES				
Accounts payable	1	209,599	1	235,092
Accrued Salaries and Wages Payable	-	2,995	-	-
Due to other funds	-	141,642	-	33,035
Due to student groups	-	2,444,737	-	2,429,694
Total Liabilities	1	$ 2,798,973	1	$ 2,697,821
NET POSITION				
Restricted	$ 74,605,503		$ 67,349,889	

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015 Trust	2014 Trust
ADDITIONS		
Investment income	$ 638,764	$ 7,817,714
DEDUCTIONS		
Services and operating expenditures	243,150	203,656
OTHER FINANCING SOURCES (USES)		
Operating transfers in	6,860,000	6,860,000
Operating transfers out	-	(4,000)
Change in net position	7,255,614	14,470,058
Net Position - Beginning of Year	67,349,889	52,879,831
Net Position - End of Year	$ 74,605,503	$ 67,349,889

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENT OF FINANCIAL POSITION
DISCRETELY PRESENTED COMPONENT UNITS –
CONTRA COSTA, DIABLO VALLEY, AND LOS MEDANOS
COLLEGE FOUNDATIONS

JUNE 30, 2015

ASSETS	**Contra Costa College**	**Diablo Valley College**	**Los Medanos College**	**Total**
Current Assets:				
Cash and cash equivalents	$ 2,566,415	$ 673,552	$ 126,873	$ 3,366,840
Investments	1,488,622	-	522,588	2,011,210
Prepaid Expenses	-	3,034	-	3,034
Total Current Assets	4,055,037	676,586	649,461	5,381,084
Long Term Assets				
Investments	33,515	6,360,036	122,358	6,515,909
Total Assets	$ 4,088,552	$ 7,036,622	$ 771,819	$ 11,896,993
LIABILITIES				
Current Liabilities:				
Accounts payable	$ -	$ 375	$ -	$ 375
Deferred revenue	-	195,734	-	195,734
Funds held for others	524,677	-	289,160	813,837
Payroll Liabilities	-	-	21	21
Total Current Liabilities	524,677	196,109	289,181	1,009,967
Non-current Liabilities:				
Due to Related Party	-	-	0	0
Total Liabilities	524,677	196,109	289,181	1,009,967
NET ASSETS				
Unrestricted	2,845,433	1,039,677	43,071	3,928,181
Temporarily restricted	183,202	1,825,227	439,567	2,447,996
Permanently restricted	535,240	3,975,609	-	4,510,849
Total Net Assets	3,563,875	6,840,513	482,638	10,887,026
Total Liabilities and Net Assets	$ 4,088,552	$ 7,036,622	$ 771,819	$ 11,896,993

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

STATEMENT OF ACTIVITIES – CASH BASIS
DISCRETELY PRESENTED COMPONENT UNIT –
CONTRA COSTA COLLEGE FOUNDATION

FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 271,006	$ 24,752	$ -	$ 295,758
Program income	-	2,975		2,975
Event income	62,794			62,794
Investment income	38,918	18,708		57,626
Satisfaction of program restrictions	29,689	(29,689)		-
Total revenues	402,407	16,746	-	419,153
EXPENSES				
Program services	251,402	-		251,402
Management and general	10,906	-	-	10,906
Fundraising	33,970	-		33,970
Total expenses	296,278	-	-	296,278
CHANGE IN NET ASSETS	106,129	16,746	-	122,875
NET ASSETS, BEGINNING	2,739,303	166,457	535,240	3,441,000
NET ASSETS ENDING	$ 2,845,432	$ 183,203	$ 535,240	$ 3,563,875

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

CONTRA COSTA COMMUNITY COLEGE DISTRICT

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNIT –
DIABLO VALLEY COLLEGE FOUNDATION

FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 80,732	$323,481.94	$ 2,802,834	$ 3,207,048
College in-kind support	51,431	-	-	51,431
Other in-kind donations	0	-	-	0
Fundraising income	25,616	-	-	25,616
Event income, net of expenses	214,787	-	-	214,787
Investment income	153,227	-		153,227
Unrealized gains	230,859	-	-	230,859
Satisfaction of program restrictions	553,369	(553,369)	-	-
Total revenues	1,310,020	(229,887)	2,802,834	3,882,968
EXPENSES				
Program services	644,083	-	-	644,083
Management and general	95,853	-	-	95,853
Fundraising	185,971	-	-	185,971
Total expenses	925,906	-	-	925,906
CHANGE IN NET ASSETS	384,114	(229,887)	2,802,834	2,957,062
NET ASSETS, BEGINNING	655,563	2,055,114	1,172,774	3,883,451
NET ASSETS, ENDING	$ 1,039,677	$ 1,825,227	$ 3,975,608	$ 6,840,513

CONTRA COSTA COMMUNITY COLEGE DISTRICT

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNIT –
LOS MEDANOS COLLEGE FOUNDATION

FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Donations	$ 52,827	$ 162,294	$ 215,121
College in kind support	27,139	-	27,139
Event income, net of expenses	2,022	-	2,022
Interest income	9,906	-	9,906
Other income	55,592	-	55,592
Satisfaction of program restrictions	190,034	(190,034)	-
Total revenues	337,520	(27,740)	309,780
EXPENSES			
Program services	190,034	-	190,034
Management and general	121,343	-	121,343
Fundraising	-	-	-
Total expenses	311,377	-	311,377
CHANGE IN NET ASSETS	26,143	(27,740)	(1,597)
NET ASSETS, BEGINNING OF YEAR	16,928	467,307	484,235
NET ASSETS, END OF YEAR	$ 43,071	$ 439,567	$ 482,638

CONTRA COSTA COMMUNITY COLEGE DISTRICT

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS –
CONTRA COSTA, DIABLO VALLEY AND LOS MEDANOS
COLLEGE FOUNDATIONS

FOR THE YEAR ENDED JUNE 30, 2015

	Contra Costa College	Diablo Valley College	Los Medanos College	Total
Cash Flows From Operating Activities				
Change in net assets	$ 122,875	$ 2,957,062	$ (1,597)	$ 3,078,340
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:				
Net realized/unrealized gain on investments	(22,418)	(230,859)	-	(253,277)
Change in operating assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	-	-		-
Prepaid expenses	-	3,836	4,973	8,809
Increase in due to related party	-	-	(44,250)	(44,250)
(Decrease) increase in:				
Accounts payable	-	(4,269)	(139)	(4,408)
Deferred revenue	-	(1,766)	-	(1,766)
Funds held for others	113,205	-	(101,629)	11,576
Net cash provided (used) by operating activities	213,662	2,724,004	(142,642)	2,795,024
Cash Flows From Investing Activities				
Proceeds from sales of investments	-	(103,939)	-	(103,939)
Proceeds from maturities of investments	-	-	(9,901)	(9,901)
Purchases of investments	-	(2,491,963)	-	(2,491,963)
Net cash provided (used) in investing activities	-	(2,595,902)	(9,901)	(2,605,803)
Net Change in Cash and Cash Equivalents	213,662	128,102	(152,543)	189,221
Cash and Cash Equivalents, Beginning of Year	$ 2,352,753	545,450	279,416	3,177,619
Cash and Cash Equivalents, End of Year	$ 2,566,415	$ 673,552	$ 126,873	$ 3,366,840
Supplemental Disclosure on Noncash Investing Activities				
Donated Services	$ -	$ -	$ 17,960	$ 17,960
Donated equipment and supplies	$ -	$ -	$ 9,179	$ 9,179

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

1. ORGANIZATION

A. FINANCIAL REPORTING ENTITY

The Contra Costa Community College District (the District) was established in 1948 and began operating in 1949 as a political subdivision of the State of California and provides educational services to residents of the surrounding area. The District operates under a locally elected five-member Governing Board form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges, Diablo Valley College located in Pleasant Hill, Contra Costa College located in San Pablo, and Los Medanos College located in Pittsburg. In addition, there are two satellite centers located within Contra Costa County, California. While the District is a political subdivision of the State of California, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

B. COMPONENT UNITS

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

For financial reporting purposes, the financing corporation component unit has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District. The Financing Corporation's financial activity is presented in the financial statements in the Capital Project and the Debt Service Funds. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually-prepared financial statements are not prepared for the Financing Corporation.

The District also applies GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units.* This statement amends GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion.

B. COMPONENT UNITS (CONTINUED)

The component units determined under GASB Statement No. 39, although legally separate tax-exempt entities, are reported in the financial statements using the discrete presentation method as the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District; the District is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the separate organization; and the economic resources received from or held by the individual organization are significant to the District.

The discretely presented component units are as follows:

- Contra Costa College, Diablo Valley College and Los Medanos College Foundations

The Contra Costa College, Diablo Valley College, and Los Medanos College Foundations (the Foundations) are legally separate, tax-exempt component units of the District. The Foundations act primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The boards of the Foundations consist of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundations, the majority of resources or income thereon that the Foundations hold and invest is restricted to the activities of the District by the donors. Because these restricted resources held by the Foundations can only be used by, or for the benefit of, the District, the Foundations are considered component units of the District. The Foundations are reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundations are not-for-profit organizations under the Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Board Statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundations' financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statement. The Contra Costa College Foundation reports its activities on the cash basis.

Financial statements for the Foundations can be obtained from the Foundation's Business Offices at each of the colleges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. The presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees and auxiliary activities through the bookstore and cafeteria.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain grants, entitlements, and donations are classified as nonoperating revenue. Federal and State grants received to provide direct grants to students are classified as nonoperating revenues because the District does not generally receive any direct benefit from the grants and are recognized in the fiscal year in which all eligibility requirements are satisfied. Eligibility requirements may include time and/or purpose requirements. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent student (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligible requirements have been satisfied. Eligibility requirements may include time/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to colleges and universities, as well as those prescribed by the California Community Colleges Chancellor's Office. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The budgetary and financial accounts of the District are maintained in accordance with the State Chancellor's Office's *Budget and Accounting Manual.*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37 and No. 38. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
- Notes to the Financial Statements

A. CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities three months or less from the date of acquisitions. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows. Restricted cash and cash equivalents represented balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

B. INVESTMENTS

Investments held at June 30, 2015 and 2014, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments are not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governmental or imposed by enabling legislation. Restricted assets represent investments required to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

C. ACCOUNTS RECEIVABLE

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $1,628,085 and $1,378,502 as of June 30, 2015 and 2014, respectively.

D. PREPAID EXPENSES

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

E. INVENTORIES

Inventories consist primarily of bookstore merchandise and cafeteria food and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost. The cafeteria fund uses the first-in, first-out method and the bookstore uses the retail method. The cost is recorded as an expense as the inventory is consumed.

F. CAPITAL ASSETS AND DEPRECIATION

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $25,000 for building and land improvements and $5,000 for all other capital assets. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings 25 to 50 years; improvements 20 years; equipment 5 to 15 years, and vehicles 8 years.

G. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

H. DEFERRED PREMIUMS AND DISCOUNTS

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method.

I. COMPENSATED ABSENCES

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The amounts have been recorded in the fund from which the employees, who have accumulated the leave, are paid. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

I. COMPENSATED ABSENCES (CONTINUED)

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all academic school members who retire after January 1, 1999. At retirement, each member will receive .004 years of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of the base service days required to complete the last school year, if employed full time.

J. UNEARNED REVENUE

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenues include (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

K. NONCURRENT LIABILITIES

Noncurrent liabilities include bonds, compensated absences, capital lease obligations and OPEB obligations with maturities greater than one year.

L. NET POSITION

Invested in Capital Assets, Net of Related Debt:
Capital Assets, net of accumulated deprecation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted – Nonexpendable:
Net Position whose use by the District has been externally restricted in perpetuity, such as Endowment funds, where future investment earnings may be used for the donor stipulated purpose. The District has no nonexpendable net position.

Restricted – Expendable:
Net position whose use by the District is subject to externally imposed constraints that can be fulfilled by actions of the District pursuant to those constraints of by the passage of time. Net position may be restricted for capital projects, debt repayment, and/or educational programs.

None of the District's restricted net position has resulted from enabling legislation adopted by the District.

L. NET POSITION (CONTINUED)

Unrestricted:
Net position that are not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Governing Board or may otherwise be limited by contractual agreements with outside parties

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed.

M. STATE APPORTIONMENTS

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these reclassifications and corrections are accrued in the year in which the FTES are generated.

N. PROPERTY TAXES

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Contra Costa bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed General Obligation Bonds in 2002, 2006 and 2014 for the acquisition, construction, and remodeling of certain District capital property. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

O. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenue is reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers and discounts have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

P. FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Stafford Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the related Compliance Supplement. During the years ended June 30, 2015 and 2014, the District distributed $2,744,863 and $2,272,868 in direct lending through the U.S. Department of Education. These amounts have been included as revenues and expenses within the accompanying financial statements. The amounts are also included on the Schedule of Expenditures of Federal Awards.

Q. ON-BEHALF PAYMENTS

GASB Statement No. 24 requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on-behalf payments to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) on behalf of all community colleges in California. The amounts of on-behalf payments were $3,590,265 and $0 for CalSTRS and CalPERS, respectively for 2015 and $3,327,686 and $0 for CalSTRS and CalPERS, respectively for 2014.

R. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Contra Costa Community College District's California Public Employees' Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

T. INTERFUND ACTIVITY

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the government-wide financial statements.

U. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

V. FOUNDATION PRESENTATION

The Contra Costa College, Diablo Valley College, and Los Medanos College Foundation's present their financial statements in accordance with Financial Accounting Standards Board Statements (FASB). Under these reporting requirements, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by FASB, the Foundation does not use fund accounting. The Foundations are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

Permanently Restricted Net Assets:
Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets:
Net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or the passage of time.

Unrestricted Net Assets:
Net assets not subject to donor-imposed restrictions.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are recorded at their fair market value on the date of the donation.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Financial assets (investments) are reported at fair value in accordance with FASB Topic ASC 820, *Fair Value Measurements and Disclosures*.

W. CHANGE IN ACCOUNTING PRINCIPLE

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics: contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable; pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms; and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

For defined benefit pensions, this Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position

As of June 30, 2015, according to GASB 68, the District's total pension liability must be recognized. Therefore, the previous pension liability as of June 30, 2014 in the amount of $155,366,222 has been shown as a restatement of net position on the Statement of Activities as a separate line item.

In November 2013, GASB issued Statement No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the governments' beginning net pension liability. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

W. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015.

As of June 30, 2015, according to GASB 71, the District had subsequent contributions to the measurement date. As a result of the contributions, in the current year the District had deferred outflows of $13,198,235 and deferred inflows of $35,061,450 resulting from the implementation of GASB 71.

V. COMPARATIVE FINANCIAL INFORMATION

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

3. DEPOSITS AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code or the Entity's investment policy if different to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's Investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	30%	None
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Secruities	5 years	75%	None
Commercial Paper	270 days	30%	10%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	50%	None

Summary of Deposits and Investments

Deposits and investments as of June 30, 2015 and 2014, consists of the following:

	2015		2014	
	Primary Government	Fiduciary Funds	Primary Government	Fiduciary Funds
Cash on hand and in banks	$ 27,754	$ 1,059,990	$ 216,605	$ 988,886
Cash in revolving	128,700	500	128,700	500
Cash in County Treasury	$ 155,397,130	$ 2,039,890	$ 207,921,749	$ 1,938,978
Local Agency Investment Fund	433,672	180,974	432,615	180,532
Investments	174,289,654	74,034,371	8,318,309	66,797,848
Total Deposits and Investments	$ 330,276,910	$ 77,315,725	$ 217,017,978	$ 69,906,744
Cash and cash equivalents - current	$ 33,049,992	$ -	$ 24,915,264	$ -
Cash and cash equivalents - restricted	122,937,264	3,281,354	183,784,405	3,108,896
Total Cash and cash equivalents	155,987,256	3,281,354	208,699,669	3,108,896
Total Investments	174,289,654	74,034,371	8,318,309	66,797,848
Total Deposits and Investments	$ 330,276,910	$ 77,315,725	$ 217,017,978	$ 69,906,744

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County pool and LAIF and purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Segmented Time Distribution

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type - Primary Government	Fair Value	12 Months or Less	More than 12 months
U.S. Treasuries	$ 1,971,730	$ -	$ 1,971,730
Federal Agency Bonds	123,092,153	36,368,498	86,723,655
Municipal Bonds	1,061,526	120,352	941,174
Corporate Notes	26,763,321	10,851,982	15,911,339
Bank Note	3,573,135	-	3,573,135
Commercial Paper	17,827,789	17,827,789	-
State Investment Pool - LAIF	433,672	433,672	-
Total	$174,723,326	$ 65,602,292	$ 109,121,034

Investment Type - Fiduciary Funds	Fair Value	12 Months or Less	More than 12 months
Common Stocks	$ 44,754,804	$ -	$ 44,754,804
Fixed Income	29,279,567	-	29,279,567
County Pool	-	-	-
State Investment Pool - LAIF	180,974	180,974	-
Total	$ 74,215,345	$ 180,974	$ 74,034,371

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool and LAIF are not required to be rated, nor have they been rated as of June 30, 2015.

		Minimum	Ratings as of Year End							
Investment Type	Fair Value	Legal Rating	AAA	AA+	AA	AA-	A+	A	A-	Unrated
U.S. Treasuries	$ 1,971,730	n/a	$ -	$ 1,971,730	$ -	$ -	$ -	$ -	$ -	$ -
Federal Agency Bonds	123,092,153	n/a	-	123,092,153	-	-	-	-	-	-
Municipal Bonds	1,061,526	A	441,703	-	373,606	-	246,217	-	-	-
Corporate Notes	26,763,321	A	124,899	3,877,628	3,930,618	3,865,090	3,845,090	7,618,252	3,501,745	-
Bank Note	3,573,135	A	-	-	-	3,573,135	-	-	-	-
Commercial Paper	17,827,789	A-3	11,885,957	5,941,831	-	-	-	-	-	-
State Investment Pool - LAIF	433,672	n/a	-	-	-	-	-	-	-	433,672
Total	$174,723,326		$ 12,452,559	$134,883,342	$4,304,224	$7,438,225	$4,091,307	$7,618,252	$3,501,745	$ 433,672
			7.13%	77.20%	2.46%	4.26%	2.34%	4.36%	2.00%	

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is stipulated by the California Government code. The District investments (other than U.S. Treasuries, mutual funds and external investment pools, which are exempt from this disclosure) in any one issuer that represents five percent or more of the total investments were as follows:

Investment Type - Primary Government	Issuer	Reported Amount	Percentage of Investments
Federal Agency Bonds	Fannie Mae	$ 18,745,979	11%
Federal Agency Bonds	Federal Home Loan Banks	38,232,184	22%
Federal Agency Bonds	Freddie Mac	52,907,430	30%
Federal Agency Bonds	Federal Farms Credit Bank	13,206,560	8%
Corporate Note	General Electric Co	9,533,335	5%
		$132,625,488	
Total			

Investment Type - Fiduciary Funds	Issuer	Reported Amount	Percentage of Investments
Equity Funds	Alger Spectra Z	$ 3,824,771	5%
Equity Funds	Columbia Contrarian Core Y	3,780,084	5%
Equity Funds	Oakmark Select FD CL I	4,421,621	6%
Mutual Funds	Delaware Diversified Inc Instl	3,761,401	5%
Mutual Funds	Prudential Total Return Bond Q	4,510,173	6%
Mutual Funds	Templeton Global Bond Adv Fund	4,126,338	6%
Mutual Funds	Western Asset Core Plus Bond I	4,524,312	6%
Total		$ 28,948,700	

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (Unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2015 and 2014, none of the funds deposited with the banks were exposed to custodial credit risk.

4. ACCOUNTS RECEIVABLE

Receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	Primary Government		Fiduciary Funds	
	2015	2014	2015	2014
Federal Government				
Categorical aid	$ 3,242,937	$ 3,169,283	$ -	$ -
State Government				
Apportionment	9,134,792	15,460,757	-	-
Categorical aid	1,309,055	1,808,874	-	-
Lottery	2,309,570	590,646	-	-
Local Sources				
Interest	948,944	42,908	76,753	58,801
Other local sources	1,356,167	1,952,461	-	-
Total, excluding student receivables	18,301,465	23,024,929	76,753	58,801
Student receivables	8,757,346	8,049,357	-	-
Less allowance for bad debt	(1,628,085)	(1,378,502)	-	-
Student receivables, net	7,129,261	6,670,855	-	-
Total	$ 25,430,726	$ 29,695,784	$ 76,753	$ 58,801

Discretely Presented Component Unit

The Foundations' accounts receivable consist primarily of short-term donations. In the opinion of management, all amounts have been deemed to be fully collectable.

5. PREPAID EXPENSES AND OTHER ASSETS

The District has prepaid health insurance costs and construction retainers for periods after June 30, 2015 and 2014.

6. CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Capital Assets Not Being Depreciated				
Land	$ 14,054,708	$ -	$ -	$ 14,054,708
Construction in progress	45,580,923	27,359,790	20,507,844	52,432,869
Total Capital Assets Not Being Depreciated	59,635,631	27,359,790	20,507,844	66,487,577
Capital Assets Being Depreciated				
Land improvements	68,372,350	468,990	-	68,841,340
Buildings and improvements	330,356,233	31,429,634	823,065	360,962,802
Furniture and equipment	52,535,906	2,312,671	12,495	54,836,082
Total Capital Assets Being Depreciated	451,264,489	34,211,295	835,560	484,640,224
Total Capital Assets	510,900,120	61,571,085	21,343,404	551,127,801
Less Accumulated Depreciation				
Land improvements	28,963,642	3,661,582	-	32,625,224
Building and improvements	83,913,100	6,750,089	823,065	89,840,124
Furniture and equipment	46,387,127	2,272,716	12,495	48,647,348
Total Accumulated Depreciation	159,263,869	12,684,387	835,560	171,112,696
Net Capital Assets Being Depreciated	292,000,620	21,526,908	-	313,527,528
Net Capital Assets	$351,636,251	$48,886,698	$20,507,844	$380,015,105

Depreciation expense was $12,684,387 and $12,166,601 for the years ended June 30, 2015 and 2014, respectively.

7. ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	Primary Government		Fiduciary Funds	
	2015	2014	2015	2014
Accrued payroll	$ 2,990,230	$ 2,156,448	$ 2,995	$ -
Construction	5,939,468	6,051,054	-	-
Vendors	9,961,200	5,199,428	209,599	235,093
Total	$18,890,898	$13,406,930	$ 212,594	$ 235,093

8. UNEARNED REVENUE

Unearned revenue consisted of the following:

	Primary Government	
	2015	2014
State categorical aid	$ 3,376,947	$ 2,309,887
Enrollment and other student fees	7,209,716	6,097,706
Other Local	-	3,878
Total	$ 10,586,663	$ 8,411,471

9. INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/From)

Interfund receivables and payable arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the governmental fund and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process.

As of June 30, 2015, the amount owed between the government and the fiduciary funds were $141,642 and $15,675, respectively.

As of June 30, 2014, the amount owed between the government and the fiduciary funds were $33,035 and $82,063, respectively.

9. INTERFUND TRANSACTIONS (CONTINUED)

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2015 fiscal year the amount transferred to the primary government from the fiduciary fund amounted to $189,129. The amounts transferred to the fiduciary funds from the primary government were $6,753,819. During the 2014 fiscal year the amount transferred to the primary government from the fiduciary fund amounted to $189,780. The amounts transferred to the fiduciary funds from the primary government were $6,905,955.

10. LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations for the year ended June 30, 2015 consisted of the following:

	Balance June 30, 2014	Additions/ Adjustment	Deductions	Balance June 30, 2015	Due in One Year
Bonds and Notes Payable					
General obligation bonds	$ 343,945,000	$120,000,000	$ 8,085,000	$ 455,860,000	$23,725,000
Certificates of participation	700,000	-	700,000	-	-
Total Bonds and Notes Payable	344,645,000	120,000,000	8,785,000	455,860,000	23,725,000
Other Liabilities					
Compensated absences	13,008,825	155,189	619,162	12,544,852	-
Capital leases	21,191	-	6,801	14,390	7,060
Net pension liability	-	155,366,222	29,368,408	125,997,814	-
Net OPEB obligation	23,083,418	-	1,291,614	21,791,804	-
Total Other Liabilities	36,113,434	155,521,411	31,285,985	160,348,860	7,060
Total Long-Term Debt	$ 380,758,434	$275,521,411	$ 40,070,985	$ 616,208,860	$23,732,060
Deferred Inflows of Resources:					
Bond premium	$ 23,498,784	$ 3,504,731	$ 1,478,776	$ 25,524,739	$ 1,478,776
Pension related	-	35,061,450	-	35,061,450	8,765,363
	$ 23,498,784	$ 38,566,181	$ 1,478,776	$ 60,586,189	$10,244,139
Deferred Outflows of Resources:					
Pension related	$ -	$ 13,198,235	$ -	$ 13,198,235	$13,198,235

Payments on the Certificates of Participation are paid by the Debt Service Fund. Payments on the general obligation bonds are made by the bond interest and redemption fund with local property tax revenues. Payments on the capital leases and instructional service agreement apportionment repayments are paid by the general fund. The compensated absences and OPEB obligations will be paid by the fund for which the employee worked.

10. LONG-TERM OBLIGATIONS (CONTINUED)

Description of Bonds

On March 5, 2002, $120,000,000 in general obligation bonds were authorized by the voters under Proposition 39/Measure A in an election held within the Contra Costa Community College District. In July 2002, the District issued its first series in the amount of $50,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2003 through August 2026. Annual interest rates range from 3.5% to 6.0%.

In August 2004, the District issued its second series in the amount of $45,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2005 through August 2029. Annual interest rates range from 4.0% to 5.0%.

In April 2006, the District issued the third series in the amount of $25,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2007 through August 2030. Annual interest rates range from 4.0% to 4.5%.

On June 6, 2006, $286,500,000 in general obligation bonds were authorized by the voters under Proposition 39/Measure A in an election held within the Contra Costa Community College District. In August 2007, the District issued its first series in the amount of $73,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2008 through August 2032. Annual interest rates range from 4.0% to 5.0%.

On March 16, 2010, the District issued the second series in the amount of $73,000,000. The bonds require annual principal payments and semi-annual interest payments beginning August 2010 through August 2034. Annual interest rates range from 0.75% to 6.504%.

In October 2011, the District issued general obligation refunding bonds in the amount of $38,595,000 to refund all or a portion of the Series 2002 bonds issued on July 2, 2002. The bonds require annual principal payments and semi-annual interest payments beginning February 2012 through August 2026. Annual interest rates range from 4.0% to 5.0%.

In October 2012, the District issued general obligation refunding bonds in the amount of $106,565,000 to refund all or a portion of the Series 2004, Series 2006 and Series 2007 bonds issued on August 25, 2004, May 11, 2006 and August 16, 2007, respectively. The bonds require annual principal payments and semi-annual interest payments beginning in February 2013 through August 2032. Annual interest rates range from 2% to 5%.

In October 2013, the District issued general obligation bonds in the amount of $140,500,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2014 through August 2038. Annual interest rates range from 1.00% to 5.00%.

In August 2014, the District issued general obligation bonds in the amount of $120,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2015 through August 2039. Annual interest rates range from 2.00% to 4.00%.

10. LONG-TERM OBLIGATIONS (CONTINUED)

Debt Maturity – General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2014	Additions	Deductions	Bonds Outstanding July 1, 2015
August 2004	8/1/2029	4.0%-5.5%	$ 45,000,000	$ 250,000	$ -	$ 50,000	$ 200,000
April 2006	8/1/2030	4.0%-4.5%	$ 25,000,000	1,300,000	-	680,000	620,000
August 2007	8/1/2032	4.0%-5.0%	$ 73,000,000	4,045,000	-	1,985,000	2,060,000
March 2010	8/1/2034	.75%-6.504%	$ 73,000,000	57,170,000	-	75,000	57,095,000
October 2011	8/1/2026	4.0%-5.0%	$ 38,595,000	36,140,000	-	2,025,000	34,115,000
October 2012	8/1/2032	2.0%-5.0%	$106,565,000	104,540,000	-	-	104,540,000
October 2013	8/1/2038	1.0%-5.0%	$140,500,000	140,500,000	-	3,270,000	137,230,000
August 2014	8/1/2039	2.0%-4.0%	$120,000,000	-	120,000,000	-	120,000,000
				$343,945,000	$120,000,000	$ 8,085,000	$455,860,000

The bonds mature through August 2039 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2016	$ 23,725,000	$ 9,250,918	$ 32,975,918
2017	22,555,000	18,682,118	41,237,118
2018	5,980,000	18,270,793	24,250,793
2019	6,535,000	17,993,118	24,528,118
2020	7,180,000	17,667,118	24,847,118
2021-2025	52,290,000	82,128,652	134,418,652
2026-2030	99,095,000	65,472,970	164,567,970
2031-2035	111,275,000	42,313,175	153,588,175
2036-2040	127,225,000	13,543,150	140,768,150
Total	$455,860,000	$285,322,012	$741,182,012

Certificates of Participation

In June 1996, the Financing Corporation issued $1,605,000 of Certificates of Participation (COPs), with effective interest rates ranging from 4.5% to 5.35% maturing through 2021. The COPs proceeds were used to fund various construction projects. The COPs were paid off as of June 30, 2015.

State Apportionment

The District initiated a review of the District's course offerings known as Instructional Service Agreements (ISA). The initial review indicated an adjustment of $4,497,984 due back to the state. $1,499,328 was withheld from the District's 2012, 2013 and 2014 apportionment and the balance was fully paid as of June 30, 2014.

11. POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units.

Annual OPEB cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the payments of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarially accrued liabilities (UAAL) (or funding costs) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid during the year, and changes in the District's net OPEB obligation:

Annual required contribution	$ 17,198,348
Interest on net OPEB obligation	1,546,589
Adjustement to annual required contribution	(2,059,116)
Annual OPEB cost	$16,685,821
Contributions made	(17,977,435)
Increase in net OPEB obligation	(1,291,614)
Net OPEB obligation, beginning of year	23,083,418
Net OPEB obligation, end of year	$21,791,804

Funding Status and Funding Progress

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years is as follows;

Year Ended June 30,	Annual OPEB Cost	Actual Contributions	Percentage Contributed	Net OPEB Obligation
2013	$ 16,109,024	$ 19,220,922	119%	$ 24,478,603
2014	$ 15,839,012	$ 17,234,197	109%	$ 23,083,418
2015	$ 16,685,821	$ 17,977,436	108%	$ 21,791,804

11. POSTEEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMNPLOYMENT BENEFIT (OPEB) OBLIGATION (CONTINUED)

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follow the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarially accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

In the March 1, 2015, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 6.70 percent investment rate of return (net of administrative expenses), on Plan assets funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. Healthcare cost trend rates used were 4% per year. The UAAL is being amortized at a level dollar method. The amortization period is 23 years. The actuarial value of assets was $69,231,999 at the time of the actuarial valuation.

12. LEASE REVENUES

The District has property held for lease. Currently no significant long-term lease agreements have been entered into with various lessees for terms that exceed one year.

13. RISK MANAGEMENT

Insurance Coverages

The District participates in two joint ventures under Joint Powers Agreements (JPA): Contra Costa County Schools Insurance Group (CCCSIG), for workers' compensation insurance and Bay Area Community College District Joint Powers Authority (BACCDJPA) for property and liability insurance. The relationship between Contra Costa Community College District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes. Each participant's individual claims performance dictates whether the participant will be required to contribute more to cover pooled insurance costs or derive dividends from pool savings. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

The District provides a cooperative program of self-insurance for workers' compensation for its employees. The District is self insured for individual worker's compensation claims less than $1,000,000, and is covered by CCCSIG for individual claims exceeding such amounts to a Statutory maximum per claim.

Property and Liability

The District is self insured for individual property and liability claims less than $10,000, and is covered by BACCDJPA for individual claims exceeding such amounts to $250 million for property and $25 million for liability.

Condensed financial information for the JPAs for the most recent fiscal year available is as follows:

	CCCSIG June 30, 2014	BACCDJPA June 30, 2014
Total Assets	$ 103,788,906	$ 7,092,820
Deferred Outflows	303,213	
Total Liabilities	85,475,069	3,043,554
Deferred Inflows	456,788	
Net Assets	$ 18,160,262	$ 4,049,266
Revenues	$ 46,889,360	$ 4,439,126
Expenditures	(44,702,402)	(3,162,107)
	(1,986,307)	
Change in Net Postion	$ 200,651	$ 1,277,019

13. RISK MANAGEMENT

Employee Medical Benefits

The District has contracted with Kaiser and Anthem to provide employee medical benefits. Rates are set through an annual calculation process. The District pays monthly contributions as applicable to each of these plans.

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of loses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District:

	2015	2014
Beginning Liability Balance	$ 14,602	$ 6,411
Claims and changes in estimates	44,796	44,973
Claims payments	(40,223)	(36,782)
Ending Liability Balance	$ 19,175	$ 14,602
Assets Availible to Pay Claims at June 30:	$ 661,556	$ 595,009

14. EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS), and classified employees are members of the Public Employees' Retirement System (PERS).

California Public Employees’ Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

14. EMPLOYEE RETIREMENT SYSTEMS

State Teachers' Retirement System (STRS)

Plan Description

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

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	CalPERS		STRS	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	60	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	6%	8.15%	8.15%
Required employer contribution rates	11.771%	11.771%	8.88%	8.88%

Contributions

CalPERS
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contra Costa Community College District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS
Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

14. EMPLOYEE RETIREMENT SYSTEMS

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were:

	CalPERS	STRS	Total Deferred Outflows
Contributions - employer	$ 4,742,354	$ 5,954,890	$ 10,697,244
On-behalf contributions - state	-	2,500,991	2,500,991
Total	$ 4,742,354	$ 8,455,881	$ 13,198,235

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, Contra Costa Community College District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 41,440,016
STRS	84,557,797
Total Net Pension Liability	$ 125,997,813

Contra Costa Community College District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. Contra Costa Community College District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	CalPERS	STRS
Proportion - June 30, 2013	0.37049%	0.14231%
Proportion - June 30, 2014	0.36503%	0.13300%
Change - Increase (Decrease)	-0.00546%	-0.00931%

14. EMPLOYEE RETIREMENT SYSTEMS

For the year ended June 30, 2015, the District recognized pension expense of $3,683,171 and $2,009,870 for CalPERS and STRS, respectively. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,742,354	$ -	$ 8,455,881	$ -
Net differences between projected and actual earnings on plan investments	-	14,239,253	-	20,822,197
Total	$ 4,742,354	$ 14,239,253	$ 8,455,881	$ 20,822,197

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	CalPERS	STRS
Year Ended June 30	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2016	$3,559,813	$5,205,549
2017	3,559,813	5,205,549
2018	3,559,813	5,205,549
2019	3,559,813	5,205,549

14. EMPLOYEE RETIREMENT SYSTEMS

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	**STRS**
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.50%	7.60%
Inflation	2.75%	3.00%
Payroll Growth Rate	3.00%	3.75%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%	7.60%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

Discount Rate

CalPERS

The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

14. EMPLOYEE RETIREMENT SYSTEMS

Discount Rate

CalPERS

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

	CalPERS		
Asset Class	**New Strategic Allocation**	**Real Return Years 1 - 10(a)**	**Real Return Years 11+(b)**
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
	100.0%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

14. EMPLOYEE RETIREMENT SYSTEMS

Discount Rate

STRS

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

	STRS	
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	47.0%	4.50%
Private Equity	12.0%	6.20%
Real Estate	15.0%	4.35%
Inflation Sensitive	5.0%	3.20%
Fixed Income	20.0%	0.20%
Cash/Liquidity	1.0%	0.00%
Total	100%	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

14. EMPLOYEE RETIREMENT SYSTEMS

	CalPERS		
	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability	$ 72,695,248	$ 41,440,016	$ 15,323,119

	STRS		
	Discount Rate - 1% (6.60%)	Current Discount Rate (7.60%)	Discount Rate + 1% (8.60%)
Plan's Net Pension Liability	$ 131,803,492	$ 84,557,797	$ 45,163,475

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS financial reports.

Payable to the Pension Plan

At June 30, 2015, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

Other

As established by Federal law, all public section employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Cash Balance Plan as its alternative plan. The Cash Balance Plan (CB Plan) is an alternative to the CalSTRS contribution plan for instructors. Instructors who choose not to sign up for CalSTRS or FICA may participate in the CB plan. The District contribution rate for the year ended June 30, 2015 was 4 percent of annual payroll. Contributions for the years ended June 30, 2015 and 2014, were $449,527 and $414,627, respectively.

The District also provides a 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. The District does not contribute to this plan.

14. EMPLOYEE RETIREMENT SYSTEMS

Deferred Compensation

The District offers its employees CalPERS administered 457 Deferred Compensation Program (the Program). The Program, available to all permanent employees, permits them to defer a portion of pre-tax salary into an investment of an individual's own choosing until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death, or an unforeseeable emergency. The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The Board for the exclusive benefit of participating employees, which adds security, holds the assets in trust. The District does not contribute to this plan.

15. PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Contra Costa Schools Insurance Group and the Bay Area Community College District Joint Powers Authority JPAs. The District pays annual premiums for its property liability, health, and workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPAs and the District are included in these statements. Audited financial statements are available from the respective entities.

The District's share of year-end assets, liabilities, or fund equity has not been calculated. During the year ended June 30, 2015, the District made payments of $2,143,461 and $1,387,090 to the Contra Costa Schools Insurance Group and the Bay Area Community College District JPA, respectively.

16. PRIOR PERIOD RESTATEMENT

For the year ended June 30, 2014, the District implemented GASB Statement No. 65 that required the District to write off deferred bond costs previously being amortized over the life of the bonds issued. The amount written off and recorded as a prior period adjustment was $1,428,458.

In addition, when the 2012 refunding bond was issued, the District removed all the debt for the 2004, 2006 and 2007 general obligation bonds, however $8,375,000 of those bonds were still outstanding as of June 30, 2013. A prior period adjustment of $8,375,000 was recorded to include these bonds in the outstanding debt.

The total prior period restatement applicable to the year ended June 30, 2014 was a reduction in net position of $9,803,458.

17. COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. In the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2015.

Litigation

The District is involved in litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2015.

Operating Leases

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are $1,308,099 and $1,721,183 for the years ending June 30, 2015 and 2014, respectively.

Related Party Transactions

The District provides facilities, staff, and operational support to each of the three Foundations. The dollar amount of donated services and support has not been calculated since there is no readily available method for valuing these services.

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Commitments

As of June 30, 2015, the District had the following commitments with respect to the unfinished capital projects:

2006 Bond Capital Project	Remaining Contract Commitment
Contra Costa College	
Automated ADA Doors	$ 11,300
Project Administration	588,552
New College Center	26,998,247
Parking Lot 16 Repair	35,695
Seismic Repairs-Buildings	156,111
Plan/Design/Engineer New Buildings	-
Voltage Upgrade & Utility Maintenance	-
Diablo Valley College	
Project Administration	288,716
Engineering Technology Renovation	18,600
Quad Area Renovation	514,052
Los Medanos College	
Gymnasium Renovation	28,000
Project Administration	166,089
College Complex Remodels	43,732
Student Services Center	660,962
District Office	
IT Infrastructure	261,754
Monitoring Base Commissioning	8,400
Electrical Distb. Assessment	121,430
Project Administration	879,416
District-Wide	
Measure A Project Administration	
Master Plan	22,861
Total Remaining Commitment	$30,803,917

2014 Bond Capital Project	Remaining Contract Commitment
Contra Costa College	
Campus Security Center	$ 18,000
Diablo Valley College	
Stubbs Road Crosswalk	2,446
Los Medanos College	
Campus Security Center	18,000
New Brentwood Center	80,000
College Complex Remodels	36,079
Mechanical Systems Upgrade	13,500
District Office	
Project Administration	191,660
Total Remaining Commitment	$ 359,685

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Deferral of State Apportionments
Certain apportionments owed to the District for funding of FTES, categorical programs, and construction reimbursements which are attributable to the 2012-2013 fiscal year have been deferred to the 2013-2014 fiscal year. The total amount of funding deferred into the 2013-2014 fiscal year and received in 2013-2014 fiscal year was $15,321,456. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years.

18. SUBSEQUENT EVENTS

District management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2015 through December 23, 2015, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarially Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
June 30, 2006	$ -	$ 335,136,700	$ 335,136,700	0%	$65,849,200	509%
June 30, 2008	$ -	$ 262,468,400	$ 262,468,400	0%	$70,661,000	371%
February 1, 2011	$ 23,373,801	$ 198,640,665	$ 175,266,864	12%	$73,907,620	237%
March 1, 2013	$ 46,371,955	$ 198,489,326	$ 152,117,371	23%	$75,632,427	201%
March 1, 2015	$ 69,231,999	$ 221,603,131	$ 152,371,132	31%	$79,311,091	192%

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CalPERS	**June 30, 2014** [1]
Proportion of the net pension liability	0.36503%
Proportionate share of the net pension liability	$ 41,440,016
Covered-employee payroll (2)	$ 34,372,161
Proportionate Share of the net pension liability as percentage of covered-employee payroll	120.56%
Plans fiduciary net position as a percentage of the total pension liability	83.38%
Proportionate share of aggregate employer contributions (3)	$ 4,742,354

STRS	**June 30, 2014** [1]
Proportion of the net pension liability	0.13300%
Proportionate share of the net pension liability	$ 84,557,797
Covered-employee payroll (2)	$ 75,447,142
Proportionate Share of the net pension liability as percentage of covered-employee payroll	112.08%
Plans fiduciary net position as a percentage of the total pension liability	76.52%
Proportionate share of aggregate employer contributions (3)	$ 5,954,890

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

(3) The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CalPERS

	Fiscal Year 2013-14 (1)
Actuarially Determined Contribution (2)	$ 4,384,489
Contributions in relation to the actuarially determined contributions (2)	(3,932,897)
Contribution deficiencey (excess)	$ 451,592
Covered-employee payroll (3)	$ 34,372,161
Contributions as a percentage of covered-employee payroll (3)	12.756%

STRS

	Fiscal Year 2013-14 (1)
Actuarially Determined Contribution (2)	$ 5,317,073
Contributions in relation to the actuarially determined contributions (2)	(5,369,221)
Contribution deficiencey (excess)	$ (52,148)
Covered-employee payroll (3)	$ 75,447,142
Contributions as a percentage of covered-employee payroll (3)	7.047%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

SUPPLEMENTARY INFORMATION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION

JUNE 30, 2015

The Contra Costa Community College District was established in 1948, and is comprised of an area of approximately 686 square miles located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District's three colleges are each accredited by the Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
John T. Nejedly	President	2018
Vicki Gordon	Vice President	2016
John E. Marquez	Secretary	2018
Greg Enholm	Member	2016
Tim Farley	Member	2018
Gary S. Walker-Roberts	Student Trustee	2016

ADMINISTRATION

Dr. Helen Benjamin	Chancellor
Eugene Huff	Executive Vice Chancellor, Administrative Services
Vacant	Executive Vice Chancellor, Education and Technology

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor and Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Actual 2015 Expenditures
U.S. Department of Agriculture			
USDA NIFA	10.223	[1]	$ 72,283
Total U.S. Department of Agriculture			72,283
U.S. Department of Education			
Student Financial Aid Cluster			
Federal Pell Grant Programs (PELL)	84.063	[1]	30,924,171
Federal Pell Administrative Allowance	84.063	[1]	46,230
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	[1]	651,043
Federal Direct Loans (FDL)	84.268	[1]	2,744,863
Federal Work Study	84.033	[1]	480,521
Subtotal Student Financial Aid Cluster			34,846,828
Parent Success Initiative (CCAMPIS)	84.335A	[1]	93,072
Title III, Hispanic Serving Institutions	84.031C	[1]	620,401
Title V, Hispanic Serving Institutions	84.031S	[1]	1,306,039
TRIO - Talent Search	84.044	[1]	328,540
TRIO - Upward Bound	84.047A	[1]	250,922
Pass Through California Community Colleges Chancellor's Office			
Career Technical Education Act - Basic Grants To States (Perkins IV)	84.048	03303	1,078,594
Career Technical Education Act - Transitions	84.048	[2]	129,807
Subtotal Career Technical Education Cluster			1,208,401
Total U.S. Department of Education			38,654,203
U.S. Department of Labor			
TAACCCT	17.282	[1]	3,302,003
Total U.S. Department of Labor			3,302,003
U.S. Department of Health and Human Services			
Pass Through Contra Costa County			
Foster Care - Title IV E - Foster Parent Training	93.658	10011	215,070
Foster Care - Title IV E - Foster Relative	93.658	10011	46,669
Temporary Assistance for Needy Families (TANF)	93.558	[2]	158,495
Total U.S. Department of Health and Human Services			420,234
U.S. Department of Housing and Urban Development			
Metropolitan Transportation Commission (MTC)	14.703	[1]	75,000
Total U.S. Department of Housing and Urban Development			75,000
National Science Foundation			
National Science Foundation (DMAF)	47.076	[1]	322,251
National Science Foundation (Chem Wiki)	47.076	[1]	32,882
National Science Foundation (STEM Scholars)	47.076	[1]	111,274
Pass Through University of California Regents			
National Science Foundtion TUES	47.076	[2]	450
Total National Science Foundation			466,857
Total Expenditures of Federal Awards			$ 42,990,580

[1] Pass through number not applicable.
[2] Pass through number not available.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Program	Program Revenues				
	Cash Received	Accounts Receivable	Deferred Revenue	Total Revenue	Total Program Expenditures
AB 86 Adult Education	$ 265,666		$ 75,852	$ 189,813	$ 189,813
AB 1725 Staff Diversity	87,791		81,761	6,030	6,030
Basic Skills	659,533		223,695	435,837	435,837
BFAP (AB 602)	1,066,559			1,066,559	1,066,559
Cal Grants	2,711,660	33,203		2,744,863	2,744,863
CalWORKS	644,636	3,037		647,673	647,673
CARE	245,478			245,478	245,478
Career Academy Advancement III	129,324			129,324	129,324
Career Academy Advancement IV	300,000	90,889		390,889	390,889
CTE Pathways-SB 1070 (2013-14)	52,357	102,217		154,574	154,574
CTE Pathways-SB 1070 (2014-15)	-	100,221		100,221	100,221
Career Tech Collaborative #6	133,703			133,703	133,703
Career Tech Workforce Innovation #6	115,206			115,206	115,206
DSPS (2013-14 Carryover)	10,957			10,957	10,957
DSPS	3,118,660		114,843	3,003,817	3,003,817
EOPS (2013-14 Carryover)	2,100			2,100	2,100
EOPS	2,219,351			2,219,351	2,219,351
Foster Parent Training	123,732	124,711		248,443	248,443
Foster Relative (Heritage)	-	53,910		53,910	53,910
Instructional Equipment	510,207		86,044	424,163	424,163
Lottery, Prop. 20	1,169,829			1,169,829	1,169,829
Student Success (2013-14 Carryover)	344,413		-	344,413	344,413
Student Success	4,131,684		946,168	3,185,516	3,185,516
Student Success, Non-Credit (Carryover)	5,296			5,296	5,296
Student Success, Non-Credit	2,542		1,697	845	845
Student Equity	1,390,323		594,408	795,915	795,915
MCHS SciMath	39,600	59,400		99,000	99,000
MESA	30,300	20,200		50,500	50,500
Puente Project	571,029	611,971		1,183,000	1,183,000
RN Enrollment Growth	333,274			333,274	333,274
State Pre-School	154,387			154,387	154,387
TTIP	100			100	100
Workability III	167,079	85,684		252,763	252,763
Total State Programs	$ 20,736,775	$ 1,285,443	$ 2,124,469	$ 19,897,748	$ 19,897,748

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT – ANNUAL/ACTUAL ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CATEGORIES	Annual Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit	7.25	-	7.25
2. Credit	78.14	-	78.14
B. Summer Intersession (Summer 2015 - prior to July 1, 2015)			
1. Noncredit	0.37	-	0.37
2. Credit	119.75	-	119.75
C. Primary Terms (Exclusive of Summer Intersession)			
1. Cencus Procedure Course			
(a) Weekly Census Contact Hours	19,556.65	-	19,556.65
(b) Daily Census Contact Hours	1,164.15	-	1,164.15
2. Actual Hours of Attendace Procedure Courses			
(a) Noncredit	98.32	-	98.32
(b) Credit	730.51	-	730.51
3. Independent Study/Work Experience Education Courses			
(a) Weekly Census Procedure Courses	1,751.20	-	1,751.20
(b) Daily Census Procedure Courses	871.22	-	871.22
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
	24,377.56	-	24,377.56
D. Total FTES			
Supplemental Information:			
Basic Skills Courses and Immigrant Education			
(a) Noncredit	66.09	-	66.09
(b) Credit	1,620.33	-	1,620.33

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

There were no adjustments made to any funds of the District.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional Salaries							
Contract or Regular	1100	30,817,838		30,817,838	30,817,838		30,817,838
Other	1300	30,555,765		30,555,765	30,601,836		30,601,836
Total Instructional Salaries		61,373,603		61,373,603	61,419,674		61,419,674
Non-Instructional Salaries							
Contract or Regular	1200				12,040,980		12,040,980
Other	1400				1,428,813		1,428,813
Total Non-Instructional Salaries					13,469,793		13,469,793
Total Academic Salaries		61,373,603		61,373,603	74,889,467		74,889,467
Classified Salaries							
Non-Instructional Salaries							
Regular Status	2100				22,403,737		22,403,737
Other	2300				3,754,712		3,754,712
Total Non-Instructional Salaries					26,158,449		26,158,449
Instructional Aides							
Regular Status	2200	2,581,303		2,581,303	2,582,515		2,582,515
Other	2400	908,580		908,580	914,593		914,593
Total Instructional Aides		3,489,883		3,489,883	3,497,108		3,497,108
Total Classified Salaries		3,489,883		3,489,883	29,655,557		29,655,557
Employee Benefits	3000	19,971,015		19,971,015	43,527,897		43,527,897
Supplies and Materials	4000				1,901,122		1,901,122
Other Operating Expenses	5000				15,421,914		15,421,914
Equipment Replacement	6420				671,527		671,527
Total Expenditures Prior to Exclusions		84,834,501		84,834,501	166,067,484		166,067,484

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Exclusions							
Activities to Exclude							
Instructional Staff–Retirees' Benefits and Retirement Incentives	5900	6,027,297		6,027,297	6,027,297		6,027,297
Student Health Services Above Amount Collected	6441				1,891,253		1,891,253
Student Transportation	6491						
Noninstructional Staff-Retirees' Benefits and Retirement Incentives	6740				5,090,139		5,090,139
Objects to Exclude							
Rents and Leases	5060				403,536		403,536
Lottery Expenditures							
Academic Salaries	1000				1,373,934		1,373,934
Classified Salaries	2000				1,167,317		1,167,317
Employee Benefits	3000				906,588		906,588
Supplies and Materials	4000						
Software	4100						
Books, Magazines, & Periodicals	4200						
Instructional Supplies & Materials	4300						
Noninstructional, Supplies & Materials	4400				88,730		88,730
Total Supplies and Materials					88,730		88,730
Other Operating Expenses and Services	5000				613,306		613,306
Capital Outlay	6000						
Library Books	6300						
Equipment	6400						
Equipment - Additional	6410						
Equipment - Replacement	6420						
Total Equipment							
Total Capital Outlay							
Other Outgo	7000						
Total Exclusions		6,027,297		6,027,297	17,562,100		17,562,100
Total for ECS 84362, 50% Law		**78,807,204**		**78,807,204**	**148,505,384**		**148,505,384**
Percent of CEE (Instructional Salary Cost / Total CEE)		53.07%		53.07%	100.00%		100.00%
50% of Current Expense of Education					74,252,692		74,252,692

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF EDUCATION PROTECTION ACCOUNT FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CALIFORNIA COMMUNITY COLLEGES

Annual Financial and Budget Report

SUPPLEMENTAL DATA

Schools and Local Public Safety Protection Act

Prop 30 EPA Expenditure Report

For Actual Year: 2014-2015 Budget Year: 2015-2016

Activity Classification	Object Code				**Unrestricted**
EPA Proceeds: $26,449,144	8630				0
Activity Classification	**Object Code**	**Salaries and Benefits (1000 - 3000)**	**Operating Expenses (4000 - 5000)**	**Capital Outlay (6000)**	**Total**
Instructional Activities	0100-5900	$26,449,144			$26,449,144
Other Support Activities (list below)	6XXX				
Total Expenditures for EPA*		$26,449,144	0	0	$26,449,144
Revenues less Expenditures					0

***Total Expenditures for EPA may not include Administrator Salaries and Benefits or other administrative costs.**

1. PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

Schedule of Expenditures of State Awards

The accompanying schedule of expenditures of State awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance

Full-Time Equivalent Students (FTES) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college district. This schedule provides information regarding the attendance of students throughout the District.

Reconciliation of Annual Financial and Budget Report with Fund Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the fund financial statements.

Reconciliation of ECS 84362 (50 Percent Law) Calculation

This schedule provides the information necessary to reconcile the data reported on the Annual Financial and Budget Report for the Current Expense of Education in connection with the 50% Law to the audited balances.

Reconciliation of Education Protection Account Funds

This schedule provides the information necessary to reconcile the data reported on the Annual Financial and Budget Report for the Proposition 30 EPA Expenditure Report to the audited balances.

OTHER INDEPENDENT AUDITOR'S REPORTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the financial statements of Contra Costa Community College District (the "District"), as of and for the year ended June 30, 2015 and have issued our report thereon dated December 23, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of Contra Costa Community College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 23, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORTING ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Contra Costa Community College District
Martinez, California

Compliance

We have audited Contra Costa Community College District (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 23, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 23, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT
ON STATE COMPLIANCE

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the basic financial statements of Contra Costa Community College District (the District), as of and for the year ended June 30, 2015, and have issued our report thereon dated December 23, 2015.

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

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following state laws and regulations in accordance with Section 400 of the Chancellor's Office's California Community College Contracted District Audit Manual (CDAM) for fiscal year 2014-15:

Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Concurrent Enrollment of K-12 Students in Community College Credit Courses
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 438	Student Fees – Health Fees and Use of Health Fee Funds
Section 439	Proposition 39 Clean Energy
Section 440	Intersession Extension Program – **Not Applicable**
Section 474	Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D State Bond Funded Projects – **Not Applicable**
Section 491	Proposition 30 Education Protection Account Funds

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

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Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test bases, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

Opinion

In our opinion, except for finding 2015-01 described in the accompanying schedule of findings and questioned costs, Contra Costa Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2015.

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 23, 2015

FINDINGS AND RECOMMENDATIONS

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor's Results

Financial Statements	Opinion Unit	Type of Opinion
Type of auditor's report issued:	Business Type Activities	Unmodified
	Fiduciary Funds	Unmodified
Discretely Presented Component Unit	Contra Costa College Foundation	Unmodified
Discretely Presented Component Unit	Los Medanos College Foundation	Unmodified
Discretely Presented Component Unit	Diablo Valley College Foundation	Adverse

Internal control over financial reporting:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)? ____ Yes X No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.063	
84.268, 84.033	Student Financial Aid Cluster
84.031S	Title V – Hispanic Serving Institutions

Dollar threshold used to distinguish between Type A and Type B programs: $1,289,717

Auditee qualified as low-risk auditee? X Yes ____ No

State Awards

Internal control over state programs:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None reported

Type of auditor's report issued on compliance for state programs**:** Qualified

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

2015-01 – Disable Student Programs and Services (DSPS)

Criteria
For all Disabled Student Programs and Services participants, the District should have the following documentation on file: a signed application, verification of disability and identification of educational limitation(s), a Student Educational Contract, documentation of services provided and documentation that verifies the student was notified of all policies dealing with rights and responsibilities in receiving services. Authority cited: Title 5 of the California Code of Regulations, Article 1, Sections 56002, 56004, 56005, 56006, 56010 and Article 2, Section 56022.

Condition:
The DSPS office did not have a signed application on file for one Disabled Student Programs and Services participant, Student 1000205 attending Diablo Valley College.

Context
We selected 25 DSPS students out of 1,907 to test for compliance with the DSPS program requirements. Only one student did not have a completed application on file, but all other documentation needed to determine the student's disability and needs were in the student file.

Effect
The District is not in compliance with state Disable Student Programs and Services requirements; however there was sufficient documentation to determine that the student was appropriately allowed to participate in the program. Therefore, there is no fiscal impact to the District.

Cause
The DSPS office gave the student application to student; however the student has not brought the signed application back to the office.

Recommendation
The District should have a process of review in place to ensure all DSPS participants have the proper documentation filled out. If documentation is pending, then a note should be included in each student file as to the missing information.

Corrective Action Plan
The DSPS office will follow up with student to insure application is filled out and placed in student file. In the future, all files will be reviewed to ensure that all documentation has been collected.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Recommendation	Current Status	Explanation If Not Implemented
2014-01 – Return of Title IV Funds		
The college should monitor and follow up on all students receiving Title IV assistance that have dropped during the semester to ensure funds are returned in a timely manner.	Implemented	