

CONTRA COSTA COLLEGE FOUNDATION

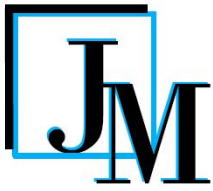
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 and 2014**

CONTRA COSTA COLLEGE FOUNDATION

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Contra Costa College Foundation
San Pablo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Contra Costa College Foundation (the "Foundation") which comprise the statements of assets, liabilities and net assets – cash basis as of June 30, 2015 and 2014, and the related statements of cash receipts and disbursements and changes in net assets - cash basis and statements of functional expenses-cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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. 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

James Marta & Company LLP
Certified Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Contra Costa College Foundation as of June 30, 2015 and 2014, and its revenue collected and expenses paid during the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
December 4, 2015

FINANCIAL SECTION

CONTRA COSTA COLLEGE FOUNDATION

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – CASH BASIS

AS OF JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,566,415	\$ 2,352,753
Short term investments	<u>1,488,622</u>	<u>1,362,182</u>
Total current assets	<u>4,055,037</u>	<u>3,714,935</u>
Non-Current Assets:		
Long term investments	<u>33,515</u>	<u>137,537</u>
Total Assets	<u>4,088,552</u>	<u>3,852,472</u>
LIABILITIES		
Current Liabilities:		
Funds held for others	<u>524,677</u>	<u>411,472</u>
NET ASSETS		
Unrestricted	2,845,433	2,739,303
Temporarily restricted	183,202	166,457
Permanently restricted	<u>535,240</u>	<u>535,240</u>
Total Net Assets	<u>3,563,875</u>	<u>3,441,000</u>
Total Liabilities and Net Assets	<u>\$ 4,088,552</u>	<u>\$ 3,852,472</u>

CONTRA COSTA COLLEGE FOUNDATION

**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND CHANGE IN NET ASSETS –
CASH BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
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	<u>402,407</u>	<u>16,746</u>	<u>-</u>	<u>419,153</u>
EXPENSES				
Program services	251,402	-		251,402
Management and general	10,906	-	-	10,906
Fundraising	33,970	-		33,970
Total expenses	<u>296,278</u>	<u>-</u>	<u>-</u>	<u>296,278</u>
CHANGE IN NET ASSETS	106,129	16,746	-	122,875
NET ASSETS, BEGINNING	<u>2,739,303</u>	<u>166,457</u>	<u>535,240</u>	<u>3,441,000</u>
NET ASSETS ENDING	<u>\$ 2,845,432</u>	<u>\$ 183,203</u>	<u>\$ 535,240</u>	<u>\$ 3,563,875</u>

CONTRA COSTA COLLEGE FOUNDATION

STATEMENT OF REVNUUE, EXPENSES AND CHANGE IN NET ASSETS – CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Donations	\$ 563,463	\$ 14,398	\$ -	\$ 577,861
Program income	-	8,687	-	8,687
Event income	72,965	-	-	72,965
Investment income	37,611	2,725	-	40,336
Satisfaction of program restrictions	129,798	(129,798)	-	-
Total revenues	<u>803,837</u>	<u>(103,988)</u>	<u>-</u>	<u>699,849</u>
EXPENSES				
Program services	403,233	-	-	403,233
Management and general	23,385	-	-	23,385
Fundraising	32,779	-	-	32,779
Total expenses	<u>459,397</u>	<u>-</u>	<u>-</u>	<u>459,397</u>
CHANGE IN NET ASSETS	344,440	(103,988)	-	240,452
NET ASSETS, BEGINNING OF YEAR	<u>2,394,863</u>	<u>270,445</u>	<u>535,240</u>	<u>3,200,548</u>
NET ASSETS END OF YEAR	<u>\$ 2,739,303</u>	<u>\$ 166,457</u>	<u>\$ 535,240</u>	<u>\$ 3,441,000</u>

CONTRA COSTA COLLEGE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES– CASH BASIS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	Program Services	Management and General	Fundraising	2015 Total
Scholarships	\$ 221,713	\$ -	\$ -	\$ 221,713
Program expenses	29,689	-	-	29,689
Dues and subscriptions	-	600	-	600
Fundraising expenses	-	-	33,970	0
Other expenses	-	10,306	-	10,306
Total Expenses	\$ 251,402	\$ 10,906	\$ 33,970	\$ 296,278

	Program Services	Management and General	Fundraising	2014 Total
Scholarships	\$ 273,435	\$ -	\$ -	\$ 273,435
Program expenses	129,798	-	-	129,798
Dues and subscriptions	-	770	-	770
Fundraising expenses	-	-	32,779	32,779
Other expenses	-	22,615	-	22,615
Total Expenses	\$ 403,233	\$ 23,385	\$ 32,779	\$ 459,397

CONTRA COSTA COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Contra Costa College Foundation (the "Foundation") is a nonprofit corporation dedicated to providing assistance to the students, teachers, and programs of Contra Costa College. Revenues are derived principally through the Foundation's fundraising programs and contributions from individuals, corporations and service organizations.

B. SUPPORT AND EXPENSES

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Equipment donated to the Foundation for the use of Contra Costa College is passed through to the College and/or District. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports contributions as unrestricted.

C. FINANCIAL STATEMENT PRESENTATION

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, 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 the statement, the Foundation does not use fund accounting.

The accompanying financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized, except for the amounts held on behalf of others. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

D. CONTRIBUTIONS

The Foundation accounts for contributions in accordance with FASB ASC 958-310-50. In accordance with ASC 958-310-50, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as satisfaction of program restrictions.

CONTRA COSTA COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

E. INVESTMENTS

The Foundation presents its investments at cost under the cash basis of accounting. Investment income and gains for endowment funds are restricted by a donor and are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investments accounts other than the endowment accounts are not restricted and reported in the period in which income and gains are recognized.

F. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. DONATED SERVICES, GOODS AND FACILITIES

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

The Foundation supports and improves community interaction with Contra Costa College. In its capacity as community liaison, the Foundation procures public support for the Contra Costa Community College District, which is not recorded in the Foundation's accounting records. Materials and other assets received as donations are not recorded and reflected in the financial statements at their fair values as the Foundation reports on the cash basis of accounting.

During the year, management and administrative services were provided by Contra Costa College employees on behalf of the Foundation. These donated services were not recognized in the financial statements as in-kind donation revenue and donated management services, since they do not meet the criteria for recognition under ASC 958-310-50 as this is a cash basis financial statement.

H. CASH AND EQUIVALENTS

Cash and cash equivalents consist of cash held in checking and money market accounts. The Foundation maintains cash balances in banks which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2015 and 2014, there were \$2,136,860 and \$2,270,397 respectively held in uninsured money market accounts.

CONTRA COSTA COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

I. INCOME TAXES

The Foundation is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in IRC Section 170(b)(A)(vi).

J. ALLOCATION OF FUNCTIONAL EXPENSES

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the statements of functional expenses - cash basis. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited.

K. RECLASSIFICATIONS

In the process of aggregating data for the Statement of Assets, Liabilities and Net Assets, some amounts reported as cash and cash equivalents and Investments were reclassified to separately show restricted cash and long term investments.

2. INVESTMENTS

Investment Type	Total	June 30, 2015		
		Investment Maturities		
		< 1yr	1-3 yrs	>3 yrs
Fixed income - US government agencies	\$ -	\$ -	\$ -	\$ -
Fixed income - municipal bonds	85,191	51,676	-	33,515
Fixed income - mutual funds	682,614	682,614	-	-
Equities - corporate stocks	754,332	754,332	-	-
Total Investments	<u>\$ 1,522,137</u>	<u>\$ 1,488,622</u>	<u>\$ -</u>	<u>\$ 33,515</u>

Investment Type	Total	June 30, 2014		
		Investment Maturities		
		< 1yr	1-3 yrs	>3 yrs
Fixed income - US government agencies	\$ 50,000	\$ -	\$ -	\$ 50,000
Fixed income - municipal bonds	87,537	-	53,310	34,227
Fixed income - mutual funds	890,778	890,778	-	-
Equities - corporate stocks	471,404	471,404	-	-
Total Investments	<u>\$ 1,499,719</u>	<u>\$ 1,362,182</u>	<u>\$ 53,310</u>	<u>\$ 84,227</u>

CONTRA COSTA COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

2. INVESTMENTS (Continued)

Investment income for the year ended June 30, was as follows:	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 39,933	\$ 31,809
Net realized gain	<u>17,693</u>	<u>8,527</u>
Total investment income	<u>\$ 57,626</u>	<u>\$ 40,336</u>

A. INVESTMENT POLICIES

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation follows donor guidance in appropriating endowed amounts available for distribution each year, and therefore, has not enacted a board directed spending policy.

CONTRA COSTA COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

3. RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2015 and 2014 consisted of funds restricted for scholarships.

Permanently restricted net assets as of June 30, 2015 consisted primarily of endowments. Investment earnings from these endowments are temporarily restricted funds. The current year activity in the endowment funds was as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 166,457	\$ 535,240
Allocation of interest and dividend income	18,708	-
Contributions and income	27,726	-
Satisfaction of program restrictions	<u>(29,689)</u>	<u>-</u>
Total	<u>\$ 183,202</u>	<u>\$ 535,240</u>

Permanently restricted net assets as of June 30, 2014 consisted primarily of endowments. Investment earnings from these endowments are temporarily restricted funds. The current year activity in the endowment funds was as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 270,445	\$ 535,240
Allocation of interest and dividend income	2,725	-
Contributions and income	23,085	-
Satisfaction of program restrictions	<u>(129,798)</u>	<u>-</u>
Total	<u>\$ 166,457</u>	<u>\$ 535,240</u>

CONTRA COSTA COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

4. RELATED PARTY TRANSACTIONS

The Contra Costa Community College District (the “District”) makes available facilities and also pays the salaries and benefits of the Foundation’s personnel. In addition, the District paid audit and tax preparation fees totaling \$7,450 and \$7,450 on behalf of the Foundation, for the years ended June 30, 2015 and 2014, respectively. As discussed in Note 1, these amounts are not recorded in the Foundation’s financial statements.

In addition, the Foundation awards grants to the District. During the year ended June 30, 2015 and 2014, there were no grants awarded to the District. The Foundation also acts as a fiduciary for various campus organizations. Amounts received and paid out for campus organizations are reported as a liability since the amounts are not available for the Foundation’s operations. During the years ended June 30, 2015 and 2014, amounts received for campus organizations were \$284,149 and \$239,072, respectively; and amounts paid on behalf of campus organizations were \$171,407 and \$186,178, respectively.

5. SUBSEQUENT EVENTS

The Foundation’s management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from June 30, 2015 through December 4, 2015, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.