

**CHABOT-LAS POSITAS
COMMUNITY COLLEGE DISTRICT**

Pleasanton, California

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITORS' REPORTS**

June 30, 2011 and 2010

TABLE OF CONTENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

	Page Number
Independent Auditors' Report	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	4
FINANCIAL SECTION	
Statements of Net Assets	17
Statements of Revenues, Expenses, and Changes in Net Assets	18
Statements of Cash Flows	19
Notes to the Financial Statements	21
SUPPLEMENTARY INFORMATION SECTION	
Organization Structure	42
Schedule of Workload Measures for State General Apportionment	43
Schedule of Expenditures of Federal Awards	44
Schedule of Expenditures of State Awards	45
Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements	46
Combining Balance Sheets – District Funds Included in the Reporting Entity	48
Combining Statements of Revenues, Expenditures/Expenses and Changes in Fund Equity – District Funds Included in the Reporting Entity	53
Reconciliation of Fund Equity to Net Assets	58
Reconciliation of Change in Fund Equity to Change in Net Assets	59
Notes to the Supplementary Information	60

TABLE OF CONTENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

	Page Number
OTHER REPORTS SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	63
Independent Auditors' Report 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	65
Independent Auditors' Report on State Compliance Requirements	67
SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION	
Schedule of Findings and Questioned Costs	70
Corrective Action Plan	78
Summary Schedule of Prior Audit Findings	79



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Chabot-Las Positas Community College District
Pleasanton, California

We have audited the accompanying financial statements of the business-type activities of the Chabot-Las Positas Community College District (the District) as of and for the years ended June 30, 2011 and 2010, which comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District, as of June 30, 2011 and 2010, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 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.

INDEPENDENT AUDITORS' REPORT

Continued

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The remaining supplementary information as listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Schedule of Expenditures of State Awards, which is presented for purpose of additional analysis as required by the California Community Colleges Chancellor's Office, are not a required part of the basic financial statements of the District. This supplementary 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.

Matson and Ison

November 28, 2011

MANAGEMENTS' DISCUSSION AND ANALYSIS
(Required Supplementary Information)

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Chabot-Las Positas Community College District (the District) as of June 30, 2011. The report consists of three basic financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. The report provides information about the District as a whole. 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, 2011. 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 focus of the Statement of Net Assets 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 Assets focuses on the costs of the District's operational activities, which are supported primarily by local property taxes and State apportionment revenues. 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. This model prescribes that the districts need only issue consolidated statements. This reporting model does not require fund financial statements to be included with the districts' annual financial report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

FINANCIAL HIGHLIGHTS

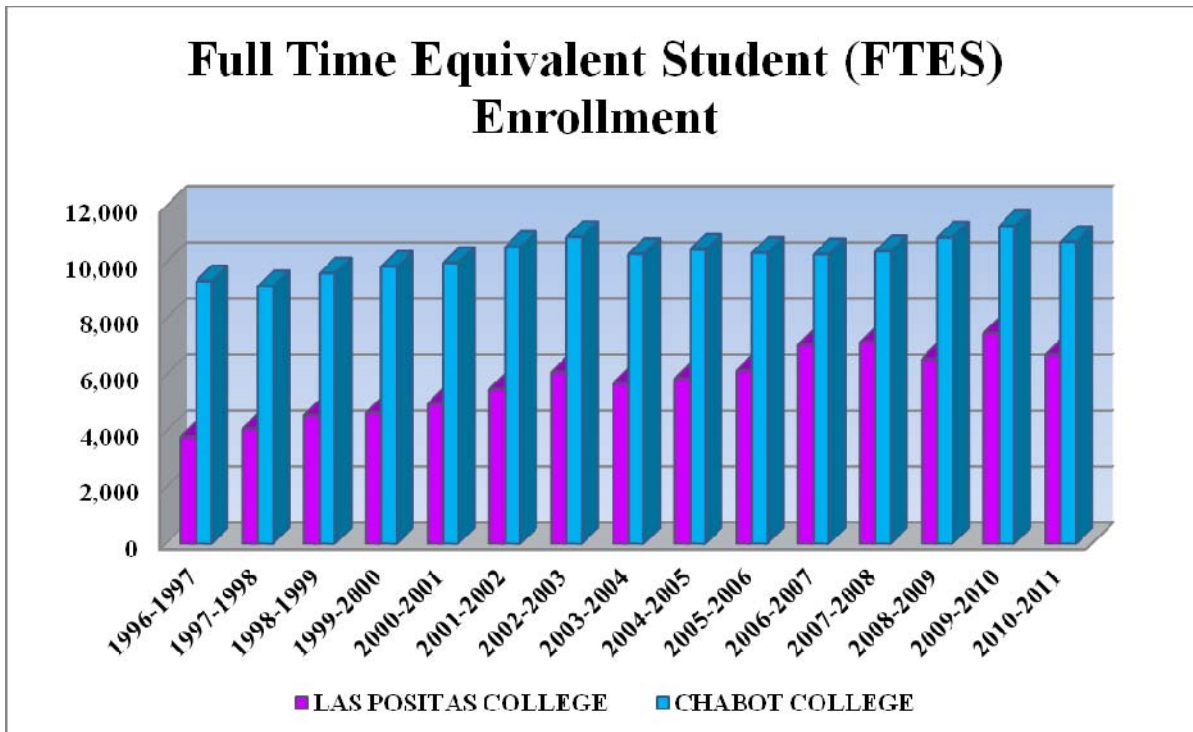
The following discussion and analysis provide an overview of the District's financial activities.

Financial and Enrollment Highlights

- As of June 30, 2011, the District's total net assets are \$80,811,709. Total net assets of the District decreased \$25.3 million, or about 23.8%, from the previous year. The District's General Fund Unrestricted Balance at the end of the fiscal year decreased \$480,000. However, the District continues to maintain the required 5% reserve for economic uncertainties.
- The voters within the boundaries of the Chabot-Las Positas Community College District approved Measure B on March 4, 2004. This voter approval gave the District the authority to issue up to \$498 million in General Obligation Bonds. The Board authorized the first issuance of bonds totaling \$100 million and the proceeds were in the possession of the District on August 19, 2004. On November 1, 2006, the District issued the remainder of the General Obligation Bonds authorized by Measure B in the amount of \$398 million.
- The District's Budget was designed to fund faculty, staff, direct program expenditures and support services to serve 17,042 full-time equivalent students for General Apportionment purposes for the 2010-11 year.
- The District's salary expenses decreased by 1.6%, while benefit expenses increased 1.3% primarily due to the increases in medical premiums. Expenses for supplies, materials, capital outlay, student aid and other expenses and services increased 24.1%, primarily related to student financial aid and depreciation.
- Cost-of-living adjustment: The State budget provided a 0% cost-of-living (COLA) adjustment for apportionments.
- Enrollment Fee: During 2010-11, the enrollment fees charged remained constant at \$26 per unit.
- Factors Impacting Future Periods: As the California State budget continues to deteriorate, Chabot-Las Positas Community College District (CLPCCD) has responded to potential significant funding reductions from the State. CLPCCD has established expenditure controls throughout the District and budgeted for zero Cost of Living Adjustments (COLA).

FULL-TIME EQUIVALENT STUDENT (FTES) ENROLLMENTS

YEAR	CHABOT	% Growth	LPC	% Growth	TOTAL	% Growth
1996-1997	9,354	3.9	3,820	6.0	13,174	4.5
1997-1998	9,171	(2.0)	4,098	7.3	13,269	0.7
1998-1999	9,636	5.1	4,581	11.8	14,217	7.1
1999-2000	9,868	2.4	4,678	2.1	14,546	2.3
2000-2001	10,005	1.4	4,982	6.5	14,987	3.0
2001-2002	10,569	5.6	5,508	10.6	16,078	7.3
2002-2003	10,928	3.4	6,120	11.1	17,048	6.0
2003-2004	10,326	(5.5)	5,707	(6.7)	16,033	(6.0)
2004-2005	10,477	1.5	5,886	3.1	16,363	2.1
2005-2006	10,367	(1.0)	6,171	4.8	16,538	1.1
2006-2007	10,313	(0.5)	7,089	14.9	17,402	5.2
2007-2008	10,420	1.0	7,186	1.4	17,606	1.2
2008-2009	10,912	4.7	6,591	(8.3)	17,503	(0.6)
2009-2010	11,315	3.7	7,501	13.8	18,816	7.5
2010-2011	10,756	(4.9)	6,744	(10.1)	17,500	(7.0)



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector institutions. Net assets, the difference between assets and liabilities, are one way to measure the financial health of the District. Total net assets of the District decreased \$25.3 million, or about 23.8%, from the previous year. The District continues to be impacted by the suppressed economic climate in California and the reduced levels of state support.

June 30	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 349,662	\$ 1,721,515
Restricted cash and investments	16,109,264	21,228,666
Accounts receivable - net	24,465,795	18,311,524
Prepaid expenses	707,659	666,885
Deposits	250,000	-
Inventories	541,938	665,706
Total Current Assets	42,424,318	42,594,296
NONCURRENT ASSETS		
Restricted cash and investments	237,820,698	278,847,372
Deferred charges	4,544,812	4,792,019
Nondepreciable capital assets	40,437,828	65,397,322
Depreciable capital assets - net of depreciation	361,956,768	307,112,810
Total Noncurrent Assets	644,760,106	656,149,523
Total Assets	\$ 687,184,424	\$ 698,743,819
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 15,241,960	\$ 15,915,485
Interest payable	3,863,550	3,973,622
Deferred revenue	6,373,021	6,497,693
Amounts held in trust	1,211,146	1,085,177
Long-term debt - current portion	9,455,000	8,470,000
Other long-term liabilities - current portion	924,833	565,801
Total Current Liabilities	37,069,510	36,507,778
NONCURRENT LIABILITIES		
Long-term debt - noncurrent portion	546,161,141	539,281,980
Other long-term liabilities - noncurrent portion	23,142,064	16,841,197
Total Noncurrent Liabilities	569,303,205	556,123,177
Total Liabilities	606,372,715	592,630,955
NET ASSETS		
Investment in capital assets - net of debt	148,257,145	149,886,689
Restricted	27,542,406	25,935,499
Unrestricted	(94,987,842)	(69,709,324)
Total Net Assets	80,811,709	106,112,864
Total Liabilities and Net Assets	\$ 687,184,424	\$ 698,743,819

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

The primary components of cash and short-term investments are District funds on deposit with the County Treasury and local banks and the investment of Measure B bond funds via a guaranteed investment contract.

Accounts receivable primarily represents funding owed to the District by Federal, State and local governments, as well as other sources such as tuition and fees. The amount owed to the District General fund is \$23.3 million, the Capital Construction fund is \$482 thousand, Student Financial Aid fund is \$510 thousand, Measure B Construction fund is \$672, and the Child Development fund \$152 thousand. The student receivables due at June 30, 2011 are approximately \$3.5 million.

Inventories and prepaid items respectively represent inventory for the Bookstore and prepayments for services and supplies ordered in FY 10-11 for use in FY 11-12.

Restricted cash and investments of \$253.9 million consists of funds related to the Measure B Bond Funds totaling \$230.4 million, associated required reserves of \$14.9 million, which are deposited in a debt service fund held by Alameda County. The balance of the cash and investment includes cash deposit of other major funds held in the County Treasury and other banking and financial institutions. Net capital assets represent the District's original investment in land, site improvements, buildings and equipment, less accumulated depreciation.

Accounts payable and accrued liabilities primarily represent year-end accruals for services and goods received by the District during FY 10-11, for which payment would not be made until fiscal year 2011-2012. At June 30, 2011 the Measure B Bond Construction fund owed contractors and vendors \$8.2 million, and the General Fund owed contractors, vendors and employees \$6.3 million.

Deferred revenues represent prepayments received by the District, for which the amounts have yet to be earned. For fiscal year 2010-2011, deferred revenues were \$6.4 million. Of this amount, \$4.6 million represents student tuition and registration fees, received during 2010-2011, for the 2011-2012 summer and fall terms. The other \$1.8 million represents funding for grants and contracts, the terms and conditions of which extend beyond the 2010-2011 fiscal year.

Other current liabilities are composed of the current portion of interest payable on bonds and the current portion of financing debt.

The District's long-term liabilities primarily consist of the accumulated liability for accrued employee compensated absences (\$1.8 million); the remaining debt on the general obligation bonds (\$551 million); the remaining debt on the lease revenue bonds payable for the purchase of the District office (\$4.5 million), other postemployment benefit obligations (\$19.5 million) and the remaining liability for the Supplemental Employee Retirement Plan (\$2.8 million).

Net assets are divided into three components – *invested in capital assets (net of related debt), restricted, and unrestricted.*

Invested in capital assets, net of related debt is the difference between the amount shown for capital assets and the outstanding debt incurred to finance those capital assets. At June 30, 2011 capital assets were \$402 million. These assets are offset by debt incurred to finance those capital assets. The related debt is the general obligation bonds.

Restricted net assets represent resources that are constrained to a particular purpose. The major components of restricted net assets are those restricted for debt service on the general obligation bonds, capital outlay, retiree benefits, and grants and contracts for specific projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Unrestricted net assets are essentially all resources not included in the first two listed above. It is not uncommon to see an unrestricted net assets deficit. Unrestricted net assets are negative due to how interest expense is recorded related to the capital appreciation bonds. Capital appreciation bonds, or deep discount bonds, mature far into the future. Interest expense must be accreted (or accrued) from the date of issuance of the bonds through to maturity. However, because the bonds are repaid based on property tax assessments, in the early years there is no revenue recorded to offset this interest expense. This causes unrestricted net assets to go negative. In the out years, the situation will reverse and property tax revenue will exceed the interest recorded. It is important to remember that the general obligation bonds are repaid based on property tax assessments and there is no need for the District to set aside money to fund this liability.

Statement of Revenues, Expenses, and Changes in Net Assets

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

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

The primary components of "tuition and fees" are the \$26 per unit enrollment fee that is charged to all students registering for classes, and the additional \$195 per unit fee that is charged to all non-resident students. The discrepancy between these fees is due to the fact that resident student instruction is largely subsidized by local property taxes and state apportionment. Non-resident students must pay for the full cost of instruction. Respectively, these two revenue-streams account for \$5.8 million and \$1.7 million. Another \$1.1 million is collected in the form of parking permits. The remainder is collected from an assortment of other student fees.

The largest component of the District's operating revenues is non-capital grants and contracts. Of these, the largest sub-components are from funding received from the Federal grants (\$31 million) to include funding for vocational training and higher education programs and State grants (\$6.6 million) for categorical programs, such as DSPS, EOPS, and Matriculation, to name a few. Included in local grants and contracts (\$6.4 million) are all of the contracted education services, as well as all other, miscellaneous service revenue received by the District.

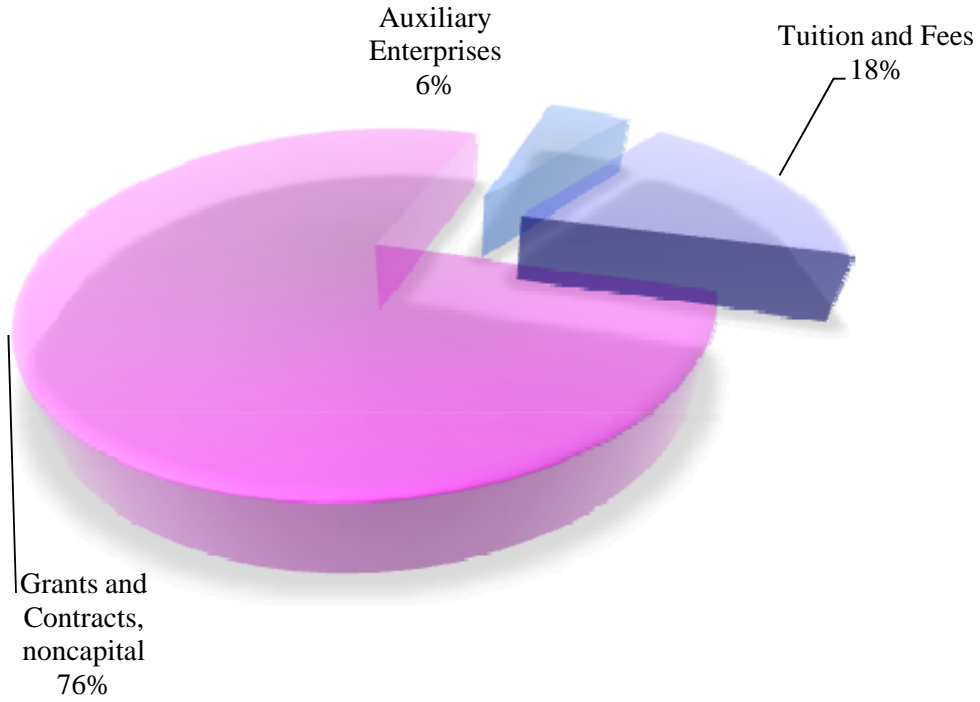
Other operating revenue is revenue from the District's bookstore accounting for \$3.3 million.

The principal components of the District's non-operating revenue are: non-capital state apportionment, local property taxes, other state funding, and interest income. All of this revenue is received to support the District's instructional activities.

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

OPERATING REVENUE – JUNE 30, 2011

Revenues



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

June 30, 2011 and 2010

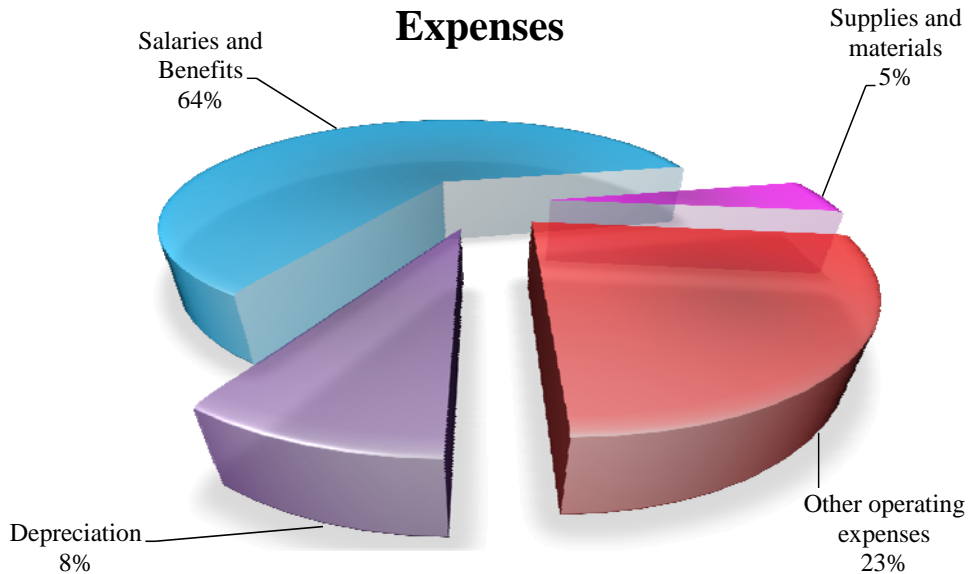
*Chabot-Las Positas
Community College District*

Statement of Revenues, Expenses, and Changes in Net Assets

For the Years Ended June 30	2011	2010
OPERATING REVENUES		
Tuition and fees	\$ 10,482,391	\$ 11,376,452
Grants and contracts - noncapital:		
Federal	31,011,543	21,092,637
State	6,606,937	7,751,387
Local	6,416,326	6,550,609
Auxiliary enterprises	3,283,018	3,765,535
Total Operating Revenues	57,800,215	50,536,620
OPERATING EXPENSES		
Academic salaries	44,866,554	45,563,007
Classified salaries	29,523,089	30,034,909
Employee benefits	34,153,987	33,720,323
Supplies and materials	8,172,735	10,410,931
Other operating expense	40,688,568	33,027,560
Depreciation	14,584,185	7,683,329
Total Operating Expenses	171,989,118	160,440,059
Operating Loss	(114,188,903)	(109,903,439)
NONOPERATING REVENUES (EXPENSES)		
State apportionments - noncapital	56,491,169	52,639,692
Local property taxes (capital and noncapital)	41,887,499	42,594,636
State taxes and other revenue	3,495,617	2,285,387
Investment income	11,949,130	12,176,991
Interest expense	(26,022,020)	(25,620,440)
Gain (Loss) on disposal of assets	(3,627,066)	12,212
Other nonoperating revenues	4,335,843	2,758,982
Total Nonoperating Revenues	88,510,172	86,847,460
Loss Before Other Revenues, Expenses, Gains, or Losses	(25,678,731)	(23,055,979)
State apportionments - capital	377,576	386,953
Increase (Decrease) in Net Assets	(25,301,155)	(22,669,026)
Net Assets - Beginning of Year	106,112,864	128,781,890
Net Assets - End of Year	\$ 80,811,709	\$ 106,112,864

The largest component of the District's operating expense is the cost associated with salaries and benefits. Approximately 64% percent of the total expense is spent in this area. Supplies and other expenses account for an additional 28% of total expenses and depreciation accounts for the remaining 8%. The supplies and other expense category includes insurance premiums, facilities rental, equipment repair, as well as supplies and a host of other expenses necessary to the operation of the District.

OPERATING EXPENSES – JUNE 30, 2011



Operating Expenses by Functional classification

June 30	2011	2010
OPERATING EXPENSES		
Instructional activities	\$ 58,709,039	\$ 56,940,993
Academic support	9,269,159	10,068,491
Student services	15,446,491	14,728,267
Operation and maintenance of plant	9,126,799	9,605,682
Institutional support	19,758,519	17,765,060
Community services and economic development	1,217,103	1,393,169
Ancillary services, auxiliary services	13,474,274	13,958,958
Student aid	26,216,739	18,418,656
Physical property/GASB entries	18,770,995	17,560,783
Total Operating Expenses	\$ 171,989,118	\$ 160,440,059

The Functional Expense chart incorporates all District funds appropriations for fiscal year 2010-2011. The largest expense in 2010-11 was in the area of instruction at 34%.

The Student Services expense of 9% includes counseling and guidance services and expenses associated with a number of state and categorical programs to include, Matriculation, Disabled Student Services Program (DSPP), Extended Opportunity Programs & Services (EOPS), Financial Aid Administration, and Veteran Services. Student aid was 15%.

The bulk of the ancillary services and auxiliary operations percentage of 8% encompasses the bookstore operation, the childcare center, contract education department, food service operation, parking operation, and student and co-curricular activities.

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

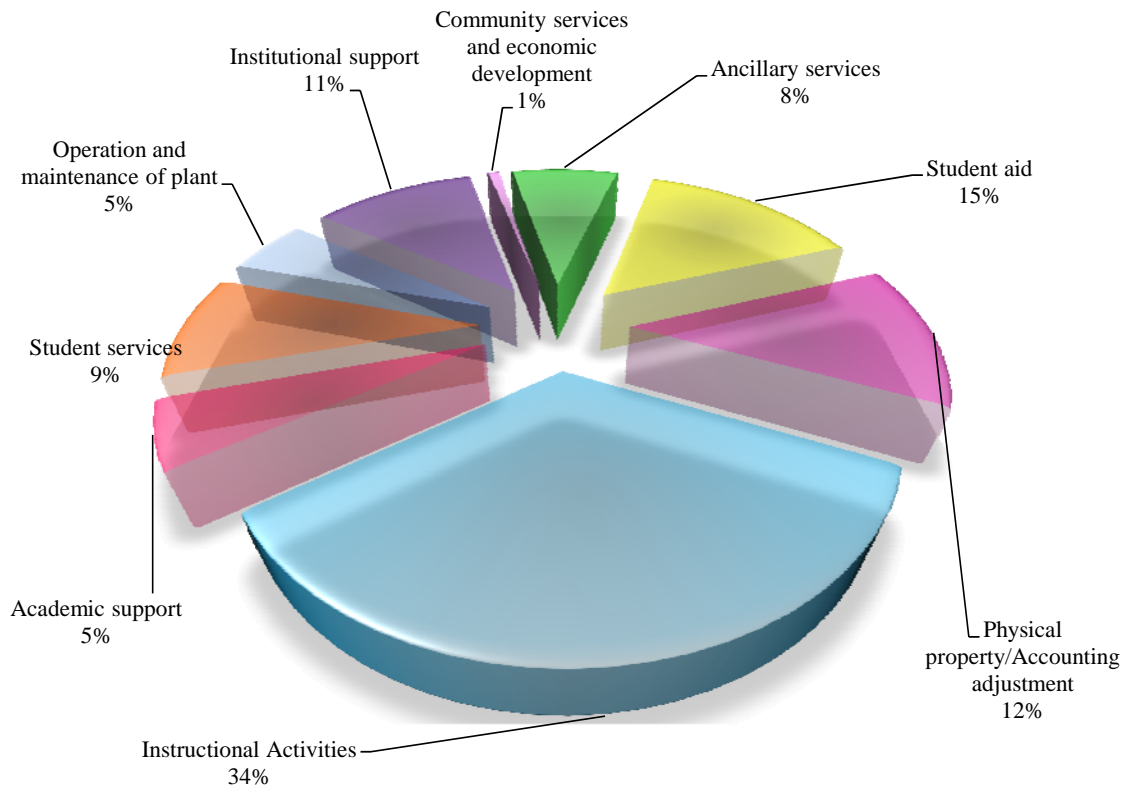
June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

The Community Services and Economic Development (1%), includes community services recreation classes and facility use. Plant Maintenance and Operation was 5%. Physical property, depreciation and GASB entries of 12% consist of a number of building improvements and alterations that took place throughout the District.

OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION - 2011

Functional Expenses



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Statement of Cash Flows

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

For the Years Ended June 30	2011	2010
Cash provided by (used in):		
Operating activities	\$ (93,705,883)	\$(93,718,025)
Noncapital financing activities	82,363,210	83,198,572
Capital and related financing activities	(48,201,585)	(93,989,830)
Investing activities	15,983,897	1,796,622
Net Increase (Decrease) in Cash	(43,560,361)	(102,712,661)
Cash - beginning of year	67,923,652	170,636,313
Cash - End of Year	\$ 24,363,291	\$ 67,923,652

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had a net \$402.4 million in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$30 million, or 8%, from last year. We present more detailed information regarding our capital assets in Note 4 of the financial statements.

Long-Term Debt

At June 30, 2011, the District had \$555.6 million in debt outstanding versus \$547.8 million last year, a slight increase, due to the current year accreted interest for the General Obligation Bonds. Other obligations include compensated absences payable, other postemployment benefit obligations (OPEB) and Supplemental Employee Retirement Plan (SERP) liability. We present more detailed information regarding our long-term liabilities in Note 7 of the financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The District's economic strength is directly affected by the economic well-being of California. As the State's economy has been weak and intermittent, the impact of continuing restricted state resources to the District has limited its ability to provide access to educational services demanded by potential students. We anticipate continued restrictions in state funding as the state deals with its budget deficit and the weak economic recovery. These conditions will limit the ability of the District to meet the growing demands of its student population.

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, 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 Department of Business Services at:

Chabot-Las Positas Community College District
5020 Franklin Drive
Pleasanton, California 94588
Email: byesnosky@clpccd.org.

FINANCIAL SECTION

STATEMENTS OF NET ASSETS

*Chabot-Las Positas
Community College District*

June 30	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 1,336,718
Investments	349,662	384,797
Restricted cash and cash equivalents	16,109,264	21,228,666
Accounts receivable - net	24,465,795	18,311,524
Prepaid expenses	707,659	666,885
Deposits	250,000	-
Inventories	541,938	665,706
Total Current Assets	42,424,318	42,594,296
NONCURRENT ASSETS		
Restricted cash and cash equivalents	8,254,027	45,358,268
Restricted investments	229,566,671	233,489,104
Deferred charges - net	4,544,812	4,792,019
Nondepreciable capital assets	40,437,828	65,397,322
Depreciable capital assets - net of depreciation	361,956,768	307,112,810
Total Noncurrent Assets	644,760,106	656,149,523
Total Assets	\$ 687,184,424	\$ 698,743,819
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 15,241,960	\$ 15,915,485
Interest payable	3,863,550	3,973,622
Deferred revenue	6,373,021	6,497,693
Amounts held in trust custody on behalf of others	1,211,146	1,085,177
Long-term debt - current portion	9,455,000	8,470,000
Other long-term liabilities - current portion	924,833	565,801
Total Current Liabilities	37,069,510	36,507,778
NONCURRENT LIABILITIES		
Long-term debt - noncurrent portion	546,161,141	539,281,980
Other long-term liabilities - noncurrent portion	23,142,064	16,841,197
Total Noncurrent Liabilities	569,303,205	556,123,177
Total Liabilities	606,372,715	592,630,955
NET ASSETS		
Investments in capital assets - net of related debt	148,257,145	149,886,689
Restricted - expendable	27,542,406	25,935,499
Unrestricted	(94,987,842)	(69,709,324)
Total Net Assets	80,811,709	106,112,864
Total Liabilities and Net Assets	\$ 687,184,424	\$ 698,743,819

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

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS**

*Chabot-Las Positas
Community College District*

For the Years Ended June 30	2011	2010
OPERATING REVENUES		
Tuition and fees	\$ 15,610,189	\$ 15,966,185
Less: Scholarship discounts and allowances	5,127,798	4,589,733
Net Tuition and Fees	10,482,391	11,376,452
Grants and contracts - noncapital:		
Federal	31,011,543	21,092,637
State	6,606,937	7,751,387
Local	6,416,326	6,550,609
Other operating revenue	3,283,018	3,765,535
Total Operating Revenues	57,800,215	50,536,620
OPERATING EXPENSES		
Academic salaries	44,866,554	45,563,007
Classified salaries	29,523,089	30,034,909
Employee benefits	34,153,987	33,720,323
Supplies and materials	8,172,735	10,410,931
Other operating expenses	40,688,568	33,027,560
Depreciation	14,584,185	7,683,329
Total Operating Expenses	171,989,118	160,440,059
Operating Loss	(114,188,903)	(109,903,439)
NONOPERATING REVENUES (EXPENSES)		
State apportionments - noncapital	56,491,169	52,639,692
Local property taxes - noncapital	23,466,956	25,010,057
State taxes and other revenues	3,495,617	2,285,387
Investment income	11,949,130	12,176,991
Interest expense	(26,022,020)	(25,620,440)
Gain (Loss) on disposal of capital assets	(3,627,066)	12,212
Other nonoperating revenues	4,335,843	2,758,982
Total Nonoperating Revenues (Expenses)	70,089,629	69,262,881
Loss Before Other Revenues, Expenses, Gains, or Losses	(44,099,274)	(40,640,558)
Gifts and grants - capital	377,576	386,953
Local property taxes - capital	18,420,543	17,584,579
Change in Net Assets	(25,301,155)	(22,669,026)
Net Assets - Beginning of Year	106,112,864	128,781,890
Net Assets - End of Year	\$ 80,811,709	\$ 106,112,864

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

STATEMENTS OF CASH FLOWS

*Chabot-Las Positas
Community College District
Page 1 of 2*

For the Years Ended June 30	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 10,974,491	\$ 11,648,558
Federal grants and contracts	30,165,087	20,953,032
State grants and contracts	6,443,923	7,290,942
Local grants and contracts	6,066,362	6,863,979
Payments to vendors for supplies and services	(21,433,608)	(24,924,163)
Payments to/on behalf of employees	(102,645,819)	(101,463,957)
Payments to/on behalf of students	(26,681,639)	(18,050,727)
Auxiliary enterprise sales and charges	3,283,018	3,765,535
Other operating receipts (payments)	122,302	198,776
Net Cash Used by Operating Activities	(93,705,883)	(93,718,025)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	53,688,739	51,040,111
Local property taxes	21,127,711	24,947,525
State taxes and other apportionments	3,490,083	4,451,954
Other nonoperating	4,056,677	2,758,982
Net Cash Provided by Noncapital Financing Activities	82,363,210	83,198,572
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(49,290,783)	(95,010,110)
Proceeds from disposal of capital assets	15,204	12,212
State revenue - capital projects	315,142	245,894
Local property taxes	18,420,544	17,584,579
Principal paid on capital debt	(8,110,968)	(6,974,199)
Interest paid on capital debt	(9,550,724)	(9,848,206)
Net Cash Used by Capital and Related Financing Activities	(48,201,585)	(93,989,830)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from investments	12,026,329	12,837,221
Purchase of investments	(225,174,382)	(244,094,982)
Proceeds from liquidation of investments	229,131,950	233,054,383
Net Cash Provided by Investing Activities	15,983,897	1,796,622
Net Change in Cash and Cash Equivalents	(43,560,361)	(102,712,661)
Cash and Cash Equivalents - Beginning of Year	67,923,652	170,636,313
Cash and Cash Equivalents - End of Year	\$ 24,363,291	\$ 67,923,652

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

STATEMENTS OF CASH FLOWS

*Chabot-Las Positas
Community College District
Page 2 of 2*

For the Years Ended June 30	2011	2010
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (114,188,903)	\$ (109,903,439)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	14,584,185	7,683,329
Changes in assets and liabilities:		
Accounts receivable - net	(805,096)	(341,820)
Prepaid expenses	(40,774)	300,963
Inventories	123,768	131,781
Accounts payable	260,006	(222,070)
Deferred revenue	(62,238)	449,686
Other postemployment benefit liability	5,889,689	6,828,715
Supplemental employee retirement plan liability	518,338	1,316,299
Compensated absences	(107,160)	(37,805)
Amounts held in trust custody on behalf of others	122,302	76,336
Net Cash Used by Operating Activities	\$ (93,705,883)	\$ (93,718,025)
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ -	\$ 1,336,718
Restricted cash	16,109,264	21,228,666
Restricted cash and cash equivalents - noncurrent	8,254,027	45,358,268
Total Cash and Cash Equivalents	\$ 24,363,291	\$ 67,923,652

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

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity Chabot-Las Positas Community College District (District) is a community college governed by an elected seven-member Board of Trustees. The District provides educational services in Alameda County and the surrounding area in the State of California. The District consists of two community colleges located within Alameda County.

The District identified the Chabot-Las Positas District College Foundation, the Chabot College Foundation, the Las Positas College Foundation, and the Chabot-Las Positas Community College District Financing Corporation (Corporation) as potential component units. The District has elected not to present the Foundations as component units because the Foundations' assets, liabilities, and disbursements to the District are not considered to be significant to the District. The Corporation is presented as a component unit as the board is controlled by the board of the District.

The Corporation is a legally separate organization component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements of the District as if the activity was the District's. Individually-prepared financial statements are not prepared for the Chabot-Las Positas Community College District Financing Corporation. At its May 2011 board of trustees meeting the board passed a resolution dissolving the financing corporation.

Basis of Presentation and Accounting The financial statement presentation required by Governmental Accounting Standards Board (GASB) Statements No. 34, 35, 37, 38, and 39 provides a comprehensive, entity-wide perspective of the District's overall financial position, results of operations and cash flows, and replaces the fund-group perspective previously required. The District now follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive one-line look at the District's financial activities.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has elected to follow GASB pronouncements and not Financial Accounting Standards Board (FASB) pronouncements after 1989, as presented by GASB Statement No. 20.

For financial reporting purposes, the District is considered a special-purpose government agency engaged only in business-type activities (BTA). Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of the related cash flows. All significant intra-agency transactions have been eliminated.

Exceptions to the accrual basis of accounting are as follows:

In accordance with industry standards provided by the California Community Colleges Chancellor's Office, summer session tuition and fees received before year-end are recorded as deferred revenue as of June 30 with the revenue being reported in the fiscal year in which the program is predominately conducted.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

The financial accounts of the District are recorded and maintained in accordance with the *California Community Colleges Budget and Accounting Manual (BAM)*.

Cash and Cash Equivalents For purposes of the Statements of Cash Flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents except for money market mutual funds held in the Bookstore Fund. Funds invested in the County Treasurer's investment pool are considered cash equivalents.

Investments GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, provides that amounts held in external investment pools be reported at fair value. However, cash in the county treasury is recorded at the value of the pool shares held, which approximates the fair value of the underlying cash and investments of the pool.

All other investments are reported at fair value based on quoted market prices with realized and unrealized gains or losses reported in the Statements of Revenues, Expenses, and Changes in Net Assets.

Restricted Cash and Investments Restricted cash and investments includes amounts restricted for the repayment of debt, for use in the acquisition or construction of capital assets, for restricted programs, for any other restricted purpose, or in any funds restricted in purpose per the BAM.

Accounts Receivable Accounts receivable 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. Accounts receivable also include amounts due from the federal government, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. The allowance for uncollectible accounts is calculated by applying certain percentages to each aging group. These percentages range from 1% to 50% depending on the age of the outstanding receivables. The allowance was estimated at \$787,744 and \$783,609 for the years ended June 30, 2011 and 2010, respectively.

Prepaid Expenses Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Inventories Inventories consist primarily of bookstore merchandise including, but not limited to, books, instructional materials and sundry items held for resale to students and staff of the District. Inventory is valued at cost utilizing the weighted average method. Management has determined the likelihood of cost exceeding market to be low.

Capital Assets Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Where historical cost is not available, estimated historical cost is based on replacement cost reduced for inflation. Capitalized equipment includes all items with a unit cost of \$5,000 or more and estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 25 to 50 years for buildings and improvements, 25 to 50 years for site improvements, and 3 to 8 years for furniture and equipment.

Deferred Revenue Deferred revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that relate to the subsequent accounting period. Deferred revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Amounts Held in Trust Custody on Behalf of Others Amounts held for others represent funds held by the District for the associated students trust fund, student representation fee trust fund and other trust funds.

Compensated Absences Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year-end as other long-term liabilities of the District.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

The District also participates in and accrues "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The District recognizes this amount as a component of accounts payable.

Long-Term Liabilities Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method. Amortization of issuance costs was \$247,207 and \$247,207 for the years ended June 30, 2011 and 2010, respectively and is included in interest expense.

Net Assets Net assets represent the difference between assets and liabilities. The District's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt: This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component invested in capital assets, net of related debt.

Restricted Net Assets-expendable: Restricted expendable net assets represent resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties or when the fund from which they are derived is restricted in purpose per the BAM.

Unrestricted Net Assets: Unrestricted net assets represent resources derived from student tuition and fees, state apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources.

Classification of Revenues The District has classified its revenues as either operating or non-operating. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, local property taxes, and investment income. Revenues are classified according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

Nonoperating Revenues: Non-operating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources described in GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances Student tuition and fees revenue are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses and Changes in Net Assets. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf.

Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as operating revenues (Grants) and other operating expenses in the District's financial statements.

State Apportionments Certain current year apportionments from the State are based on various financial and statistical information of the previous year. Any prior year corrections due to the recalculation in February will be recorded in the year computed by the State.

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

Property Taxes Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent if paid after December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Alameda bills and collects the taxes for the District.

Budget and Budgetary Accounting By state law, the District's governing board must approve a tentative budget no later than July 1, and adopt a final budget no later than September 15 of each year. A hearing must be conducted for public comments prior to adoption. The District's governing board satisfied these requirements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

The budget is revised during the year to incorporate categorical funds that are awarded during the year and miscellaneous changes to the spending plans. The District’s governing board approves revisions to the budget.

On-Behalf Payments GASB Statement 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the California State Teachers Retirement System (CalSTRS) and the California Public Employees’ Retirement System (CalPERS) on behalf of all Community College Districts in California. Payment amounts have not been reported in the basic financial statements as management believes they are immaterial to the financial statements taken as a whole.

Reclassifications Certain reclassifications have been made to prior year amounts to conform with current year presentation.

2. CASH AND INVESTMENTS

The cash and investments as of June 30, 2011 and 2010, are as follows:

	2011	2010
CURRENT		
Cash and cash equivalents	\$ -	\$ 1,336,718
Investments	349,662	384,797
Restricted cash and cash equivalents	16,109,264	21,228,666
NONCURRENT		
Restricted cash and cash equivalents	8,254,027	45,358,268
Restricted investments	229,566,671	233,489,104
Total Cash and Investments	\$ 254,279,624	\$ 301,797,553

At June 30, 2011 and 2010, the carrying amount of the District’s cash is summarized as follows:

	2011	2010
Cash in County Treasury	\$ 13,957,157	\$ 58,660,069
Cash on hand and in banks	10,406,134	9,263,583
Total Deposits	\$ 24,363,291	\$ 67,923,652

As provided for by *California Education Code*, Section 41001, a significant portion of the District’s cash balances of most funds is deposited with the Alameda County Treasurer for the purpose of increasing interest earned through County investment activities.

Copies of the County’s audited financial statements can be obtained from the Alameda County Auditor-Controller’s Office, 1221 Oak Street, Room 249, Oakland, California 94612.

The pooled treasury has regulatory oversight from the Alameda County Treasury Oversight Committee in accordance with California Government Code requirements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

All cash held by financial institutions is collateralized by securities that are held by the broker or dealer, or by its trust department or agent, but not in the District's name. In addition, approximately \$1,022,000 and \$850,000 of the District bank balances are insured at June 30, 2011 and June 30, 2010, respectively.

The District's investment policy is consistent with *California Government Code* as it relates to investment vehicles. The District's investment policy authorizes it to invest in the following:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

As of June 30, 2011 and 2010, the District's investments are as follows:

	<u>2011</u>	<u>2010</u>
U.S. Treasury obligations	\$ 434,721	\$ 434,721
Money market mutual funds	349,662	384,797
Repurchase agreements	229,131,950	233,054,383
Total Investments	\$ 229,916,333	\$ 233,873,901

Risk Information

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. *California Government Code*, Section 53601 limits the District's investments to maturities of five years.

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

	Weighted Average Maturity In Years
Money market mutual funds	N/A
U.S. Treasury obligations	0.10
Repurchase agreements (authorized under debt agreement)	1.83
County Treasurer's investment pool	1.42

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by ratings assigned by nationally-recognized organizations. The District's investment policy addresses credit risk by limiting its investment types as noted above to investments authorized by *California Government Code*.

Presented below is the minimum rating required by the *California Government Code*, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

	Minimum Legal Rating	Rating at Year End (Unrated)
Money market mutual funds	None	N/A
U.S. Treasury Obligations	None	AAA
Repurchase agreements	AA	AAA
County Treasurer's investment pool	None	N/A

Concentration of Credit Risk

Concentration risk is defined as positions of 5% or more in the securities of a single issuer. The District's investment policy allows investments in single issuer greater than 5%. At June 30, 2011, the District held a repurchase agreement issued by Citigroup Global Markets, Inc. This investment exceeded 5% of the District's total investments at that date.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., financial institution, broker-dealer) to a transaction, a government will not be able to recover the value of its cash and investments or collateral securities that are in the possession of another party. The District does not have a policy for custodial credit risk.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2011 and 2010:

	2011	2010
Tuition and fees	\$ 3,514,488	\$ 3,391,136
Less: Allowance for doubtful accounts	(787,744)	(783,609)
Tuition and Fees - Net	2,726,744	2,607,527
Federal grants and contracts	1,866,612	1,020,156
State grants and contracts	534,468	695,045
Local grants and contracts	4,338,399	1,999,155
State apportionment	13,543,495	10,741,065
State lottery	952,737	779,298
State taxes and other revenues	205,420	373,325
Investment income	18,754	95,953
Other	279,166	-
Total	\$ 24,465,795	\$ 18,311,524

4. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2011 and 2010, is summarized as follows:

	Balance June 30, 2010	Additions	Deductions	Transfers	Balance June 30, 2011
NONDEPRECIABLE CAPITAL ASSETS					
Land	\$ 6,508,633	\$ 2,533,090	\$ -	\$ -	\$ 9,041,723
Construction in progress	58,888,689	33,226,099	(275)	(60,718,408)	31,396,105
Total Nondepreciable Capital Assets	\$ 65,397,322	\$ 35,759,189	\$ (275)	\$ (60,718,408)	\$ 40,437,828
DEPRECIABLE CAPITAL ASSETS					
Site improvements	33,976,922	40,475	-	36,607,319	70,624,716
Buildings and improvements	310,595,325	9,328,012	(5,727,277)	24,111,089	338,307,149
Furniture and equipment	11,141,097	2,983,243	(1,807,747)	-	12,316,593
Total Depreciable Capital Assets	355,713,344	12,351,730	(7,535,024)	60,718,408	421,248,458
Less: Accumulated depreciation	48,600,534	14,584,185	(3,893,029)	-	59,291,690
Total Capital Assets - Net	\$ 307,112,810	\$ (2,232,455)	\$ (3,641,995)	\$ 60,718,408	\$ 361,956,768

	Balance June 30, 2009	Additions	Deductions	Transfers	Balance June 30, 2010
NONDEPRECIABLE CAPITAL ASSETS					
Land	\$ 6,508,633	\$ -	\$ -	\$ -	\$ 6,508,633
Construction in progress	181,145,916	21,477,019	-	(143,734,246)	58,888,689
Total Nondepreciable Capital Assets	\$ 187,654,549	\$ 21,477,019	\$ -	\$ (143,734,246)	\$ 65,397,322
DEPRECIABLE CAPITAL ASSETS					
Site improvements	4,277,351	1,263,220	-	28,436,351	33,976,922
Buildings and improvements	133,100,553	62,196,877	-	115,297,895	310,595,325
Furniture and equipment	9,550,031	1,591,066	-	-	11,141,097
Total Depreciable Capital Assets	146,927,935	65,051,163	-	143,734,246	355,713,344
Less: Accumulated depreciation	40,917,205	7,683,329	-	-	48,600,534
Total Capital Assets - Net	\$ 106,010,730	\$ 57,367,834	\$ -	\$ 143,734,246	\$ 307,112,810

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

5. ACCOUNTS PAYABLE

Accounts payable at June 30, 2011 and 2010, consist of the following:

	2011	2010
Accrued payroll and related liabilities	\$ 2,886,566	\$ 3,289,622
Construction payables	8,218,196	9,148,060
Other vendors	4,137,198	3,477,803
Total	\$ 15,241,960	\$ 15,915,485

6. DEFERRED REVENUE

Deferred revenue at June 30, 2011 and 2010, consist of the following:

	2011	2010
Tuition and fees	\$ 4,624,204	\$ 4,012,887
State grants and contracts	994,068	1,317,659
Local grants and contracts	740,388	1,090,352
State revenues - capital	14,361	76,795
Total	\$ 6,373,021	\$ 6,497,693

7. LONG-TERM LIABILITIES

The long-term liability activity for the years ended June 30, 2011 and 2010, is as follows:

June 30, 2011	Beginning Balance	Accretion/ Additions	Reductions	Ending Balance
LONG-TERM DEBT				
Revenue bonds	\$ 4,665,000	\$ -	\$ 170,000	\$ 4,495,000
General obligation bonds	542,996,980	18,383,516	10,319,355	551,061,141
Notes payable	90,000	-	30,000	60,000
Total Long-Term Debt	547,751,980	18,383,516	10,519,355	555,616,141
OTHER LONG-TERM LIABILITIES				
Compensated absences	1,948,227	-	107,160	1,841,067
Supplemental employee retirement plan	1,882,100	1,807,125	929,756	2,759,469
Other postemployment benefit obligation	13,576,671	5,889,690	-	19,466,361
Total Other Long-Term Liabilities	\$ 17,406,998	\$ 7,696,815	\$ 1,036,916	\$ 24,066,897

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

June 30, 2010	<u>Beginning Balance</u>	<u>Accretion/ Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
LONG-TERM DEBT				
Revenue bonds	\$ 4,830,000	\$ -	\$ 165,000	\$ 4,665,000
General obligation bonds	534,715,104	15,626,876	7,345,000	542,996,980
Notes payable	120,000	-	30,000	90,000
Total Long-Term Debt	<u>539,665,104</u>	<u>15,626,876</u>	<u>7,540,000</u>	<u>547,751,980</u>
OTHER LONG-TERM LIABILITIES				
Compensated absences	1,986,032	-	37,805	1,948,227
Supplemental employee retirement plan	-	2,451,579	569,479	1,882,100
Other postemployment benefit obligation	6,747,956	6,828,715	-	13,576,671
Total Other Long-Term Liabilities	<u>\$ 8,733,988</u>	<u>\$ 9,280,294</u>	<u>\$ 607,284</u>	<u>\$ 17,406,998</u>

Long-term debt consists of the following individual debt issues at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
REVENUE BONDS		
2001 Lease Revenue Bonds, Series A, issued by California Community College Financing Authority. The District participated in this financing in the original amount of \$5,735,000. Final maturity in 2028. Interest rates range from 4.50% to 6.00%.	<u>\$ 4,495,000</u>	<u>\$ 4,665,000</u>
GENERAL OBLIGATION BONDS		
2004 General Obligation Bonds, Series A, issued in the original amount of \$100,000,000 less \$90,000,000 re-funded through bond issuance in 2006. Final maturity in 2012. Interest rates range from 3.50% to 5.00%	<u>560,000</u>	<u>1,095,000</u>
2006 General Obligation Re-Funding Bonds, issued in the original amount of \$89,275,850 including current interest bonds and capital appreciation bonds. Final maturity in 2022. Stated interest rates from 3.5% to 5.00%, effective rate based on issuance premium 4.14%.	86,035,000	92,320,000
Capital appreciation bond discount net of issuance premium.	<u>(1,939,843)</u>	<u>(2,878,197)</u>
Total 2006 General Obligation Re-Funding Bonds	<u>84,095,157</u>	<u>89,441,803</u>
Balance Forward	<u>\$ 89,150,157</u>	<u>\$ 95,201,803</u>

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

	<u>2011</u>	<u>2010</u>
Balance Brought Forward	\$ 89,150,157	\$ 95,201,803
2006 General Obligation Bonds, Series B, issued in the original amount of \$229,159,710, including current interest bonds and capital appreciation bonds. Final maturity in 2032. Stated interest rates range from 3.60% to 5.00%, effective rate based on issuance premium 4.65%.	320,480,000	321,930,000
Capital appreciation bond discount net of issuance premium.	<u>(70,773,940)</u>	<u>(75,614,349)</u>
Total 2006 General Obligation Bonds, Series B	<u>249,706,060</u>	<u>246,315,651</u>
2006 General Obligation Bonds, Series C, issued in the original amount of \$168,838,667 of capital appreciation bonds. Final maturity in 2032. Stated interest rates range from 4.09% to 5.10%, effective rate based on issuance premium 5.04%.	849,250,000	849,250,000
Capital appreciation bond discount net of issuance premium.	<u>(632,550,076)</u>	<u>(643,105,474)</u>
Total 2006 General Obligation Bonds, Series C	<u>216,699,924</u>	<u>206,144,526</u>
NOTES PAYABLE		
The District has two notes payable to the Office of California Department of Education, payable in annual installments of \$30,000, with no interest.	60,000	90,000
Total Long-Term Debt	555,616,141	547,751,980
Less: Current portion	<u>9,455,000</u>	<u>8,470,000</u>
Total Long-Term Debt - Noncurrent Portion	<u>\$ 546,161,141</u>	<u>\$ 539,281,980</u>

General Obligation Bonds balances include \$79,207,478 and \$61,011,156 of accumulated accreted interest on the capital appreciation portions of these bonds at June 30, 2011 and 2010, respectively.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Lease Revenue Bonds

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 175,000	\$ 212,850	\$ 387,850
2013	185,000	204,725	389,725
2014	195,000	196,200	391,200
2015	200,000	188,200	388,200
2016	210,000	178,850	388,850
2017-2021	1,230,000	720,838	1,950,838
2022-2026	1,560,000	384,100	1,944,100
2027-2028	740,000	37,500	777,500
Total	\$ 4,495,000	\$ 2,123,263	\$ 6,618,263

General Obligation Bonds

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Current Interest</u>	<u>Total</u>
2012	\$ 8,900,451	\$ 349,549	\$ 9,023,462	\$ 18,273,462
2013	7,562,910	2,742,090	8,791,925	19,096,925
2014	6,018,527	5,171,473	8,726,925	19,916,925
2015	6,111,389	5,858,611	8,726,925	20,696,925
2016	5,798,504	6,951,496	8,726,925	21,476,925
2017-2021	55,746,300	23,778,700	40,494,812	120,019,812
2022-2026	54,775,030	57,979,970	33,467,750	146,222,750
2027-2031	114,992,223	33,767,777	28,781,400	177,541,400
2032-2036	82,844,098	130,185,902	1,894,750	214,924,750
2037-2041	52,886,145	207,538,855	-	260,425,000
2042-2046	49,628,185	265,996,815	-	315,625,000
2047	9,555,559	61,184,441	-	70,740,000
Total	\$ 454,819,321	\$ 801,505,679	\$ 148,634,874	1,404,959,874
Less: Current interest				(148,634,874)
Less: Unaccreted interest - net of unamortized premium				(705,263,859)
Net Outstanding Debt - June 30, 2011				\$ 551,061,141

Notes Payable

<u>Year Ending June 30</u>	<u>Amount</u>
2012	\$ 30,000
2013	30,000
Total	\$ 60,000

Termination Benefits

On October 6, 2009, and April 19, 2011, the Board approved implementation of voluntary Supplemental Employee Retirement Plans (SERPs) for the purpose of encouraging eligible employees considering an early leave decision to accelerate their retirement plans. Eligible employees included those age 55 with at least 10 years of service with the District. Fifty employees elected to voluntarily resign from the District's employment no later than December 31, 2009, for the first SERP and 34 employees elected to voluntarily resign no later than June 30, 2011, for the subsequent SERP.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Under the SERPs, the retirees will receive an annuity purchased by the District at a cost of 65% of the eligible employee's base salary. The annuity will provide a monthly benefit depending on the employee's age and the benefit option chosen by the employee. The District is paying for the annuities over a 5 year period. The cost to the District represents the present value of the future payments. The cost of the first SERP is \$2,451,579 assuming a discount rate of .65% and the cost of the subsequent SERP is \$1,807,125 assuming a discount rate of .35%.

The annual payments under the annuity contracts purchased are as follows:

Year Ending June 30	SERP		Total
	2010	2011	
2012	\$ 569,479	\$ 363,955	\$ 933,434
2013	385,722	363,955	749,677
2014	385,722	363,955	749,677
2015	-	363,955	363,955
Total	1,340,923	1,455,820	2,796,743
Less: Discount to present value	(24,624)	(12,650)	(37,274)
Present Value	\$ 1,316,299	\$ 1,443,170	\$ 2,759,469

Defeasance of Debt Obligation

In 2006, the District defeased \$90,000,000 of the 2004 Series A general obligation bonds by placing new bond proceeds in an irrevocable trust to provide for future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. Defeased bonds outstanding at June 30, 2011 and 2010, were \$76,300,000 and \$78,165,000, respectively.

Other Postemployment Benefits (OPEB) Obligation

The District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2009. The District's actuarially determined annual required contributions for the years ended June 30, 2011 and 2010, were \$10,592,661 and \$10,613,959, respectively. Contributions made by the District during the years ended June 30, 2011 and 2010 were \$4,498,624 and \$4,122,642, respectively. This resulted in a net OPEB obligation of \$19,466,360 and \$13,576,671 at June 30, 2011 and 2010, respectively. See note 11 for additional information regarding the OPEB obligation and the postemployment benefit plan.

8. EMPLOYEE RETIREMENT SYSTEMS

California State Teachers' Retirement System (CalSTRS)

Plan Description

All certificated employees and those employees meeting minimum standards adopted by the Board of Governors of the California Community Colleges and employed 50 percent or more in a full-time equivalent position participate in the Defined Benefit Plan (DB Plan). Part-time educators hired under a contract of less than 50 percent or on an hourly or daily basis without contract may elect membership in the Cash Balance Benefit Program (CB Benefit Program). Since January 1, 1999, both of these plans have been part of the State Teachers' Retirement Plan (STRP), a cost-sharing, multiple-employer contributory public employee retirement system. The State Teachers' Retirement Law (Part 13 of the *California Education Code*, Section 22000 et seq.) established benefit provisions for STRS. Copies of the STRS annual financial report may be obtained from the STRS Executive Office, 7667 Folsom Boulevard, Sacramento, California 95851.

The STRP, a defined benefit pension plan, provides retirement, disability, and death benefits, and depending on which component of the STRP the employee is in, post-retirement cost-of-living adjustments may also be offered. Employees in the DB Plan attaining the age of 60 with five years of credited California service (service) are eligible for "normal" retirement and are entitled to a monthly benefit of two percent of their final compensation for each year of service. Final compensation is generally defined as the average salary earnable for the highest three consecutive years of service. The plan permits early retirement options at age 55 or as early as age 50 with at least 30 years of service. While early retirement can reduce the 2 percent factor used at age 60, service of 30 or more years will increase the percentage age factor to be applied.

Disability benefits are generally the maximum of 50 percent of final compensation for most applicants. Eligible dependent children can increase this benefit up to a maximum of 90 percent of final compensation. After five years of credited service, members become 100 percent vested in retirement benefits earned to date. If a member's employment is terminated, the accumulated member contributions are refundable.

The features of the CB Benefit Program include immediate vesting, variable contribution rates that can be bargained, guaranteed interest rates, and flexible retirement options. Participation in the CB benefit plan is optional; however, if the employee selects the CB benefit plan and their basis of employment changes to half time or more, the member will automatically become a member of the DB Plan.

Funding Policy

Active plan members are required to contribute 8.0% of their gross salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Board based upon recommendations made by the consulting actuary. The required employer contribution rate for the fiscal years ended June 30, 2011 and 2010 were 8.25% of annual payroll for regular employees and 9.328% of annual payroll for reduced workload employees. The contribution requirements of the plan members are established by State statutes. The District's contributions to CalSTRS for the fiscal years ended June 30, 2011, 2010, and 2009, were \$2,902,414, \$2,970,002, and \$3,014,980, respectively, and equaled 100% of the required contributions for each year.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

The State of California makes contributions to CalSTRS on behalf of the District equaling approximately 4.517% of covered members' gross salaries. The contribution for the years ending June 30, 2011, 2010 and 2009 are estimated to have been \$1,650,747, \$1,607,633 and \$1,475,074, respectively.

California Public Employees' Retirement System (CalPERS)

Plan Description

All full-time classified employees participate in the CalPERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The Chabot-Las Positas Community College District is part of a "cost-sharing" pool within CalPERS. Employees are eligible for retirement as early as age 50 with five years of service. At age 55, the employee is entitled to a monthly benefit of 2.0 percent of final compensation for each year of service credit.

Retirement compensation is reduced if the plan is coordinated with Social Security. Retirement after age 55 will increase the percentage rate to a maximum of 2.5 percent at age 63 with an increased rate. The plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from CalPERS, members' accumulated contributions are refundable with interest credited through the date of separation.

The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their salary (7.0% of monthly salary over \$133.33 if the member participates in Social Security) and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal years ended June 30, 2011 and 2010, were 10.71% and 9.709% of annual payroll. The contribution requirements of the plan members are established by State statutes. The District's contributions to CalPERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$2,784,784, \$2,534,663, and \$2,450,157, respectively, and equaled 100% of the required contributions for each year.

A State of California contribution on behalf of the District to CalPERS was not required for the years ended June 30, 2011, 2010 and 2009.

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

9. COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements will not be material.

Construction Project Commitments

	2011
DISTRICT-WIDE	
Information Technology & Tech Upgrades (B, N, R)	\$ 855,210
Classroom, Lab Equipment, Chabot College (N)	122,015
Classroom, Lab Equipment, Las Positas College (R)	60,706
District Office ITS Data Center Upgrade (B)	4,412
Enterprise ERP Hardware/Software (E, N, R)	181,500
On-Going Maint & Repairs: Roofs, HVAC (A, B, C, E)	47,184
M&O Equipment (E)	383,886
LPC Warehouse (O)	6,931
Dublin Education Center Phase II (E)	3,562
Dublin Education Center Phase III(E)	9,635
District-wide Multi-Function Copier Equipment (E, N, R)	16,389
Energy Projects (K, V)	12,660
Photovoltaic Solar Project, LPC (V)	57,000
Facilities Master Plan Update (E)	388,049
District-Wide Totals	\$ 2,149,139

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

	2011
CHABOT COLLEGE	
Library Building - 100 (F)	\$ 420,173
Administration Building - 200 (E, K, N, Y)	164,689
Classroom Buildings 300, 500 (E, F)	2,273,816
Instructional Office Building 400 (H)	21,312
Classroom Buildings 800, 900, 1000 (E, F)	523
Buildings - 1200, 1300, PAC Plaza (E, F, N)	224,497
Industrial Technology Building - 1400, 1600 (E, F)	1,712,523
Classroom Buildings - 1700, 1800 (E, F)	525,084
Health Science Building - 2200 (E, F)	620
Student Union/Cafeteria Building (E, F, Y)	14,796
Community and Student Services Center (E, F, I)	182,232
Physical Education Complex Buildings (F)	15,358,463
PE Complex - Strength & Fitness Center Bldg 4000 (F)	1,687,331
Classroom/Lab Equipment & Library Materials (F)	512,357
CC Project & Construction Management (Y)	175,947
Central Plant (Mech Conv Def Bldgs/IT Infrastructure) (B, K)	1,880,295
Parking Lots A & B and G & H (F)	407,544
Soccer Field Improvements (F)	1,863
Swimming Pool (E, F)	1,207
Miscellaneous Site Work / Campus Security (F)	14,750
Photo Voltaic Project (K)	184,014
Chabot College Totals	25,764,036
LAS POSITAS COLLEGE	
Multi-Disciplinary Education Building (E, O, S)	2,500
Child Development Center (E, O, S)	190,091
College Center for Arts (E, O)	121,059
Science & Technology (E, O, S, T)	9,501,724
Student Services & Central Administration (O, P, U, X)	22,658,171
Buildings - 500, 600, 700, 1700 Renovations (O, E)	121,271
Renovations (O, E)	160,400
LPC Instructional Equipment (O)	136,543
Central Utility Plant (O, V)	396,389
District-wide Information Technology Building (E, O, W)	10,839
LPC Program & Construction Management (Y)	36,466
Campus Entry Enhancements (P, X)	3,801
Campus Boulevard Phases I-III (P, X)	2,604
PE Phase III/Collier Creek (Outside Loop Road) (E, O)	85,661
Aquatic Center & Soccer Fields (E, O)	38,174
EIR Services (Y)	42,597
Utilities Infrastructure Upgrade (V, X)	9,313
Fire Alarm/Security Upgrade (O)	373,322
Las Positas College Totals	33,890,925
District Total	\$ 61,804,100

10. JOINT POWERS AUTHORITIES

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal years ended June 30, 2011 and 2010, the District contracted with the Statewide Association of Community Colleges (SWACC) joint powers authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. Liability claims up to \$25 million and property claims up to \$250 million per occurrence are covered by SWACC.

Workers' Compensation

For the fiscal years ended June 30, 2011 and 2010, the District was a member of the Protected Insurance Program for Schools (PIPS) joint powers authority (JPA), a self-insurance program that is reinsured to the first dollar. The intent of the JPA is to achieve lower costs by virtue of membership in a group that has significant purchasing leverage by way of its size (in excess of \$9.5 billion in payroll) and through the application of innovative cost control techniques such as medical cost management and legal cost management. While the group is comprised of both K-12 and community college districts, community colleges are rated separately. The collective experience of the community college members is utilized to develop a base rate for all community college members. Each individual member is then separately rated to determine their specific rate, which is then applied to their estimated payroll for the program year. Membership in the JPA is limited to K-12 and community college districts that can meet the selection criteria.

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB)

Plan Description

The Chabot-Las Positas Community College District Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The District provides medical, dental, and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting plan eligibility requirements. Eligible employees retiring from the District may become eligible for these benefits when the requirements are met. The eligibility requirement for employees participating in Public Employees' Retirement System (PERS) is a minimum age of 55 and a minimum ten years of continuous service with the District. Additional age and service criteria may be required. The eligibility requirement for employees participating in State Teachers' Retirement System (STRS) is a minimum age of 60 with five years of service, or age 50 with 30 years of service. In addition, the District also has minimum continuous service requirements for retirement that range from three years to ten years and varies by employee class.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

The District offers subsidized health insurance benefits to all employees who retire from the District and meet the age and service requirement for eligibility. Group medical coverage is provided for academic retirees hired on or after April 1, 1986 and classified retirees hired on or after July 1, 1984. Such benefits are required through the District's union contracts. The amount of the District's contribution per employee towards such annual premiums is determined according to the collective bargaining agreements. Membership of the Plan consists of 364 retirees currently receiving benefits and 684 eligible active plan members.

Funding Policy

The contribution requirements 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. For the years ended June 30, 2011 and 2010, the District contributed \$4,498,624 and \$4,122,642 respectively to the Plan.

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 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 actuarial 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 years ended June 30, 2011 and 2010, the amounts actually contributed to the Plan, and changes in the District's net OPEB obligation to the Plan.

	2011	2010
Annual required contribution	\$ 10,592,661	\$ 10,613,959
Adjustment to annual required contribution	(883,182)	-
Interest on net OPEB obligation	678,835	337,398
Annual OPEB Cost	10,388,314	10,951,357
Contributions	(4,498,624)	(4,122,642)
Change in Net OPEB Obligation	5,889,690	6,828,715
Net OPEB Obligation - Beginning of Year	13,576,671	6,747,956
Net OPEB Obligation - End of Year	\$ 19,466,361	\$ 13,576,671

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2011 and 2010 is as follows:

Year Ended	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net Ending OPEB Obligation
June 30, 2009	\$ 10,613,959	\$ 3,866,003	36.42%	\$ 6,747,956
June 30, 2010	\$ 10,951,357	\$ 4,122,642	37.65%	\$ 13,576,671
June 30, 2011	\$ 10,388,313	\$ 4,498,624	43.30%	\$ 19,466,361

**NOTES TO THE FINANCIAL
STATEMENTS**

June 30, 2011 and 2010

*Chabot-Las Positas
Community College District*

Funded Status and Funding Progress

	June 1, 2011
Actuarial accrued liability (AAL)	\$ 138,649,163
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability	\$ 138,649,163
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active members)	\$ 55,796,114
UAAL as a Percentage of Covered Payroll	248.00%

As of June 30, 2011 and 2010, the District had not set aside any amounts in an external trust fund.

Actuarial Methods and Assumptions

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability 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 the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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 includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the employer and 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 value of assets, consistent with the long-term perspective of the calculations.

In the June 1, 2011, actuarial valuation, the entry-age normal cost method was used. The actuarial assumptions included a 5.0% discount rate based on the assumption that a substantial portion of the ARC is unfunded. A 3.0% price inflation and a 3.0% wage inflation assumptions were used as well as an annual cost trend rate of 4.0%. Unfunded actuarial accrued liabilities are amortized to produce payments (principal and interest), which are a level percent of payroll over a 30-year period.

SUPPLEMENTARY INFORMATION

ORGANIZATION STRUCTURE

June 30, 2011

*Chabot-Las Positas
Community College District*

The District was established on January 10, 1961, and commenced operations on September 11, 1961.

GOVERNING BOARD

Name	Office	Term Expires
Dr. Barbara Mertes	President	2012
Ms. Isobel F. Dvorsky	Secretary	2014
Mr. Donald L. "Dobie" Gelles	Member	2014
Dr. Arnulfo Cedillo	Member	2012
Dr. Hal G. Gin	Member	2014
Dr. Marshall Mitzman	Member	2012
Mr. Carlo Vecchiarelli	Member	2012

DISTRICT ADMINISTRATION

Dr. Joel L. Kinnamon
Chancellor

Mr. Lorenzo Legaspi
Vice Chancellor, Business Services

Dr. Mary Anne Gularte
Vice Chancellor, Human Resources

Mr. Jeffrey Kingston
Vice Chancellor, Facilities and Measure B Program

**SCHEDULE OF WORKLOAD
MEASURES FOR STATE GENERAL
APPORTIONMENT**

*Chabot-Las Positas
Community College District*

June 30, 2011

The full-time equivalent resident students (FTES) eligible for 2010-11 state apportionment reported to the State of California as of June 30, 2011, are summarized below:

	Reported Data
<hr/> <hr/>	
SUMMER INTERSESSION (Summer 2010 only)	
Noncredit	1
Credit	1,134
SUMMER INTERSESSION (Summer 2011 - Prior to July 1, 2011)	
Noncredit	-
Credit	-
PRIMARY TERMS (Exclusive of Summer Intersession)	
Census Procedure Courses	
Weekly Census Contact Hours	14,336
Daily Census Contact Hours	1,197
Actual Hours of Attendance Procedure Courses	
Noncredit	103
Credit	706
Alternative Attendance Accounting Procedure	
Weekly Census Contact Hours	22
Daily Census Contact Hours	-
Noncredit Independent Study/Distance Education Courses	-
Total FTES	17,499
<hr/> <hr/>	
SUPPLEMENTARY INFORMATION (Subset of above information)	
In-Service Training Courses (FTES)	18
BASIC SKILLS COURSES AND IMMIGRANT EDUCATION	
Noncredit	-
Credit	1,225
<hr/> <hr/>	

See the accompanying notes to the supplementary information.

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

June 30, 2011

*Chabot-Las Positas
Community College District*

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass Through/ Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
FEDERAL DIRECT AWARDS			
U.S. DEPARTMENT OF EDUCATION			
Financial Aid Cluster			
Federal Supplemental Education Opportunity Grants		84.007	\$ 199,954
Federal Work-Study Program		84.033	250,479
Federal Pell Grant Program		84.063	20,579,515
Federal Direct Student Loans		84.268	4,611,828
Academic Competitiveness Grants		84.375	173,035
Federal Financial Aid Administrative Cost Allowance		84.063	9,562
Total Financial Aid Cluster			<u>25,824,373</u>
TRIO Cluster			
TRIO - Student Support Services		84.042	374,657
TRIO - Talent Search		84.047A	212,380
Total TRIO Cluster			<u>587,037</u>
Vocational Rehabilitation Cluster			
Rehabilitation Services - Vocational Rehabilitation Grants to States	27727	84.126	107,668
Rehabilitation Services - Vocational Rehabilitation Grants to States Recovery Act	27755A	84.390	36,197
Total Vocational Rehabilitation Cluster			<u>143,865</u>
Passed Through Chancellor's Office			
Vocational Education - Basic Grants to States	10-C01-007	84.048	1,081,170
Title III - Higher Education Institutional Aid		84.031	316,841
Fund for the Improvement of Postsecondary Education		84.116	565,450
Fund for the Improvement of Education		84.215	6,069
Child Care Access Means Parents in School		84.335	34,168
ARRA - State Fiscal Stabilization Fund (SFSF) - Education Grants Recovery Act		84.397	41,207
Total Direct U.S. Department of Education			<u>28,600,180</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through California Department of Education			
Child and Adult Care Food Program	01-2962-1A	10.558	101,099
Total U.S. Department of Agriculture			<u>101,099</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Renewable Energy Research and Development			
	FI090924	81.087	5,502
Passed Through Chancellor's Office			
Temporary Assistance for Needy Families		93.558	92,037
Child, Family, and Community Services - Head Start		93.600	526,061
Child, Family, and Community Services - Foster Care - Title IV-E		93.658	23,929
Total U.S. Department of Health and Human Services			<u>647,529</u>
U.S. DEPARTMENT OF LABOR			
Passed Through Alameda County			
Workforce Investment Act Program of Competitive Grants for Worker			
Training and Placement in High Growth and Emerging Industry Sectors		17.275	\$ 63,267
Workforce Investment Act Dislocated Workers		17.260	750,795
Workforce Investment Act Dislocated Worker Formula Grants		17.278	311,854
Workforce Investment Act Dislocated Workers		17.260	128,778
Workforce Investment Act Youth Activities		17.259	70,072
Workforce Investment Act Adult Program		17.258	237,685
Workforce Investment Act Adult Program, Recovery Act		17.258	100,411
Total U.S. Department of Labor			<u>1,662,862</u>
Total Expenditures of Federal Awards			<u>\$ 31,011,670</u>

See the accompanying notes to the supplementary information.

**SCHEDULE OF EXPENDITURES OF
STATE AWARDS**

June 30, 2011

*Chabot-Las Positas
Community College District*

Year Ended June 30, 2011	Program Revenues			
	Cash Received	Accounts Receivable	Deferred Revenue	Total
Extended opportunity programs and services	\$ 617,921	\$ -	\$ 31,332	\$ 649,253
Disabled students programs and services	949,685	-	-	949,685
Basic skills	212,568	-	17,697	230,265
CalWORKs	369,597	(49,327)	(10,679)	309,591
One-time SB 1133 instructional equipment/ scheduled maintenance	-	-	139,740	139,740
Cooperative agency resource education	86,137	-	7,012	93,149
BFAP	584,308	-	(9,797)	574,511
Matriculation	598,607	-	-	598,607
Faculty and staff diversity	8,335	-	-	8,335
Economic Development - Workplace Learning Center	137,993	47,684	-	185,677
Economic Development - job development training	23,709	-	18,200	41,909
CAHSEE Grant	150,000	(150,000)	-	-
Career Tech Education	530,000	-	25,517	555,517
Career Tech Education - Tech Prep	60,777	8,931	-	69,708
CDE Tech Prep MOU	-	-	14,972	14,972
Foster Care Kinship	236,542	65,623	1,822	303,987
Child Care Training Consortium CC	17,500	-	-	17,500
CARI Pre-Training	3,146	(1,240)	-	1,906
PRIDE Pre-Training	12,506	(1,473)	-	11,033
Song Brown Nursing	87,514	(17,514)	-	70,000
Child Care Training Consortium LPC	16,825	(5,262)	-	11,563
IDRC Surgical Tech	-	-	7,098	7,098
Summer Youth Work Program	-	(649)	719	70
TANF	45,678	(14,721)	-	30,957
Lottery - Prop 20	330,843	45,771	-	376,614
CDC CACFP Food Program	16,381	(9,503)	-	6,878
CDC State Preschool/Part Day	485,383	-	-	485,383
CDC State Preschool/Wrap Around	185,305	-	-	185,305
CDC Tri Cities Children's Center Grant	17,441	(17,441)	-	-
CDC Facility Repair 09-12	6,005	(6,005)	-	-
CALGrants	934,269	(740)	-	933,529
Instructional Equipment Grant 08-09	-	-	62,433	62,433
Renovation of Buildings 800/900 CC	-	44,846	-	44,846
Renovation of Buildings 1700/1800 CC	84,000	-	-	84,000
Hazzard Asbestos Removal Building 1300 CC	186,297	-	-	186,297
Total State Programs	\$ 6,995,272	\$ (61,020)	\$ 306,066	\$ 7,240,318

See the accompanying notes to the supplementary information.

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

June 30, 2011

*Chabot-Las Positas
Community College District*

Page 1 of 2

	Unrestricted General Fund	Restricted General Fund	Cafeteria Fund	Child Development Fund	Balance Forward
June 30, 2011, Annual Financial and Budget Report (CCFS-311) Fund Balance	\$ 6,700,785	\$ 1,395,453	\$ 30,885	\$ 14,878	\$ 8,142,001
Adjustment and reclassifications increasing (decreasing) the fund balance:					
Reclassification of amounts held for others	-	-	-	-	-
Rounding	(2)	(3)	-	(1)	(6)
Net Adjustments and Reclassifications	(2)	(3)	-	(1)	(6)
June 30, 2011, District Accounting Records Fund Balance	\$ 6,700,783	\$ 1,395,450	\$ 30,885	\$ 14,877	\$ 8,141,995

See the accompanying notes to the supplementary information.

	Balance Brought Forward	Bond Interest and Redemption Fund	Capital Outlay Projects Fund	General Obligation Bonds Fund	Balance Forward
June 30, 2011, Annual Financial and Budget Report (CCFS-311) Fund Balance	\$ 8,142,001	\$ 14,871,040	\$ 7,830,168	\$ 222,271,219	\$ 253,114,428
Adjustment and reclassifications increasing (decreasing) the fund balance:					
Reclassification of amounts held for others	-	-	-	-	-
Rounding	(6)	-	-	(7)	(13)
Net Adjustments and Reclassifications	(6)	-	-	(7)	(13)
June 30, 2011, District Accounting Records Fund Balance	\$ 8,141,995	\$ 14,871,040	\$ 7,830,168	\$ 222,271,212	\$ 253,114,415

See the accompanying notes to the supplementary information.

	Balance Brought Forward	Bookstore Fund	Self- Insurance Fund	Associated Students Trust Fund	Balance Forward
June 30, 2011, Annual Financial and Budget Report (CCFS-311) Fund Balance	\$ 253,114,428	\$ 736,739	\$ 2,994,086	\$ 375,650	\$ 257,220,903
Adjustment and reclassifications increasing (decreasing) the fund balance:					
Reclassification of amounts held for others	-	-	-	(375,650)	(375,650)
Rounding	(13)	(1)	-	-	(14)
Net Adjustments and Reclassifications	(13)	(1)	-	(375,650)	(375,664)
June 30, 2011, District Accounting Records Fund Balance	\$ 253,114,415	\$ 736,738	\$ 2,994,086	\$ -	\$ 256,845,239

See the accompanying notes to the supplementary information.

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

June 30, 2011

	Balance Brought Forward	Student Financial Aid Trust Fund	Scholarship and Loan Trust Fund	Student Representation Fee Trust Fund	Balance Forward
June 30, 2011, Annual Financial and Budget Report (CCFS-311) Fund Balance	\$ 257,220,903	\$ 224,884	\$ 211,909	\$ 3,134	\$ 257,660,830
Adjustment and reclassifications increasing (decreasing) the fund balance:					
Reclassification of amounts held for others	(375,650)	-	-	(3,134)	(378,784)
Rounding	(14)	(8)	-	-	(22)
Net Adjustments and Reclassifications	(375,664)	(8)	-	(3,134)	(378,806)
June 30, 2011, District Accounting Records Fund Balance	\$ 256,845,239	\$ 224,876	\$ 211,909	\$ -	\$ 257,282,024

	Balance Brought Forward	Other Trust Funds	Total
June 30, 2011, Annual Financial and Budget Report (CCFS-311) Fund Balance	\$ 257,660,830	\$ 815,524	\$ 258,476,354
Adjustment and reclassifications increasing (decreasing) the fund balance:			
Reclassification of amounts held for others	(378,784)	(815,524)	(1,194,308)
Rounding	(22)	-	(22)
Net Adjustments and Reclassifications	(378,806)	(815,524)	(1,194,330)
June 30, 2011, District Accounting Records Fund Balance	\$ 257,282,024	\$ -	\$ 257,282,024

See the accompanying notes to the supplementary information.

**COMBINING BALANCE SHEETS –
DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 1 of 5

June 30, 2011	Unrestricted General Fund	Restricted General Fund	Cafeteria Fund	Child Development Fund	Balance Forward
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 30,071	\$ -	\$ 30,071
Restricted cash and cash equivalents	-	1,040,951	-	-	1,040,951
Accounts receivable - net	20,533,721	2,735,879	814	152,416	23,422,830
Prepaid expenses	639,536	10,085	-	-	649,621
Inventories	-	-	-	-	-
Due from other funds	311,949	-	-	31,345	343,294
Total Current Assets	21,485,206	3,786,915	30,885	183,761	25,486,767
NONCURRENT ASSETS					
Restricted cash and cash equivalents	-	-	-	-	-
Capital assets - net	-	-	-	-	-
Total Noncurrent Assets	-	-	-	-	-
Total Assets	\$ 21,485,206	\$ 3,786,915	\$ 30,885	\$ 183,761	\$ 25,486,767
LIABILITIES					
Deficit cash balance	\$ 4,444,426	\$ -	\$ -	\$ 142,354	\$ 4,586,780
Accounts payable	5,493,562	820,369	-	26,391	6,340,322
Deferred revenue	4,784,671	1,519,720	-	-	6,304,391
Due from other funds	61,764	51,376	-	139	113,279
Amounts held for others	-	-	-	-	-
Total Liabilities	14,784,423	2,391,465	-	168,884	17,344,772
FUND EQUITY					
Fund balances:					
Reserved for debt service	-	-	-	-	-
Reserved for special purposes	-	1,395,450	-	14,877	1,410,327
Unreserved:					
Undesignated	6,700,783	-	30,885	-	6,731,668
Total Fund Equity	6,700,783	1,395,450	30,885	14,877	8,141,995
Total Liabilities and Fund Equity	\$ 21,485,206	\$ 3,786,915	\$ 30,885	\$ 183,761	\$ 25,486,767

See the accompanying notes to the supplementary information.

**COMBINING BALANCE SHEETS –
DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 2 of 5

June 30, 2011	Balance Brought Forward	Bond Interest and Redemption Fund	Capital Outlay Projects Fund	General Obligation Bonds Fund	Balance Forward
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 30,071	\$ -	\$ -	\$ -	\$ 30,071
Restricted cash and cash equivalents	1,040,951	14,859,028	-	-	15,899,979
Accounts receivable - net	23,422,830	12,012	481,881	672	23,917,395
Prepaid expenses	649,621	-	20,163	29,595	699,379
Inventories	-	-	-	-	-
Due from other funds	343,294	-	-	15,992	359,286
Total Current Assets	25,486,767	14,871,040	502,044	46,259	40,906,110
NONCURRENT ASSETS					
Restricted cash and cash equivalents	-	-	7,377,549	230,443,149	237,820,698
Capital assets - net	-	-	112,200	-	112,200
Total Noncurrent Assets	-	-	7,489,749	230,443,149	237,932,898
Total Assets	\$ 25,486,767	\$ 14,871,040	\$ 7,991,793	\$ 230,489,408	\$ 278,839,008
LIABILITIES					
Deficit cash balance	\$ 4,586,780	\$ -	\$ -	\$ -	\$ 4,586,780
Accounts payable	6,340,322	-	125,009	8,218,196	14,683,527
Deferred revenue	6,304,391	-	36,616	-	6,341,007
Due from other funds	113,279	-	-	-	113,279
Amounts held for others	-	-	-	-	-
Total Liabilities	17,344,772	-	161,625	8,218,196	25,724,593
FUND EQUITY					
Fund balances:					
Reserved for debt service	-	14,871,040	-	-	14,871,040
Reserved for special purposes	1,410,327	-	7,830,168	222,271,212	231,511,707
Unreserved:					
Undesignated	6,731,668	-	-	-	6,731,668
Total Fund Equity	8,141,995	14,871,040	7,830,168	222,271,212	253,114,415
Total Liabilities and Fund Equity	\$ 25,486,767	\$ 14,871,040	\$ 7,991,793	\$ 230,489,408	\$ 278,839,008

See the accompanying notes to the supplementary information.

**COMBINING BALANCE SHEETS –
DISTRICT FUNDS INCLUDED IN
THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 3 of 5

June 30, 2011	Balance Brought Forward	Bookstore Fund	Self- Insurance Fund	Associated Students Trust Fund	Balance Forward
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 30,071	\$ 349,662	\$ -	\$ -	\$ 379,733
Restricted cash and cash equivalents	15,899,979	-	2,993,082	395,938	19,288,999
Accounts receivable - net	23,917,395	2,634	3,282	-	23,923,311
Prepaid expenses	699,379	8,280	-	-	707,659
Inventories	-	541,938	-	-	541,938
Due from other funds	359,286	46,991	-	1,943	408,220
Total Current Assets	40,906,110	949,505	2,996,364	397,881	45,249,860
NONCURRENT ASSETS					
Restricted cash and cash equivalents	237,820,698	-	-	-	237,820,698
Capital assets - net	112,200	935	-	-	113,135
Total Noncurrent Assets	237,932,898	935	-	-	237,933,833
Total Assets	\$ 278,839,008	\$ 950,440	\$ 2,996,364	\$ 397,881	\$ 283,183,693
LIABILITIES					
Deficit cash balance	\$ 4,586,780	\$ 61,122	\$ -	\$ -	\$ 4,647,902
Accounts payable	14,683,527	92,732	2,278	-	14,778,537
Deferred revenue	6,341,007	32,014	-	-	6,373,021
Due from other funds	113,279	27,834	-	5,395	146,508
Amounts held for others	-	-	-	392,486	392,486
Total Liabilities	25,724,593	213,702	2,278	397,881	26,338,454
FUND EQUITY					
Fund balances:					
Reserved for debt service	14,871,040	-	-	-	14,871,040
Reserved for special purposes	231,511,707	-	2,994,086	-	234,505,793
Unreserved:					
Undesignated	6,731,668	736,738	-	-	7,468,406
Total Fund Equity	253,114,415	736,738	2,994,086	-	256,845,239
Total Liabilities and Fund Equity	\$ 278,839,008	\$ 950,440	\$ 2,996,364	\$ 397,881	\$ 283,183,693

See the accompanying notes to the supplementary information.

**COMBINING BALANCE SHEETS –
DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 4 of 5

June 30, 2011	Balance Brought Forward	Student Financial Aid Trust Fund	Scholarship and Loan Trust Fund	Student Representation Fee Trust Fund	Balance Forward
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 379,733	\$ -	\$ -	\$ -	\$ 379,733
Restricted cash and cash equivalents	19,288,999	260,753	361,421	3,134	19,914,307
Accounts receivable - net	23,923,311	509,621	33,050	-	24,465,982
Prepaid expenses	707,659	-	-	-	707,659
Inventories	541,938	-	-	-	541,938
Due from other funds	408,220	328,623	10,071	-	746,914
Total Current Assets	45,249,860	1,098,997	404,542	3,134	46,756,533
NONCURRENT ASSETS					
Restricted cash and cash equivalents	237,820,698	-	-	-	237,820,698
Capital assets - net	113,135	-	-	-	113,135
Total Noncurrent Assets	237,933,833	-	-	-	237,933,833
Total Assets	\$ 283,183,693	\$ 1,098,997	\$ 404,542	\$ 3,134	\$ 284,690,366
LIABILITIES					
Deficit cash balance	\$ 4,647,902	\$ -	\$ -	\$ -	\$ 4,647,902
Accounts payable	14,778,537	436,849	15,532	-	15,230,918
Deferred revenue	6,373,021	-	-	-	6,373,021
Due from other funds	146,508	437,272	177,101	-	760,881
Amounts held for others	392,486	-	-	3,134	395,620
Total Liabilities	26,338,454	874,121	192,633	3,134	27,408,342
FUND EQUITY					
Fund balances:					
Reserved for debt service	14,871,040	-	-	-	14,871,040
Reserved for special purposes	234,505,793	224,876	211,909	-	234,942,578
Unreserved:					
Undesignated	7,468,406	-	-	-	7,468,406
Total Fund Equity	256,845,239	224,876	211,909	-	257,282,024
Total Liabilities and Fund Equity	\$ 283,183,693	\$ 1,098,997	\$ 404,542	\$ 3,134	\$ 284,690,366

See the accompanying notes to the supplementary information.

**COMBINING BALANCE SHEETS –
DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 5 of 5

June 30, 2011	Balance Brought Forward	Other Trust Funds	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 379,733	\$ -	\$ 379,733
Restricted cash and cash equivalents	19,914,494	812,601	20,727,095
Accounts receivable - net	24,465,795		24,465,795
Prepaid expenses	707,659	-	707,659
Inventories	541,938	-	541,938
Due from other funds	746,914	14,431	761,345
Total Current Assets	46,756,533	827,032	47,583,565
NONCURRENT ASSETS			
Restricted cash and cash equivalents	237,820,698	-	237,820,698
Capital assets - net	113,135	-	113,135
Total Noncurrent Assets	237,933,833	-	237,933,833
Total Assets	\$ 284,690,366	\$ 827,032	\$ 285,517,398
LIABILITIES			
Deficit cash balance	\$ 4,647,902	\$ -	\$ 4,647,902
Accounts payable	15,230,918	11,040	15,241,958
Deferred revenue	6,373,021	-	6,373,021
Due from other funds	760,881	466	761,347
Amounts held for others	395,620	815,526	1,211,146
Total Liabilities	27,408,342	827,032	28,235,374
FUND EQUITY			
Fund balances:			
Reserved for debt service	14,871,040	-	14,871,040
Reserved for special purposes	234,942,578	-	234,942,578
Unreserved:			
Undesignated	7,468,406	-	7,468,406
Total Fund Equity	257,282,024	-	257,282,024
Total Liabilities and Fund Equity	\$ 284,690,366	\$ 827,032	\$ 285,517,398

See the accompanying notes to the supplementary information.

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN
FUND EQUITY – DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 1 of 5

For the Year Ended June 30, 2011	Unrestricted General Fund	Restricted General Fund	Cafeteria Fund	Child Development Fund	Balance Forward
OPERATING REVENUES					
Tuition and fees	\$ 13,816,828	\$ 1,767,969	\$ -	\$ 25,392	\$ 15,610,189
Less: Scholarship discount and allowance	5,127,798	-	-	-	5,127,798
Net Tuition and Fees	8,689,030	1,767,969	-	25,392	10,482,391
Grants and contracts - noncapital:					
Federal	(4,370)	4,780,836	-	661,183	5,437,649
State	44,077	4,951,764	-	677,567	5,673,408
Local	4,810,581	1,605,745	-	-	6,416,326
Auxiliary enterprise sales and charges	-	-	-	-	-
Other operating revenues	-	-	-	-	-
Total Operating Revenues	13,539,318	13,106,314	-	1,364,142	28,009,774
OPERATING EXPENDITURES/EXPENSES					
Academic salaries	42,658,310	2,200,085	-	-	44,858,395
Classified salaries	21,295,800	5,533,362	26,162	1,106,545	27,961,869
Employee benefits	24,500,897	1,946,249	17,059	469,077	26,933,282
Supplies and materials	1,055,304	1,086,268	-	95,062	2,236,634
Other operating expenses	9,889,966	2,318,395	-	6,772	12,215,133
Capital outlay	71,429	652,885	-	465	724,779
Depreciation	-	-	-	-	-
Total Operating Expenditures/Expenses	99,471,706	13,737,244	43,221	1,677,921	114,930,092
Operating Income (Loss)	(85,932,388)	(630,930)	(43,221)	(313,779)	(86,920,318)
NONOPERATING REVENUES (EXPENDITURES)					
State apportionments - noncapital	56,491,169	-	-	-	56,491,169
Local property taxes	23,466,956	-	-	-	23,466,956
State taxes and other revenues	2,953,717	376,614	-	-	3,330,331
Investment income	6,909	-	191	(1,337)	5,763
Debt service - principal	-	-	-	(30,000)	(30,000)
Debt service - interest	-	-	-	-	-
Other nonoperating revenues (expenditures)	2,337,371	37,689	33,719	-	2,408,779
Total Nonoperating Revenues (Expenditures)	85,256,122	414,303	33,910	(31,337)	85,672,998
Income (Loss) Before Other Revenues and Expenditures/Expenses	(676,266)	(216,627)	(9,311)	(345,116)	(1,247,320)
OTHER REVENUES AND EXPENDITURES					
Gifts and grants - capital	-	62,433	-	-	62,433
Excess of Revenues Over (Under) Expenditures/Expenses	(676,266)	(154,194)	(9,311)	(345,116)	(1,184,887)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	85,258,377	724,741	-	359,984	86,343,102
Operating transfers out	(85,061,652)	(1,323,807)	-	-	(86,385,459)
Total Other Financing Sources (Uses)	196,725	(599,066)	-	359,984	(42,357)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses	(479,541)	(753,260)	(9,311)	14,868	(1,227,244)
Fund Equity - Beginning of Year	7,180,324	2,148,710	40,196	9	9,369,239
Fund Equity - End of Year	\$ 6,700,783	\$ 1,395,450	\$ 30,885	\$ 14,877	\$ 8,141,995

See the accompanying notes to the supplementary information.

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN
FUND EQUITY – DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 2 of 5

For the Year Ended June 30, 2011	Balance Brought Forward	Bond Interest and Redemption Fund	Capital Outlay Projects Fund	General Obligation Bonds Fund	Balance Forward
OPERATING REVENUES					
Tuition and fees	\$ 15,610,189	\$ -	\$ -	\$ -	\$ 15,610,189
Less: Scholarship discount and allowance	5,127,798	-	-	-	5,127,798
Net Tuition and Fees	10,482,391	-	-	-	10,482,391
Grants and contracts - noncapital:					
Federal	5,437,649	-	-	-	5,437,649
State	5,673,408	-	-	-	5,673,408
Local	6,416,326	-	-	-	6,416,326
Auxiliary enterprise sales and charges	-	-	-	-	-
Other operating revenues	-	-	-	-	-
Total Operating Revenues	28,009,774	-	-	-	28,009,774
OPERATING EXPENDITURES/EXPENSES					
Academic salaries	44,858,395	-	8,159	-	44,866,554
Classified salaries	27,961,869	-	-	851,677	28,813,546
Employee benefits	26,933,282	-	782	308,262	27,242,326
Supplies and materials	2,236,634	-	4,728	9,498	2,250,860
Other operating expenses	12,215,133	1,785	274,165	1,270,139	13,761,222
Capital outlay	724,779	-	255,703	50,896,555	51,877,037
Depreciation	-	-	-	-	-
Total Operating Expenditures/Expenses	114,930,092	1,785	543,537	53,336,131	168,811,545
Operating Income (Loss)	(86,920,318)	(1,785)	(543,537)	(53,336,131)	(140,801,771)
NONOPERATING REVENUES (EXPENDITURES)					
State apportionments - noncapital	56,491,169	-	-	-	56,491,169
Local property taxes	23,466,956	18,420,543	-	-	41,887,499
State taxes and other revenues	3,330,331	165,286	-	-	3,495,617
Investment income	5,763	32,602	19,232	11,879,287	11,936,884
Debt service - principal	(30,000)	(8,082,805)	-	(170,000)	(8,282,805)
Debt service - interest	-	(9,518,595)	-	(219,325)	(9,737,920)
Other nonoperating revenues (expenditures)	2,408,779	-	1,643,835	-	4,052,614
Total Nonoperating Revenues (Expenditures)	85,672,998	1,017,031	1,663,067	11,489,962	99,843,058
Income (Loss) Before Other Revenues and Expenditures/Expenses	(1,247,320)	1,015,246	1,119,530	(41,846,169)	(40,958,713)
OTHER REVENUES AND EXPENDITURES					
Gifts and grants - capital	62,433	-	315,143	-	377,576
Excess of Revenues Over (Under) Expenditures/Expenses	(1,184,887)	1,015,246	1,434,673	(41,846,169)	(40,581,137)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	86,343,102	-	4	-	86,343,106
Operating transfers out	(86,385,459)	-	(10,000)	-	(86,395,459)
Total Other Financing Sources (Uses)	(42,357)	-	(9,996)	-	(52,353)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses	(1,227,244)	1,015,246	1,424,677	(41,846,169)	(40,633,490)
Fund Equity - Beginning of Year	9,369,239	13,855,794	6,405,491	264,117,381	293,747,905
Fund Equity - End of Year	\$ 8,141,995	\$ 14,871,040	\$ 7,830,168	\$ 222,271,212	\$ 253,114,415

See the accompanying notes to the supplementary information.

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN
FUND EQUITY – DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 3 of 5

For the Year Ended June 30, 2011	Balance Brought Forward	Bookstore Fund	Self- Insurance Fund	Associated Students Trust Fund	Balance Forward
OPERATING REVENUES					
Tuition and fees	\$ 15,610,189	\$ -	\$ -	\$ -	\$ 15,610,189
Less: Scholarship discount and allowance	5,127,798	-	-	-	5,127,798
Net Tuition and Fees	10,482,391	-	-	-	10,482,391
Grants and contracts - noncapital:					
Federal	5,437,649	-	-	-	5,437,649
State	5,673,408	-	-	-	5,673,408
Local	6,416,326	-	-	-	6,416,326
Auxiliary enterprise sales and charges	-	3,283,018	-	-	3,283,018
Other operating revenues	-	-	4,414,361	-	4,414,361
Total Operating Revenues	28,009,774	3,283,018	4,414,361	-	35,707,153
OPERATING EXPENDITURES/EXPENSES					
Academic salaries	44,866,554	-	-	-	44,866,554
Classified salaries	28,813,546	709,543	-	-	29,523,089
Employee benefits	27,242,326	251,761	-	-	27,494,087
Supplies and materials	2,250,860	2,293,114	-	-	4,543,974
Other operating expenses	13,761,222	118,641	4,498,623	-	18,378,486
Capital outlay	51,877,037	-	-	-	51,877,037
Depreciation	-	3,189	-	-	3,189
Total Operating Expenditures/Expenses	168,811,545	3,376,248	4,498,623	-	176,686,416
Operating Income (Loss)	(140,801,771)	(93,230)	(84,262)	-	(140,979,263)
NONOPERATING REVENUES (EXPENDITURES)					
State apportionments - noncapital	56,491,169	-	-	-	56,491,169
Local property taxes	41,887,499	-	-	-	41,887,499
State taxes and other revenues	3,495,617	-	-	-	3,495,617
Investment income	11,936,884	603	11,465	-	11,948,952
Debt service - principal	(8,282,805)	-	-	-	(8,282,805)
Debt service - interest	(9,737,920)	-	-	-	(9,737,920)
Other nonoperating revenues (expenditures)	4,052,614	155,498	-	-	4,208,112
Total Nonoperating Revenues (Expenditures)	99,843,058	156,101	11,465	-	100,010,624
Income (Loss) Before Other Revenues and Expenditures/Expenses	(40,958,713)	62,871	(72,797)	-	(40,968,639)
OTHER REVENUES AND EXPENDITURES					
Gifts and grants - capital	377,576	-	-	-	377,576
Excess of Revenues Over (Under) Expenditures/Expenses	(40,581,137)	62,871	(72,797)	-	(40,591,063)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	86,343,106	-	-	-	86,343,106
Operating transfers out	(86,395,459)	-	-	-	(86,395,459)
Total Other Financing Sources (Uses)	(52,353)	-	-	-	(52,353)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses	(40,633,490)	62,871	(72,797)	-	(40,643,416)
Fund Equity - Beginning of Year	293,747,905	673,867	3,066,883	-	297,488,655
Fund Equity - End of Year	\$ 253,114,415	\$ 736,738	\$ 2,994,086	\$ -	\$ 256,845,239

See the accompanying notes to the supplementary information.

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN
FUND EQUITY – DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District*
Page 4 of 5

For the Year Ended June 30, 2011	Balance Brought Forward	Student Financial Aid Trust Fund	Scholarship and Loan Trust Fund	Student Representation Fee Trust Fund	Balance Forward
OPERATING REVENUES					
Tuition and fees	\$ 15,610,189	\$ -	\$ -	\$ -	\$ 15,610,189
Less: Scholarship discount and allowance	5,127,798	-	-	-	5,127,798
Net Tuition and Fees	10,482,391	-	-	-	10,482,391
Grants and contracts - noncapital:					
Federal	5,437,649	25,573,894	-	-	31,011,543
State	5,673,408	933,529	-	-	6,606,937
Local	6,416,326	-	-	-	6,416,326
Auxiliary enterprise sales and charges	3,283,018	-	-	-	3,283,018
Other operating revenues	4,414,361	-	-	-	4,414,361
Total Operating Revenues	35,707,153	26,507,423	-	-	62,214,576
OPERATING EXPENDITURES/EXPENSES					
Academic salaries	44,866,554	-	-	-	44,866,554
Classified salaries	29,523,089	-	-	-	29,523,089
Employee benefits	27,494,087	-	-	-	27,494,087
Supplies and materials	4,543,974	-	-	-	4,543,974
Other operating expenses	18,378,486	26,681,639	142,808	-	45,202,933
Capital outlay	51,877,037	-	-	-	51,877,037
Depreciation	3,189	-	-	-	3,189
Total Operating Expenditures/Expenses	176,686,416	26,681,639	142,808	-	203,510,863
Operating Income (Loss)	(140,979,263)	(174,216)	(142,808)	-	(141,296,287)
NONOPERATING REVENUES (EXPENDITURES)					
State apportionments - noncapital	56,491,169	-	-	-	56,491,169
Local property taxes	41,887,499	-	-	-	41,887,499
State taxes and other revenues	3,495,617	-	-	-	3,495,617
Investment income	11,948,952	(47)	225	-	11,949,130
Debt service - principal	(8,282,805)	-	-	-	(8,282,805)
Debt service - interest	(9,737,920)	-	-	-	(9,737,920)
Other nonoperating revenues (expenditures)	4,208,112	-	142,662	-	4,350,774
Total Nonoperating Revenues (Expenditures)	100,010,624	(47)	142,887	-	100,153,464
Income (Loss) Before Other Revenues and Expenditures/Expenses	(40,968,639)	(174,263)	79	-	(41,142,823)
OTHER REVENUES AND EXPENDITURES					
Gifts and grants - capital	377,576	-	-	-	377,576
Excess of Revenues Over (Under) Expenditures/Expenses	(40,591,063)	(174,263)	79	-	(40,765,247)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	86,343,106	1,083,286	3,287	-	87,429,679
Operating transfers out	(86,395,459)	(933,944)	(272)	-	(87,329,675)
Total Other Financing Sources (Uses)	(52,353)	149,342	3,015	-	100,004
Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses	(40,643,416)	(24,921)	3,094	-	(40,665,243)
Fund Equity - Beginning of Year	297,488,655	249,797	208,815	-	297,947,267
Fund Equity - End of Year	\$ 256,845,239	\$ 224,876	\$ 211,909	\$ -	\$ 257,282,024

See the accompanying notes to the supplementary information.

**COMBINING STATEMENTS OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN
FUND EQUITY – DISTRICT FUNDS INCLUDED
IN THE REPORTING ENTITY**

*Chabot-Las Positas
Community College District
Page 5 of 5*

For the Year Ended June 30, 2011	Balance Brought Forward	Other Trust Funds	Total
OPERATING REVENUES			
Tuition and fees	\$ 15,610,189	\$ -	\$ 15,610,189
Less: Scholarship discount and allowance	5,127,798	-	5,127,798
Net Tuition and Fees	10,482,391	-	10,482,391
Grants and contracts - noncapital:			
Federal	31,011,543	-	31,011,543
State	6,606,937	-	6,606,937
Local	6,416,326	-	6,416,326
Auxiliary enterprise sales and charges	3,283,018	-	3,283,018
Other operating revenues	4,414,361	-	4,414,361
Total Operating Revenues	62,214,576	-	62,214,576
OPERATING EXPENDITURES/EXPENSES			
Academic salaries	44,866,554	-	44,866,554
Classified salaries	29,523,089	-	29,523,089
Employee benefits	27,494,087	-	27,494,087
Supplies and materials	4,543,974	-	4,543,974
Other operating expenses	45,202,933	-	45,202,933
Capital outlay	51,877,037	-	51,877,037
Depreciation	3,189	-	3,189
Total Operating Expenditures/Expenses	203,510,863	-	203,510,863
Operating Income (Loss)	(141,296,287)	-	(141,296,287)
NONOPERATING REVENUES (EXPENDITURES)			
State apportionments - noncapital	56,491,169	-	56,491,169
Local property taxes	41,887,499	-	41,887,499
State taxes and other revenues	3,495,617	-	3,495,617
Investment income	11,949,130	-	11,949,130
Debt service - principal	(8,282,805)	-	(8,282,805)
Debt service - interest	(9,737,920)	-	(9,737,920)
Other nonoperating revenues (expenditures)	4,350,774	-	4,350,774
Total Nonoperating Revenues (Expenditures)	100,153,464	-	100,153,464
Income (Loss) Before Other Revenues and Expenditures/Expenses	(41,142,823)	-	(41,142,823)
OTHER REVENUES AND EXPENDITURES			
Gifts and grants - capital	377,576	-	377,576
Excess of Revenues Over (Under) Expenditures/Expenses	(40,765,247)	-	(40,765,247)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	87,429,679	-	87,429,679
Operating transfers out	(87,329,675)	-	(87,329,675)
Total Other Financing Sources (Uses)	100,004	-	100,004
Excess of Revenues and Other Financing Sources Over (Under) Expenditures/Expenses and Other Financing Uses	(40,665,243)	-	(40,665,243)
Fund Equity - Beginning of Year	297,947,267	-	297,947,267
Fund Equity - End of Year	\$ 257,282,024	\$ -	\$ 257,282,024

See the accompanying notes to the supplementary information.

**RECONCILIATION OF FUND EQUITY
TO NET ASSETS**

June 30, 2011

*Chabot-Las Positas
Community College District*

Total fund equity - district funds included in the reporting entity		\$ 257,282,024
Assets recorded within the GASB 35 Statement of Net Assets not included in the District fund financial statements:		
Depreciable capital assets	\$ 421,135,323	
Accumulated depreciation	<u>(59,291,690)</u>	361,843,633
Nondepreciable capital assets		40,437,828
Deferred costs - net		4,544,812
Deposit on real estate		250,000
Liabilities recorded within the GASB 35 Statement of Net Assets not recorded in the District fund financial statements:		
Accrued interest		(3,863,550)
Long-term debt	(555,616,141)	
Other long-term liabilities	<u>(24,066,897)</u>	<u>(579,683,038)</u>
Net assets reported within the GASB 35 Statement of Net Assets		\$ 80,811,709

See the accompanying notes to the supplementary information.

**RECONCILIATION OF CHANGE IN FUND
EQUITY TO CHANGE IN NET ASSETS**

June 30, 2011

*Chabot-Las Positas
Community College District*

Total net change in fund equity - district funds included in the reporting entity	\$(40,665,243)
Compensated absence expense reduction reported within GASB 35 Statements	107,160
Depreciation expense reported within GASB 35 Statements	(14,580,996)
Loss on disposal of assets reported within the GASB 35 Statements	(3,641,997)
Amortization of bond issuance cost reported within the GASB 35 Statements	(247,207)
Accreted interest expense on capital appreciation bonds, net of issuance premium reported within the GASB 35 Statements	(16,334,161)
Capital outlay expense not reported within the GASB 35 Statements	48,248,276
Change in accrued interest expense on capital asset related debt reported within the GASB 35 Statements	110,072
Additional expense of other postemployment benefits reported within the GASB 35 Statements	(5,889,689)
Employee benefits expense resulting from employees' acceptance of the supplemental employee retirement plan	(877,370)
Principal payments on debt not reported within the GASB 35 Statements	<u>8,470,000</u>
Net change in net assets reported within the GASB 35 Statement of Revenues, Expenses, and Changes in Net Assets	<u>\$(25,301,155)</u>

See the accompanying notes to the supplementary information.

1. PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards

The audit of the Chabot-Las Positas Community College District for the year ended June 30, 2011 was conducted in accordance with OMB Circular A-133, which requires disclosure of the financial activities of all federally funded programs. To comply with A-133 and state requirements, the Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards were prepared for the Chabot-Las Positas Community College District.

The schedules have been prepared on the accrual basis of accounting.

Schedule of Workload Measures for State General Apportionment

The Schedule of Workload Measures for State General Apportionment Annualized Attendance as of June 30, 2011, represents the basis of apportionment of the Chabot-Las Positas Community College District's annual source of funding.

Reconciliation of Annual Financial and Budget Report (CCFS-311) with District Accounting Records

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

2. COMBINING FINANCIAL STATEMENTS SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying Combining Balance Sheet – District Funds Included in the Reporting Entity, Combining Statement of Revenues, Expenditures/Expenses, and Changes in Fund Equity – District Funds Included in the Reporting Entity are presented on the modified accrual basis of accounting with the exception of the Bookstore fund which is presented on the accrual basis of accounting consistent with the presentation in the entity-wide financial statements.

**NOTES TO THE SUPPLEMENTARY
INFORMATION**

June 30, 2011

*Chabot-Las Positas
Community College District*

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable" and "available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, franchise taxes, licenses, interest revenue and charges for services are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

The District reports deferred revenue on its combining balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

OTHER REPORTS SECTION



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**INDEPENDENT AUDITORS' 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**

To the Board of Trustees
Chabot-Las Positas Community College District
Pleasanton, California

We have audited the financial statements of the business-type activities of the Chabot-Las Positas Community College District (District) as of and for the years ended June 30, 2011 and 2010, which comprise the District's basic financial statements and have issued our report thereon dated November 28, 2011. We conducted our audits 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 the standards prescribed by the California Department of Finance.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITORS' 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**

Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

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

Matson and Isom

November 28, 2011



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**INDEPENDENT AUDITORS' REPORT 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**

To the Board of Trustees
Chabot-Las Positas Community College District
Pleasanton, California

Compliance

We have audited the compliance of Chabot-Las Positas Community College District (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

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

**INDEPENDENT AUDITORS' REPORT 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**

Continued

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Matson and Isom

November 28, 2011



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Nystrom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE REQUIREMENTS

To the Board of Trustees
Chabot-Las Positas Community College District
Pleasanton, California

We have audited the accompanying financial statements of the business-type activities of the Chabot-Las Positas Community College District (District) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 28, 2011.

Our audit was conducted 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the standards prescribed by the California Department of Finance and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

-
- SALARIES OF CLASSROOM INSTRUCTORS: 50 PERCENT LAW
 - APPORTIONMENT FOR INSTRUCTIONAL SERVICE AGREEMENTS/CONTRACTS
 - STATE GENERAL APPORTIONMENT REQUIRED DATA ELEMENTS
 - RESIDENCY DETERMINATION FOR CREDIT COURSES
 - STUDENTS ACTIVELY ENROLLED
 - CONCURRENT ENROLLMENT OF K-12 STUDENTS IN
COMMUNITY COLLEGE CREDIT COURSES
 - GANN LIMIT CALCULATION
 - ENROLLMENT FEE
 - CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS) -
USE OF STATE AND FEDERAL TANF FUNDING
 - OPEN ENROLLMENT
 - STUDENT FEES - INSTRUCTIONAL MATERIALS FEES AND HEALTH FEES
 - ECONOMIC WORKFORCE DEVELOPMENT (EWD)
 - EXTENDED OPPORTUNITY PROGRAMS AND SERVICES (EOPS)
 - DISABLED STUDENT PROGRAMS AND SERVICES (DSPS)
 - COOPERATIVE AGENCIES RESOURCES FOR EDUCATION (CARE)
 - PREFERENCE FOR VETERANS AND QUALIFIED SPOUSES FOR
FEDERALLY FUNDED QUALIFIED TRAINING PROGRAMS
 - TO BE ARANGED HOURS (TBA)
-

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE REQUIREMENTS

Continued

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

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

In our opinion, except for findings 11-1 through 11-6 described in the accompanying schedule of findings and questioned costs, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2011.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

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, California Community Colleges Chancellor's Office, 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.

Matson and Isom

November 28, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

**SECTION I
SUMMARY OF AUDIT RESULTS**

FINANCIAL STATEMENTS

Type of auditors' report issued	Unqualified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiency identified not considered to be a material weakness?	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiency identified not considered to be a material weakness?	No
Type of auditors' report issued on compliance for major program	Unqualified
Audit findings disclosed relative to major federal award programs?	No
Identification of major programs	
CFDA Nos. 84.007, 84.033, 84.375, and 84.063	Student Financial Assistance Cluster
CFDA Nos. 84.031	Title III Higher Education Institutional Aid
CFDA No. 17.260 and 17.258	Workforce Investment Act Cluster
CFDA No. 93.600	Head Start
CFDA Nos. 84.042 and 84.044	TRIO Cluster
CFDA No. 84.116	Fund for the Improvement of Postsecondary Education
Threshold for distinguishing types A and B programs	\$300,000
Determined to be a low-risk auditee?	No

STATE AWARDS

Internal control over state programs	
Material weaknesses identified?	No
Significant deficiency identified not considered to be a material weakness?	Yes
Type of auditors' report issued on compliance for state programs	Qualified

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

**SECTION II FINDINGS
FINANCIAL STATEMENTS AUDIT**

None.

**SECTION III FINDINGS
FEDERAL AWARDS AUDIT**

None.

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

**SECTION IV FINDINGS
STATE AWARDS AUDIT**

STATE COMPLIANCE (Concurrent Enrollment)

(11-1)

Significant Deficiency

Condition

Chabot College was unable to provide a special admission form for a student. Likewise, Las Positas College was unable to provide a special admission form for a student. Proper approvals from high school principals are not available.

Criteria

A student enrolled in kindergarten through 12th grade may receive special permission to enroll in college courses. A special admission form is to be completed by the principal of the K-12 school district (Legal Opinion 98-17, published October 20, 1998).

Effect

Proper approvals from high school principals are not available.

Recommendation

We recommend that the District maintain a policy of verifying after registration that every concurrent student has a special admit form on file.

Response

The College has implemented a system for verifying proper concurrent forms.

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

STATE COMPLIANCE (To Be Arranged Hours)

(11-2)

Significant Deficiency

Condition

Three of the online courses selected for testing hours “to be arranged” used the daily census attendance accounting method though the students did not have regular contact with the instructor.

Criteria

The Student Attendance Accounting Manual and California Education Code require that the students have regular contact with the instructor for the same length of time each scheduled day of class to use the daily census method of attendance accounting.

Effect

The FTES claimed for the course sections are reported in the CCFS-320 as daily census rather than alternative attendance.

Recommendation

The District should evaluate online courses to determine if the students have contact with the instructor to ensure the proper method of attendance accounting is used.

Response

The College Office of Instruction will audit online schedule input to ensure proper attendance accounting is used.

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

STATE COMPLIANCE (To Be Arranged Hours)

(11-3)

Significant Deficiency

Condition

Four of the courses selected for testing hours “to be arranged” used the daily or weekly census attendance accounting method though the classes were not scheduled for regular hours each day or week.

Criteria

The Student Attendance Accounting Manual and California Education Code require that the students have regular contact with the instructor for the same length of time each scheduled day or week of class to use the daily or weekly census method of attendance accounting.

Effect

The contact hours claimed based on the daily or weekly census procedures could differ from the actual contact hours calculated using the positive attendance method. The amount of the difference cannot be known because the actual attendance of each student was not tracked for every class meeting.

Recommendation

The District should evaluate the attendance method used for classes which do not meet regularly to ensure the proper attendance accounting method is used. The FTES for courses using the incorrect attendance accounting method should not be claimed.

Response

The Colleges' Offices of Instruction will review the accuracy of course attendance accounting input to ensure that the proper attendance accounting method is entered.

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

STATE COMPLIANCE (To Be Arranged Hours)

(11-4)

Reportable Condition

Condition

The number of hours of instruction for To be Arranged Hours (TBA) courses were not listed in the course catalog (or addenda) for the TBA courses selected for testing.

Criteria

The California Community Colleges Chancellor's Office instructs districts that a clear description of the course, including the number of TBA hours required, must be published in the official general catalog and schedule of classes and/or addenda.

Effect

The courses may not be well publicized which may affect the students selection of courses.

Recommendation

We recommend that the District update their catalog to include the number of TBA hours required for all TBA courses.

Response

The Colleges will update their official catalogs and/or schedules of classes and/or addenda to include the number of TBA hours required for all TBA courses.

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

STATE COMPLIANCE (Open Enrollment)

(11-5)

Significant Deficiency

Condition

The District claimed FTES for five courses held on high school campuses during the hours the high school campus was closed to the general public.

Criteria

Per California Education Code section 76002, if a course is held on a high school campus it will not meet the open enrollment requirements if the class is held during the time the campus is closed to the general public, as defined by the governing board of the school district.

Effect

The District claimed 14.11 FTES for apportionment that were generated by courses that did not meet the open enrollment requirements.

Recommendation

We recommend the District develop a procedure that would capture courses held on high school campuses during hours the high school campus is closed to the general public so the FTES generated by these courses are not claimed for apportionment.

Response

The College will develop a procedure that captures courses held on high school campuses during hours the high school campus is closed to the general public. The District reduced FTES claimed for apportionment by 14.11 FTES.

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

June 30, 2011

*Chabot-Las Positas
Community College District*

STATE COMPLIANCE (Full Time Equivalent Students)

(11-6)

Significant Deficiency

Condition

The District incorrectly calculated contact hours in eleven of the eighty courses selected for testing.

Criteria

The Student Attendance Accounting Manual (SAAM) sets forth guidelines on the calculation of contact hours for apportionment attendance reporting. The California Community Colleges Chancellor's Office (Chancellor's Office) has increased their scrutiny of contact hour calculation and issued further guidance to assist districts in applying guidance in the SAAM.

Effect

The District does not appear to be calculating contact hours in accordance with the SAAM. Projecting the errors in our testing to the population results in a net overstatement of contact hours. This overstatement in contact hours is equivalent to an overstatement of 855.16 FTES.

Recommendation

We recommend that the District review procedures used for calculating contact hours and follow up with the Chancellor's Office to correct errors made in reporting FTES.

Response

The Colleges will review procedures used for calculating contact hours. The 320 Recalc has been filed with the System Office and reflects the reduction of 855.16 FTES.

CORRECTIVE ACTION PLAN
June 30, 2011

*Chabot-Las Positas
Community College District*

None.

**SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS**

June 30, 2011

*Chabot-Las Positas
Community College District*

**FINDINGS AND QUESTIONED COSTS –
MAJOR FEDERAL AWARD PROGRAMS AUDIT**

SALARY ALLOCATION

10-1

Condition

The District did not have a procedure in place to periodically complete time and effort reporting in compliance with federal cost circulars.

Criteria

OMB Circular A-21 requires that salaries allocated to federal programs be supported by after-the-fact time and effort reporting.

Effect

The District was not in compliance with requirements prescribed by the federal government when charging salaries to federal grant programs.

Recommendation

The District should develop a procedure to complete time and effort reporting in accordance with OMB Circular A-21.

Action Taken

Fully implemented.