CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS

June 30, 2015

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

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CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

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Crowe Horwath LLP
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Chabot-Las Positas Community College District
Dublin, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of Chabot-Las Positas Community College District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Chabot-Las Positas Community College District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities, of Chabot-Las Positas Community College District, as of June 30, 2015, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in June 2012 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measure Date". As discussed in notes 9 and 10, GASB Statements No. 68 and No. 71 are effective for the District's fiscal year ending June 30, 2015. These statements replace the requirements of GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers" and GASB Statement No. 50, "Pension Disclosures." GASB Statements No. 68 and No. 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute the present value to periods of employee service. Note disclosures and required supplementary information (RSI) requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13 and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 48 to 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chabot-Las Positas Community College District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by U.S. Office of Management and Budget Circular A-133*, Audits of States, Local Governments, and Non-Profit Organizations* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Organization disclosure, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Organization disclosure, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Organization disclosure has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015 on our consideration of Chabot-Las Positas Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chabot-Las Positas Community College District's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 1, 2015

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, 2015. The report consists of three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; 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, 2015. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Change in Net Position 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 California 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 district's annual financial report.

FINANCIAL HIGHLIGHTS

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

Financial and Enrollment Highlights

- The District's net position decreased $106.2 million from the previous year. The decrease was mainly due to the cumulative effect of GASB 68 implementation requiring pension disclosures. Additional decrease was due to accreted interest on the District's general obligation bonds.

- The District's General Fund Unrestricted Balance, as reported in the Annual Financial and Budget Report (CCFS-311) at the end of the fiscal year, increased $5,336,246. 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 16,861 full-time equivalent students for General Apportionment purposes for the 2014-15 year.

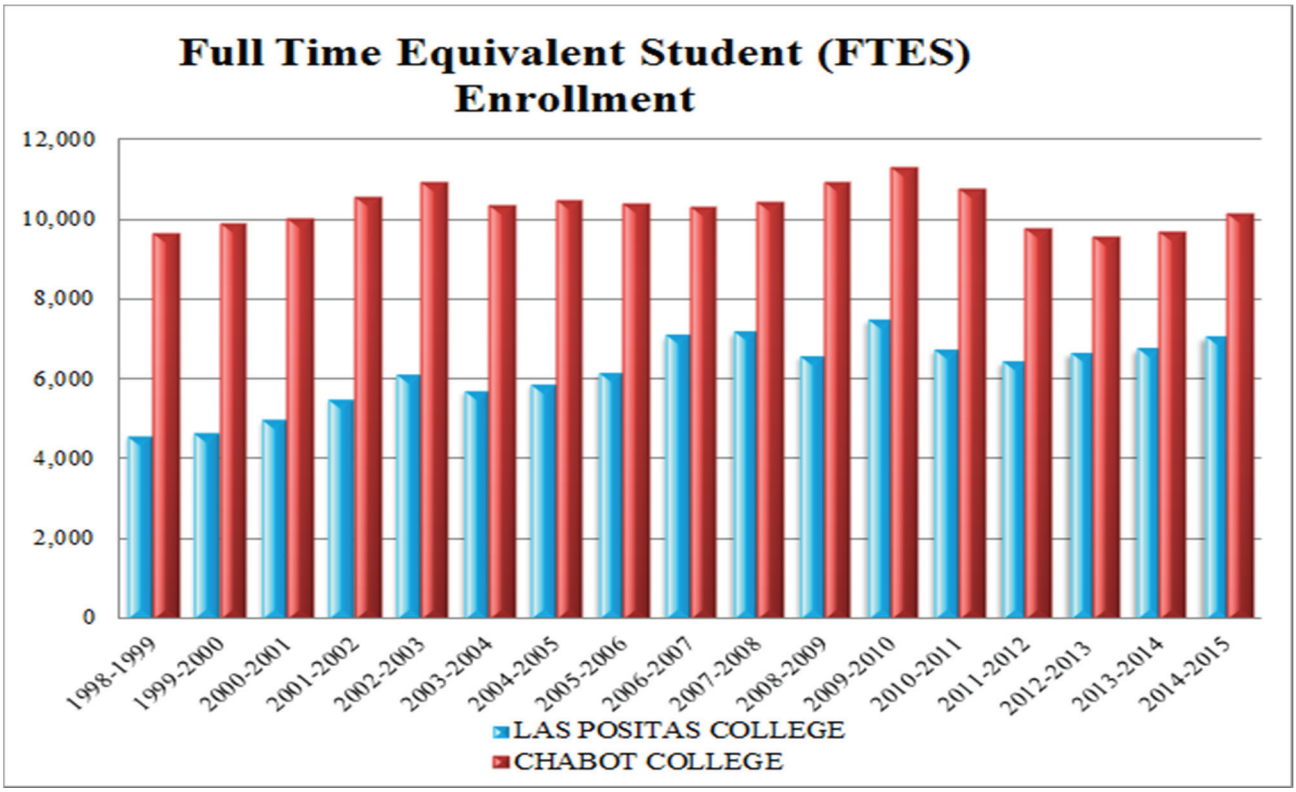
- The District's salary and benefit expenses increased 8.05%. Expenses for supplies, materials, capital outlay, and other expenses and services increased 34.3%.

- Cost-of-living adjustment: The State budget included a cost-of-living (COLA) adjustment for apportionments of 0.85%.

- Enrollment Fee: In 2014-15, the enrollment fees remained at $46 per unit.

CLPCCD Full Time Equivalent Student (FTES) Enrollment

YEAR	CHABOT	% Growth	LPC	% Growth	TOTAL	% Growth
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	(5.8)	5,707	(6.7)	16,033	(6.0)
2004-2005	10,477	1.4	5,886	3.1	16,363	2.1
2005-2006	10,367	(1.1)	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)
2011-2012	9,754	(9.3)	6,442	(4.5)	16,196	(7.5)
2012-2013	9,552	(2.1)	6,651	3.2	16,203	0.0
2013-2014	9,698	1.5	6,758	1.6	16,456	1.6
2014-2015	10,132	4.5	7,065	4.5	17,197	4.5



Statement of Net Position

The Statement of Net Position 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 position, the difference between assets, deferred outflow of resources, liabilities, and deferred inflow of resources, is one way to measure the financial health of the District. Total net position of the District decreased $106.2 million from the previous year.

ASSETS	**2015**	**2014**
CURRENT ASSETS		
Cash and cash equivalents	$ 22,173,367	$ 3,399,410
Receivables, net	14,207,531	22,557,152
Due from other funds	3,376	1,878
Prepaid expenses	2,054,982	2,236,236
Total current assets	38,439,256	28,194,677
NONCURRENT ASSETS		
Restricted cash and cash equivalents	117,747,197	130,598,949
Depreciable capital assets	451,632,107	448,849,081
Non-depreciable capital assets	27,138,887	28,589,745
Total noncurrent assets	596,518,191	608,037,775
Total assets	634,957,447	636,232,451
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	42,563,592	47,292,880
Pensions	6,136,680	-
Total deferred outflows of resources	48,700,272	47,292,880
Total assets and deferred outflows of resources	$ 683,657,719	$ 683,525,331
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and other liabilities	$ 12,442,459	$ 8,832,964
State Deferred Anticipation Notes		
Interest payable	9,094,404	9,094,404
Unearned revenue	12,475,896	7,650,269
Compensated absences payable	1,924,453	1,824,022
Long-term liabilities - current portion	14,870,048	14,401,391
Total current liabilities	50,807,260	41,803,050
NONCURRENT LIABILITIES		
Long-term liabilities - noncurrent portion	713,309,473	636,864,193
Total Noncurrent Liabilities	713,309,473	636,864,193
Total liabilities	764,116,733	678,667,243
Deferred inflows of resources - pension	20,904,000	-
NET POSITION		
Net investment in capital assets-net of related debt	21,099,597	25,871,054
Restricted - expendable	18,753,411	17,212,700
Unrestricted	(141,216,022)	(38,225,666)
Total net position	(101,363,014)	4,858,088
Total liabilities, deferred inflows of resources and net position	$ 683,657,719	$ 683,525,331

Statement of Net Position (Continued)

The primary components of cash and short-term investments are District funds on deposit with the County Treasury and local banks.

Accounts receivable primarily represents funding owed from the District by Federal, State and local governments, as well as other sources such as tuition and fees. The amount owed to the General Fund for deferred apportionment payments is $520 thousand. Other receivables consist of $5.3 million due for federal, state, and local grants and contracts; $3.9 million due for student receivables; $1.4 million for state lottery; and $3.0 million for other local revenues.

Prepaid items primarily relate to multi-year hardware/software agreements and licenses and salaries and benefits paid in June for summer semester.

Restricted cash and investments of $117.7 million, which includes amounts restricted for repayment of debt, for use in acquisition or construction of capital assets, for restricted programs, for any other restricted purpose, or in any funds restricted in purpose per the BAM. The balance of the cash 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 represent year-end accruals for services and goods received by the District during fiscal year 2014-15, for which payment would not be made until fiscal year 2015-16. At June 30, 2015 the Measure B Bond Construction fund owed contractors and vendors $3.0 million, and the General Fund owed contractors, vendors and employees $9.4 million.

Unearned revenues represent prepayments received by the District, for which the amounts have yet to be earned. For fiscal year 2014-15, unearned revenues were $12.5 million. Of this amount, $7.3 million represents student tuition and registration fees, received during 2014-15, for the 2015-16 summer and fall terms. The other $5.2 million represents funding for grants and contracts, the terms and conditions of which extend beyond the 2014-15 fiscal year.

The District's long-term liabilities primarily consist of general obligation bond debt, net pension liability, other post employment benefit obligations, and the Supplemental Employee Retirement Plans.

Net position is divided into three components – *net investment in capital assets, restricted, and unrestricted.*

Net investment in capital assets is the difference between the amount shown for capital assets and the outstanding debt incurred to finance those capital assets. At June 30, 2015 capital assets were $478.8 million. These assets are offset by debt incurred to finance those capital assets and cash restricted for the acquisition of those capital assets. The related debt is the general obligation bonds.

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

Unrestricted net position is essentially all resources not included in the first two listed above.

Statement of Revenues, Expenses, and Change in Net Position

The Statement of Revenues, Expenses and Change in Net Position 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 Pell grants, 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 $46 per unit enrollment fee that is charged to all students registering for classes, and the additional $226 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 $8.3 million and $2.1 million. Another $1.0 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 ($8.6 million) to include funding for vocational training and higher education programs and State grants ($12.7 million) for categorical programs, such as DSPS, EOPS, and Student Success (formerly Matriculation), to name a few. Included in local grants and contracts ($6.6 million) are all of the contracted education services, as well as all other miscellaneous service revenue received by the District.

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 supports the District's instructional activities.

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

Statement of Revenues, Expenses and Change in Net Position (Continued)

	2015	2014
OPERATING REVENUES		
Tuition and fees	$ 22,035,103	$ 21,437,370
Less scholarship discounts and allowances	(7,393,270)	(7,745,871)
Net tuition and fees	14,641,833	13,691,499
Grants and contracts, non-capital		
Federal	8,661,844	8,328,314
State	12,721,436	6,818,617
Local	6,596,017	5,775,774
Total operating revenues	42,621,130	34,614,204
OPERATING EXPENSES		
Salaries	70,820,780	66,969,818
Employee benefits	36,669,774	32,511,857
Supplies, materials and other operating expenses	29,494,979	21,954,976
Student financial aid and scholarship	21,139,292	21,275,620
Depreciation	19,184,429	18,789,570
Total operating expenses	177,309,254	161,501,841
Operating Loss	(134,688,124)	(126,887,637)
NONOPERATING REVENUES (EXPENSES)		
State apportionment, non-capital	51,692,212	44,778,404
Local property taxes	31,711,111	30,625,264
State taxes and other revenues	6,074,962	3,337,091
Federal grants - Pell	17,677,476	17,749,028
Investment income, net	445,988	279,492
Interest expense on capital asset-related debt, net	(20,490,450)	(6,501,431)
Gain on disposal of capital assets	1,139	15,660
Other non-operating revenues, net	4,954,115	5,999,506
Total non-operating revenues (expenses)	92,066,553	96,283,014
Loss before capital revenues	(42,621,571)	(30,604,623)
CAPITAL REVENUES		
Gifts and grants	538,931	(2,486)
Local property taxes and revenues	22,013,735	19,945,320
Total capital revenues	22,552,666	19,942,834
Decrease in Net Assets	(20,068,905)	(10,661,789)
Net Assets - Beginning of year	4,858,088	15,519,877
Cumulative effect of GASB 68 implementation	(86,152,197)	-
Net Assets, July 1, 2014 as restated	(81,294,109)	15,519,877
Net Assets - End of year	$ (101,363,014)	$ 4,858,088

Statement of Revenues, Expenses, and Change in Net Position (Continued)

The largest component of the District's operating expense is the cost of salaries and benefits. Approximately 62% percent of the total expense is spent in this area. Supplies and other expenses account for an additional 27% of total expenses and depreciation accounts for the remaining 11%. The supplies and other expense categories include insurance premiums, facilities rental, equipment repair, as well as supplies and a host of other expenses necessary for the operation of the District.

OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

Functional Expense	2015	% of Total	2014
Instructional activities	$ 54,874,489	31%	$ 51,587,444
Academic support	8,327,819	5%	7,853,917
Student services	17,848,207	10%	15,298,417
Operation and maintenance of plant	9,222,317	5%	8,531,571
Institutional support	17,129,276	10%	14,568,112
Community services and economic development	1,046,689	1%	1,005,894
Ancillary services, auxiliary services	12,033,486	7%	9,051,836
Student aid	21,799,873	12%	21,952,361
Physical property/GASB entries	35,027,098	20%	31,652,291
TOTAL	$ 177,309,255	100%	$ 161,501,841

The Functional Expense chart incorporates all District funds appropriations for fiscal year 2014-15. The largest expense in 2014-15 was in the area of instruction at 31%.

The Student Services expense of 10% includes counseling and guidance services and expenses associated with a number of state and categorical programs to include Student Success (formerly Matriculation), Disabled Student Services Program (DSPS), Extended Opportunity Programs & Services (EOPS), Financial Aid Administration, and Veteran Services. Student aid was 12%.

The bulk of the ancillary services and auxiliary operations percentage of 7% encompasses the childcare center, contract education department, food service, parking operation, and student and co-curricular activities.

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 20% consist of a number of building improvements and alterations that took place throughout the 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 Change in Net Position.

Cash provided by (used in)	2015	2014
Operating activities	($106,063,251)	($103,695,270)
Non-capital financing activities	125,484,922	80,415,576
Capital and related financing activities	(13,885,239)	(18,611,361)
Investing activities	385,773	327,467
Net increase (decrease) in cash	5,922,205	(41,563,588)
Cash Beginning of Year	133,998,359	175,561,947
Cash End of Year	$139,920,564	$133,998,359

Capital Asset and Debt Administration

Capital Assets

At June 30, 2015, the District had a net $478.8 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 $1.3 million, or an increase of less than 1%, from last year. We present more detailed information regarding our capital assets in Note 4 of the financial statements.

Long-Term Liabilities

At June 30, 2015, the District had $728.2 million in debt outstanding versus $651.3 million last year. Other obligations include other post-employment benefit obligations (OPEB) and pension liability. We present more detailed information regarding our long-term liabilities in Note 6 of the financial statements.

Economic Factors that will Effect the Future

The District's economic strength is directly affected by the economic well-being of California. The State's economy has strengthened and revenues have increased, driven primarily by increase capital gains and other income from high-wage earners. Consequently, the District has received additional state appropriation for general funds and increased categorical funding for 2015-16.

The District is in negotiations for both faculty and classified unions' salary contracts. In addition, the State has provided additional funding to cover increasing CalSTRS and CalPERS costs.

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, 7600 Dublin Boulevard, 3rd Floor, Dublin, California 94568, or e-mail byesnosky@clpccd.org.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

ASSETS	
Current assets:	
Cash and cash equivalents (Note 2)	$ 22,173,367
Receivables, net (Note 3)	14,207,531
Due from other funds	3,376
Prepaid expenses	2,054,982
Total current assets	38,439,256
Noncurrent assets:	
Restricted cash and cash equivalents (Note 2)	117,747,197
Depreciable capital assets, net (Note 4)	451,632,107
Non-depreciable capital assets (Note 4)	27,138,887
Total noncurrent assets	596,518,191
Total assets	634,957,447
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Noted 8 and 9)	6,136,680
Deferred outflows of resources - refunding (Note 6)	42,563,592
Total deferred outflows	48,700,272
Total assets and deferred outflows of resources	$ 683,657,719
LIABILITIES	
Current liabilities:	
Accounts payable and other liabilities	12,442,459
Interest payable	9,094,404
Unearned revenue (Note 5)	12,475,896
Compensated absences payable (Note 6)	1,924,453
Long-term liabilities - current portion (Note 6)	14,870,048
Total current liabilities	50,807,260
Noncurrent liabilities:	
Long-term liabilities - noncurrent portion (Note 6)	713,309,473
Total liabilities	764,116,733
Commitments and contingencies (Note 10)	
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	20,904,000
NET POSITION	
Net investment in capital assets	21,099,597
Restricted for:	
Expendable:	
Education programs	734,174
Debt service	18,019,237
Unrestricted	(141,216,022)
Total net position	(101,363,014)
Total liabilities, deferred inflows of resources and net position	$ 683,657,719

See accompanying notes to financial statements.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

For the Year Ended June 30, 2015

Operating revenues:	
Tuition and fees	$ 22,035,103
Less: scholarship discounts and allowances	(7,393,270)
Net tuition and fees	14,641,833
Grants and contracts, non-capital:	
Federal	8,661,844
State	12,721,436
Local	6,596,017
Total operating revenues	42,621,130
Operating expenses:	
Salaries	70,820,780
Employee benefits (Notes 9 and 10)	36,669,774
Supplies, materials and other operating expenses	29,494,979
Student financial aid and scholarship	21,139,292
Depreciation (Note 4)	19,184,429
Total operating expenses	177,309,254
Loss from operations	(134,688,124)
Non-operating revenues (expenses):	
State apportionment, non-capital	51,692,212
Local property taxes (Note 8)	31,711,111
State taxes and other revenues	6,074,962
Federal grants - Pell	17,677,476
Investment income, net	445,988
Interest expense on capital asset-related debt, net	(20,490,450)
Gain on disposal of capital assets	1,139
Other non-operating revenues, net	4,954,115
Total non-operating revenues (expenses)	92,066,553
Loss before capital revenues	(42,621,571)
Capital revenues:	
Gifts and grants	538,931
Local property taxes and revenues	22,013,735
Total capital revenues	22,552,666
Decrease in net position	(20,068,905)
Net position, July 1, 2014	4,858,088
Cumulative effect of GASB 68 implementation	(86,152,197)
Net position, July 1, 2014, as restated	(81,294,109)
Net position, June 30, 2015	$ (101,363,014)

See accompanying notes to financial statements.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2015

Cash flows from operating activities:	
Tuition and fees	$ 16,007,425
Federal, state and local grants and contracts	32,434,344
Payments of scholarships and grants	(22,021,598)
Payments to suppliers and vendors	(24,733,525)
Payments to and on behalf employees	(71,179,056)
Payments for benefits	(36,569,343)
Other operating local revenues	(1,498)
Net cash used in operating activities	(106,063,251)
Cash flows from noncapital financing activities:	
State appropriations	62,417,123
Local property taxes	32,942,045
State taxes and other revenues	4,827,736
Pell grants	17,677,476
Other non-operating revenues	7,620,542
Net cash provided by noncapital financing activities	125,484,922
Cash flows from capital and related financing activities:	
State apportionments for capital purposes	538,931
Local property taxes	20,782,801
Purchase of capital assets	(20,521,368)
Proceeds from sale of capital assets	5,910
Principal paid on capital debt	(14,401,391)
Interest paid on capital debt, net	(290,122)
Net cash used in capital and related financing activities	(13,885,239)
Cash flows provided by investing activities:	
Investment income	385,773
Net increase in cash and cash equivalents	5,922,205
Cash and cash equivalents, July 1, 2014	133,998,359
Cash and cash equivalents, June 30, 2015	$ 139,920,564

(Continued)

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS
(Continued)
For the Year Ended June 30, 2015

Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (134,688,124)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	19,184,429
Changes in assets and liabilities:	
Receivables, net	995,011
Prepaid expenses	181,254
Deferred outflows of resources - Pensions	(625,877)
Accounts payable and other liabilities	3,609,497
Unearned revenue	4,825,627
Due from other funds	(1,498)
Other postemployment benefits, retirement incentives and compensated absences	100,431
Net Pension Liability	(20,548,000)
Deferred inflows of resources - pension	20,904,000
Net cash used in operating activities	$ (106,063,250)

Supplementary disclosure of non-cash transactions:

Amortization of premiums on debt	$ 2,072,486
Amortization of loss on refunding debt	$ 4,729,288

See accompanying notes to financial statements.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2015

	Trust Fund Student Rep Fund	Agency Fund Associated Students of Chabot-Las Positas College
ASSETS		
Cash and investments (Note 2)	$ 8,083	$ 617,048
Receivables	-	452
Total assets	$ 8,083	$ 617,500
LIABILITIES		
Accounts payable	-	1,848
Due to other funds	-	3,253
Amount held for others	-	612,399
Total liabilities	-	617,500
NET POSITION		
Restricted net position	8,083	-
Total liabilities and restricted net position	$ 8,083	$ 617,500

See accompanying notes to financial statements.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2015

	Student Rep Fund
Additions:	
Other local sources	$ 33,928
Deductions:	
Supplies and materials	368
Other operating expenses	33,365
Total deductions	33,733
Change in net position	195
Net position, July 1, 2014	7,888
Net position, June 30, 2015	$ 8,083

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Chabot-Las Positas Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The District identified that the Chabot-Las Positas Colleges Foundation, the Friends of Chabot College Foundation and the Las Positas College Foundation do not meet the criteria as a component unit under GASB Statement No. 14, 39 and 61, therefore, the Foundations' assets, liabilities, and disbursements are not included in the District financial statements.

Basis of Presentation and Accounting

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective of the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

Fiduciary funds for which the District acts only as an agent are not included in the business type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level. The Associated Students of Chabot-Las Positas College Fund accounts for the receipt and disbursement of monies from the student activity organizations. The Student Rep Fund is a Trust Fund used to account for amounts held by the District as a Trustee.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the *Chancellor's Office's Budget and Accounting Manual* (BAM).

Cash and Cash Equivalents

For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the County Treasurer's investment pool are considered cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents 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.

Fair Value of Investment Pools

The District records its investment in the Alameda County Treasury at fair value. Changes in fair value are reported as revenue in the Statement of Revenues, Expenses and Change in Net Position. The fair value of investments, including the Alameda County Treasury external investment pools, at June 30, 2015 approximate their carrying value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist of tuition and fee charges to students, 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 is based upon management's estimates and analysis. The allowance was estimated at $1,240,555 for the year ended June 30, 2015.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or, if donated, at fair market value at the date of donation. For equipment, the District's capitalization policy included all furniture, equipment or vehicles with a unit cost of $5,000 or more. 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. Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

Load Banking

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 as a component of accounts payable.

Unearned Revenue

Revenues from Federal, State and local special projects and programs are recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.

Compensated Absences

Compensated absences costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized as a liability at year end.

Accumulated Sick Leave

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 employee retires.

Long Term Liabilities

Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Long term liabilities are reported net of the applicable bond premium or discount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The District's net position is classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of associated outstanding debt obligations related to those capital assets and deferred outflows of resources. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonspendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, State apportionments, and sales and services of educational departments. 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.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically applies the expense toward restricted resources, then to unrestricted resources.

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 a recalculation will be recorded in the year completed by the state. When known and measurable, these recalculations and corrections are accrued in the year in which FTES are generated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenue and Expenses

The District has classified its revenues and expenses as either operating or nonoperating revenues and expenses. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

Operating revenues and expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital related debt.

Nonoperating revenues and expenses: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt is the only nonoperating expense.

Scholarship Discounts and Allowances

Student tuition and fee revenue are reported net of the Board of Governors fee waivers and allowances in the statement of revenues, expenses and change in net position. 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 the students and/or their parties making payments on the students' behalf. Certain governmental grants, and other federal, state and nongovernmental programs are recorded as operating revenues, while Federal Pell Grants are classified as non-operating revenues in the District’s financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Amortization for the year ended June 30, 2015 totaled $4,729,288. Additionally, the District has recognized a deferred outflow of resources related to the payments made subsequent to the measurement date for the pensions.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability reported which is in the statement of net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP an PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a summary of pension amounts in aggregate:

	STRP	PERF B	Total
Deferred outflows of resources	$ 3,265,492	$ 2,871,188	$ 6,136,680
Deferred inflows of resources	$ 11,551,000	$ 9,353,000	$ 20,904,000
Net pension liability	$ 46,908,000	$ 24,207,000	$ 71,115,000
Pension expense	$ 6,480,648	$ 1,803,155	$ 8,283,803

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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements

In June 2012 GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the District's financial period beginning July 1, 2014. Based on the implementation of Statement No. 68, the District's July 1, 2014 net position was restated by $86,152,197 because of the recognition of the net pension liability, deferred outflows of resources and deferred inflows of resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

In November 2013 GASB issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015. Based on the implementation of GASB Statement No. 71, the District established a Deferred Outflow category to report the payments made subsequent to the measurement date of the pensions as well as Deferred Inflow category to report the net differences between projected and actual earnings on investments of the pensions in the Statement of Net Position.

In February 2015, the GASB has issued its final standard on accounting and financial reporting issues related to fair value measurements, applicable primarily to investments made by state and local governments. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under GASB Statement No. 72, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. Before the issuance of GASB Statement No. 72, state and local governments have been required to disclose how they arrived at their measures of fair value if not based on quoted market prices. Under the new guidance, those disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments. This statement is effective for the District's fiscal year ending June 30, 2016. Management has not determined what impact this GASB statement will have on its financial statements.

In June 2015, the GASB issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68, completes the suite of pension standards. GASB Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by GASB Statements No. 67 and 68). The requirements in GASB Statement No. 73 for reporting pensions generally are the same as in GASB Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions in GASB Statement No. 73 are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. Management has not determined what impact this GASB statement will have on its financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

In June 2015, the GASB issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB No. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in GASB Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. GASB Statement No. 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This statement is effective for the District's fiscal year ending June 30, 2017. Management has not determined what impact this GASB statement will have on its financial statements.

In June 2015, the GASB has issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. GASB Statement No. 75 carries forward from GASB Statement No. 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. GASB Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances (called special funding situations) GASB Statement No. 75 requires these governments to recognize in their financial statements a share of the other government's net OPEB liability. The provisions in GASB Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. Management has not determined what impact this GASB statement will have on its financial statements, however it is expected to be significant.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

In June 2015, the GASB has issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance that will result in governments applying that guidance with less variation. That will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Statement also is intended to improve implementation guidance by elevating its authoritative status to a level that requires it be exposed for a period of broad public comment prior to issuance, as is done for other GASB pronouncements. In connection with GASB Statement No. 76, the GASB also recently cleared Implementation Guide No. 2015-1, which incorporates changes resulting from feedback received during the public exposure of all of implementation guidance previously issued. This statement is effective for the District's fiscal year ending June 30, 2016. Management has not determined what impact this GASB statement will have on its financial statements.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2015, consisted of the following:

	District	Fiduciary
Pooled Funds:		
Cash in County Treasury	$ 125,285,116	$ 8,083
Deposits:		
Cash on hand and in banks	14,635,448	617,048
Total cash and cash equivalents	139,920,564	625,131
Less: restricted cash and cash equivalents	(117,747,197)	-
Net cash and cash equivalents	$ 22,173,367	$ 625,131

2. CASH AND CASH EQUIVALENTS (Continued)

Cash in County Treasury

As provided for by California Education Code Section 41001, the District maintains substantially all of its cash in the Alameda County Treasury for the purpose of increasing interest earned through County investment activities.

Because the District's deposits are maintained in the Alameda County Investment Pool, a recognized pooled investment fund under the care of a third party, and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The Alameda County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2015.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of its cash and investments or collateral securities that are in possession of another party.

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:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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
Bankers Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
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

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by the financial institutions is entirely insured or collateralized.

2. CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk (Continued)

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2015, the carrying amount of the District's cash on hand and in banks for the District and it's fiduciary funds was $15,252,496 and the bank balance was $15,262,653, of which $1,102,271 was FDIC insured.

Investments Authorized by Debt Agreements

Investment 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 or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Alameda County Investment Pool	Five years	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2015, the District had no significant interest rate risk related to cash and investments held.

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

Investment Type	Weighted Average Maturity (in Years)
Alameda County Investment Pool	1.28

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Alameda County Treasury Investment Policy based on California Government Code Section 53635, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Rating at Year End
Alameda County Investment Pool	None	N/A

3. RECEIVABLES

Receivables

District receivables at June 30, 2015 are summarized as follows:

Federal	$ 3,303,456
State	3,718,253
Local and other	8,426,377
	15,448,086
Less allowance for doubtful accounts	(1,240,555)
	$ 14,207,531

4. CAPITAL ASSETS

Capital asset activity consists of the following:

	Balance July 1, 2014	Additions and Transfers	Deductions and Transfers	Balance June 30, 2015
Non-depreciable:				
Land	$ 9,041,723	$ -	$ -	$ 9,041,723
Construction in progress	19,548,022	15,750,108	(17,200,966)	18,097,164
Depreciable:				
Land improvements	79,610,820	2,099,830	-	81,710,650
Buildings and improvements	460,475,113	17,417,557	-	477,892,670
Furniture and equipment	17,516,452	2,454,838	(212,291)	19,758,999
Total	586,192,130	37,722,333	(17,413,257)	606,501,206
Less accumulated depreciation:				
Land improvements	32,759,105	8,009,963	-	40,769,068
Buildings and improvements	65,197,100	9,257,265	-	74,454,365
Furniture and equipment	10,797,099	1,917,200	(207,520)	12,506,779
Total	108,753,304	19,184,428	(207,520)	127,730,212
Capital assets, net	$ 477,438,826	$ 18,537,905	$ (17,205,737)	$ 478,770,994

The District capitalizes interest paid on obligations related to the acquisition, construction or rehabilitation of District capital assets. At June 30, 2015, the amount of interest expense on capital asset-related debt totaled $20,490,450, which is net of interest capitalized of $3,157,466.

5. UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

Unearned Federal and State revenue	$ 4,977,938
Unearned tuition and student fees	7,280,466
Unearned local grant revenue and other	217,492
Total unearned revenue	$ 12,475,896

6. LONG-TERM LIABILITIES

General Obligation Bonds

In March 2006, the District issued the 2006 General Obligation Refunding Bonds in the amount of $89,275,850 to advance refund all or a portion of the outstanding principal amount of the District's General Obligation Bonds, Election of 2004, Series 2004A. The Bonds were issued as current interest bonds totaling $76,320,000 and capital appreciation bonds totaling $12,995,849. The bonds mature in August 2021, with interest yields ranging from 3.50 to 5.00 percent.

The annual payments required to amortize the 2006 General Obligation Refunding Bonds, outstanding as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 2,559,240	$ 7,084,636	$ 9,643,876
2017	2,279,251	7,369,624	9,648,875
2018	7,565,000	1,892,688	9,457,688
2019	7,940,000	1,508,000	9,448,000
2020	8,335,000	1,101,125	9,436,125
2021-2022	17,945,000	901,375	18,846,375
	$ 46,623,491	$ 19,857,448	$ 66,480,939

In October 2006, the District issued the 2006 General Obligation Bonds, Series B in the amount of $229,159,710, including current interest bonds and capital appreciation bonds. The bonds mature in August 2022, with interest yields ranging from 3.60 to 5.00 percent.

The annual payments required to amortize the 2006 General Obligation Bonds, Series B outstanding as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 2,817,245	$ 7,845,805	$ 10,663,050
2017	-	3,332,800	3,332,800
2018	-	17,550	17,550
2019	-	17,550	17,550
2020	-	17,550	17,550
2021-2025	-	96,525	96,525
2026-2029	390,000	52,650	442,650
	$ 3,207,245	$ 11,380,430	$ 14,587,675

The District issued the 2006 General Obligation Bonds, Series C in the amount of $168,838,667, including current interest bonds and capital appreciation bonds. The bonds mature in in August 2046, with interest yields ranging from 4.09 to 5.10 percent.

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual payments required to amortize the 2006 General Obligation Bonds, Series C outstanding as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 422,019	$ 747,981	$ 1,170,000
2017	1,934,146	4,090,854	6,025,000
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021-2025	-	-	-
2026-2030	-	-	-
2031-2035	22,446,355	65,058,645	87,505,000
2036-2040	53,573,751	197,026,249	250,600,000
2041-2045	50,255,452	253,464,548	303,720,000
2046-2047	19,225,584	119,584,416	138,810,000
	$ 147,857,307	$ 639,972,693	$ 787,830,000

In February 2013, the District issued 2013 General Obligation Refunding Bonds aggregating $289,105,000. The bonds mature through August 2032 and bear interest at rates ranging from 3.0% to 5.0%. The proceeds from the issuance will be used to advance refund a portion of the District's outstanding Election of 2004 - Series 2006B, Election of 2004 - Series 2006C and pay the cost of issuing the Refunding Bonds. The premium is amortized over the life of the bond repayment.

The annual payments required to amortize the 2013 General Obligation Refunding Bonds as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ -	$ 13,099,644	$ 13,099,644
2017	-	13,099,644	13,099,644
2018	465,000	13,092,669	13,557,669
2019	590,000	13,076,844	13,666,844
2020	1,555,000	13,044,669	14,599,669
2021-2025	55,360,000	60,889,394	116,249,394
2026-2030	124,435,000	39,206,844	163,641,844
2031-2033	106,700,000	7,786,047	114,486,047
	$ 289,105,000	$ 173,295,755	$ 462,400,755

6. LONG-TERM LIABILITIES (Continued)

Supplemental Employee Retirement Plans (SERP)

On October 6, 2009 and April 19, 2011, the Board approved implementation of voluntary Supplemental Employee Retirement Plans (SERP) 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.

Under the SERP, 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 five-year period. The cost to the District represents the present value of the future payments. The cost of the 2010 SERP is $2,451,579, assuming a discount rate of 0.65% and the cost of the 2011 SERP is $1,807,125, assuming a discount rate of 0.35%. The final payment on the 2010 SERP was made during the year ended June 30, 2014.

Changes in Long-Term Debt

A schedule of changes in long-term debt for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014 as restated	Additions	Deductions	Balance June 30, 2015	Amounts Due Within One Year
General Obligation Bonds	$ 492,904,432	$ -	$ 6,111,389	$ 486,793,043	$ 5,798,504
General Obligation Bonds Premium, net	37,917,716	-	2,072,486	35,845,230	2,120,048
Accreted interest	80,105,711	13,433,406	5,858,611	87,680,506	6,951,496
Net pension liability (Notes 8 and 9)	91,663,000	-	20,548,000	71,115,000	-
Other postemployment benefits (Note 10)	39,978,822	12,094,268	5,327,348	46,745,742	-
Supplemental Employee Retirement Plan	358,905	-	358,905	-	-
Compensated absences	1,824,022	100,431	-	1,924,453	1,924,453
	$ 744,752,608	$ 25,628,105	$ 40,276,739	$ 730,103,974	$ 16,794,501

7. PROPERTY TAXES

All property taxes are levied and collected by the Tax Assessors of the Counties of Alameda and Contra Costa and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description

Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.

Benefits Provided

The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

General Information about the State Teachers' Retirement Plan (Continued)

CalSTRS 2% at 62

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

Contributions

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

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

Members – Under CalSTRS 2% at 60, the member contribution rate was 8.5 percent of applicable member earnings for fiscal year 2014-15. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 8.15 percent of applicable member earnings for fiscal year 2014-15.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

Effective July 1, 2014, with the passage of AB 1469, member contributions for those under the 2% at 60 benefit structure increase from 8.0 percent to a total of 10.25 percent of applicable member earnings, phased in over the next three years. For members under the 2% at 62 benefit structure, contributions will increase from 8.0 percent to 9.205 percent of applicable member earnings, again phased in over three years, if there is no change to normal cost.

Employers – 8.88 percent of applicable member earnings.

In accordance with AB 1469, employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The new legislation also gives the board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

General Information about the State Teachers' Retirement Plan (Continued)

Contributions (Continued)

The CalSTRS employer contribution rate increases effective for fiscal year 2014-15 through fiscal year 2045-46 are summarized in the table below:

Effective Date	Prior Rate	Increase	Total
July 01, 2014	8.25%	0.63%	8.88%
July 01, 2015	8.25%	2.48%	10.73%
July 01, 2016	8.25%	4.33%	12.58%
July 01, 2017	8.25%	6.18%	14.43%
July 01, 2018	8.25%	8.03%	16.28%
July 01, 2019	8.25%	9.88%	18.13%
July 01, 2020	8.25%	10.85%	19.10%
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

The District contributed $3,265,492 to the plan for the fiscal year ended June 30, 2015.

State – 5.954 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Additionally, beginning October 1, 1998, a statutory contribution rate of 0.524 percent, adjustable annually in 0.25 percent increments up to a maximum of 1.505 percent, of the creditable earnings from the fiscal year ending in the prior calendar year per Education Code Section 22955(b). This contribution is reduced to zero if there is no unfunded actuarial obligation and no normal cost deficit for benefits in place as of July 1, 1990. Based on the actuarial valuation, as of June 30, 2012 there was no normal cost deficit, but there was an unfunded obligation for benefits in place as of July 1, 1990. As a result, the state was required to make quarterly payments starting October 1, 2013, at an additional contribution rate of 1.024 percent. As of June 30, 2014, the state contributed $200.7 million of the $267.6 million total amount for fiscal year 2013-14. As a result of AB 1469, the fourth quarterly payment of $66.9 million was included in an increased first quarter payment of $94 million for the 2014-15 fiscal year, which was transferred on July 1, 2014.

In accordance with AB 1469, the portion of the state appropriation under Education Code Section 22955(b) that is in addition to the 2.017 percent has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution will increase from 1.437 percent in 2014-15 to 4.311 percent in 2016-17. The increased contributions end as of fiscal year 2046-47.

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

General Information about the State Teachers' Retirement Plan (Continued)

Contributions (Continued)

The CalSTRS state contribution rates effective for fiscal year 2014-15 and beyond are summarized in the table below:

Effective Date	Base Rate	AB 1469 Increase For 1990 Benefit Structure	SBMA Funding	Total State Appropriation to DB Program
July 01, 2014	2.017%	1.437%	2.50%	5.954%
July 01, 2015	2.017%	2.874%	2.50%	7.391%
July 01, 2016	2.017%	4.311%	2.50%	8.828%
July 01, 2017 to June 30, 2046	2.017%	4.311%*	2.50%	8.828%*
July 01, 2046 and thereafter	2.017%	*	2.50%	4.571%*

* The new legislation also gives the board limited authority to adjust state contribution rates from July 1, 2017, through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure shall be reduced to 0 percent. Rates in effect prior to July 1, 2014, are reinstated if necessary to address any remaining 1990 unfunded actuarial obligation from July 1, 2046, and thereafter.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 46,908,000
State's proportionate share of the net pension liability associated with the District	28,326,000
Total	$ 75,234,000

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The District's proportion of the net pension liability was based on a projection of the District's share of contributions to the pension plan relative to the projected contributions of all participating school Districts and the State. At June 30, 2014, the District's proportion was 0.080 percent, which was an increase of zero from its proportion measured as of June 30, 2013.

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the District recognized pension expense of $6,480,648 and revenue of $497,000 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	11,551,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	3,265,492	-
Total	$ 3,265,492	$ 11,551,000

$3,265,492 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	$ 2,887,750
2017	$ 2,887,750
2018	$ 2,887,750
2019	$ 2,887,750

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of June 30, 2014. The STRP net pension liability as of June 30, 2013 and the STRP net pension liability as of June 30, 2014 are based on the June 30, 2013 actuarial valuation for the first year of implementation. As a result there are no differences between expected and actual experience or changes in assumptions subject to amortization. Deferred outflows and inflows related to differences between projected and actual earrings on plan investments are netted and amortized over a closed 5-year period.

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2013
Experience Study	July 1, 2006, through June 30, 2010
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.60%
Consumer Price Inflation	3.00%
Wage Growth	3.75%
Post-retirement Benefit Increases	2.00% simple for DB Not applicable for DBS/CBB

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience. RP2000 series tables are an industry standard set of mortality rates published by the Society of Actuaries. See CalSTRS July 1, 2006 – June 30, 2010 experience analysis for more information.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. Based on the model from CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are log normally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Global Equity	47%	4.50%
Private Equity	12	6.20
Real Estate	15	4.35
Inflation Sensitive	5	3.20
Fixed Income	20	0.20
Cash / Liquidity	1	0.00

* 10-year geometric average

8. NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability	$ 73,118,000	$ 46,908,000	$ 25,054,000

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

9. NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description

The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at https://www.calpers.ca.gov/docs/forms-publications/cafr-2014.pdf.

9. NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B (Continued)

Benefits Provided

The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the PERF, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2014 were as follows:

Members – The member contribution rate was 6.0 or 7.0 percent of applicable member earnings for fiscal year 2013-14.

Employers – The employer contribution rate was 11.771 percent of applicable member earnings.

The District contributed $2,871,188 to the plan for the fiscal year ended June 30, 2015.

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

At June 30, 2015, the District reported a liability of $24,207,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The *District*'s proportion of the net pension liability was based on a projection of the *District*'s long-term share of contributions to the pension plan relative to the projected contributions of all participating school Districts, actuarially determined. At June 30, 2014, the *District*'s proportion was 0.213 percent, which was a decrease of 0.009 percent from its proportion measured as of June 30, 2013.

9. NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the District recognized a pension expense of $1,803,155. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	8,318,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,035,000
Contributions made subsequent to measurement date	2,871,188	-
Total	$ 2,871,188	$ 9,353,000

$2,871,188 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	$ 2,424,500
2017	$ 2,424,500
2018	$ 2,424,500
2019	$ 2,079,500

Actuarial Methods and Assumptions

The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2013
Experience Study	July 1, 2006, through June 30, 2010
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.50%
Consumer Price Inflation	2.75%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter

9. NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Methods and Assumptions (Continued)

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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

Asset Class	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return
Global Equity	47%	5.25%
Global Fixed Income	19	0.99
Inflation Insensitive	6	0.45
Private Equity	12	6.83
Real Estate	11	4.50
Infrastructure & Forestland	3	4.50
Liquidity	2	(0.55)

* 10-year geometric average

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

According to Paragraph 30 of GASB Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in the actuarial valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Plan and the District.

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

9. NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 42,346,000	$ 24,207,000	$ 8,825,000

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

10. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Notes 8 and 9, the District administers a single-employer defined benefit healthcare plan and provides post employment medical, dental, and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting 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 CalPERS 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 CalSTRS 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. There is no separate report issued for the defined benefit healthcare plan.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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. For employees hired on or after January 1, 2013, no group medical coverage is provided. The amount of the District's contribution per employee towards such annual premiums is determined according to the collective bargaining agreements.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Cod. Sec. P50.108-.109. 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 liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the District's net OPEB obligation:

Annual required contribution	$ 13,053,241
Interest on net OPEB obligation	1,799,047
Adjustment to annual required contribution	(2,758,020)
Annual OPEB cost	12,094,268
Contributions made	(5,327,348)
Increase in net OPEB obligation	6,766,920
Net OPEB liability - beginning of year	39,978,822
Net OPEB liability - end of year	$ 46,745,742

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 and preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 12,464,816	38.73%	$ 33,664,802
June 30, 2014	$ 11,191,737	43.58%	$ 39,978,822
June 30, 2015	$ 12,094,268	44.05%	$ 46,745,742

As of April 1, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $138.1 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $138.1 million. For the year ended June 30, 2015, the covered payroll (annual payroll of active employees covered by the Plan) was $43,985,336 million, and the ratio of the UAAL to the covered payroll was 314 percent. The OPEB plan is currently operated as a pay-as-you-go-plan.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and 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 April 1, 2015, actuarial valuation, the entry-age normal cost method was used to value the liability. The actuarial assumptions included a 4.50 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan on the valuation date, and an annual healthcare cost trend rate of 4.0. A zero to 3.5 percent morbidity assumption was used to increase expected medical claims. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a fifteen-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 24 years.

11. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could results in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect.

Construction Commitments

As of June 30, 2015, the District has $8,744,374 in outstanding commitments on construction contracts.

12. JOINT POWERS AGREEMENTS

Chabot-Las Positas Community College District participates in public entity risk pool joint power agreements (JPAs), with Statewide Association of Community Colleges (SWACC) and Protected Insurance Program for Schools (PIPS). The District is a member in School Project for Utility Rate Reduction (SPURR), which is a California joint powers authority, whose members are California public K-12 school districts, community college districts and county offices of education. SPURR provides members access to the wholesale natural gas market that would otherwise be unavailable to them. The District is also a member of the California College Insurance Group (CCIG) in an effort to obtain the most cost effective benefits for employees for dental and vision.The relationship between Chabot-Las Positas Community College District and the JPAs is such that the JPAs are not component units of Chabot-Las Positas Community College District for financial reporting purposes.

The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. SWACC provides property, liability and PIPS provides workers' compensation insurance. Chabot-Las Positas Community College District pays a premium commensurate with the level of coverage requested. Settled claims resulting from these risks have not exceeded insurance coverage on any of these past three years.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

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

	SWACC June 30, 2014	PIPS June. 30, 2014	SPURR June. 30, 2014	CCIG June. 30, 2014
Total assets	$ 54,045,044	$101,635,390	$ 12,618,781	$ 689,369
Total liabilities	$ 23,536,002	$ 89,564,503	$ 7,684,404	$ 125,063
Net position	$ 30,509,042	$ 12,070,887	$ 4,934,377	$ 564,306
Total revenues	$ 9,348,523	$ 18,271,889	$ 33,778,950	$ 1,980,451
Total expenses	$ 10,082,446	$ 22,602,717	$ 34,880,230	$ 1,730,491
Change in net position	$ (733,923)	$ (4,330,828)	$ (1,101,280)	$ 249,960

REQUIRED SUPPLEMENTARY INFORMATION

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS

For the Year Ended June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
February 1, 2009	$ -	$118,122,460	$118,122,460	0%	$ 54,644,319	216.17%
June 1, 2011	$ -	$138,649,163	$138,649,163	0%	$ 55,796,114	248.49%
June 1, 2013	$ -	$124,965,238	$124,965,238	0%	$ 50,822,923	245.88%
April 1, 2015	$ -	$138,112,667	$138,112,667	0%	$ 43,985,336	313.99%

Only four years of actuarial valuation data is provided because the District only had four valuations performed.

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

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the Year Ended June 30, 2015

State Teacher's Retirement Plan
Last 10 Fiscal Years

	2015
District's proportion of the net pension liability	.080%
District's proportionate share of the net pension liability	$ 46,908,000
State's proportionate share of the net pension liability associated with the District	28,326,000
Total net pension liability	$ 75,234,000
District's covered-employee payroll	$ 35,753,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	131%
Plan fiduciary net position as a percentage of the total pension liability	76.52%

The amounts presented for each fiscal year were determined as of the year end that occurred the year before.

All years prior to 2015 are not available.

(Continued)

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(Continued)
For the Year Ended June 30, 2015

Public Employers Retirement Fund B
Last 10 Fiscal Years

		2015
District's proportion of the net pension liability		.213%
District's proportionate share of the net pension liability	$	24,207,000
District's covered-employee payroll	$	22,384,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		108%
Plan fiduciary net position as a percentage of the total pension liability		83.38%

The amounts presented for each fiscal year were determined as of the year end that occurred the year before.

All years prior to 2015 are not available.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

For the Year Ended June 30, 2015

State Teachers' Retirement Plan
Last 10 Fiscal Years

		2015
Contractually required contribution	$	3,265,492
Contributions in relation to the contractually required contribution	$	3,265,492
Contribution deficiency (excess)	$	-
District's covered-employee payroll	$	36,774,000
Contributions as a percentage of covered-employee payroll		8.88%

All years prior to 2015 are not available.

(Continued)

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
(Continued)
For the Year Ended June 30, 2015

Public Employers Retirement Fund B
Last 10 Fiscal Years

		2015
Contractually required contribution	$	2,871,188
Contributions in relation to the contractually required contribution	$	2,871,188
Contribution deficiency (excess)	$	-
District's covered-employee payroll	$	24,394,000
Contributions as a percentage of covered-employee payroll		11.77%

All years prior to 2015 are not available.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULE

A - Schedule of Other Postemployment Benefits Funding Progress

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets.

B - Schedule of the District’s Proportionate Share of the Net Pension Liability

The Schedule of the District’s Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District’s Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

C - Schedule of the District's Contributions

The Schedule of the District's contributions is presented to illustrate the District’s required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D - Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

E - Changes of Assumptions

There are no changes in assumptions reported in the Required Supplementary Information.

SUPPLEMENTARY INFORMATION

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

ORGANIZATION

June 30, 2015

Chabot-Las Positas Community College District was established on January 10, 1961, and commenced operations on September 11, 1961. There were no changes in the boundaries of the District during the current year. The District's two main colleges are each accredited by the Accrediting Commission for Community and Junior College, Western Association of Schools and Junior Colleges.

The Governing Board and District Administration for the fiscal year ended June 30, 2015 were composed of the following members:

BOARD OF TRUSTEES

Members	Office	Term Expires
Mr. Donald L. "Dobie" Gelles	President	2018
Mr. Carlo Vecchiarelli	Secretary	2016
Dr. Hal G. Gin	Member	2018
Dr. Marshall Mitzman	Member	2016
Dr. Arnulfo Cedillo	Member	2016
Mr. William L. "Will" Macedo	Member	2016
Ms. Isobel F. Dvorsky	Member	2018

DISTRICT ADMINISTRATION

Dr. Jannett N. Jackson
Chancellor

Mr. Lorenzo Legaspi
Vice Chancellor, Business Services

Mr. Wyman M. Fong
Vice Chancellor, Human Resources

Dr. Celia Esposito-Noy
Vice Chancellor, Educational Services and Student Success

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

For the Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Program (FSEOG)	84.007	-	$ 297,642
Federal Work Study (FWS)	84.033	-	190,399
Federal Pell Grants (PELL)	84.063	-	17,674,476
Federal Direct Student Loans	84.268	-	1,812,048
Financial Aid Admin Allowance	84.063	-	27,424
Subtotal Financial Aid Cluster			20,001,989
TRIO Cluster:			
Student Support Services Aspire	84.042	P042A1010-15/16	214,339
Student Support Services ESL Excel	84.042		228,507
Talent Search	84.044	P044A110659	243,814
Subtotal TRIO Cluster			686,660
Title III- Higher Education Institutional Aid	84.031	P031A080146	84,854
Passed through California State University, East Bay:			
Fund for the Improvement of Education	84.215	P116W090134	534,773
Passed through California Department of Rehabilitation:			
Rehabilitation Services- Vocational Rehabilitation Grants to States	84.126	27727	140,712
Passed through California Community College Chancellor's Office:			
Vocational Education- Basic Grants to States	84.048	12-C01-007	900,010
Total U.S. Department of Education			22,348,998
U.S Department of Labor			
WIA Cluster:			
Passed through Alameda County Workforce Investment Board:			
ACWIB High Risk Youth Emp II	17.259		53,389
Workforce Investment Act- Dislocated Worker Formula Grant (Tri Valley One Stop)	17.278	900035-10685-8145	281,541
Subtotal WIA Cluster			334,930

(Continued)

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
(Continued)
For the Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S Department of Labor (Continued)			
Passed through Contra Costa Community College District:			
Trade Adjustment Assistance Community College and Career Training Program	17.282	TC-23770-12-60-A-6	679,618
Total U.S. Department of Labor			1,014,548
U.S. Department of Health and Human Services			
Passed through California Community College Chancellor's Office:			
Temporary Assistance for Needy Families	93.558	-	98,034
Passed through California Department of Education:			
Early Childhood Mentor Program	93.575	CSPP2008	2,586,842
Passed through Child, Family, and Community Services, Inc.:			
Head Start	93.600	-	193,617
Passed through Alameda County:			
Child, Family and Community Services - Foster Care - Pride and Cari Programs	93.658	900035-10684-8146 10798-8322	20,916
Passed through University of California - Berkeley - subaward:			
Biomedical Research and Training	93.859	1R25GM095401-01-7618	15,088
Total U.S. Department of Health and Human Services			2,914,497
U.S. Department of Agriculture			
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	01-29262-1A	61,277
Total Federal Programs			$ 26,339,320

See accompanying notes to supplementary information.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF STATE FINANCIAL AWARDS

For the Year Ended June 30, 2015

	Program Revenues				
	Cash Received	Accounts Receivable	Deferred Income	Total	Total Program Expenditures
AB 86 Regional Consortium	$ 2,377,364	$ 14,110	$ 1,058,834	$ 1,332,640	$ 1,332,640
Basic Skills	315,305	4	82,524	232,785	232,785
BFAP	683,749	-	-	683,749	683,749
CARE	86,137	-	-	86,137	86,137
Cal Grants	1,191,191	-	-	1,191,191	1,191,191
CalWORKs	420,258	-	-	420,258	420,258
Career Tech Education	89,976	-	-	89,976	89,976
CDC State Preschool/Wrap Around	388,677	-	-	388,677	388,677
CDE Career Pathway	251,596	11,894	177,615	85,875	85,875
CTE Transitions	(53,887)	140,126	-	86,239	86,239
Disabled Students Services (DSPS)	1,505,826	-	4,837	1,500,989	1,500,989
Economic Opportunity Programs and Services (EOPS)	759,636	2,700	-	762,336	762,336
Faculty and Staff Diversity	7,611	-	2,953	4,658	4,658
Foster Care Education	186,644	112,072	19,620	279,096	279,096
Instructional Equipment Block Grant	1,280,254	-	73,180	1,207,074	1,207,074
Lottery	484,977	562,643	461,854	585,766	585,766
MESA	30,285	20,215	-	50,500	50,500
Nursing Equipment	205,200	193	-	205,393	205,393
Prop 39 Region B	6,000	-	-	6,000	6,000
Rancho Santiago CD	15,708	10,472	3,794	22,386	22,386
Renovation Building	538,931	-	-	538,931	538,931
Scheduled Maintenance	1,280,255	-	880,161	400,094	400,094
Student Equity Education	826,757	10,608	468,844	368,521	368,521
Student Success and Support	2,818,713	-	813,455	2,005,258	2,005,258

See accompanying notes to supplementary information.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT

Annual Attendance as of June 30, 2015

Categories	Reported Data	Audit Adjustments	Revised Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit	-	-	-
2. Credit	1,001	-	1,001
B. Summer Intersession (Summer 2015) - Prior to July 1, 2015)			
1. Noncredit	-	-	-
2. Credit	1,042	-	1,042
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	11,518	-	11,518
b. Daily Census Contact Hours	546	-	546
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	122	-	122
b. Credit	456	-	456
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	2,050	-	2,050
b. Daily Census Contact Hours	462	-	462
c. Noncredit Independent Study/ Distance Education Courses	-	-	-
D. Total FTES	17,197	-	17,197
Supplemental Information:			
E. In-Service Training Courses (FTES)	27	-	27
F. Basic Skills Courses and Immigrant Education			
a. Noncredit	-	-	-
b. Credit	1,138	-	1,138
CCFS 320 Addendum			
CDCP	-	-	-
Centers FTES			
a. Noncredit	-	-	-
b. Credit	-	-	-

See accompanying notes to supplementary information.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

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

For the Year Ended June 30, 2015

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

See accompanying notes to supplementary information.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION

For the Year Ended June 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Academic Salaries							
Instructional salaries:							
Contract or regular	1100	$ 17,796,867	$ -	$ 17,796,867	$ 17,796,867	$ -	$ 17,796,867
Other	1300	16,088,292	-	16,088,292	16,088,291	-	16,088,291
Total instructional salaries		33,885,159	-	33,885,159	33,885,158	-	33,885,158
Non-instructional salaries:							
Contract or regular	1200	-	-	-	7,540,865	-	7,540,865
Other	1400	-	-	-	435,832	-	435,832
Total non-instructional salaries		-	-	-	7,976,697	-	7,976,697
Total academic salaries		33,885,159	-	33,885,159	41,861,855	-	41,861,855
Classified Salaries							
Non-instructional salaries:							
Regular status	2100	-	-	-	16,313,556	-	16,313,556
Other	2300	-	-	-	1,168,222	-	1,168,222
Total non-instructional salaries		-	-	-	17,481,778	-	17,481,778
Instructional aides:							
Regular status	2200	827,836	-	827,836	827,836	-	827,836
Other	2400	108,157	-	108,157	108,157	-	108,157
Total instructional aides		935,993	-	935,993	935,993	-	935,993
Total classified salaries		935,993	-	935,993	18,417,771	-	18,417,771
Employee benefits	3000	9,775,557	-	9,775,557	24,714,548	-	24,714,548
Supplies and materials	4000	-	-	-	1,079,484	-	1,079,484
Other operating expenses	5000	-	-	-	7,081,783	-	7,081,783
Equipment replacement	6420	-	-	-	267,838	-	267,838
Total expenditures prior to exclusions		$ 44,596,709	$ -	$ 44,596,709	$ 93,423,279	$ -	$ 93,423,279

(Continued)

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION
(Continued)
For the Year Ended June 30, 2015

		Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
Exclusions	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	$ 195,607	$ -	$ 195,607	$ 213,039	$ -	$ 213,039
Student health services above amount collected	6441	-	-	-	-	-	-
Student transportation	6491	-	-	-	76,537	-	76,537
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	5,810,908	-	5,810,908
Objects to exclude:							
Rents and leases	5060	-	-	-	68,730	-	68,730
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	853,095	-	853,095
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	245,203	-	245,203
Supplies and materials:							
Software	4100	-	-	-	-	-	-
Books, magazines and periodicals	4200	-	-	-	-	-	-
Instructional supplies and materials	4300	-	-	-	-	-	-
Noninstructional supplies and materials	4400	-	-	-	-	-	-
Total supplies and materials		-	-	-	-	-	-
Other operating expenses and services	5000	-	-	-	-	-	-
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		$ 195,607	$ -	$ 195,607	$ 7,267,512	$ -	$ 7,267,512
Total for ECS 84362, 50% Law		$ 44,401,102	$ -	$ 44,401,102	$ 86,155,767	$ -	$ 86,155,767
Percent of CEE (instructional salary cost /Total CEE)		51.54%	-	51.54%	100%	-	100%
50% of current expense of education					$ 43,077,884	$ -	$ 43,077,884

See accompanying notes to supplementary information.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT

For the Year Ended June 30, 2015

EPA Proceeds: $15,139,435

Activity Classification	Activity Code (0100-5900)	Salaries and Benefits (1000-3000)	Operating Expenses (4000-5000)	Capital Outlay (6000)	Total
Instructional Activities	$ -	$15,139,435	$ -	$ -	$15,139,435

See accompanying notes to supplementary information.

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULES

A - Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B - Schedule of State Financial Awards

The accompanying Schedule of Expenditures of State Awards includes State grant activity of the District and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The information in this schedule is presented to comply with reporting requirements of the California Community Colleges Chancellor's Office.

C - Schedule of Workload Measures for State General Apportionment

Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

D - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements

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

E - Reconciliation of ECS 84362 (50 Percent Law) Calculation

This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

F - Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

Crowe Horwath

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees
Chabot-Las Positas Community College District
Dublin, California

Report on Compliance with State Laws and Regulations

We have audited the compliance of Chabot-Las Positas Community College District with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2015:

Salaries of Classroom Instructors (50 Percent Law)
Apportionment for Instructional Service Agreements/Contracts
State General Apportionment Funding System
Residency Determination for Credit Courses
Students Actively Enrolled
Concurrent Enrollment of K-12 Students in Community College Credit Courses
Schedule Maintenance Program
Gann Limit Calculation
Open Enrollment
Student Fees-Health Fees and Use of Health Fee Funds
Proposition 39 Clean Energy
Intersession Extension Program
Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
Disabled Student Programs and Services (DSPS)
To Be Arranged Hours (TBA)
Proposition 1D State Bond Funded Projects
Proposition 30 Education Protection Account Funds

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with state laws and regulations as listed above of Chabot-Las Positas Community College District. 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 the California State Chancellor's Office's California Community College *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Chabot-Las Positas Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with State laws and regulations. However, our audit does not provide legal determination of Chabot-Las Positas Community College District's compliance with those requirements.

Opinion with State Laws and Regulations

In our opinion Chabot-Las Positas Community College District complied, in all material respects, with the state laws and regulations compliance requirements referred to above for the year ended June 30, 2015. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Chabot-Las Positas Community College District had not complied with the state laws and regulations.

Purpose of this Report

This report is intended solely to describe the scope of our testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 1, 2015

Crowe Horwath

Crowe Horwath LLP
Independent Member Crowe Horwath International

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

Board of Trustees
Chabot-Las Positas Community College District
Dublin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of Chabot-Las Positas Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Chabot-Las Positas Community College District's basic financial statements, and have issued our report thereon dated December 1, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified other matters involving internal control that were communicated to management as identified in the accompanying Schedule of Audit Findings and Questioned Costs as Findings 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chabot-Las Positas Community College 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*.

Response to Findings

Chabot-Las Positas Community College District's response to the findings identified in our audit are described in the accompanying schedule of Audit Findings and Questioned Costs. Chabot-Las Positas Community College District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 1, 2015

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Chabot-Las Positas Community College District
Dublin, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 1, 2015

FINDINGS AND RECOMMENDATIONS

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	X	None reported
Noncompliance material to financial statements noted?	_____	Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.048	Vocational Education- Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000			
Auditee qualified as low-risk auditee?	X	Yes	_____	No

STATE AWARDS

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

SECTION II - FINANCIAL STATEMENT FINDINGS

2015-001 INTERNAL CONTROLS – DEFICIENCY - PAYROLL

Criteria

Internal Controls - Safeguarding of Assets

Condition

There is no evidence of review for changes to the employee setup in the payroll system.

Effect

Errors may not be detected in a timely manner.

Cause

Proper controls have not been designed and implemented.

Fiscal Impact

Not determinable.

Recommendation

All changes to the payroll system should be reviewed by an individual independent of the input process. The reviewer should document the date the review was performed and evidence their review with an initial or signature.

Corrective Action Plan

The Office of Human Resources acknowledges this concern and has developed a new classification entitled Human Resources Analyst. This new classification will absorb direct inputting and processing currently done by the Human Resources Manager. This, in turn, will free up the HR Manager to review systems and personnel actions to safeguard compliance. Additionally, Human Resources and Information Technology will develop and utilize automated reports to strengthen checks and balances. The Human Resources Analyst was hired on September 16, 2015.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Year Ended June 30, 2015

Finding/Recommendation	Current Status	District Explanation If Not Fully Implemented
2014-001 There is no evidence of review for changes to the employee setup in the payroll system. All changes to the payroll system should be reviewed by an individual independent of the input process. The reviewer should document the date the review was performed and evidence their review with an initial or signature.	Not implemented.	See Schedule of Audit Findings and Questioned Costs, Finding #2015-001.
2014-002 There is no evidence of review of the number of days used in the Return of Title IV (R2T4) calculations. An appropriate individual should review the calculated number of days in each term to ensure accuracy of the R2T4 calculation.	Implemented.	
2014-003 The following conditions were noted: • P-card statements are not reviewed in a timely manner. • P-card was not cancelled in a timely manner for an employee that was not submitting purchase logs and statements in accordance to the District's policies and procedures. • No evidence of review and approval of purchases made by the Chancellor. • Purchases for an employee were not supported by invoices/receipts. • The District should enforce policies and procedures and ensure purchase logs and p-card statements are reviewed and approved in a timely manner. P-cards should be cancelled for employees not adhering to the District's policies and procedures. • Statements and purchase logs should be reviewed in a timely manner. • The purchase log and monthly statements for the Chancellor should be reviewed by a Board member.	Implemented.	