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NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: "Aa2"
S&P: "AA"
(See **"MISCELLANEOUS – Ratings"** herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2010A Bonds (the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$22,695,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010A
(Tax-Exempt)

$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010B
(Federally Taxable Build America Bonds)

Dated: Date of Delivery **Due: August 1, as shown on inside cover**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt) (the "Series 2010A Bonds") and the Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds") are issued by the Contra Costa Community College District (the "District") (i) to finance specific construction and modernization projects approved by the voters; and (ii) to pay costs of issuance of the Bonds. The Board of Supervisors of Contra Costa County (the "County") is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The Bonds will be issued as Current Interest Bonds. Interest on the Bonds is payable on August 1, 2010 and thereafter on each February 1 and August 1. Principal of the Bonds is payable on August 1 in each of the years and in the amounts set forth in the table on the inside cover page hereof. Payments of principal of and interest on the Bonds will be made by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A., to The Depository Trust Company, New York, New York ("DTC"), for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Payment of Principal and Interest."

The Series 2010B Bonds are issued as refundable credit "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation. See "TAX MATTERS – Tax Matters Relating to the Series 2010B Bonds" and "THE BONDS – Designation of Series 2010B Bonds as Build America Bonds."

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of a nominee of DTC. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS – Form and Registration."

The Bonds are subject to redemption, as more fully described herein. See "THE BONDS - Redemption."

MATURITY SCHEDULES
See Inside Cover

The Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Orrick, Herrington & Sutcliffe LLP is also acting as Disclosure Counsel with respect to the Bonds. Certain legal matters will be passed upon for the Underwriters by Stradling Yocca Carlson & Rauth, San Francisco, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about March 30, 2010.

PiperJaffray.

Backstrom McCarley Berry & Co.

The date of this Official Statement is March 16, 2010.

MATURITY SCHEDULES

$22,695,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010A
(Tax-Exempt)

Maturity (August 1)	Principal Amount	Interest Rate	Yield*	CUSIP†
2010	$5,160,000	1.500%	0.270%	212204EM9
2011	5,300,000	1.000	0.420	212204EN7
2012	5,370,000	0.750	0.750	212204EP2
2014	75,000	3.000	1.270	212204EQ0
2015	240,000	3.000	1.590	212204ER8
2016	390,000	4.000	2.040	212204ES6
2017	550,000	4.000	2.400	212204ET4
2018	715,000	5.000	2.680	212204EU1
2019	905,000	5.000	2.900	212204EV9
2020	1,105,000	5.000	3.100	212204EW7
2021	1,325,000	5.000	3.280c	212204EX5
2022	1,560,000	5.000	3.440c	212204EY3

$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010B
(Federally Taxable Build America Bonds)

$6,175,000 5.882% Term Bonds due August 1, 2025 – Price* 100% CUSIP† 212204EZ0
$44,130,000 6.504% Term Bonds due August 1, 2034 – Price* 100% CUSIP† 212204FA4

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* Prices or yields certified by the Underwriters. The District takes no responsibility for the accuracy thereof.
c Yield to par call on August 1, 2020.
† Copyright, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriters take any responsibility for the accuracy of such numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption under Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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APPENDICES

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$22,695,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010A
(Tax-Exempt)

$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010B
(Federally Taxable Build America Bonds)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, is provided to furnish information in connection with the sale of the Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt) (the "Series 2010A Bonds") and the Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds").

The Series 2010B Bonds are issued as refundable credit "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation. See "TAX MATTERS – Tax Matters Relating to the Series 2010B Bonds" and "THE BONDS – Designation of Series 2010B Bonds as Build America Bonds."

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the Contra Costa Community College District (the "District"), the District has no obligation to update the information in this Official Statement. See "OTHER LEGAL MATTERS – Continuing Disclosure."

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolution of the Governing Board of the District providing for the issuance of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District from the Office of the Chancellor, 500 Court Street, Martinez, CA 94553. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District, whose boundaries are contiguous with all but 48 square miles of the boundaries of Contra Costa County, California, was established in 1948, and operates three colleges: Contra Costa College, Diablo Valley College and Los Medanos College, as well as the San Ramon Campus and the Brentwood Center. Combined, the three colleges of the District annually serve approximately 65,000 individual students and 29,900 full-time-equivalent students (FTES), and offer the first two years of college-level instruction in a wide variety of transfer programs and vocational-technical programs, as well as noncredit courses in job skills and lifelong learning/adult education. Students can earn either Associate in Arts or Science degrees or receive Certificates of Proficiency in their chosen fields. Each college is fully accredited by the Western Association of Schools and Colleges, the recognized local accrediting agency for the western United States, affiliated with the Federation of Regional Accrediting Commissions of Higher Education. As of January 1, 2010, the District employed approximately 1,600 full-time-equivalent (FTE) staff, many on an hourly or part-time basis, including certificated (credentialed teaching) staff, classified (non-teaching) staff, and management personnel. The District has adopted a Fiscal Year 2009-10 budget with total general fund expenditures of approximately $164 million. Total assessed valuation of taxable property in the District in Fiscal Year 2009-10 is approximately $146 billion.

The District is governed by an elected Governing Board consisting of five members. The voting members are elected to four-year terms. The day-to-day operations are managed by a board-appointed Chancellor. The Chancellor, Dr. Helen Benjamin, has worked in the Contra Costa Community College District since 1990. She began her career at Los Medanos College as Dean of Language Arts and Humanistic Studies and Related Occupations. Dr. Benjamin has held the following positions beginning with the most recent: President of Contra Costa College; Interim President of Contra Costa and Los Medanos Colleges; Vice Chancellor, Educational Programs and Services; and Associate Chancellor at District headquarters.

For additional information about the District, see APPENDIX A: "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET."

THE BONDS

Authority for Issuance; Purpose

The Bonds are issued pursuant to the provisions of Chapters 1 and 1.5 of Part 10 of the Education Code of the State of California and other applicable law, and a resolution adopted by the Governing Board of the District on February 24, 2010 (the "Resolution").

The District received authorization at an election held on June 6, 2006, by more than 55% of the votes cast by eligible voters within the District, to issue bonds in an aggregate principal amount not to exceed $286.5 million for the construction, reconstruction and repair of college facilities, summarized as follows: to renovate aging college facilities (making energy savings, safety, and handicapped accessibility improvements), and update facilities used by transfer, career and vocational students (for math, science, nursing, technology and other programs) at Contra Costa College, Diablo Valley College, Los Medanos College and the San Ramon Valley and Brentwood centers. The District has previously issued a series of the authorized bonds in the principal amount of $73 million.

The 2006 ballot measure (known locally as "Measure A") authorized a specific list of projects eligible to be funded from the proceeds of the approved bonds. As required by Measure A, the District has established a Citizens' Oversight Committee to review District expenditures of bond proceeds and progress in completing the projects specified in the measure, and to make periodic reports to the public in order to ensure that bond funds are spent only for authorized purposes. The District makes no representations herein as to the specific application of the proceeds of the Bonds, the estimated completion date of any of the projects, or whether the authorized bonds will provide sufficient funds to complete all of the projects, or any particular project.

Form and Registration

The Bonds will be issued in fully registered book-entry form only, in denominations of $5,000 principal amount each or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX F: "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be dated the date of their delivery and bear interest at the rates set forth on the inside cover page hereof, payable on February 1 and August 1 of each year commencing August 1, 2010 (each, an "Interest Payment Date"), until payment of the principal amount thereof. Interest is computed on the basis of a year of 360 days comprising twelve 30-day months. Bonds authenticated and registered on any date prior to the close of business on July 15, 2010, will bear interest from the date of their delivery. Bonds authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (the "Record Date") and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Payment of interest on any Bond on each Interest Payment Date (or on the following Business Day, as defined below, if the Interest Payment Date does not fall on a Business Day) will be made to the person appearing on the registration books of the Paying Agent with respect to the Bonds, initially The Bank of New York Mellon Trust Company, N.A., (the "Paying Agent") as the registered owner thereof (the "Owner") as of the preceding Record Date, such interest to be paid by check or draft mailed to such Owner at such Owner's address as it appears on such registration books or at such other address as the Owner may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner of an aggregate principal amount of $1,000,000 or more of Bonds may request in writing to the Paying Agent to be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the applicable Record Date.

A "Business Day" is any day other than a Saturday, Sunday, or a day on which banks located in the city where the corporate trust office of the Paying Agent is located are required or authorized to remain closed.

Principal will be payable at maturity, or upon redemption prior to maturity, upon surrender of Bonds at the principal office of the Paying Agent. The interest, principal and redemption premiums, if any, on the Bonds will be payable in lawful money of the United States of America from moneys on deposit in the interest and sinking fund of the District (the "Interest and Sinking Fund") within the County treasury, consisting of *ad valorem* taxes collected and held by the County Treasurer-Tax Collector (the "County Treasurer"), together with any net premium and accrued interest received upon issuance of the Bonds. So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, redemption premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to beneficial owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer.

Designation of Series 2010B Bonds as Build America Bonds

The Series 2010B Bonds are issued as refundable credit "Build America Bonds" under the American Recovery and Reinvestment Act of 2009. Under this law, the District is allowed a credit with respect to each interest payment made on the Series 2010B Bonds, payable by the Secretary of the Treasury to the District (or to the District's paying agent, as the District shall direct) equal to 35% of the amount of each such interest payment. An application for a refundable credit must be filed with the Internal Revenue Service with respect to each interest payment in order to qualify for the credit, and the District makes no covenant to owners of the Series 2010B Bonds to make such filings. The U.S. Treasury is authorized to withhold payment of any refundable credit in order to collect any debts the District owes or is alleged to owe to federal agencies. Payments received by the District from the U.S. Treasury are not pledged as security for the Series 2010B Bonds, although the District intends to deposit such payments, if and as received, into the Interest and Sinking Fund. Any refundable credit payments received by the District and deposited into the Interest and Sinking Fund will be held and invested as other moneys in the Interest and Sinking Fund, and available for payment of debt service on any outstanding bonds of the District. The County Treasurer is obligated to levy property taxes sufficient to make all payments of principal of and interest on the Series 2010B Bonds regardless of whether or not the District qualifies for, applies for, or receives any refundable credit payments. The District can give no assurances about future changes in legislation or Treasury regulations, or the withholding of other liabilities of the District owed to any federal agencies from the refundable credit payments, which may affect the amount or timely receipt of such payments.

Redemption

Capitalized terms used in this section and not previously defined in this Official Statement are defined below in this section.

Optional Redemption of Series 2010A Bonds. The Series 2010A Bonds maturing on or before August 1, 2020 are not subject to redemption prior to their respective stated maturity dates. The Series 2010A Bonds maturing on and after August 1, 2021, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2020, at a redemption price equal to 100% of the principal amount of Series 2010A Bonds to be redeemed, without premium, together with interest accrued thereon to the redemption date.

Optional "Make-Whole" Redemption of Series 2010B Bonds. The Series 2010B Bonds are subject to optional redemption as a whole or in part on any Business Day prior to maturity at the Optional Make-Whole Redemption Price.

The "Optional Make-Whole Redemption Price" is equal to the greater of:

(a) the issue price of the Series 2010B Bonds to be redeemed set forth on the inside cover page hereof (but not less than 100% of the principal amount of the Series 2010B Bonds to be redeemed); or

(b) the sum of the present value of the remaining scheduled payments of the principal of and interest on the Series 2010B Bonds to be redeemed to the maturity date of such Series 2010B Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year comprising twelve 30-day months, at the Treasury Rate plus 25 basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2010B Bond, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) or any successor release (the "H.15 statistical release") that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) most nearly equal to the period from the redemption date to the maturity date of the Series 2010B Bonds to be redeemed, calculated to the nearest 1/12th of a year. If the H.15 statistical release sets forth a weekly average yield for U.S. Treasury securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the Treasury Rate will be equal to such weekly average yield. If the period from the redemption date to the maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used. In all other cases, the Treasury Rate will be calculated by interpolation on a straight-line basis between the weekly average yields on the U.S. Treasury Securities that have a constant maturity closest to and less than the remaining term (in each case as set forth in the H.15 statistical release or any successor release). Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for U.S. Treasury securities are not available in the H.15 statistical release or otherwise, then the Treasury Rate will be calculated by interpolation of comparable rates selected by an independent investment banker or independent financial advisor appointed by the District, in the manner described above.

Extraordinary Optional "Make-Whole" Redemption of Series 2010B Bonds. The Series 2010B Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District upon the occurrence of an Extraordinary Event, from any source of available funds, in whole or in part on any date, at a redemption price equal to the Extraordinary Redemption Price.

"Extraordinary Event" means an event causing the refundable credit expected to be received from the U.S. Treasury with respect to the Series 2010B Bonds to be reduced or eliminated, as reasonably determined by the

District, which determination shall be conclusive, as a result of: (a) a material adverse change to Section 54AA or Section 6431 of the Internal Revenue Code of 1986 (the "Code") (as such sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to "Build America Bonds"), (b) guidance published by the Internal Revenue Service or the U.S. Treasury with respect to such sections, or (c) a determination by the IRS, the U.S. Treasury, or a court of competent jurisdiction, which determination is not the result of a failure of the District to satisfy the requirements under the American Recovery and Reinvestment Act of 2009 to qualify for or receive subsidy payments.

The "Extraordinary Redemption Price" is equal to the greater of:

(a) the issue price of the Series 2010B Bonds to be redeemed set forth on the inside cover page hereof (but not less than 100% of the principal amount of the Series 2010B Bonds to be redeemed); or

(b) the sum of the present value of the remaining scheduled payments of principal of and interest on the Series 2010B Bonds to be redeemed to the maturity date of such Series 2010B Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year comprising twelve 30-day months, at the Treasury Rate (as defined above) plus 100 basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

The Extraordinary Redemption Price will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the District at the District's expense to calculate such Extraordinary Redemption Price. The Paying Agent and the District may conclusively rely on such determination and will not be liable for such reliance.

Mandatory Sinking Fund Redemption. The $6,175,000 Term Bond maturing on August 1, 2025, is subject to mandatory sinking fund redemption on each Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date	Principal Amount to be Redeemed
August 1, 2023	$1,810,000
August 1, 2024	2,055,000
August 1, 2025†	2,310,000

† Final maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced proportionately, in integral multiples of $5,000, by any portion of the Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

The $44,130,000 Term Bond maturing on August 1, 2034, is subject to mandatory sinking fund redemption on each Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date	Principal Amount to be Redeemed
August 1, 2026	$2,575,000
August 1, 2027	2,870,000
August 1, 2028	3,165,000
August 1, 2029	3,470,000
August 1, 2030	3,805,000
August 1, 2031	4,145,000
August 1, 2032	4,510,000
August 1, 2033	9,490,000
August 1, 2034†	10,100,000

† Final maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced proportionately, in integral multiples of $5,000, by any portion of the Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds for Redemption.

Series 2010A Bonds. If less than all of the Series 2010A Bonds are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the Series 2010A Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Bonds to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond shall be deemed to consist of individual Bonds of $5,000 denominations each, which may be separately redeemed.

Series 2010B Bonds. If less than all of the Series 2010B Bonds are called for redemption, such Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the Series 2010B Bonds of any maturity are designated for redemption, then (a) if the Series 2010B Bonds are in book-entry form at the time of such redemption, the Paying Agent will instruct DTC to instruct the DTC Participants to select the portion of such Series 2010B Bonds for redemption *pro rata* among Owners in the ratio of the principal amount owned to the total principal amount to be redeemed, and neither the District nor the Paying Agent will have any responsibility to ensure that DTC or the DTC Participants properly select such Series 2010B Bonds for redemption; and (b) if the Series 2010B Bonds are not in book-entry form at the time of such redemption, the Paying Agent will select the portion of such Series 2010B Bonds for redemption *pro rata* among Owners in the ratio of the principal amount owned to the total principal amount to be redeemed. The portion of any registered Series 2010B Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. Notice of redemption of any Bond will be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the respective owners of any Bond designated for redemption at their addresses appearing on the bond registration books; (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as securities depositories; (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities; and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District. See APPENDIX D: "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then outstanding Bonds are to be called for redemption, the distinctive serial numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the owners at the principal corporate trust office of the Paying Agent; and (x) notice that further interest on such Bonds will not accrue after the designated redemption date. The actual receipt by the Owner of any Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as provided for in the Resolution, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in the Resolution, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The owners of Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance of Bonds

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, will be fully sufficient, in the opinion of a certified public accountant, to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Unclaimed Moneys

Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Application and Investment of Bond Proceeds

The proceeds from the sale of the Bonds will be deposited in the County Treasury to the credit of the Building Fund of the District to the extent of the principal amount of the Bonds. Any premium received will be deposited in the Interest and Sinking Fund of the District in the County Treasury. Taxes collected to pay principal and interest on the Bonds will also be invested in the Interest and Sinking Fund. Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Bonds were approved. Moneys in the Interest and Sinking Fund may only be applied to make payments of interest, principal, and redemption premium, if any, on the Bonds and any other outstanding voter-approved bonds of the District.

All funds held by the County Treasurer in the Interest and Sinking Fund shall be invested at the sole discretion of the County Treasurer pursuant to law and the investment policy of the County. All funds held by the County Treasurer in the Building Fund shall be invested at the County Treasurer's discretion unless otherwise directed in writing by the District as follows: all or any portion of the Building Fund may be invested in (i) the Local Agency Investment Fund in the treasury of the State; or (ii) in investment agreements that comply with the requirements of each rating agency then rating the Bonds necessary to maintain the then-current rating on the Bonds, provided that the County Treasurer shall be a signatory to each such agreement. See Appendix E: "COUNTY OF CONTRA COSTA INVESTMENT POLICIES AND PRACTICES; DESCRIPTION OF INVESTMENT POOL."

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Contra Costa Community College District
General Obligation Bonds, Election of 2006, Series 2010
Estimated Sources and Uses of Funds

Sources of Funds	
Principal Amount of Bonds	$73,000,000.00
Original Issue Premium	1,059,339.05
Total Sources	$74,059,339.05
Uses of Funds	
Deposit to Building Fund	$73,000,000.00
Deposit to Interest and Sinking Fund	385,928.05
Costs of Issuance(1)	673,411.00
Total Uses	$74,059,339.05

(1) Includes financial advisor fees, bond counsel fees, disclosure counsel fees, underwriters' discount, rating agency fees, printing fees and other miscellaneous expenses.

SCHEDULED DEBT SERVICE

Scheduled debt service obligations for the Bonds, assuming no redemptions prior to maturity, are as shown in the table below:

Contra Costa Community College District
Series 2010 Bonds
Semi-Annual Debt Service

Period Ending	Principal	Interest	Total Debt Service
8/1/2010	$5,160,000	$1,254,250.27	$6,414,250.27
2/1/2011	--	1,827,126.85	1,827,126.85
8/1/2011	5,300,000	1,827,126.85	7,127,126.85
2/1/2012	--	1,800,626.85	1,800,626.85
8/1/2012	5,370,000	1,800,626.85	7,170,626.85
2/1/2013	--	1,780,489.35	1,780,489.35
8/1/2013	--	1,780,489.35	1,780,489.35
2/1/2014	--	1,780,489.35	1,780,489.35
8/1/2014	75,000	1,780,489.35	1,855,489.35
2/1/2015	--	1,779,364.35	1,779,364.35
8/1/2015	240,000	1,779,364.35	2,019,364.35
2/1/2016	--	1,775,764.35	1,775,764.35
8/1/2016	390,000	1,775,764.35	2,165,764.35
2/1/2017	--	1,767,964.35	1,767,964.35
8/1/2017	550,000	1,767,964.35	2,317,964.35
2/1/2018	--	1,756,964.35	1,756,964.35
8/1/2018	715,000	1,756,964.35	2,471,964.35
2/1/2019	--	1,739,089.35	1,739,089.35
8/1/2019	905,000	1,739,089.35	2,644,089.35
2/1/2020	--	1,716,464.35	1,716,464.35
8/1/2020	1,105,000	1,716,464.35	2,821,464.35
2/1/2021	--	1,688,839.35	1,688,839.35
8/1/2021	1,325,000	1,688,839.35	3,013,839.35
2/1/2022	--	1,655,714.35	1,655,714.35
8/1/2022	1,560,000	1,655,714.35	3,215,714.35
2/1/2023	--	1,616,714.35	1,616,714.35
8/1/2023	1,810,000	1,616,714.35	3,426,714.35
2/1/2024	--	1,563,482.25	1,563,482.25
8/1/2024	2,055,000	1,563,482.25	3,618,482.25
2/1/2025	--	1,503,044.70	1,503,044.70
8/1/2025	2,310,000	1,503,044.70	3,813,044.70
2/1/2026	--	1,435,107.60	1,435,107.60
8/1/2026	2,575,000	1,435,107.60	4,010,107.60
2/1/2027	--	1,351,368.60	1,351,368.60
8/1/2027	2,870,000	1,351,368.60	4,221,368.60
2/1/2028	--	1,258,036.20	1,258,036.20
8/1/2028	3,165,000	1,258,036.20	4,423,036.20
2/1/2029	--	1,155,110.40	1,155,110.40
8/1/2029	3,470,000	1,155,110.40	4,625,110.40
2/1/2030	--	1,042,266.00	1,042,266.00
8/1/2030	3,805,000	1,042,266.00	4,847,266.00
2/1/2031	--	918,527.40	918,527.40
8/1/2031	4,145,000	918,527.40	5,063,527.40
2/1/2032	--	783,732.00	783,732.00
8/1/2032	4,510,000	783,732.00	5,293,732.00
2/1/2033	--	637,066.80	637,066.80
8/1/2033	9,490,000	637,066.80	10,127,066.80
2/1/2034	--	328,452.00	328,452.00
8/1/2034	10,100,000	328,452.00	10,428,452.00
Total	$73,000,000	$70,577,861.27	$143,577,861.27

Annual debt service obligations for all of the District's outstanding bonds, including the Bonds and the District's General Obligation Bonds, Election of 2002, Series 2002, Series 2004 and Series 2006, and Election of 2006, Series 2007, are as follows:

Contra Costa Community College District
General Obligation Bonds
Annual Debt Service—Bond Year Basis

Year Ending (August 1)	Outstanding Bonds Debt Service	Series 2010 Bonds Debt Service	Total Annual Debt Service
2010	$ 11,805,992.52	$6,414,250.27	$18,220,242.79
2011	11,939,467.52	8,954,253.70	20,893,721.22
2012	12,080,292.52	8,971,253.70	21,051,546.22
2013	12,216,792.52	3,560,978.70	15,777,771.22
2014	12,318,917.52	3,635,978.70	15,954,896.22
2015	12,391,162.52	3,798,728.70	16,189,891.22
2016	12,555,212.52	3,941,528.70	16,496,741.22
2017	12,717,012.52	4,085,928.70	16,802,941.22
2018	12,865,337.52	4,228,928.70	17,094,266.22
2019	13,061,977.52	4,383,178.70	17,445,156.22
2020	13,229,396.26	4,537,928.70	17,767,324.96
2021	13,431,496.26	4,702,678.70	18,134,174.96
2022	13,614,486.26	4,871,428.70	18,485,914.96
2023	13,775,671.26	5,043,428.70	18,819,099.96
2024	13,962,481.26	5,181,964.50	19,144,445.76
2025	14,167,500.00	5,316,089.40	19,483,589.40
2026	14,373,825.00	5,445,215.20	19,819,040.20
2027	14,558,280.00	5,572,737.20	20,131,017.20
2028	14,772,545.00	5,681,072.40	20,453,617.40
2029	14,997,845.00	5,780,220.80	20,778,065.80
2030	12,901,700.00	5,889,532.00	18,791,232.00
2031	4,576,125.00	5,982,054.80	10,558,179.80
2032	4,588,050.00	6,077,464.00	10,665,514.00
2033	--	10,764,133.60	10,764,133.60
2034	--	10,756,904.00	10,756,904.00
Total	$286,901,567.50	$143,577,861.27	$430,479,427.77

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. Community college districts levy property taxes for payment of voter-approved bonds and receive property taxes for general operating purposes as well. The District receives approximately 34% of its total operating revenues from local property taxes.

Local property taxation is the responsibility of various county officers. For each community college district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school and community college district located in the county, holds and invests community college district funds, including taxes collected for payment of school and community college district bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a community college district whose boundaries extend into more than one county are administered separately by the county in which the property is located. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Assessed Valuation of Property Within the District

Under Proposition 13, an amendment to the California Constitution adopted in 1978, the county assessor's valuation of real property is established as shown on the fiscal year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property and of similar properties more recently sold. Likewise, changes in ownership of property and reassessment of such property to market value commonly lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. See generally, APPENDIX A: "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. For assessment and tax collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and other property (real or personal) for which there is a lien on real property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Shown in the following table is the assessed valuation of property in the District in the last several years.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows recent history of taxable property assessed valuation in the District.

Contra Costa Community College District
Summary of Assessed Valuation

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment[1]
2005-06	$123,680,824,113	$778,008,389	$4,359,165,041	$128,817,997,543	$114,311,154,540
2006-07	138,981,709,682	657,680,011	4,523,422,141	144,162,811,834	127,085,552,124
2007-08	151,552,494,770	558,065,472	4,607,800,088	156,718,360,330	137,947,538,637
2008-09	151,510,844,221	576,695,232	4,996,033,333	157,083,572,786	138,010,140,203
2009-10	139,873,965,883	557,056,345	5,286,590,539	145,717,612,767	129,061,363,358

Source: California Municipal Statistics, Inc.
(1) For discussion of redevelopment agency tax increment and community college district funding, see "Tax Collections and Delinquencies - *Impact of Redevelopment Agency Project Areas*," below.

Appeals of Assessed Valuation. State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may request a reduction in assessment directly from the County Assessor (the "Assessor"), who may grant or refuse the request, and may appeal an assessment directly to the Contra Costa County Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County against all taxing agencies who received tax revenues, including the District.

Bonding Capacity. The District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. The District's gross bonding capacity is approximately $3.6 billion. Taking into account all of the outstanding bonds of the District and the Bonds, the District's net bonding capacity is approximately $3.4 billion. In accordance with the law which permitted the Bonds to be approved by a 55% popular vote, bonds approved by the District's voters at the June 6, 2006 election may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than $25.00 per $100,000 of assessed valuation. Based on the assessed valuation of taxable property in the District at the time of issuance of the Bonds, the District projects, pursuant to a certification to be delivered concurrently with the issuance of the Bonds, that the maximum tax rate required to repay the Bonds will not exceed the aforementioned legal limit.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Contra Costa Community College District
Assessed Valuation and Parcels by Land Use

	2009-10 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office	$ 12,829,514,319	9.14%	7,415	2.08%
Industrial	12,116,287,404	8.63	2,319	0.65
Vacant Industrial	2,520,298,334	1.79	1,375	0.38
Government/Social/Institutional	795,575,525	0.57	3,291	0.92
Power Plants/Non-Unitary Utility	557,056,345	0.40	169	0.05
Recreational	476,610,050	0.34	801	0.22
Agricultural/Rural	377,927,720	0.27	1,295	0.36
Vacant Commercial	249,724,105	0.18	1,489	0.42
Miscellaneous Non-Residential	113,527,472	0.08	1,610	0.45
Subtotal Non-Residential	$ 30,036,521,274	21.39%	19,764	5.53%
Residential:				
Single Family Residence	$ 91,083,560,502	64.86%	265,495	74.31%
Condominium/Townhouse	11,573,979,656	8.24	47,657	13.34
5+ Residential Units/Apartments	4,293,289,059	3.06	2,391	0.67
Vacant Residential	1,874,562,105	1.33	13,220	3.70
2-4 Residential Units	1,294,704,124	0.92	6,014	1.68
Miscellaneous Residential	220,931,492	0.16	1,061	0.30
Mobile Home	53,474,016	0.04	1,655	0.46
Subtotal Residential	$110,394,500,954	78.61%	337,493	94.47%
Total	$140,431,022,228	100.00%	357,257	100.00%

Source: California Municipal Statistics, Inc.
(1) Local Secured Assessed Valuation, plus Utility; excluding tax-exempt property.

Assessed Valuation of Single-Family Residential Properties. The following table focuses on single-family residential properties only, which comprise approximately 65% of the assessed value of taxable property in the District. The average assessed value per parcel is $343,071, and the median assessed value per parcel is $255,500.

Contra Costa Community College District
Per Parcel 2009-10 Assessed Valuation of Single Family Homes

	No. of Parcels	2009-10 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	265,495	$91,083,560,502	$343,071	$255,500

2009-10 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	793	0.299%	0.299%	$ 14,053,901	0.015%	0.015%
$25,000 - $49,999	8,525	3.211	3.510	343,152,739	0.377	0.392
$50,000 - $74,999	16,471	6.204	9.714	1,016,953,909	1.117	1.509
$75,000 - $99,999	13,986	5.268	14.981	1,218,332,117	1.338	2.846
$100,000 - $124,999	13,593	5.120	20.101	1,524,858,160	1.674	4.520
$125,000 - $149,999	13,975	5.264	25.365	1,919,784,108	2.108	6.628
$150,000 - $174,999	15,077	5.679	31.044	2,443,714,442	2.683	9.311
$175,000 - $199,999	16,015	6.032	37.076	2,996,946,701	3.290	12.601
$200,000 - $224,999	15,708	5.916	42.993	3,332,143,235	3.658	16.260
$225,000 - $249,999	15,234	5.738	48.730	3,606,597,792	3.960	20.219
$250,000 - $274,999	13,310	5.013	53.744	3,487,501,148	3.829	24.048
$275,000 - $299,999	12,338	4.647	58.391	3,539,254,025	3.886	27.934
$300,000 - $324,999	10,610	3.996	62.387	3,307,069,405	3.631	31.565
$325,000 - $349,999	9,250	3.484	65.871	3,117,054,132	3.422	34.987
$350,000 - $374,999	8,941	3.368	69.239	3,236,610,368	3.553	38.540
$375,000 - $399,999	7,403	2.788	72.027	2,862,371,739	3.143	41.683
$400,000 - $424,999	6,653	2.506	74.533	2,739,500,354	3.008	44.691
$425,000 - $449,999	5,754	2.167	76.701	2,512,939,512	2.759	47.450
$450,000 - $474,999	5,157	1.942	78.643	2,380,579,601	2.614	50.063
$475,000 - $499,999	4,498	1.694	80.337	2,189,983,841	2.404	52.468
$500,000 and greater	52,204	19.663	100.000	43,294,159,273	47.532	100.000
Total	265,495	100.000%		$91,083,560,502	100.000%	

Source: California Municipal Statistics, Inc.
[1] Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Largest Taxpayers in District. The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the 2009-10 tax roll, and the assessed valuations thereof, are shown in the following table.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. In 2009-10, no single taxpayer owned more than 2.60% of the total taxable property in the District. Each taxpayer listed is a unique name on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

Contra Costa Community College District
Largest 2009-10 Local Secured Taxpayers

	Property Owner	Primary Land Use	2009-10 Assessed Valuation	% of Total[(1)]
1.	Chevron USA Inc.	Industrial/Office Building	$3,649,333,897	2.60%
2.	Equilon Enterprises LLC	Industrial/Refinery	2,003,074,036	1.43
3.	Tesoro Refining & Marketing Co.	Industrial/Refinery	1,362,645,962	0.97
4.	Tosco Corporation	Industrial/Refinery	1,022,985,625	0.73
5.	Shapell Industries Inc.	Residential Properties	568,856,208	0.41
6.	Delta Energy Center LLC	Power Plant	439,900,000	0.31
7.	Sunset Building Company LLC/ Sunset Land Company LLC	Office Building	366,889,511	0.26
8.	USS Posco Industries	Industrial	303,868,260	0.22
9.	Sierra Pacific Properties Inc.	Office Building	239,014,334	0.17
10.	First Walnut Creek Mutual	Cooperatives-Rossmoor	238,923,908	0.17
11.	Bank of America	Office Building	208,894,741	0.15
12.	Rreef America REIT II Corp.	Office Building	197,523,301	0.14
13.	Second Walnut Creek Mutual	Cooperatives-Rossmoor	184,523,028	0.13
14.	Lennar Homes	Residential Properties	176,035,723	0.13
15.	Pacific Atlantic Terminals LLC	Industrial	171,424,575	0.12
16.	Taubman Land Associates LLC	Shopping Center/Mall	161,840,100	0.12
17.	SDC 7	Industrial	155,235,950	0.11
18.	Annabel Investment Co.	Industrial	152,331,782	0.11
19.	Macerich Northwest Associates	Shopping Center/Mall	136,311,463	0.10
20.	Bio-Rad Laboratories Inc.	Industrial	136,086,947	0.10
			$11,875,699,351	8.46%

Source: California Municipal Statistics, Inc.
(1) 2009-10 Total Secured Assessed Valuation: $140,431,022,228 (plus Utility)

Taxation of State-Assessed Utility Property. A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization. State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Ongoing changes in the structure of California electric utility industry and in the way in which components of the industry are owned and regulated, including the sale of electric generation assets to largely unregulated, nonutility companies, may affect how utility assets are assessed in the future, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets or the State's methods of assessing utility property and allocating tax revenues to local taxing agencies, including the District.

Tax Rate

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. (Unsecured property is taxed at the secured property tax rate from the prior year.) Property values could be reduced by factors beyond the District's control, such as a depressed real estate market due to general economic conditions in the San Francisco Bay Area. The District is located in a seismically active area: the Hayward Fault, a branch of the more famous San Andreas Fault running near San Francisco, and considered one of the most active faults in California, runs through the District and directly under the Contra Costa College campus. Other faults running through the District include the Northern Calaveras Fault, a fork of the Hayward Fault, and the Mount Diablo fault. Not far away to the west lies the San Andreas fault. Taxable property within the District could sustain extensive damage in a major earthquake, as could the District's own college facilities, and a major earthquake could adversely affect the Bay Area's economic activity.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

The following table shows *ad valorem* property tax rates for the last two years in a typical Tax Rate Area of the District (TRA 8-001). TRA 8-001 comprises 3.82% of the total assessed value of taxable property in the District:

Contra Costa Community College District
Summary of Ad Valorem Tax Rates
Typical Total Tax Rate (TRA 8-001)

	2005-06	2006-07	2007-08	2008-09	2009-10
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of Richmond	.1400	.1400	.1400	.1400	.1400
Bay Area Rapid Transit District	.0048	.0050	.0076	.0090	.0057
East Bay Regional Park District	.0057	.0085	.0080	.0100	.0108
West Contra Costa Unified School District	.1041	.1143	.1035	.1230	.1828
Contra Costa Community College District	.0047	.0043	.0108	.0066	.0126
Total	1.2593%	1.2721%	1.2699%	1.2886%	1.3519%

Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

As required by State Law, the District utilizes the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are County, city and other special district taxes.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1. When necessitated by changes in assessed value in the course of a year, a supplemental assessment is prepared, and taxes are pro-rated for the portion of the tax year remaining after the change.

Property taxes on the secured roll are due in two equal installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. If the taxes have not been paid by June 30, the tax is deemed to be in default. Secured roll property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If the taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale at a public auction by the County Treasurer.

Property taxes on the unsecured roll are due as of the lien date of January 1 and become delinquent if unpaid on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the County Treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the County, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The County Treasurer may also bring a civil suit against the taxpayer for payment.

The following table shows real property tax collections and delinquencies in the District for the last several years.

Contra Costa Community College District
Secured Tax Charges and Delinquencies

	Secured Tax Charge[1]	Amount Del. June 30	% Del. June 30
2005-06	$5,774,336.35	$108,783.54	1.88%
2006-07	5,933,982.84	201,740.28	3.40
2007-08	16,226,842.46	777,981.63	4.79
2008-09	9,876,732.48	394,584.06	4.00

Source: California Municipal Statistics, Inc.
(1) Bond debt service levy only.

Teeter Plan. The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the County, including the District, receives the full amount of uncollected taxes credited to its fund (including delinquent taxes, if any), in the same manner as if the full amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school and community college district bonds.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency.

Impact of Redevelopment Agency Project Areas. Under California law, a city or county can create a redevelopment agency in territory within one or more community college districts. Upon formation of a "project area" of a redevelopment agency, all property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of tax revenues to other local taxing agencies, including community college districts, from that time forward. As shown in the table of Direct and Overlapping Bonded Debt, below, more than $16.6 billion of the assessed value of taxable property in the District is subject to tax increment diversion due to the existence of redevelopment agency project areas. Taxes collected for payment of debt service on community college district bonds are not affected or diverted.

Direct and Overlapping Debt. The following table was prepared by California Municipal Statistics Inc., and is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of March 1, 2010, and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Contra Costa Community College District
Direct And Overlapping Bonded Debt

2009-10 Assessed Valuation:	$145,717,612,767
Redevelopment Incremental Valuation:	(16,656,249,409)
Adjusted Assessed Valuation:	$129,061,363,358

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/10
Bay Area Rapid Transit District	29.554%	$ 124,126,800
Contra Costa Community College District	**100.**	**172,795,000**[(1)]
Antioch Unified School District School Facilities Improvement District No. 1	100.	20,000,000
John Swett Unified School District	100.	15,241,175
Martinez Unified School District	100.	20,969,777
Mt. Diablo Unified School District	100.	208,025,000
Pittsburg Unified School District	100.	106,740,000
San Ramon Valley Unified School District	98.738	278,720,929
West Contra Costa Unified School District	100.	731,132,876
Acalanes and Liberty Union High School District	100.	173,475,376
School Districts	100.	168,784,727
Cities	100.	28,719,977
West Contra Costa Healthcare District Parcel Tax Obligations	100.	23,175,000
East Bay Municipal Utility District Special District No. 1	6.319	1,882,114
East Bay Regional Park District	45.037	90,418,533
Community Facilities Districts	100.	282,699,684
City of El Cerrito Parcel Tax Obligations	100.	3,165,000
1915 Act Assessment Bonds	100.	402,834,669
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,852,906,637

DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Contra Costa County General Fund Obligations	99.628%	$ 283,496,455
Contra Costa County Pension Obligations	99.628	463,723,507
Alameda-Contra Costa Transit District Certificates of Participation	10.701	4,316,248
Contra Costa Community College District General Fund Obligations	**100.**	**1,050,000**
High School and Unified School District Certificates of Participation	100.	94,935,000
Brentwood Union School District Certificates of Participation	100.	3,245,000
City of Antioch General Fund Obligations	100.	28,895,000
City of Brentwood General Fund Obligations	100.	56,745,000
City of Concord General Fund and Judgment Obligations	100.	28,705,000
City of Hercules General Fund Obligations	100.	24,630,000
City of Pittsburg Pension Obligations	100.	39,266,056
City of Richmond General Fund and Pension Obligations	100.	262,365,133
City of San Ramon General Fund Obligations	100.	15,325,629
Other City General Fund Obligations	97.213-100.	50,055,143
Byron-Bethany Irrigation District General Fund Obligations	19.126	1,072,969
Contra Costa County Fire Protection District Pension Obligations	100.	120,180,000
San Ramon Valley Fire Protection District Certificates of Participation	98.567	14,849,119
Pleasant Hill Recreation and Park District Certificates of Participation	100.	2,470,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,495,325,259
Less: Contra Costa County self-supporting obligations		131,868,934
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,363,456,325
GROSS COMBINED TOTAL DEBT		$4,348,231,896[(2)]
NET COMBINED TOTAL DEBT		$4,216,362,962

Ratios to 2009-10 Assessed Valuation:
Direct Debt ($172,795,000) 0.12%
Total Direct and Overlapping Tax and Assessment Debt 1.96%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($173,845,000) 0.13%
Gross Combined Total Debt 3.37%
Net Combined Total Debt 3.27%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

(1) Excludes Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

To the extent the issue price of any maturity of the Series 2010A Bonds is less than the amount to be paid at maturity of such Series 2010A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2010A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Series 2010A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2010A Bonds is the first price at which a substantial amount of such maturity of the Series 2010A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2010A Bonds accrues daily over the term to maturity of such Series 2010A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2010A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2010A Bonds. Beneficial owners of the Series 2010A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2010A Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Series 2010A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2010A Bonds is sold to the public.

Series 2010A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2010A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2010A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2010A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2010A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2010A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2010A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010A Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code, or court decisions, may cause interest on the Series 2010A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals or clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2010A Bonds. Prospective purchasers of the Series 2010A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2010A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2010A Bonds ends with the issuance of the Series 2010A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of the Series 2010A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2010A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2010A Bonds, and may cause the District or the beneficial owners to incur significant expense.

Tax Matters Relating to the Series 2010B Bonds

In the opinion of Bond Counsel, interest on the 2010B Bonds is exempt from State of California personal income taxes. See APPENDIX C: "PROPOSED FORM OF OPINION OF BOND COUNSEL".

Interest on the 2010B Bonds is not excluded from gross income for federal income tax purposes. Prospective investors that are not individuals or regular C corporations who are U.S. persons purchasing the 2010B Bonds for investment should consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the 2010B Bonds.

Circular 230. Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the District and its tax advisors are (or may be) required to inform prospective investors that:

1. any advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;

2. any such advice is written to support the promotion or marketing of the 2010B Bonds and the transactions described herein; and

3. each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for Piper Jaffray & Co., as representative of itself and Backstrom McCarley Berry & Co. (collectively, the “Underwriters”) by their counsel, Stradling Yocca Carlson & Rauth, San Francisco, California.

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code of the State, are eligible securities for the deposit of public moneys in the State.

No Litigation

No litigation is pending or threatened concerning the validity of the Bonds, or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District or County officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to purchasers at the time of the original delivery of the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2009-10 Fiscal Year (which is due no later than April 1, 2011 and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX D: “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

MISCELLANEOUS

Ratings

The Bonds have received underlying ratings of "Aa2" by Moody's Investors Service and "AA" by Standard & Poor's. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement). The ratings reflect only the current views of the rating agencies, and any explanation of the significance of such ratings may be obtained only from Moody's at www.moodys.com and from Standard & Poor's at www.standardandpoors.com. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The District undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel to the District and as Disclosure Counsel with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. KNN Public Finance, A Division of Zions First National Bank is acting as financial advisor to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Underwriting

The Bonds are being purchased by the Underwriters pursuant to the terms of a bond purchase agreement between the District and the Underwriters dated March 16, 2010 (the "Purchase Agreement"). The Purchase Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation of the Underwriters to purchase the Bonds being subject to certain terms and conditions to be satisfied by the District.

The Underwriters have agreed to purchase the Bonds from the District at a purchase price of $73,385,928.05. Based on the reoffering prices provided by the Underwriters, the original issue premium on the reoffering of the Bonds is $1,059,339.05, and the Underwriters' gross compensation is $418,511.00. Pursuant to the Purchase Agreement, the Underwriters have also agreed to pay costs of issuing the Bonds not to exceed $254,900.00 from the original issue premium.

The initial offering prices and initial reoffering yields shown on the inside cover page hereof have been provided by the Underwriters for inclusion herein. The District makes no representation as to the accuracy thereof. The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriters.

Piper Jaffray & Co. ("Piper") has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings allocated to Piper at the original offering prices. Under the Distribution Agreement, if applicable to the Bonds, Piper will share with AAM a portion of the fee or commission, exclusive of management fees, paid to Piper.

Additional Information

Quotations from and summaries and explanations of the Bonds and the Resolution providing for issuance and payment of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

* * *

All data contained herein have been taken or constructed from the District's records and other sources, as indicated. This Official Statement and its distribution have been duly authorized and approved by the District.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

By: /s/ Kindred Murillo
Vice Chancellor, Districtwide
Administrative Services

APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

The information in this appendix concerning the operations of the District, the District's finances, and State funding of education is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.

DISTRICT FINANCIAL INFORMATION

General

The District's annual revenues are determined by a State funding formula, and consist of local property taxes, student fees, and State appropriations that are based upon student attendance. Because over 92% of the District's general fund operating revenues are tied to this State funding formula, and over 40% of these revenues are provided directly by the State, the District's fiscal position is closely tied to the fiscal health of the State. And because the State Constitution commands that approximately 40% of the State's general fund budget be used to fund local school districts and community college districts, funding for education is at the heart of an often-contentious annual State budget approval process.

This Appendix discusses overall State funding of education through the State's constitutional funding formula known as "Proposition 98", funding of the community college system, and the District's budget process. Specific information is presented regarding the District's current budgeted revenues and expenditures, as well as long-term obligations and capital financing.

The State's community college funding model adopted in 2006 equalized funding among the 72 community college districts and their 110 community colleges. The model provides for a base allocation by size of college, and an allocation for State-approved and grandfathered college "centers". The primary basis of the State apportionment is the calculation of Full-Time Equivalent Students (FTES). For Fiscal Year 2009-10, the District is budgeted to receive a base allocation of $11,625,408 for three colleges and one approved center. Student attendance in approved credit courses (generally, those courses leading to a degree) are funded at a rate of $4,565 per FTES; attendance in designated non-credit courses (including lifelong/adult learning, remedial basic skills courses, English as a Second Language, and other courses designed to lead to improved job opportunities) are funded at $2,745 per FTES, and enhanced non-credit courses (generally, specific categories of career development and college preparation courses) are funded at $3,232 per FTES.

A recent history of actual audited attendance and the current budgeted attendance measured in terms of FTES is shown in the table on the following page. Since completion of the year-end financial audits, the District has made corrections to its historical FTES for certain years.

Contra Costa Community College District
Resident Full-Time Equivalent Students

Fiscal Year	Resident Full-Time Equivalent Students
2004-05	25,952
2005-06	30,429
2006-07	25,525
2007-08	30,877(1)
2008-09	28,566(1)
2009-10 (Budgeted)	29,837

(1) Approximately 2,050 summer session FTES from summer 2008, accounted for in Fiscal Year 2007-08.

The table below represents non-resident international students who pay full tuition to the District. These students are excluded from the State funding formula calculation.

Fiscal Year	Non-Resident International Students
2004-05	1,192
2005-06	1,550
2006-07	1,420
2007-08	1,774
2008-09	1,744
2009-10 (Budgeted)	1,743

State Funding of the Community College System; State Budget Process

General. As is true for all community college districts in California, the District's operating income consists primarily of these components: (i) a State portion funded from the State's general fund, (ii) a local portion derived from the District's share of the county-wide property tax; (iii) revenues generated from the district's operations, consisting primarily of student fees and sales; and (iv) federal government grants and transfers. The District receives over 40% of its general fund revenues from State funds, budgeted at approximately $69.8 million in fiscal year 2009-10. As a result, decreases in State revenues, or in State legislative appropriations made to fund higher education, may significantly affect District operations.

State funding is guaranteed to a minimum level for community college districts, school districts, and other State agencies that provide direct elementary and secondary instructional programs. The funding guarantee is known as "Proposition 98", a constitutional and statutory initiative amendment adopted by the State's voters in 1988, and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution).

The Proposition 98 funding mandate normally commands about 45% of all State general fund revenues, and community colleges normally receive about 11% of the Proposition 98 figure. However, recent years have seen frequent disruptions in the three components of State general fund revenues, State personal income taxes, sales and use taxes, and corporate taxes. This has made it increasingly difficult for the State to meet its obligations under Proposition 98 while providing for other fixed State costs and priority programs and services.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted by a two-thirds vote of each house of the Legislature no later than June 15, although this deadline is routinely breached. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. The Governor signed the State's amended 2009-10 Budget Act on July 28, 2009.

When the State budget is not adopted on time, appropriations to the District will be delayed. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to community college districts without an adopted budget or emergency appropriation. Funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that funding for community colleges may not be appropriated without an adopted budget. Should the Legislature fail to pass the budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White* decision and the State's practice of adopting budgets late, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor".

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent, and others, sued the State or Governor in 1995, 2005, and 2009, to force them to fund Proposition 98 in the full amount required. The settlement of the 1995 and 2004 lawsuits has so far resulted in over $4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006 (QEIA), have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, as the State did in 2004-05; and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

2009-10 State Budget. On September 24, 2008, the Governor signed the State budget for fiscal year 2008-09, the latest budget approval in State history. It is widely acknowledged that even by the time of its passage, the budget's revenue estimates were already too optimistic, in light of continuing weak performance in the California economy and unprecedented adverse developments in the global and national financial markets, particularly after September 15, 2008. The Governor declared a fiscal emergency in December 2008, and called three concurrent special legislative sessions in order to address the budget deficit, then estimated to be $42 billion. In the face of growingly negative estimates of State tax receipts during fiscal year 2008-09, the Governor signed the

State's Fiscal Year 2009-10 Budget Act on February 20, 2009 (the earliest date on record), essentially as a revised two-year budget settlement for fiscal years 2008-09 and 2009-10. However, after the failure in May 2009 of six revenue and spending propositions on the statewide ballot deemed essential to success of the budget bill, work began again on a fiscal year 2009-10 budget plan. On July 24, 2009, the Legislature approved a new budget package, which the Governor signed on July 28, 2009. For an accurate view of current Proposition 98 funding, one must treat these three recent budgets as a whole, and consider also the significant adjustments that have been left to future budget years.

The amended 2009-10 State Budget consisted of some 30 separate bills; subsequent legislation may affect final budget totals. Indeed, as preliminary budget discussions for 2010-11 have revealed, the assumptions in even the amended 2009-10 State Budget may prove unsustainable, and midyear cuts as well as retroactive cuts and revisions may be needed. Until audited fiscal year-end 2008-09 State revenues are known, the State cannot determine the final fiscal year 2008-09 or 2009-10 Proposition 98 funding requirement.

The following information relating to community college funding in 2009-10 is adapted from reports and budget summaries prepared by the Legislative Analyst's Office and other sources.

Proposition 98. For 2009–10, community colleges are budgeted to receive $5.7 billion in Proposition 98 support, which is 11.2% of total state Proposition 98 spending. This reflects a reduction of $265 million (4.5%) from the revised 2008–09 budget. Of this amount, $3.7 billion is State general fund support, or $434 million (10.4%) less than the 2007–08 funding level. Total programmatic funding from all sources is budgeted to be $6.5 billion, or $189 million (2.8 %) less than 2007–08, and $287 million (4.2%) less than 2008–09. Some of this funding pays for costs incurred in prior fiscal years for which funding was deferred to 2009-10. The Legislature added $340 million to the existing $200 million in community college funding deferrals in the 2008-09 budget year, and the budget package defers an additional $163 million from 2009-10 to 2010–11, thereby creating an ongoing deferral of $703 million annually. For the second year in a row, the budget provides neither enrollment growth nor a cost of living allowance (COLA) for community colleges.

Base Apportionment Reductions. The budget reflects cuts totaling $140 million (about 2%) to Proposition 98 State general fund support for community college district apportionments (general–purpose moneys). This includes an unallocated reduction of $130 million as well as $10 million in savings from the elimination of the California High School Exit Exam remediation program.

Local Property Tax Backfill. The budget includes a total of $63.3 million in State general fund support to partially compensate for an estimated $116.7 million drop in community college districts' local property tax revenues in 2009–10 from earlier estimates. This backfill is derived from two sources: (1) a redirection of $58.3 million in funds previously intended for enrollment growth, and (2) a $5 million reappropriation of unspent funds from prior years.

Student Fees. The budget package increased enrollment fees from $20 per unit to $26 per unit, which returned student fees back to their 2006 level. These higher fees are expected to generate $80 million in additional revenue for community college districts, thereby mitigating the impact of reduced Proposition 98 support for apportionments. Lower– and middle–income students are largely shielded from the fee increase by the fee waiver program and recently expanded federal tax credits.

Workload Reduction Provision. The budget package includes a provision that permits community colleges to reduce the number of students they serve ("workload") in 2009–10 in proportion to the net reduction in base apportionment funding. Another provision expresses the Legislature's intent that any resulting workload reductions be limited as much as possible to areas other than basic skills, workforce training, and transfer-level coursework.

Categorical Cuts and Flexibility. The budget package reduces Proposition 98 support for categorical programs by a total of $263 million compared with revised 2008–09 levels. The budget assumes that $130 million of this reduction will be backfilled by federal stimulus funding, for a net reduction of $133 million. In order to better accommodate these cuts, during budget years 2009–10 though 2012–13, community college districts are permitted to transfer funds for twelve of 21 categorical programs to any other categorical spending purpose.

California Community College Budget Summary (Statewide)
(Dollars in millions)

	2007-08 Actual	2008-09 Proposed	2009-10 Proposed	Change from 2008-09 Amount	Change from 2008-09 Percent
Community College Proposition 98					
General Fund	$4,142.1	$4,031.9	$4,418.0	$386.1	9.6%
Local property tax	1,970.7	2,053.5	2,063.6	10.1	0.5
Subtotals, Proposition 98	$6,112.8	$6,085.4	$6,481.7[a]	$396.3	6.5%
Other Funds					
General Fund					
Proposition 98 Reversion Account	19.1	21.6	—	-21.6	-100.0
Quality Education Investment Act	32.0	48.0	48.0	—	—
Chancellor's Office	10.0	9.8	10.2	0.4	3.8
Teachers' retirement	87.8	89.2	95.5	6.4	7.1
Bond payments	164.1	219.0	271.6	52.6	24.0
Compton CCD[b] Loan Payback	-0.3	-0.9	-0.9	—	—
Total General Fund	$312.7	$386.7	$424.3	$37.6	9.7%
State lottery funds	168.7	164.2	169.8	5.6	3.4
Other state funds	19.7	28.6	28.3	-0.3	-1.0
Student fees	291.3	299.4	308.4	9.0	3.0
Federal funds	257.9	256.1	255.8	-0.3	-0.1
Other local funds	1,918.4	1,916.9	1,916.9	—	—
Subtotals, Other Funds	$2,968.7	$3,051.9	$3,103.5	$51.6	1.7%
GRAND TOTALS	**$9,081.6**	**$9,137.3**	**$9,585.2**	**$447.9**	**4.9%**

Source: Calif. Leg. Analyst's Office, "2009-10 Budget Analysis Series—Proposition 98 Education Programs" (Feb. 3, 2009).
[a] Excludes $169.8 million backfill of lottery funds.
[b] Community college district.
Detail may not total due to rounding.

Cash Management. On March 1, 2010, the Governor signed urgency legislation approved by the Legislature in extraordinary session that requires deferral of State apportionments to community college districts and certain other agencies from March 2010 to between April 15 and May 1, 2010, if necessary to meet cash requirements of the State. In addition, the legislation requires deferral of State apportionments to community colleges from July 2010 to October 2010, and from March 2011 to May 2011, unless the Chancellor of the California Community Colleges (the "State Chancellor") and State Director of Finance determine that such deferrals will present an imminent threat to the fiscal integrity and security of a college. While the District believes this legislation will affect the District's cash flow and interest income, it expects the effects to be similar to the delays in State apportionments it frequently experiences due to delay in adoption of the State budget, as described above. See "State Funding of the Community College System; State Budget Process—*Adoption of Annual State Budget*".

Proposition 1A. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (ERAF) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election.

Proposition 1A is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 1A allows the State to divert up to 8% of local property tax revenues for State purposes only if: (i) the Governor declares such action to be necessary due to a State fiscal emergency; (ii) two-thirds of both houses of the Legislature approve the action; (iii) the amount diverted is required by statute to be repaid within three years; (iv) the State does not owe any repayment to local agencies for past property tax or Vehicle License Fee diversions to local agencies; and (v) such property tax diversions do not occur in more than two of any ten consecutive fiscal years. Because ERAF shifts will be capped and limited in frequency, community college districts that receive Proposition 98 funding from the State will be more directly dependent upon the State's general fund.

The amended 2009-10 State Budget includes a Proposition 1A diversion of $1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State general fund spending for education and other programs. Such diverted revenues must be repaid, with interest, no later than June 30, 2013. The amended 2009-10 State Budget diverts another $1.7 billion in local property tax revenues from local redevelopment agencies, but this is not covered by Proposition 1A. The California Redevelopment Association and two redevelopment agencies filed a lawsuit in October 2009 challenging the constitutionality of this diversion.

District Budget Process; Fiscal Accountability

Community college district budgeting begins each year with the State Budget process discussed above. The District prepares a preliminary budget by June 30 of each year for the upcoming fiscal year commencing July 1. By September 15 of the budget year, the Governing Board of the District is required to formally adopt a revised budget, and deliver it to the State Chancellor not later than October 10, pursuant to Section 58305 of the California Code of Regulations, Title V. Once adopted, the budget may be amended throughout the fiscal year as the District's financial circumstances change. Set forth below is information relating to the District's adopted fiscal year 2009-10 budget.

The statewide governing board of the California Community Colleges and the State Chancellor have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the State Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the State Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources, and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the State Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the State Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

District Operating Revenues

In fiscal year 2008-09, local property tax revenues made up 34% of the District's total revenues, State apportionments accounted for approximately 28%, other State revenues accounted for another 11%, and federal revenues and student enrollment fees and tuition each accounted for approximately 8% of total District revenues. Federal funding normally contributes less than 3% to District operations, but the figure in 2008-09 was higher (8%) due to receipt of federal stimulus funding under the American Recovery and Reinvestment Act of 2009. In its 2009-10 adopted budget, the District projects local property tax revenues of $70.7 million, State general apportionment funds of $65 million, State subventions and non-tax revenues of $4.4 million, and student enrollment fees of

$11.8 million. The State's workload reduction formula in the State's 2009-10 budget is expected to result in a revenue loss of $4.8 million.

The balance of the District's general fund revenues in each fiscal year are derived from auxiliary enterprise revenues (such as bookstore, cafeteria and information technology operations), lottery income, non-resident tuition, special purpose apportionments, interest, and miscellaneous other sources. Auxiliary revenues accounted for approximately 7% of total District revenues in 2008-09. Lottery funds, which are distributed to community college districts proportional to their total enrollment, are budgeted at $111 per FTES in 2009-10, or about $3.6 million. Lottery funds may not be used for non-instructional purposes, such as the payment of principal of and interest on the Bonds, acquisition of real property, the construction of facilities or the financing of research. Interest income is primarily derived from District cash held in the County treasury.

The District's restricted general fund revenues for Fiscal Year 2008-09 were $23.7 million. Fiscal Year 2009-10 restricted general fund revenues are budgeted at $2.2 million, reflecting in large part the district's practice of taking such revenues into account when funding becomes more certain over the course of the year. A portion of the District's restricted general fund revenues come from state funding earmarked for specific categorical programs. The volume and allocation of categorical funding is subject to the discretion of the State legislature and the District's continued qualification for each such program. The District experienced funding reductions to a variety of categorical programs in Fiscal Years 2008-09 and 2009-10. The District cannot predict how State funding of categorical programs will vary in the future.

The District adopted its 2009-10 budget after the adoption of the State budget. Certain adjustments may have to be made throughout the year based on actual State funding and actual attendance. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on public education funding, or whether the State will make additional cuts or enhancements to education funding during Fiscal Year 2009-10.

Tax and Revenue Anticipation Notes. Because District revenues from local property taxes and State apportionments are received at irregular intervals throughout the year, while expenditures tend to be incurred on a regular monthly basis, the District has at times found it necessary to borrow for short-term cash flow needs by issuance of tax and revenue anticipation notes. The District's notes are a general obligation of the District, payable from the District's general fund and any other lawfully available moneys. The following table shows a recent history of the District's Tax and Revenue Anticipation Notes issues. The District expects to be able to cover its current-year cash flow needs without issuance of notes.

Issuance Date	Principal Amount	Interest Rate	Yield	Due Date
07/01/02	$14,695,000	3.0%	1.80%	07/28/03
07/01/04	15,830,000	3.5	1.67	07/29/05
07/01/05	13,000,000	4.0	2.62	06/30/06

Foundations. Each of the colleges of the District is supported by an independent not-for-profit foundation. Each foundations acts primarily as a fundraising organization to provide grants and scholarships to students and other financial support to the programs of the District, according to the foundation's means, its own funding priorities, and restrictive terms of donor grants. The foundations are considered as component units of the District for financial reporting purposes, and the District provides facilities, staff, and operational support to each of the three foundations. In 2008-09, the three foundations provided a total of $1.5 million in direct support to District programs. See APPENDIX B: "ANNUAL FINANCIAL REPORT, JUNE 30, 2009," Note 1.

Major District Expenditures

The largest part of each community college district's general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits. In its fiscal year 2009-10 budget, the District projects that it will expend $153 million in salaries and benefits, or approximately 92% of its unrestricted and restricted general fund expenditures. This amount represents a decrease of approximately 5.4% from the $162 million the District expended in salaries and benefits in fiscal year 2008-09.

Labor Relations. As of January 1, 2010, 1,600 full-time-equivalent employees were represented by labor organizations, as shown in the table below. The remainder are not represented by any formal bargaining unit.

Contra Costa Community College District
Labor Organizations

Labor Organization	Represented Employees (FTEs)	Contract Expiration
United Faculty	1,100	06/30/2011
Local 1	500	06/30/2012

Retirement Programs. The District participates in the State Teachers' Retirement System ("STRS") for all full-time and some part-time certificated employees. Each community college district is required by statute to contribute 8.25% of eligible employees' salaries to STRS on a monthly basis. Employees are required to contribute 8% of eligible salary. The State is required to contribute as well. The District's employer contribution to STRS was $5.3 million for Fiscal Year 2008-09 and is budgeted at approximately $5.6 million in Fiscal Year 2009-10.

The District also participates in the California Public Employees' Retirement System ("CalPERS") for all full-time and some part-time classified employees. The District is required to contribute toward CalPERS, at a State-determined percentage of CalPERS-eligible salaries. For fiscal year 2009-10, the contribution percentage is 9.709%. In the current budget year, the total contribution is budgeted at approximately $4.4 million, compared to a Fiscal Year 2008-09 expense of $3.5 million.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. See APPENDIX B: "ANNUAL FINANCIAL REPORT, JUNE 30, 2009," Note 14.

Summary of General Fund Revenues and Expenditures

The following table summarizes the District's total audited or budgeted general fund revenues and expenditures for Fiscal Years 2005-06 through 2009-10. The District's audited financial statements for the year ending June 30, 2009, are presented in Appendix B.

REVENUES	**2005-06 Actual**[1]	**2006-07 Actual**[1]	**2007-08 Actual**[1]	**2008-09 Actual**[1]	**2009-10 Budget**[2]
From Federal Sources	$ 2,892,169	$ 3,106,333	$ 3,223,379	$ 3,401,993	$ 28,000[3]
From State Sources	76,045,231	88,985,231	95,107,924	94,750,944	69,832,890[3]
From Local Sources	90,489,167	96,810,749	97,772,446	100,290,786	94,102,411
TOTAL	**169,426,567**	**188,902,313**	**196,103,749**	**198,443,723**	**163,963,301**
EXPENDITURES					
Salaries and Benefits	126,855,934	142,280,428	154,231,021	161,709,461	153,039,311
Books and Supplies	4,772,445	5,228,732	4,952,991	5,593,259	4,060,861
Other	25,278,802	27,471,109	28,207,101	27,160,683	9,351,936
TOTAL	**156,907,181**	**174,980,269**	**187,391,113**	**194,463,403**	**166,452,108**
OTHER SOURCES (USES)	**(1,102,112)**	**(16,434,577)**	**(1,002,900)**	**(1,969,601)**	**(1,156,898)**
CHANGE IN FUND BALANCE	**11,417,274**	**(2,512,533)**	**7,709,736**	**2,010,719**	**(3,645,705)**
BEGINNING BALANCE	10,806,203	22,223,477	19,711,538	27,421,274	29,376,269
Post-Year Adjustments	-	594	-	-	-
ENDING FUND BALANCE	**$22,223,477**	**$19,711,538**	**$27,421,274**	**$29,431,993**	**$25,730,564**
Unrestricted Balance	22,191,016	20,615,425	27,421,274	29,431,993	25,730,564
General Fund Balance as a percent of Expenditures	**14.2%**	**11.3%**	**14.6%**	**15.1%**	**15.5%**

(1) District Audited Financial Statements for each year.
(2) District Annual Financial and Budget Report (CCFS-311) dated October 12, 2009.
(3) District's adopted budget understates certain expected federal and state categorical revenues, which are incorporated into budget adjustments over the course of the year as funding becomes more certain.

Accounting Practices; Annual Audit

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California Community Colleges Budget and Accounting Manual (BAM). The Budget and Accounting Manual has the authority of regulation in accordance with Title 5, Section 59011 of the California Code of Regulations (CCR), as defined in California Education Code Section 70901. Each community college district is required to follow the Budget and Accounting Manual in accordance with Education Code Section 84030. For most activities and funds, a modified accrual basis is used. Revenues are recognized only when they are earned, measurable and available: collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when an event or transaction is expected to draw upon current spendable resources

The District's financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Procedure No. 34 and No. 35, following a business-type activity model. These financial statements allow for the presentation of financial activity and results with respect to the District as a whole, rather than focusing on individual funds. The District's financial statements are presented using an accrual basis of accounting, recognizing revenues when earned and expenses when an obligation has been incurred.

Vavrinek, Trine, Day & Company, LLP, Pleasanton, California, serves as independent auditor to the District and its report for Fiscal Year Ended June 30, 2009, is attached hereto as APPENDIX B. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit herein that there has been no material change in the financial condition of the District since the audit was concluded. The District is required by law to file its audited financial statements with the County Clerk, County Superintendent of Schools, the Board of Governors of the California Community Colleges, and the State Department of Finance no later than December 31 following the close of each fiscal year.

Long-Term Obligations

The District carries on its books long-term obligations consisting of outstanding bonds, long-term lease obligations, compensated absences, and non-pension post-retirement benefits obligations. See, generally, APPENDIX B: "ANNUAL FINANCIAL REPORT, JUNE 30, 2009," Notes 10 and 11.

Post-Employment Benefits. The District offers subsidized health insurance benefits to all employees who retire from the District and meet the age and service requirements for eligibility (age 55 for certificated and 50 for classified employees; minimum ten years of service). The amount of the District's contribution towards such annual premiums per employee is determined according to collective bargaining agreements or court settlements. The District recognizes the cost of providing those benefits and related administrative costs when paid. Costs associated with employee benefits, including post-retirement benefits, have been rapidly increasing due to rising health care costs and health insurance premiums.

Beginning in Fiscal Year 2007-08, the District was required to implement Governmental Accounting Standards Board Statement No. 45 ("GASB 45") which directs certain changes in accounting for post-employment healthcare benefits in order to quantify a government agency's current liability for future benefit payments. On December 2, 2008, Rael & Letson of Foster City, California, actuarial consultants, completed a study of the District's outstanding post-employment benefit obligations as of June 30, 2008.

The report calculates the value of all future benefits already earned by current retirees and current employees, known as the "actuarial accrued liability" (AAL). As of the date of the report, the District had an actuarial accrued liability of approximately $263 million for 699 current retirees and beneficiaries and 1,059 additional future participants. The AAL is an actuarial estimate that depends on a variety of assumptions about future events such as health care costs and beneficiary mortality. Every year, the AAL increases by the amount of future benefit costs incurred with respect to active employees in that year, which annual increment is known as the "normal cost". The report estimated the normal cost at $7.5 million for 2008-09. To the extent that the District has not set aside moneys with which to pay these accrued and accruing future liabilities, there is an unfunded accrued actuarial liability (UAAL). As of the date of the report, the District had set aside $49.4 million to fund its future obligations, while $213.3 million remained unfunded. The annual required contribution (ARC) is the amount required to fund each year's normal cost plus an annual amortization of the unfunded accrued actuarial liability, assuming the UAAL will be fully funded over a 30-year period. If the amount budgeted and funded in any year is less than the ARC, the difference reflects the amount by which the UAAL is growing. In 2008, the ARC was determined to be $23.3 million. In 2008-09, the District funded $8.5 million in pay-as-you-go expenditures. The District's 2009-10 budgeted contribution towards post-retirement benefits was $8.75 million.

As of February 1, 2010, the District had funded approximately $53 million of its actuarial accrued liability, including a 2008-09 contribution of $1 million for future expenses. An irrevocable trust established in 2008-09 held $9.1 million, while the balance is set aside in a District-controlled special reserve fund, but is not held in trust. Accordingly, GASB does not recognize amounts in the special reserve fund as reducing the UAAL.

Accrued Vacation and other Obligations: The long-term portion of accumulated and unpaid employee vacation for the District as of June 30, 2009, was $14,112,822.

General Obligation Bonds. Since 2002, the District has conducted two bond elections and issued bonds as described below. All such bonds are payable from a special *ad valorem* property tax which the County is required to levy in an amount sufficient to pay such obligations.

On March 5, 2002, the voters of the District approved a bond proposition authorizing the issuance of $120 million of bonds of the District to: "repair outmoded facilities (for energy savings, safety and handicapped accessibility improvements); and update facilities used by vocational programs (for fire science, nursing, police, culinary arts and technology programs) and transfer programs at Contra Costa College, Diablo Valley College, Los Medanos College, San Ramon Valley Center and the Brentwood/Delta Science Centers." The bonds were issued in three series, as shown in the table below.

On June 6, 2006, the voters of the District approved a bond proposition authorizing the issuance of $286.5 million of bonds of the District to: "renovate outmoded college facilities (making energy savings, safety, and handicapped accessibility improvements), and update facilities used by transfer, career and vocational students (for math, science, nursing, technology and other programs) at Contra Costa College, Diablo Valley College, Los Medanos College, the San Ramon Valley and Brentwood Centers." To date, one series of bonds has been issued, as shown in the table below.

Summary of Outstanding General Obligation Bond Issues
as of January 1, 2010
(Table does not reflect the issuance of the Bonds)

Series Name	Initial Principal	Outstanding Principal	Issued
Election of 2002			
Series 2002	$ 50,000,000	$ 43,350,000	July 2002
Series 2004	45,000,000	41,850,000	August 2004
Series 2006	25,000,000	23,625,000	May 2006
TOTAL	$120,000,000	$108,825,000	
Election of 2006			
Series 2007	$ 73,000,000	$ 63,970,000	August 2007
TOTAL	$ 73,000,000	$ 63,970,000	

Certificates of Participation. In June 1996, $1,605,000 of Certificates of Participation (representing proportionate interests in lease revenues derived from a lease – lease-back financing structure) were issued on behalf of the District. The District's remaining annual rental payment obligations range from $65,000 to $110,000 through 2021. The proceeds were used to fund completion of the Diablo Valley College Student Center/Student Union Building. As of June 30, 2009, $1,050,000 principal amount of the Certificates remained outstanding. The rental payment is an obligation payable from the general fund of the District.

Capital Lease Obligations. The District leases equipment under various capital leases. Rental payments thereunder are an obligation payable from the general fund of the District. Future minimum lease payments are as follows:

Year Ending June 30	Lease Payment
2010	$142,062
2011	8,356
2012	5,712
2013	5,236
Total	$161,366
Less Amounts representing interest	(6,118)
Net minimum lease payments (present value)	$155,248

Capital Financing Plan

The District has identified approximately $430 million in capital project needs over the next five years, including modernization projects at all three of the District's community college campuses. The District last completed a comprehensive facilities master plan in 2002, and is currently in the process of completing an analysis of districtwide seismic retrofitting needs. Of the identified amount, the District's Measure A approved by voters in 2006 will provide approximately $286 million. Additional funding is being and will be sought from the State's Capital Outlay Program for community colleges. Other available funding sources include State deferred maintenance funds, bond proceeds from the District's 2002 bond measure encumbered for specific projects, and remaining unencumbered interest and contingency funds related to the 2002 bond measure earmarked for Contra Costa College projects.

Insurance, Risk Pooling and Joint Powers Arrangements

The District participates in Bay Area Community College District Joint Powers Authority ("BACCD JPA") and Contra Costa County Schools Insurance Group ("CCCSIG") for selected insurance coverage. BACCD JPA administers a cooperative insurance program for member districts. Member districts are insured under certain liability and property insurance policies purchased by BACCD JPA. For property damage, the District has coverage of $250,000,000 per occurrence, with a deductible of $10,000 per occurrence and the BACCD JPA has a deductible of $250,000 per occurrence. For liability insurance, the District has coverage of $25,000,000 per occurrence, with a deductible of $10,000 per occurrence and the BACCD JPA has a deductible of $100,000 per occurrence.

CCCSIG provides a cooperative program of self-insurance for workers' compensation for member districts. CCCSIG is self-insured for individual workers' compensation claims less than $500,000 and is covered by insurance for individual claims exceeding such amount to a maximum of $10,000,000 per claim. Each participant's individual claims performance dictates whether the participant will be required to contribute more to cover pooled insurance costs or derive dividends from pool savings.

The relationship between the District and BACCD JPA and CCCSIG is such that these Joint Powers Authorities are not considered to be component units of the District for financial reporting purposes. The District does not directly bear liability for the losses of other members of either BACCD JPA or CCCSIG; however in the event of numerous large local losses, either JPA's self-insured retention fund could be exhausted, and member districts such as the District could be required to make further contributions to cover member claims.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

Article XIIIA of the California Constitution. Article XIIIA of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA limits the maximum *ad valorem* tax on real property to 1% of "full cash value," and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the bond proposition. The tax for payment of the District's Measure A bonds approved in 2006 falls within the exception for bonds approved by a 55% vote.

Section 2 of Article XIIIA defines "full cash value" to mean the county assessor's valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restored value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIIIA provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIIIA has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the District.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Article XIIIC and Article XIIID of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including community college districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies such as community college districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIIIC also provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a duty on the County Treasurer to levy a property tax sufficient to pay debt service on community college district bonds coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the duty of the District and the County with respect to such taxes. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Developer fees are neither pledged nor available to pay the Bonds.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Expenditures and Appropriations

Article XIIIB of the California Constitution. In addition to the limits Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual "appropriations limit" or "Gann Limit" imposed by Article XIIIB of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds.

Article XIIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Each school or community college district is required to establish an appropriations limit each year. In the event that a district's revenues exceed its spending limit, the district may increase its appropriations limit to equal its spending by taking appropriations limit from the State.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years. If the State's aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, 50% of the excess is transferred to fund the State's contribution to school and community college districts.

In Fiscal Year 2008-09, the District had an appropriations limit of $211.6 million. In Fiscal year the District estimates an appropriations limit of $196.8 million and appropriations subject to the limit of $136.5 million.

Future Initiatives. Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, as well as Propositions 98 and 111, were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

APPENDIX B

ANNUAL FINANCIAL REPORT
JUNE 30, 2009

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CONTRA COSTA COMMUNITY
COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2009

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS
JUNE 30, 2009

FINANCIAL SECTION

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the accompanying basic financial statements of the business-type activities of the Contra Costa Community College District (the District) as of and for the years ended June 30, 2009 and 2008, and its discretely presented component units as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. The financial statements of Contra Costa, Diablo Valley, and Los Medanos Foundations (the Foundations) were not audited in accordance with *Governmental Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Contra Costa Community College District and its discretely presented component units as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 Fax: 925.734.6611 www.vtdcpa.com

FRESNO • LAGUNA HILLS • PLEASANTON • RANCHO CUCAMONGA • PALO ALTO

The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Supplementary Information on pages 58 through 67 has been presented at the request of District management for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

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 Contra Costa Community College District (the District) as of June 30, 2009. The report consists of three basic financial statements: the Statement of Financial Position, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows and 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, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

The District's primary funding source is apportionment received from the State of California based upon student attendance. The primary basis of this apportionment is the calculation of Full Time Equivalent Students (FTES). During the 2008-2009 fiscal year, the reported resident FTES were 28,566 as compared to 30,838 in the 2007-2008 fiscal year. Included in the 2007/08 attendance report were 2,050 FTES borrowed from Summer 2008 to maximize restoration funding that would be otherwise forfeited.

All employee groups received a 3.59% salary increase in 2008-09, of which 2.0% was identified as fronted growth. Costs for employee salaries increased by $4 million from the 2007-08 fiscal year and costs associated with employee benefits increased by approximately seven percent (7%) percent. The increase in the benefit costs is due to continued rising costs of health and welfare benefits paid on behalf of both current employees and retirees and a minor increase in the contribution rates for CalPERS retirement contributions.

During the 2008-2009 fiscal year, the District provided in excess of $19 million in financial aid to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and fee waivers funded through the Federal government, the State System Office, and local funding.

The District issued $73 million in general obligation bonds in August 2007 for construction and renovation projects and equipment throughout the District. This represents the initial issuance of Measure A bonds approved in 2006 by the voters within the District's boundaries. The designated projects will be completed over the coming three to five years. A second issuance of approximately $70 million is anticipated to occur in 2009-2010.

The District is continuing several construction and modernization projects at our three college campuses resulting in completed or in-progress building and improvements to sites of approximately $42 million in the 2009-2010 fiscal year. These projects are funded both through State construction revenues and through our voter approved general obligation bonds.

THE DISTRICT AS A WHOLE

Net Assets

Table 1

	2009	2008	Change	2007	Change
ASSETS					
Current Assets					
Cash and investments	$ 115,278,093	$ 132,892,668	$ (17,614,575)	$ 93,004,108	$ 39,888,560
Accounts receivable (net)	34,086,725	42,792,075	(8,705,350)	14,653,346	28,138,729
Other current assets	9,590,708	9,065,438	525,270	7,052,338	2,013,100
Total Current Assets	158,955,526	184,750,181	(25,794,655)	114,709,792	70,040,389
Other assets	25,929,533	25,155,185	774,348	23,247,379	1,907,806
Capital assets (net)	271,059,874	261,665,775	9,394,099	212,265,234	49,400,541
Total Assets	$ 455,944,933	$ 471,571,141	$ (15,626,208)	$ 350,222,405	$ 121,348,736
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	30,505,386	35,059,512	(4,554,126)	35,742,071	(682,559)
Amounts held in trust for others	1,631,352	9,746,556	(8,115,204)	7,043,288	2,703,268
Current portion of long-term debt	3,586,274	9,179,014	(5,592,740)	1,346,069	7,832,945
Total Current Liabilities	35,723,012	53,985,082	(18,262,070)	44,131,428	9,853,654
Long-term Debt	223,726,958	211,685,139	12,041,819	126,458,968	85,226,171
Total Liabilities	259,449,970	265,670,221	(6,220,251)	170,590,396	95,079,825
NET ASSETS					
Invested in capital assets	138,730,749	146,359,631	(7,628,882)	121,678,261	24,681,370
Restricted	18,630,553	19,274,457	(643,904)	1,502,014	17,772,443
Unrestricted	39,133,661	40,266,832	(1,133,171)	56,451,734	(16,184,902)
Total Net Assets	196,494,963	205,900,920	(9,405,957)	179,632,009	26,268,911
Total Liabilities and Net Assets	$ 455,944,933	$ 471,571,141	$ (15,626,208)	$ 350,222,405	$ 121,348,736

Cash and investments consist primarily of funds held in the Contra Costa County Treasury and the Local Agency Investment Fund (LAIF). The changes in our cash position are explained in the Statement of Cash Flows on pages 15 and 16.

Much of the unrestricted net assets have been designated by the Board or by contracts for such purposes as our required general reserve for ongoing financial health, commitments on contracts, other post employment benefits, and bookstore and cafeteria reserves.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Assets* on page 14.

Table 2

	2009	2008	Change	2007	Change
Operating Revenues					
Tuition and fees	$ 21,074,951	$ 19,098,420	$ 1,976,531	$ 19,538,627	$ (440,207)
Auxiliary sales, charges and other	16,828,795	17,079,529	(250,734)	14,464,546	2,614,983
Total Operating Revenues	37,903,746	36,177,949	1,725,797	34,003,173	2,174,776
Operating Expenses					
Salaries and benefits	181,924,813	178,671,045	3,253,768	146,263,785	32,407,260
Supplies and other expenses	67,345,926	41,218,103	26,127,823	75,868,577	(34,650,474)
Depreciation	8,797,042	7,351,811	1,445,231	5,472,225	1,879,586
Total Operating Expenses	258,067,781	227,240,959	30,826,822	227,604,587	(363,628)
Loss on Operations	(220,164,035)	(191,063,010)	(29,101,025)	(193,601,414)	2,538,404
Nonoperating Revenues					
State apportionments	68,800,023	66,840,628	1,959,395	66,434,899	405,729
Property taxes	84,283,816	90,518,413	(6,234,597)	78,287,536	12,230,877
State revenues	27,487,658	29,803,076	(2,315,418)	23,168,279	6,634,797
Federal revenues	20,001,260	15,075,124	4,926,136	13,568,580	1,506,544
Net interest expense	(556,755)	(581,281)	24,526	(566,088)	(15,193)
Other nonoperating revenues	4,399,547	6,436,266	(2,036,719)	4,868,754	1,567,512
Total Nonoperating Revenue	204,415,549	208,092,226	(3,676,677)	185,761,960	22,330,266
Other Revenues					
State and local capital income	6,342,529	9,239,695	(2,897,166)	16,143,465	(6,903,770)
Net Increase in Net Assets	$ (9,405,957)	$ 26,268,911	$ (35,674,868)	$ 8,304,011	$ 17,964,900

During the 2008-2009 fiscal year, grant revenues were separated into Federal and State components for purposes of this analysis, thereby, creating classification differences in those two lines. When comparing these amounts to prior year amounts it would be more appropriate to consider the two amounts in total.

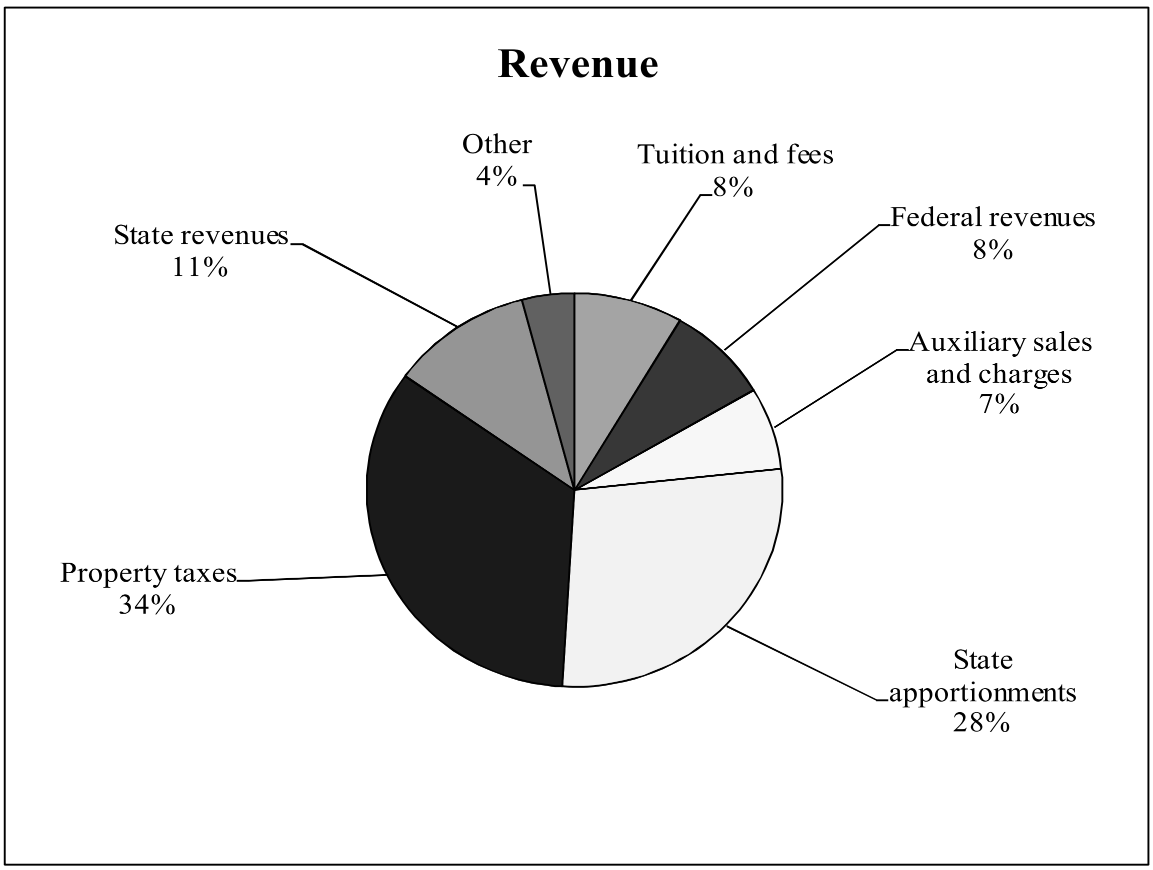
During the 2007-2008 fiscal year, the District capitalized approximately $16 million of capital outlay expenses that were paid for during 2006-2007. This adjustment affected the supplies and other expenses in that supplies and other expenses should have been approximately $16 million higher in 2008, and the same less in 2007.

The District's primary revenue fund is the State apportionment calculation which is comprised of three sources of revenues: local property taxes, student enrollment fees, and State apportionment. While there is a minor increase in the property taxes levied and received from property within Contra Costa County, tax collections fell short of the budgeted target statewide. Student enrollment fees show a slight increase over 2007-2008, reflecting an increase in enrolled units. As with property tax collections, however, statewide enrollment fees fell short of the State enacted budget. The combination of declined property taxes and enrollment fees resulted in a statewide deficit of general revenue of approximately 1.5%; Contra Costa CCD's share of this loss was approximately $2.3 million.

Auxiliary revenue consists of bookstore and cafeteria net revenues, as well as information technology services provided to Contra Costa County Office of Education and certain K-12 school districts. The three college campuses each maintain their own bookstores and cafeterias to provide services to the students and faculty of the college. The operations are self-supporting and contribute to the student programs on each campus.

Federal and state revenues relate primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Interest income of $4.4 million was off-set by interest expense of $5.0 million. The interest income is primarily the result of cash held in the Contra Costa County Treasury. Interest income is down approximately $2.4 million as compared to the 2007-2008 fiscal year due to decreased balances in County Cash and lower interest rates. Interest expense has decreased approximately $2.8 million.



In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Table 3

Year ended June 30, 2009:

	Salaries	Employee Benefits	Supplies, Material, and Other Expenses and Services	Depreciation	Total
Instructional activities	$ 69,758,128	$ 32,454,387	$ 2,253,559	$ -	$ 104,466,074
Academic support	10,581,692	2,868,378	1,503,834	-	14,953,904
Student services	10,381,226	2,737,127	4,647,371	-	17,765,724
Plant operations and maintenance	6,431,982	2,416,850	7,767,075	-	16,615,907
Instructional support services	13,903,889	12,707,356	7,075,793	-	33,687,038
Community services and economic development	7,711,951	1,789,298	6,570,372	-	16,071,621
Ancillary services and auxiliary operations	6,270,914	1,911,635	19,434,752	-	27,617,301
Student aid	-	-	18,093,170	-	18,093,170
Unallocated depreciation	-	-	-	8,797,042	8,797,042
Total	$ 125,039,782	$ 56,885,031	$ 67,345,926	$ 8,797,042	$ 258,067,781

Year ended June 30, 2008:

	Salaries	Employee Benefits	Supplies, Material, and Other Expenses and Services	Depreciation	Total
Instructional activities	$ 65,649,494	$ 30,498,798	$ 3,080,231	$ -	$ 99,228,523
Academic support	9,638,550	3,106,842	1,517,590	-	14,262,982
Student services	12,681,499	5,197,470	2,005,613	-	19,884,582
Plant operations and maintenance	6,347,829	3,804,985	6,113,270	-	16,266,084
Instructional support services	14,285,082	13,182,072	7,413,647	-	34,880,801
Community services and economic development	1,335,720	443,244	564,684	-	2,343,648
Ancillary services and auxiliary operations	9,127,525	3,371,936	7,645,080	-	20,144,541
Student aid	-	-	12,877,988	-	12,877,988
Unallocated depreciation	-	-	-	7,351,811	7,351,811
Total	$ 119,065,699	$ 59,605,347	$ 41,218,103	$ 7,351,811	$ 227,240,960

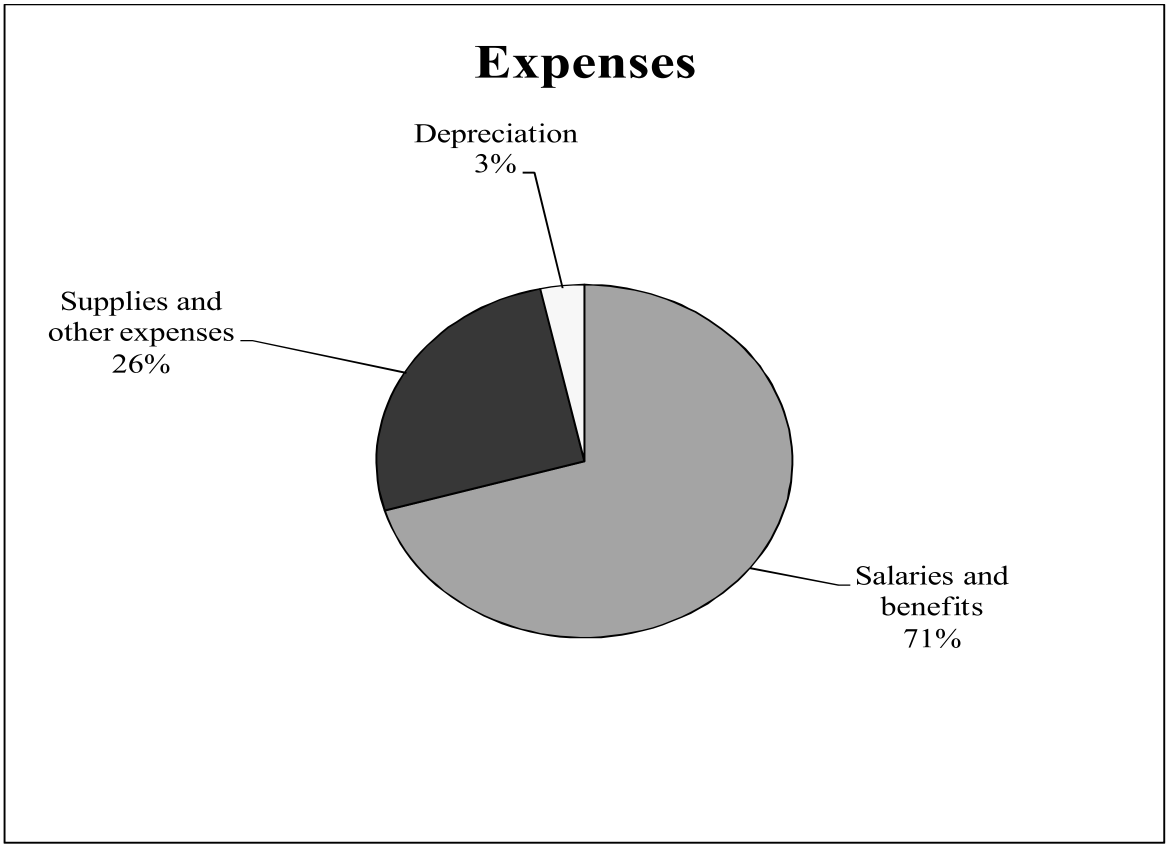


Table 4

Changes in Cash Position

	2009	2008	Change	2007	Change
Cash Provided by (Used in)					
Operating activities	$ (228,071,881)	$ (156,113,620)	$ (71,958,261)	$ (114,694,984)	$ (41,418,636)
Noncapital financing activities	217,478,150	171,961,384	45,516,766	152,112,480	19,848,904
Capital financing activities	(11,636,820)	32,178,856	(43,815,676)	(26,444,129)	58,622,985
Investing activities	4,733,525	2,950,800	1,782,725	7,644,078	(4,693,278)
Net Increase (Decrease) in Cash	(17,497,026)	50,977,420	(68,474,446)	18,617,445	32,359,975
Cash, Beginning of Year	132,529,796	81,552,376	50,977,420	62,934,931	18,617,445
Cash, End of Year	$ 115,032,770	$ 132,529,796	$ (17,497,026)	$ 81,552,376	$ 50,977,420

The Statement of Cash Flows on pages 15 and 16 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. Our primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had $271.1 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2008, our net capital assets were $261.7 million. The District is currently in the middle of a major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds resulting from voter-approved Measure A 2002 and Measure A+ 2006. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought in to the depreciable Buildings and Improvement category.

Capital projects are continuing through the 2009-2010 fiscal year and beyond with primary funding through our general obligation bond.

Table 5

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	$ 48,485,961	$ 15,852,478	$ 7,171,181	$ 57,167,258
Buildings and improvements	266,531,289	6,856,042	45,528	273,341,803
Furniture and equipment	44,161,755	2,667,481	48,142	46,781,094
Subtotal	359,179,005	25,376,001	7,264,851	377,290,155
Accumulated depreciation	(97,513,230)	(8,797,042)	(79,991)	(106,230,281)
	$ 261,665,775	$ 16,578,959	$ 7,184,860	$ 271,059,874

Obligations

At the end of the 2008-2009 fiscal year, the District had $176 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Contra Costa Community College District boundaries. Other obligations for the District includes Certificates of Participation issued to fund the student center and bookstore building project at Diablo Valley College and a Note Payable to fund energy retrofitting projects.

In addition to the above obligations, the District is obligated to employees of the District for vacation and load banking benefits and lease purchase agreements for equipment.

Table 6

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation bonds	$ 184,890,000	$ -	$ 8,840,000	$ 176,050,000
COPs and notes payable	1,110,000	-	60,000	1,050,000
OPEB (retiree benefits)	19,544,083	22,986,100	8,546,774	33,983,409
Other liabilities	15,320,070	1,295,154	385,401	16,229,823
Total Long-Term Debt	$ 220,864,153	$ 24,281,254	$ 17,832,175	$ 227,313,232
Amount due within one year				$ 3,586,274

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Governing Board adopted the final amendment to the budget for the 2008-2009 fiscal year on September 30, 2009.

Within the Unrestricted General Fund, operating costs have continually increased. The State Budget has not kept pace with the increased operating costs, primarily in health and welfare benefits, especially in regards to the need to recognize post retirement benefits. Contra Costa CCD has continued to set aside funding for this long-term liability and in 2008-2009 established an irrevocable trust that was funded with $9.1 million in July 2009. An additional $41.8 million is invested in a restricted reserve fund.

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

The economic position of the District is closely tied to the State of California as State apportionments and property taxes allocated to the District represent approximately 83 percent of the total unrestricted sources of revenues received within the General Fund. As in 2008-2009, similar general revenue shortfalls are expected in addition to statewide budget reductions included in the 2009-10 enacted State budget. The California Community College System Office is addressing some of these budget cuts through workload adjustments, i.e. reduction in the number of full-time equivalent students (FTES) funded. While the statutory cost of living adjustment (COLA) has been determined to be 4.25% for 2009-10, for the second year in a row California community colleges will see a zero funding COLA and 2010-2011 is expected to be the same.

The funding formula for the 2009-2010 is not expected to adversely affect the District in its first year of implementation due largely to the establishment of reserves by the Governing Board in excess of the mandatory minimum. The District has conservatively approached the inevitable budget reductions with a two-year step down. In 2009-2010, the colleges and District Office/District-wide Services have been tasked with reducing their operating budgets by nearly $11.5 million. One-time funding sources (including undesignated reserves) have been identified to soften the cuts, but on-going sources will be identified for 2010-2011. It is expected that $4 million more will need to be cut in 2010-11, in addition to the current $8 million.

After several years of declining enrollment the District enrollment has increased in 2008-2009; this is significantly attributed to the State's high unemployment rate and the increased demand for retraining and lower division courses. With the current budget situation, the District continues to monitor enrollment and operating costs of the District to ensure ongoing financial stability and retain the reserve levels required by our Governing Board and the State Chancellor's Office.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Contra Costa Community College District, Finance Department, (925) 229-1000.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND 2008

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents	$ 29,798,206	$ 45,409,687
Investments	245,323	362,872
Restricted cash and cash equivalents	85,234,564	87,120,109
Accounts receivable, net	34,086,725	42,792,075
Notes receivable - current portion	259,385	227,681
Prepaid expenses - current portion	6,746,301	6,573,069
Stores inventories	2,522,738	2,190,831
Deferred charges - current portion	62,284	73,857
Total Current Assets	158,955,526	184,750,181
Noncurrent Assets		
Investments - noncurrent portion	24,696,377	24,235,268
Deferred charges - noncurrent portion	1,233,156	919,917
Nondepreciable capital assets	57,167,258	48,485,961
Depreciable capital assets, net of depreciation	213,892,616	213,179,814
Total Noncurrent Assets	296,989,407	286,820,960
TOTAL ASSETS	455,944,933	471,571,141
LIABILITIES		
Current Liabilities		
Accounts payable	17,786,258	16,145,791
Interest payable	3,513,486	3,694,132
Claims payable	90,971	159,630
Deferred revenue	9,114,671	15,059,959
Amounts held in trust custody on behalf of others	1,631,352	9,746,556
Notes payable - current portion	60,000	60,000
Bonds payable - current portion	3,255,000	8,840,000
Lease obligations - current portion	155,248	269,375
Other long-term liabilities - current portion	116,026	9,639
Total Current Liabilities	35,723,012	53,985,082
Noncurrent Liabilities		
Compensated absences payable - noncurrent portion	14,112,822	13,181,618
Notes payable - noncurrent portion	990,000	1,050,000
Bonds payable - noncurrent portion	172,795,000	176,050,000
Lease obligations - noncurrent portion	-	155,248
OPEB Liability	33,983,409	19,544,083
Other long-term liabilities - noncurrent portion	1,845,727	1,704,190
Total Noncurrent Liabilities	223,726,958	211,685,139
TOTAL LIABILITIES	259,449,970	265,670,221
NET ASSETS		
Invested in capital assets, net of related debt	138,730,749	146,359,631
Restricted for:		
Debt service	10,710,944	13,268,851
Capital projects	7,735,995	6,005,606
Other activities	183,614	191,009
Unrestricted	39,133,661	40,075,823
TOTAL NET ASSETS	$ 196,494,963	$ 205,900,920

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
OPERATING REVENUES		
Student Tuition and Fees	$ 26,108,372	$ 22,878,441
Less: Scholarship discount and allowance	(5,033,421)	(3,780,021)
Net tuition and fees	21,074,951	19,098,420
Auxiliary Enterprise Sales and Charges		
Bookstore	12,956,786	13,343,132
Cafeteria	1,094,183	970,100
Other enterprise	2,777,826	2,766,297
TOTAL OPERATING REVENUES	37,903,746	36,177,949
OPERATING EXPENSES		
Salaries	125,039,782	119,065,699
Employee benefits	56,885,031	59,605,346
Supplies and materials	5,718,114	5,101,879
Services and other operating costs	43,534,642	23,238,236
Student financial aid	18,093,170	12,877,988
Depreciation	8,797,042	7,351,811
TOTAL OPERATING EXPENSES	258,067,781	227,240,959
OPERATING LOSS	(220,164,035)	(191,063,010)
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	68,800,023	66,840,628
Local property taxes, levied for general purposes	73,201,516	73,427,484
Taxes levied for other specific purposes	11,082,300	17,090,929
Federal revenues	20,001,260	15,075,124
State revenues, other	26,616,080	28,854,573
State taxes and other revenues	871,578	948,503
Investment income	4,435,528	6,794,437
Interest expense on capital related debt	(5,045,193)	(7,879,452)
Investment income on capital asset-related debt, net	52,910	503,734
Other nonoperating revenue	4,399,547	6,436,266
TOTAL NONOPERATING REVENUES (EXPENSES)	204,415,549	208,092,226
INCOME BEFORE OTHER REVENUES AND EXPENSES	(15,748,486)	17,029,216
State revenues, capital	3,258,836	2,088,693
Local revenues, capital	3,083,693	7,151,002
TOTAL INCOME BEFORE OTHER REVENUES AND EXPENSES	6,342,529	9,239,695
CHANGE IN NET ASSETS	(9,405,957)	26,268,911
NET ASSETS, BEGINNING OF YEAR	205,900,920	179,632,009
NET ASSETS, END OF YEAR	$ 196,494,963	$ 205,900,920

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 20,273,217	$ 16,459,052
Payments to vendors for supplies and services	(71,530,114)	(37,250,553)
Payments to or on behalf of employees	(163,228,229)	(136,344,323)
Payments to students for scholarships and grants	(18,093,170)	(13,291,028)
Auxiliary enterprise sales and charges	14,186,327	14,313,232
Other operating receipts (payments)	(9,679,912)	-
Net Cash Flows From Operating Activities	(228,071,881)	(156,113,620)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	77,275,780	45,477,983
Property taxes - nondebt related	73,201,516	73,427,484
State taxes and other apportionments	15,252,979	7,216,952
Federal grants and contracts	20,001,260	8,980,842
State grants and contracts	26,616,080	27,278,285
Local grants and contracts	4,006,271	7,224,296
Other nonoperating	1,124,264	2,355,542
Net Cash Flows From Noncapital Financing Activities	217,478,150	171,961,384
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(18,349,547)	(55,049,569)
Loss on disposal of capital assets	1,546,683	-
Proceeds from sale of bonds	-	65,928,713
Net increase on OPEB obligation	14,803,276	19,544,083
State revenue, capital projects	3,258,836	2,088,693
Local revenue, capital projects	1,550,689	7,151,002
Deferred cost on issuance	11,573	-
Principal paid on capital debt	(9,285,401)	(1,352,989)
Interest paid on capital debt	(5,225,839)	(6,477,839)
Interest received on capital asset-related debt	52,910	346,762
Net Cash Flows From Capital Financing Activities	(11,636,820)	32,178,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	-	13,492,712
Purchase of investments	(343,560)	(11,895,000)
Interest received from investments	5,077,085	1,353,088
Net Cash Flows From Investing Activities	4,733,525	2,950,800
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,497,026)	50,977,420
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	132,529,796	81,552,376
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 115,032,770	$ 132,529,796

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

STATEMENTS OF CASH FLOWS, Continued
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	$(220,164,035)	$(191,063,010)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:		
Depreciation and amortization expense	8,797,042	7,351,811
Changes in Assets and Liabilities:		
Receivables	(331,215)	21,772,247
Stores inventories	(331,907)	223,725
Prepaid expenses	(173,232)	(2,070,777)
Accounts payable and accrued liabilities	1,571,808	(5,804,202)
Deferred revenue	(9,325,138)	3,730,030
Funds held for others	(8,115,204)	9,746,556
Total Adjustments	(7,907,846)	34,949,390
Net Cash Flows From Operating Activities	$(228,071,881)	$(156,113,620)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash in banks	$ 1,307,748	$ 4,011,709
Cash in county treasury	21,186,516	28,190,283
Cash in LAIF	92,538,506	100,327,804
Total Cash and Cash Equivalents	$ 115,032,770	$ 132,529,796
NON CASH TRANSACTIONS		
On behalf payments for benefits	$ 2,873,441	$ 3,246,088

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNITS
CONTRA COSTA, DIABLO VALLEY, AND LOS MEDANOS FOUNDATIONS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

	Contra Costa	Diablo Valley	Los Medanos	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 907,310	$ 799,813	$ 831,058	$ 2,538,181
Investments	1,133,403	1,808,738	-	2,942,141
Accounts receivable	-	1,600	2,000	3,600
Prepaid expenses	-	18,146	-	18,146
Total Current Assets	2,040,713	2,628,297	833,058	5,502,068
NONCURRENT ASSETS				
Equipment, net	-	516	2,526	3,042
Total Noncurrent Assets	-	516	2,526	3,042
TOTAL ASSETS	$ 2,040,713	$ 2,628,813	$ 835,584	$ 5,505,110
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ -	$ 6,053	$ -	$ 6,053
Deferred revenue	-	127,500	-	127,500
Funds held for others	256,193	-	131,157	387,350
TOTAL LIABILITIES	256,193	133,553	131,157	520,903
NET ASSETS				
Unrestricted	980,347	(80,382)	291,303	1,191,268
Temporarily restricted	260,815	1,478,887	383,124	2,122,826
Permanently restricted	543,358	1,096,755	30,000	1,670,113
Total Net Assets	1,784,520	2,495,260	704,427	4,984,207
Total Liabilities and Net Assets	$ 2,040,713	$ 2,628,813	$ 835,584	$ 5,505,110

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT
CONTRA COSTA FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Total	2008 Total
REVENUES					
Donations	$ 214,228	$ 44,730	$ -	$ 258,958	$ 104,768
Program income	67,527	-	-	67,527	72,389
Event income, net of expenses	108,066	-	-	108,066	51,686
Investment income	11,981	22,404	-	34,385	76,707
Other income	(285)	-	-	(285)	2,142
Satisfaction of program restrictions	143,468	(143,468)	-	-	-
Total Revenues	544,985	(76,334)	-	468,651	307,692
EXPENSES					
Program services	279,631	-	-	279,631	258,176
Management and general	14,817	-	-	14,817	5,501
Fundraising	11,071	-	-	11,071	21,136
Total Expenses	305,519	-	-	305,519	284,813
CHANGE IN NET ASSETS	239,466	(76,334)	-	163,132	22,879
NET ASSETS, BEGINNING OF YEAR	740,881	337,149	543,358	1,621,388	1,598,509
NET ASSETS, END OF YEAR	$ 980,347	$ 260,815	$ 543,358	$ 1,784,520	$ 1,621,388

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT
DIABLO VALLEY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 28,197	$ 272,466	$ -	$ 300,663
District in kind support	332,462	-	-	332,462
Other in kind donations	4,478	-	-	4,478
Event income, net of expenses	86,152	-	-	86,152
Investment income (loss)	(244,887)	(42,300)	-	(287,187)
Other income	178	-	-	178
Satisfaction of program restrictions	402,939	(402,939)	-	-
Total Revenues	609,519	(172,773)	-	436,746
EXPENSES				
Program services	316,949	-	-	316,949
Management and general	270,136	-	-	270,136
Fundraising	147,228	-	-	147,228
Total Expenses	734,313	-	-	734,313
CHANGE IN NET ASSETS	(124,794)	(172,773)	-	(297,567)
NET ASSETS, BEGINNING OF YEAR	44,412	1,651,660	1,096,755	2,792,827
NET ASSETS, END OF YEAR	$ (80,382)	$ 1,478,887	$ 1,096,755	$ 2,495,260

DISCRETELY PRESENTED COMPONENT UNIT
LOS MEDANOS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 45,654	$ 218,159	$ -	$ 263,813
In kind donations	399,850	-	-	399,850
Event income, net of expenses	5,762	-	-	5,762
Interest income	18,212	2,170	-	20,382
Other income	44	-	-	44
Satisfaction of program restrictions	551,482	(551,482)	-	-
Total Revenues	1,021,004	(331,153)	-	689,851
EXPENSES				
Program services	935,992	-	-	935,992
Management and general	146,496	-	-	146,496
Total Expenses	1,082,488	-	-	1,082,488
CHANGE IN NET ASSETS	(61,484)	(331,153)	-	(392,637)
NET ASSETS, BEGINNING OF YEAR	352,787	714,277	30,000	1,097,064
NET ASSETS, END OF YEAR	$ 291,303	$ 383,124	$ 30,000	$ 704,427

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNITS
CONTRA COSTA, DIABLO VALLEY AND LOS MEDANOS FOUNDATIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Contra Costa	Diablo Valley	Los Medanos	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	$ 163,132	$ (297,567)	$ (392,637)	$ (527,072)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities				
Unrealized gain	19,163	366,358	-	385,521
Depreciation	-	775	937	1,712
Donated investments	-	(7,873)	-	(7,873)
Changes in Assets and Liabilities				
Accounts receivable	-	350	(2,000)	(1,650)
Prepaids assets	-	(10,220)	-	(10,220)
Accounts payable	-	6,053	-	6,053
Deferred revenue	-	30,460	-	30,460
Funds held for others	(35,335)	-	94,904	59,569
Net Cash Flows From Operating Activities	146,960	88,336	(298,796)	(153,529)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	122,973	1,052,826	-	1,175,799
Purchase of investments	(384,958)	(1,086,274)	-	(1,471,232)
Interest received from investments	34,385	-	-	34,385
Net Cash Flows From Investing Activities	(227,600)	(33,448)	-	(261,048)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(80,640)	54,888	(298,796)	(324,548)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	987,950	744,925	1,129,854	2,862,729
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 907,310	$ 799,813	$ 831,058	$ 2,538,181
In kind donations	$ -	$ 344,813	$ 399,850	$ 744,663

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

NOTE 1 - ORGANIZATION

Financial Reporting Entity

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

Component Units

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

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

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

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

The discretely presented component units are as follows:

- Contra Costa, Diablo Valley and Los Medanos Foundations

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

  The Foundations are not-for-profit organization under Internal Revenue Code (IRS) Section 501(c)(3) that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundations' operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made,* and FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundations' financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statements. The Contra Costa Foundation reports its activities on the cash basis.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to colleges and universities, as well as those prescribed by the California Community Colleges System's Office. The District reports are based on all applicable GASB pronouncements, as well as applicable FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The budgetary and financial accounts of the District are maintained in accordance with the State System's Office's *Budget and Accounting Manual*.

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

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

Cash and Cash Equivalents

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

Investments

Investments held at June 30, 2009 and 2008, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $1,326,000 and $1,000,000 as of June 30, 2009 and 2008.

Prepaid Expenses

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

Inventories

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

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $25,000 for building and land improvements and $1,000 for all other capital assets. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

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

Accrued Liabilities and Long-Term Obligations

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

Deferred Issuance Costs, Premiums, and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Compensated Absences

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

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

Deferred Revenue

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

Net Assets

GASB Statements No. 34 and No. 35 report equity as "Net Assets." Net assets are classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

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

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

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

None of the District's restricted net assets have resulted from enabling legislation adopted by the District.

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

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

State Apportionments

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

On-Behalf Payments

GASB Statement No. 24 requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on-behalf payments to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) on behalf of all community colleges in California. The amounts of on-behalf payments were $2,873,441 and $0 for CalSTRS and CalPERS, respectively.

Estimates

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

Property Taxes

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

The voters of the District passed General Obligation Bonds in 2002 and 2006 for the acquisition, construction, and remodeling of District capital assets. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected. The property tax revenue received for the repayment of the bonds for the years ended June 30, 2009 and 2008 was $11,082,300 and $10,832,480, respectively.

Scholarship Discounts and Allowances

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Stafford Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations,* and the related *Compliance Supplement.* During the years ended June 30, 2009 and 2008, the District distributed $1,250,672 and $246,268 in direct lending through the U.S. Department of Education. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students; however, the amounts are included on the Schedule of Expenditures of Federal Awards.

Interfund Activity

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

Foundation Presentation

The Contra Costa, Diablo Valley, and Los Medanos Foundation's present its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

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

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

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

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

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

Financial assets (Investments) are reported at fair value in accordance with SFAS No. 157.

The Foundations are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

New Accounting Pronouncements

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Classifications*. The objectives of this Statements is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. The District does not anticipate a significant impact in reporting as a result of this Statement as fund financial information is not reported.

Comparative Financial Information

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Policies and Practices

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

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

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

General Authorizations

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

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2009, consist of the following:

Cash on hand and in banks	$ 1,134,378
Cash in revolving	173,370
Investments	138,666,722
Total Deposits and Investments	$ 139,974,470
Cash and cash equivalents - current	$ 29,798,206
Cash and cash equivalents - restricted	85,234,564
Total Cash and cash equivalents	115,032,770
Investments - current	245,323
Investments - noncurrent	24,696,377
Total Investments	24,941,700
Total Deposits and Investments	$ 139,974,470

Interest Rate Risk

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

Segmented Time Distribution

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

Investment Type	Fair Value	12 Months or Less	More than 12 Months
U.S. Treasuries	$ 6,324,473	$ 134,102	$ 6,190,371
Federal Agency Bonds	8,416,485	-	8,416,485
Municipal Bonds	2,745,050	1,745,050	1,000,000
Corporate Notes	7,083,454	581,353	6,502,101
Mortgage Backed Securities	372,238	372,238	-
County Pool	21,186,516	21,186,516	-
State Investment Pool	92,538,506	92,538,506	-
Total	$ 138,666,722	$ 116,557,765	$ 22,108,957

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool and LAIF are not required to be rated, nor have they been rated as of June 30, 2009.

		Minimum						
	Fair	Legal	Rating as of Year End					
Investment Type	Value	Rating	AAA	AA	AA-	A+	A-	Unrated
U.S. Treasuries	$ 6,324,473	n/a	$ -	$ -	$ -	$ -	$ -	$ 6,324,473
Federal Agency Bonds	8,416,485	n/a	8,416,485	-	-	-	-	-
Municipal Bonds	2,745,050	A	-	1,039,630	-	704,690	1,000,730	-
Corporate Notes	7,083,454	A	1,955,102	1,034,467	2,787,523	1,306,362	-	-
Mortgage Backed Securities	372,238	A	372,238	-	-	-	-	-
County Pool	21,186,516	n/a	-	-	-	-	-	21,186,516
State Investment Pool	92,538,506	n/a	-	-	-	-	-	92,538,506
Total	$ 138,666,722		$ 10,743,825	$ 2,074,097	$ 2,787,523	$ 2,011,052	$ 1,000,730	$ 120,049,495

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2009, District's bank balances were within the FDIC limit.

NOTE 4 - ACCOUNTS RECEIVABLE

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

The accounts receivable are as follows:

	2009	2008
Federal Government		
Categorical aid	$ 2,411,467	$ 1,610,594
State Government		
Apportionment	16,266,738	21,362,645
Categorical aid	814,173	4,217,183
Lottery	1,727,287	2,424,251
Local Sources		
Interest	511,613	1,153,170
Other local sources	11,179,157	7,004,368
Total, excluding student receivables	32,910,435	37,772,211
Student receivables	2,502,826	6,091,864
Less allowance for bad debt	(1,326,536)	(1,000,000)
Student receivables, net	1,176,290	5,019,864
Total	$ 34,086,725	$ 42,792,075

Discretely Presented Component Unit

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

NOTE 5 - PREPAID EXPENSES AND OTHER ASSETS

The District has prepaid health insurance costs for periods after June 30, 2009.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2009, was as follows:

2009	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 13,651,216	$ -	$ -	$ 13,651,216
Construction in progress	34,834,745	15,852,478	7,171,181	43,516,042
Total Capital Assets Not Being Depreciated	48,485,961	15,852,478	7,171,181	57,167,258
Capital Assets Being Depreciated				
Land improvements	16,952,148	-	-	16,952,148
Buildings and improvements	249,579,141	6,856,042	45,528	256,389,655
Furniture and equipment	44,161,755	2,667,481	48,142	46,781,094
Total Capital Assets Being Depreciated	310,693,044	9,523,523	93,670	320,122,897
Total Capital Assets	359,179,005	25,376,001	7,264,851	377,290,155
Less Accumulated Depreciation				
Land improvements	14,200,464	212,805	-	14,413,269
Buildings and improvements	52,266,090	4,937,672	32,780	57,170,982
Furniture and equipment	31,046,676	3,646,565	47,211	34,646,030
Total Accumulated Depreciation	97,513,230	8,797,042	79,991	106,230,281
Net Capital Assets Being Depreciated	213,179,814	726,481	13,679	213,892,616
Net Capital Assets	$ 261,665,775	$ 16,578,959	$ 7,184,860	$ 271,059,874

Depreciation expense for the year was $8,797,042.

Capital asset activity for the District for the fiscal year ended June 30, 2008, was as follows:

2008	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 13,651,216	$ -	$ -	$ 13,651,216
Construction in progress	55,386,353	28,190,770	48,742,378	34,834,745
Total Capital Assets Not Being Depreciated	69,037,569	28,190,770	48,742,378	48,485,961
Capital Assets Being Depreciated				
Land improvements	14,914,367	2,037,781	-	16,952,148
Buildings and improvements	181,073,100	69,576,818	1,070,777	249,579,141
Furniture and equipment	38,295,914	6,784,850	919,009	44,161,755
Total Capital Assets Being Depreciated	234,283,381	78,399,449	1,989,786	310,693,044
Total Capital Assets	303,320,950	106,590,219	50,732,164	359,179,005
Less Accumulated Depreciation				
Land improvements	14,055,585	144,879	-	14,200,464
Buildings and improvements	48,069,108	4,207,690	10,708	52,266,090
Furniture and equipment	28,931,023	2,999,242	883,589	31,046,676
Total Accumulated Depreciation	91,055,716	7,351,811	894,297	97,513,230
Net Capital Assets Being Depreciated	143,227,665	71,047,638	1,095,489	213,179,814
Net Capital Assets	$ 212,265,234	$ 99,238,408	$ 49,837,867	$ 261,665,775

Depreciation expense for the year was $7,351,811.

Discretely Presented Component Unit

All of the Foundations' capital assets are equipment purchases. At June 30, 2009, total equipment and accumulated depreciation were $7,371 and $4,329, respectively. Depreciation expense as of June 30, 2009 was $1,712.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	2009	2008
Accrued payroll	$ 9,656,464	$ 6,330,410
Construction	2,639,866	2,798,272
Vendors	5,489,928	7,017,109
Total	$ 17,786,258	$ 16,145,791

NOTE 8 - DEFERRED REVENUE

Deferred revenue consisted of the following:

	2009	2008
Federal financial assistance	$ -	$ 123,544
State categorical aid	4,825,109	1,321,715
Enrollment and other student fees	3,569,339	8,214,647
Other local	720,223	5,400,053
Total	$ 9,114,671	$ 15,059,959

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Balances owing between funds at year-end were for interfund balances at June 30, 2009 and 2008, have been eliminated in the consolidation process.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers between funds of the District have been eliminated in the consolidation process.

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2009 fiscal year consisted of the following:

	Balance Beginning of Year	Additions/ Adjustment	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	$ 184,890,000	$ -	$ 8,840,000	$ 176,050,000	$ 3,255,000
Certificates of participation	1,110,000	-	60,000	1,050,000	60,000
Debt premium, net	1,713,829	363,950	116,026	1,961,753	116,026
Total Bonds and Notes Payable	187,713,829	363,950	9,016,026	179,061,753	3,431,026
Other Liabilities					
Compensated absences	13,181,618	931,204	-	14,112,822	-
Capital leases	424,623	-	269,375	155,248	155,248
Net OPEB obligation	19,544,083	22,986,100	8,546,774	33,983,409	-
Total Other Liabilities	33,150,324	23,917,304	8,816,149	48,251,479	155,248
Total Long-Term Debt	$ 220,864,153	$ 24,281,254	$ 17,832,175	$ 227,313,232	$ 3,586,274

The changes in the District's long-term obligations during the 2008 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	$ 112,900,000	$ 73,000,000	$ 1,010,000	$ 184,890,000	$ 8,840,000
Certificates of participation	1,165,000	-	55,000	1,110,000	60,000
Debt premium, net	1,556,023	231,336	73,530	1,713,829	9,639
Total Bonds and Notes Payable	115,621,023	73,231,336	1,138,530	187,713,829	8,909,639
Other Liabilities					
Compensated absences	11,519,560	1,662,058	-	13,181,618	-
Capital leases	664,455	48,157	287,989	424,623	269,375
Net OPEB obligation	-	27,172,200	7,628,117	19,544,083	-
Total Other Liabilities	12,184,015	27,220,357	7,916,106	33,150,324	269,375
Total Long-Term Debt	$ 127,805,038	$ 100,451,693	$ 9,054,636	$ 220,864,153	$ 9,179,014

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

Description of Bonds

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

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

In May 2006, the District issued the third series in the amount of $25,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2007 through August 2027. Annual interest rates range from 4.0% to 4.5%.

On June 6, 2006, $286,500,000 in general obligation bonds were authorized by the voters under Proposition 39/Measure A+ in an election held within the Contra Costa Community College District. In August 2007, the District issued its first series in the amount of $73,000,000. The bonds require annual principal payments and semi-annual interest payments beginning August 2008 through August 2028. Annual interest rates range from 4.0% to 5.0%.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2008	Redeemed	Bonds Outstanding June 30, 2009
6/11/2002	8/1/2026	3.5%-6%	$ 50,000,000	$ 44,100,000	$ 600,000	$ 43,500,000
8/11/2004	8/1/2029	4.0%-5.5%	45,000,000	43,125,000	325,000	42,800,000
4/25/2006	8/1/2030	4.0%-4.5%	25,000,000	24,665,000	515,000	24,150,000
8/2/2007	8/1/2032	4.0%-5.0%	73,000,000	73,000,000	7,400,000	65,600,000
				$ 184,890,000	$ 8,840,000	$ 176,050,000

The bonds mature through 2029 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2010	$ 3,255,000	$ 8,349,180	$ 11,604,180
2011	3,540,000	8,175,230	11,715,230
2012	3,855,000	7,989,881	11,844,881
2013	4,185,000	7,791,043	11,976,043
2014	4,530,000	7,570,355	12,100,355
2015-2019	28,035,000	34,169,173	62,204,173
2020-2024	39,670,000	26,525,779	66,195,779
2025-2029	55,170,000	15,322,313	70,492,313
2030-2033	33,810,000	2,429,798	36,239,798
Total	$ 176,050,000	$ 118,322,752	$ 294,372,752

Certificates of Participation

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

Year Ending June 30,	Principal	Interest	Total
2010	$ 60,000	$ 63,000	$ 123,000
2011	65,000	59,400	124,400
2012	70,000	55,500	125,500
2013	75,000	51,300	126,300
2014	80,000	46,800	126,800
2015-2019	475,000	156,000	631,000
2020-2021	225,000	20,400	245,400
Total	$ 1,050,000	$ 452,400	$ 1,502,400

Capital Leases

The District has entered into various capital lease arrangements and has recorded capital assets in the amount of $2,166,463 with corresponding depreciation of $1,662,043 at June 30, 2009. The District's liability on lease agreements with option to purchase is summarized below:

Year Ending June 30,	Lease Payment
2010	$ 142,062
2011	8,356
2012	5,712
2013	5,236
Total	161,366
Less: Amount Representing Interest	6,118
Present Value of Minimum Lease Payments	$ 155,248

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

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

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2008-2009, the District contributed $1,000,000 to a special reserve fund designated for future premiums.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 23,290,200
Interest on net OPEB obligation	909,000
Adjustment to annual required contribution	(1,213,100)
Contributions made	(8,546,774)
Increase in net OPEB obligation	14,439,326
Net OPEB obligation, beginning of year	19,544,083
Net OPEB obligation, end of year	$ 33,983,409

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year were as follows:

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2009	$ 23,290,200	28%	$ 33,983,409

Funding Status and Funding Progress

Actuarial valuation 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 contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follow the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July1, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), if the Plan is not being funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. Healthcare cost trend rates ranged from an initial 7.5 percent to an ultimate rate of 12 percent. The cost trend rate used for the Dental and Vision Programs was 6.5 percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2009, was 29 years. The actuarial value of assets was not determined in this actuarial valuation.

NOTE 12 - LEASE REVENUES

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

NOTE 13 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year ending June 30, 2009, the District contracted with the Bay Area Community College District Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2008-2009, the District participated in the Contra Costa Schools Insurance Group Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits
Contra Costa Schools Insurance Group	Workers' Compensation	State Statutory Limit
Statewide Association of Community Colleges	Liability	$25,000,000 per occurance
Statewide Association of Community Colleges	Property	$250,000,000 per occurance

Employee Medical Benefits

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

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2007 to June 30, 2009:

	Property and Liability
Liability Balance, July 1, 2007	$ 106,024
Claims and changes in estimates	71,808
Claims payments	18,202
Liability Balance, June 30, 2008	159,630
Claims and changes in estimates	721,227
Claims payments	789,886
Liability Balance, June 30, 2009	$ 90,971
Assets Available to Pay Claims at June 30, 2009	$ 1,570,142

NOTE 14 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 95826.

Funding Policy

Active members are required to contribute 8.0 percent of their salary while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-2009 was 8.25 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's total contributions to CalSTRS for the fiscal years ended June 30, 2009, 2008, and 2007, were $5,253,436, $5,110,375, and $7,449,721, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95811.

Funding Policy

Active plan members are required to contribute seven percent of their salary (seven percent of monthly salary over $133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2008-2009 was 9.428percent of annual payroll. The District's contributions to CalPERS for fiscal years ending June 30, 2009, 2008, and 2007, were $3,530,999, $3,476,364, and $3,032,200, respectively, and equaled 100 percent of the required contributions for each year.

Other

As established by Federal law, all public section employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Cash Balance Plan as its alternative plan. The Cash Balance Plan (CB Plan), is an alternative to the STRS contribution plan for instructors. Instructors who choose not to sign up for STRS or FICA may participate in the CB plan. The District contribution rate for the year ended June 30, 2009, was 4% of annual payroll. Contributions for the year ended June 30, 2009, were $395,917.

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

On-Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS which amounted to $2,873,441, $3,246,088, for the years ended June 30, 2009, and 2008, respectively and were (4.517 percent) of salaries subject to CalSTRS. A contribution to CalPERS was not required for the years ended June 30, 2009 or, 2008. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

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

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2009.

Operating Leases

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are as follows:

Year Ending June 30,	Facility Leases
2010	$ 1,201,956
2011	544,536
2012	578,420
2013	112,884
Total	$ 2,437,796

Related Party Transactions

The District provides facilities, staff, and operational support to each of the three Foundations.

Construction Commitments

As of June 30, 2009, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
2006 Bond		
Diablo Valley		
Common area development (Quad)	$ 2,588,382	Oct-12
Athletic fields	30,000	Aug-09
Parking lot repaving	830,418	Sep-09
Los Medanos		
Athletic fields	256,832	Jul-09
Student Services	1,313,166	Sep-11
Nursing/EMT remodel	500,728	Apr-11
Contra Costa		
Athletic fields	296,752	Feb-10
College Center	25,115	2012
District Wide		
Solar panels and energy measures	245,246	Aug-09
IT Infrastructure	129,167	To be determined
Total 2006 Bond	6,215,806	
2002 Bond		
Diablo Valley		
Parking island landscaping	490,350	Nov-09
Los Medanos		
Core building remodel	365,846	Aug-09
Scoreboard	3,916	Aug-09
Science Building	15,000	Nov-09
Learning Resource Center	134,669	Sep-09
Art area remodel	156,659	Mar-10
Contra Costa		
Student Services	378,820	Jul-09
Library building	1,100	Sep-09
Bio Science	216,903	Oct-09
Library Arts building - seismic	118,994	Jan-10
Total 2002 Bond	1,882,257	
Campus Projects		
EETEC	8,603	Aug-09
Generator	35,006	Feb-10
New irrigation	15,100	Mar-10
Replace 2 AC unit-music	33,758	Jul-09
Total Campus Projects	92,467	
Total All Projects	$ 8,190,530	

The projects are funded through a combination of general obligation bonds, certificates of participation, and capital project apportionments from the State Chancellor's Office.

Deferral of State Apportionments

Due to the inability of the California State legislature to enact a budget by June 30, 2009, certain apportionments owed to the District for funding of FTES, categorical programs, and construction reimbursements which are attributable to the 2008-2009 fiscal year have been deferred to the 2009-2010 fiscal year. The total amount of funding deferred into the 2009-2010 fiscal year and received in July 2009 was $10.9 million. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years.

NOTE 16 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

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

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

During the year ended June 30, 2009, the District made payments of $2,253,932 and $842,559 to Contra Costa Schools Insurance Group and Bay Area Community College District JPA, respectively.

NOTE 17 – SUBSEQUENT EVENT

On July 30, 2008, the District Governing Board adopted Resolution No. 5-C to approve the establishment of the Futuris Public Investment Trust (Trust). The Trust is irrevocable and was established solely for the purpose of investing and disbursing funds designated by the District for employee retiree health benefits. On June 24, 2009, the Board authorized $9.1 million of the funds allocated to OPEB to be invested into the irrevocable trust. The $9.1 million was not transferred to the Trust until July 2009.

REQUIRED SUPPLEMENTARY INFORMATION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
June 30, 2006	$ -	$ 335,136,700	$ 335,136,700	-	$ 65,849,200	509%
June 30, 2008	$ -	$ 262,768,400	$ 262,768,400	-	$ 70,661,000	372%

SUPPLEMENTARY INFORMATION

DISTRICT ORGANIZATION
JUNE 30, 2009

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

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Sheila A. Grilli	President	2010
Dr. Anthony T. Gordon	Vice President	2010
John T. Neiedly	Secretary	2010
Jess H. Reyes	Member	2012
Tomi Van de Brooke	Member	2012
Bundit Kertbundit	Student Trustee	2009

ADMINISTRATION

Dr. Helen Benjamin	Chancellor
Kindred Murillo	Vice Chancellor, District-wide Administrative Services
Ms. Judy Breza	Director, Fiscal Services

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION		
Title V, Hispanic Serving Institutions	84.031S	$ 527,894
TRIO talent search	84.044	314,933
Childcare Access Means Parents In School	84.335	50,264
Higher Educational Institutional Aid	84.031	51,895
Bridges To The Future	84.116	50,043
Minority Science Improvement	84.120A	72,644
STUDENT FINANCIAL AID CLUSTER		
Federal Pell Grant Programs	84.063	16,152,385
Federal Supplemental Educational Opportunity Grant - SEOG	84.007	387,494
Federal College Work Study - FWS	84.033	333,203
Federal Family Education Loans	84.032	1,250,672
Academic Competitiveness Grant	84.375	119,950
PASS THROUGH FUNDS		
Career Technical Education Act Title IC	84.048	1,013,288
Career Technical Education Act Title II	84.049	221,919
Tech Prep Career Exploration	84.049	27,739
Tech Prep Demonstration	84.353	166,388
Total U.S. Department of Education		20,740,711
NATIONAL SCIENCE FOUNDATION		
Computer Science, Engineering, and Mathematics Scholarship Program (CSEMS)	47.076	37,887
National Science Foundation	47.076	37,547
National Science Foundation Stem	47.076	76,150
Total National Science Foundation		151,584
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
PASS THROUGH FUNDS		
Foster Parent Training	93.600	301,031
Foster Care Title IV-E	93.658	50,550
Temporary Assistance for Needy Families (TANF)	93.558	137,763
Total U.S. Department of Health and Human Services		489,344
U.S. DEPARTMENT OF LABOR		
President's Community Training	17.269	322,650
Total Expenditures of Federal Awards		$21,704,289

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

	Program Revenues				Total
Program	Cash Received	Accounts Receivable	Deferred Income	Total Revenue	Program Expenditures
AB1725 Staff Diversity	$ 142,063	$ -	$ 108,163	$ 33,900	$ 33,900
Basic Skills	2,814,833	-	1,431,587	1,383,246	1,383,246
AB602 Board Financial Aid Staffing	968,598		20,380	948,218	948,220
California High School Exit Exam Grant	-	55,004	-	55,004	55,004
Cal Grants	1,331,508	101,835	-	1,433,343	1,433,343
CalWORKS	761,766	-	-	761,766	761,766
CARE	414,069	-	9,737	404,332	404,332
Career Tech Community Colleges	807,249	-	573,271	233,978	233,978
Career Tech Education	142,213	-	119,800	22,413	22,413
Career Tech Project Supplement	99,991	-	99,991	-	-
Career Tech Workforce Innovation	399,997	-	316,257	83,740	83,740
CGTR Center Grant	289,297	-	41,195	248,102	248,102
Disabled Student Program and Services	3,003,338	-	17,434	2,985,904	2,985,903
Energy Systems	210,000	39,698	-	249,698	249,698
Environmental Tech Leadership	172,426	31,088	-	203,514	203,514
Extended Opportunity Programs and Services	2,997,950	-	156,579	2,841,371	2,841,370
Evaluation & Technology Support	41,614	32,000	-	73,614	73,614
Faculty and Staff Development	135,397	-	43,438	91,959	91,959
Foster Parent Training	103,057	174,817	-	277,874	277,874
Foster Relative	-	16,850	-	16,850	16,850
IDRC EETEC Grant	251,997	27,261	-	279,258	279,258
Instructional Equipment, One-time	252,683	-	252,683	-	-
Instructional Equipment, On-going	1,883,949	-	1,045,760	838,189	838,189
Lottery	1,901,659	1,376,888	-	3,278,547	3,278,547
Lottery, Prop 20	11,119	350,399	-	361,518	361,518
Matriculation-(Credit)	1,947,952	-	102,564	1,845,388	1,845,388
Matriculation-(Non-Credit)	8,949	-	-	8,949	8,949
MCHS SciMath	7,708	114,138	-	121,846	121,846
Nursing Capacity Building	306,112	-	142,225	163,887	163,887
Part-Time Insurance	119,526	-	-	119,526	119,526
Part-Time Faculty Allocation	1,325,370	-	-	1,325,370	1,325,370
Part-Time Faculty Office Hours	387,813	-	-	387,813	387,813
RN Enrollment Growth	229,075	-	110,086	118,989	118,989
Scheduled Maintenance, On-going	326,304	-	-	326,304	326,304
State Pre-School	1,296,543	91,520	-	1,388,063	1,388,063
Strengthening Existing Programs	229,799	-	53,389	176,410	176,410
Technical Support To Workforce Development	83,466	-	1	83,465	83,465
Transfer and Articulation	9,000	-	4,000	5,000	5,000
TTIP	308,200	-	176,569	131,631	131,631
Workability III	54,984	129,962	-	184,946	184,946
Subtotal	$ 25,777,574	$ 2,541,460	$ 4,825,109	$ 23,493,925	$ 23,493,925

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT - ANNUAL/ACTUAL ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2009

CATEGORIES	Revised Reported Data *	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2008 only)			
1. Noncredit	28	-	28
2. Credit	1,031	-	1,031
B. Summer Intersession (Summer 2009 - prior to July 1, 2009)			
1. Noncredit	-	-	-
2. Credit	211	-	211
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	21,726	-	21,726
(b) Daily Census Contact Hours	1,970	-	1,970
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	215	-	215
(b) Credit	1,437	-	1,437
3. Independent Study/Work Experience Education Courses			
(a) Weekly Census Procedure Courses	885	-	885
(b) Daily Census Procedure Courses	1,062	-	1,062
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	28,566	-	28,566
Supplemental Information (subset of above information)			
E. In Service Training Courses (FTES)	-	-	-
H. Basis Skills Courses and Immigrant Education			
(a) Noncredit	62	-	62
(b) Credit	1,610	-	1,610

* Revised on October 1, 2009.

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Summarized below are the fund balance reconciliations between the Annual Financial and Budget Report (CCFS-311) and the fund financial statements.

	Other Special Revenue	Bond Interest and Redemption	Revenue Bond Interest and Redemption	Capital Outlay Projects Fund	Revenue Bond Construction Fund	Bookstore
FUND BALANCE						
Balance, June 30, 2009, (CCFS-311)	$ 220,274	$ 2,265,232	$ 2,182,228	$ 7,887,925	$ 52,308,241	$ 976,481
Adjustments	(36,660)	2,248,872	1,264,612	(151,930)	(484,061)	(8,946)
Balance, June 30, 2009, Fund Financial Statement	$ 183,614	$ 4,514,104	$ 3,446,840	$ 7,735,995	$ 51,824,180	$ 967,535

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEETS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Amounts Reported in the Statement of Net Assets are Different Because:		
Total Fund Balance - All District Funds		**$ 152,763,237**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 377,290,155	
Accumulated depreciation is	(106,230,281)	271,059,874
Capital assets recorded in proprietary funds		(722,582)
A fiduciary fund is used by the District's management to account for the activities of the student financial aid services. The assets and liabilities of the financial aid fund are included with governmental activities.		549,057
Expenditures relating to issuance of debt were recognized in modified accrual basis, but should not be recognized in accrual basis.		1,295,440
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.		(3,513,486)
Internal Service funds are used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.		2,376,655
Long-term liabilities at year end consist of:		
Bonds payable	176,050,000	
Bond premiums, net of amortization	1,961,753	
Capital leases payable	155,248	
Contracts payable	1,050,000	
Compensated absences (vacations)	14,112,822	
OPEB Benefits	33,983,409	(227,313,232)
Total Net Assets		**$ 196,494,963**

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2009

	General Unrestricted	General Restricted	Retiree Benefits	Other Special Revenue
ASSETS				
Cash and cash equivalents	$21,422,973	$ 3,053,134	$ 27,025,509	$ 93,269
Investments	-	-	24,696,377	133,905
Accounts receivable	21,029,860	5,355,555	206,664	-
Due from other funds	10,788,543	1,442,086	1,001,439	-
Prepaid expenses	5,360,902	916	-	49,709
Total Assets	$58,861,663	$ 9,851,691	$ 52,929,989	$ 276,883
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	$11,000,366	$ 2,769,419	$ 5,410	$ -
Due to other funds	14,859,965	1,524,121	48,068	93,269
Other current liabilities	-	16,696	-	-
Deferred revenue	3,569,339	5,541,455	-	-
Total Liabilities	29,429,670	9,851,691	53,478	93,269
FUND EQUITY				
Fund Balances				
Reserved	14,570,592	-	-	183,614
Unreserved				
Designated	608,215	-	52,876,511	-
Undesignated	14,253,186	-	-	-
Total Fund Equity	29,431,993	-	52,876,511	183,614
Total Liabilities and Fund Equity	$58,861,663	$ 9,851,691	$ 52,929,989	$ 276,883

See accompanying note to additional supplementary information.

Bond Interest and Redemption	Other Debt Service	Capital Outlay Projects	Revenue Bond Construction	Total Governmental Fund (Memorandum Only)
$ 7,890,579	$ 2,750,000	$ 2,184,348	$ 52,800,828	$ 117,220,640
-	-	-	-	24,830,282
70,365	-	4,579,064	203,425	31,444,933
-	-	1,436,523	212,507	14,881,098
-	-	-	1,297,161	6,708,688
$ 7,960,944	$ 2,750,000	$ 8,199,935	$ 54,513,921	$ 195,345,026
$ -	$ -	$ 254,680	$ 2,385,186	$ 16,415,061
-	-	209,260	304,555	17,039,238
-	-	-	-	16,696
-	-	-	-	9,110,794
-	-	463,940	2,689,741	42,581,789
7,960,944	2,750,000	7,735,995	51,824,180	85,025,325
-	-	-	-	53,484,726
-	-	-	-	14,253,186
7,960,944	2,750,000	7,735,995	51,824,180	152,763,237
$ 7,960,944	$ 2,750,000	$ 8,199,935	$ 54,513,921	$ 195,345,026

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	General Unrestricted	General Restricted	Retiree Benefits	Other Special Revenue
REVENUES				
Federal revenues	$ 28,465	$ 3,373,528	$ -	$ -
State revenues	77,522,368	17,228,576	-	-
Local revenues	97,236,804	3,053,982	2,579,741	655
Total Revenues	174,787,637	23,656,086	2,579,741	655
EXPENDITURES				
Current Expenditures				
Academic salaries	75,282,817	4,256,061	-	-
Classified salaries	34,340,401	6,732,985	-	-
Employee benefits	38,636,243	2,460,954	-	-
Books and supplies	3,309,059	2,284,200	-	-
Services and operating expenditures	16,702,271	6,873,433	128,552	-
Capital outlay	2,305,259	1,027,651	-	-
Debt service - principal	99,674	137,510	-	60,000
Debt service - interest and other	6,640	8,245	-	73,797
Total Expenditures	170,682,364	23,781,039	128,552	133,797
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,105,273	(124,953)	2,451,189	(133,142)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	15,587,680	145,310	1,000,000	125,747
Operating transfers out	(17,660,010)	(20,357)	-	-
Other sources	250	-	-	-
Other uses	(22,474)	-	-	-
Total Other Financing Sources (Uses)	(2,094,554)	124,953	1,000,000	125,747
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,010,719	-	3,451,189	(7,395)
FUND BALANCE, BEGINNING OF YEAR	27,421,274	-	49,425,322	191,009
FUND BALANCE, END OF YEAR	$ 29,431,993	$ -	$ 52,876,511	$ 183,614

See accompanying note to additional supplementary information.

Bond Interest and Redemption	Other Debt Service	Capital Outlay Projects	Revenue Bond Construction	Total Governmental Fund (Memorandum Only)
$ -	$ -	$ -	$ -	$ 3,401,993
103,394	-	3,258,836	-	98,113,174
11,135,210	-	1,550,689	1,244,761	116,801,842
11,238,604	-	4,809,525	1,244,761	218,317,009
-	-	-	-	79,538,878
-	-	-	298,401	41,371,787
-	-	-	95,173	41,192,370
-	-	-	-	5,593,259
-	-	-	885,689	24,589,945
-	-	4,070,735	14,968,020	22,371,665
8,840,000	-	-	-	9,137,184
4,956,511	-	-	-	5,045,193
13,796,511	-	4,070,735	16,247,283	228,840,281
(2,557,907)	-	738,790	(15,002,522)	(10,523,272)
-	-	991,599	-	17,850,336
-	-	-	-	(17,680,367)
-	-	-	-	250
-	-	-	-	(22,474)
-	-	991,599	-	147,745
(2,557,907)	-	1,730,389	(15,002,522)	(10,375,527)
10,518,851	2,750,000	6,005,606	66,826,702	163,138,764
$ 7,960,944	$ 2,750,000	$ 7,735,995	$ 51,824,180	$ 152,763,237

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUNDS
BALANCE SHEETS
JUNE 30, 2009

	Enterprise Funds				
	Cafeteria	Bookstore	Information Technology	Total	Internal Service Fund
ASSETS					
Cash and cash equivalents	$ 27,962	$ 276,552	$ -	$ 304,514	$ -
Accounts receivable	325	1,013,124	8,284	1,021,733	723,802
Due from other funds	236,667	118,079	1,645,330	2,000,076	846,340
Stores inventories	3,552	2,519,186	-	2,522,738	-
Furniture and equipment (net)	15,853	545,780	160,949	722,582	-
Total Assets	$ 284,359	$ 4,472,721	$ 1,814,563	$ 6,571,643	$ 1,570,142
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Overdrafts	$ 112,983	$ 2,897,967	$ 1,231,311	$ 4,242,261	$ 110,643
Accounts payable	34,387	435,626	10,107	480,120	90,971
Due to other funds	21,825	163,176	116	185,117	647,601
Capital lease	-	8,417	-	8,417	-
Total Liabilities	169,195	3,505,186	1,241,534	4,915,915	849,215
FUND EQUITY					
Retained earnings	115,164	967,535	573,029	1,655,728	720,927
Total Liabilities and Fund Equity	$ 284,359	$ 4,472,721	$ 1,814,563	$ 6,571,643	$ 1,570,142

See accompanying note to additional supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds				
	Cafeteria	Bookstore	Information Technology	Total	Internal Service Fund
OPERATING REVENUES					
Sales revenues	$ 1,094,183	$ 12,956,786	$ 2,777,826	$ 16,828,795	$ 1,533,004
OPERATING EXPENSES					
Classified salaries	338,865	2,087,628	1,696,840	4,123,333	5,784
Employee benefits	97,566	617,275	537,592	1,252,433	902
Books and supplies	32,919	56,569	35,367	124,855	-
Services and other operating expenditures	624,164	10,117,238	184,294	10,925,696	1,089,638
Capital outlay	541	13,028	8,466	22,035	47,149
Interest expense	-	1,269	-	1,269	-
Depreciation	4,148	249,198	79,317	332,663	-
Total Operating Expenses	1,098,203	13,142,205	2,541,876	16,782,284	1,143,473
Operating Income (Loss)	(4,020)	(185,419)	235,950	46,511	389,531
NONOPERATING REVENUES (EXPENSES)					
Interest income	-	-	-	-	4,962
Operating transfers in	103,084	-	46,670	149,754	200,000
Operating transfers out	-	(421,340)	-	(421,340)	(33,196)
Total Nonoperating Revenues (Expenses)	103,084	(421,340)	46,670	(271,586)	171,766
NET INCOME (LOSS)	99,064	(606,759)	282,620	(225,075)	561,297
RETAINED EARNINGS, BEGINNING OF YEA	16,100	1,574,294	290,409	1,880,803	159,630
RETAINED EARNINGS, END OF YEAR	$ 115,164	$ 967,535	$ 573,029	$ 1,655,728	$ 720,927

See accompanying note to additional supplementary information.

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds					
	Cafeteria	Bookstore	Regional Training Institute	Information Technology	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from user charges	$ 1,093,858	$ 12,863,747	$ -	$ 2,791,806	$ 16,749,411	$ -
Cash payments to employees for services	(436,431)	(2,704,903)	-	(2,234,432)	(5,375,766)	(6,686)
Cash payments for insurance claims	-	-	-	-	-	1,533,004
Cash payments to suppliers for goods and services	(645,869)	(10,155,038)	-	(171,896)	(10,972,803)	(1,055,816)
Cash payments for other operating expenses	-	(1,269)	-	-	(1,269)	(723,802)
Net Cash Provided (Used) for Operating Activities	11,558	2,537	-	385,478	399,573	(253,300)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due from/to other funds	47,352	(535,245)	(10,325)	(1,606,935)	(2,105,153)	(31,935)
Net Cash Provided (Used) from Noncapital Financing Activities	47,352	(535,245)	(10,325)	(1,606,935)	(2,105,153)	(31,935)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payment of capital lease principal	-	(40,970)	-	-	(40,970)	-
Acquisition of capital assets	(11,431)	-	-	(8,037)	(19,468)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(11,431)	(40,970)	-	(8,037)	(60,438)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	-	-	-	-	-	4,962
Net Cash Provided (Used) from Investing Activities	-	-	-	-	-	4,962
Net increase-decrease in cash and cash equivalents	47,479	(573,678)	(10,325)	(1,229,494)	(1,766,018)	(280,273)
Cash and cash equivalents - Beginning	(132,500)	(2,047,737)	10,325	(1,817)	(2,171,729)	169,630
Cash and cash equivalents - Ending	$ (85,021)	$ (2,621,415)	$ -	$ (1,231,311)	$ (3,937,747)	$ (110,643)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	$ (4,020)	$ (185,419)	$ -	$ 235,950	$ 46,511	$ 389,531
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,148	249,198	-	79,317	332,663	-
Changes in assets and liabilities:						
Receivables	(325)	(93,039)	-	13,980	(79,384)	(723,802)
Prepaid expenses	-	-	-	105,375	105,375	-
Inventories	-	(331,907)	-	-	(331,907)	-
Accounts payable	11,755	363,704	-	(49,144)	326,315	80,971
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 11,558	$ 2,537	$ -	$ 385,478	$ 399,573	$ (253,300)

See accompanying note to additional supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
BALANCE SHEETS
JUNE 30, 2009

	Associated Students Trust	Student Center Fee	Student Financial Aid	Scholarship and Loan
ASSETS				
Cash and cash equivalents	$ 432,576	$ 1,086,664	$ 342,484	$ 434,593
Investments	-	-	-	111,418
Accounts receivable	153	843	892,181	3,080
Due from other funds	12,276	99,227	122,495	-
Prepaid expenses	-	-	37,613	-
Total Assets	$ 445,005	$ 1,186,734	$ 1,394,773	$ 549,091
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Overdrafts	$ -	$ -	$ 668,034	$ -
Accounts payable	221	396	683,672	-
Due to other funds	13,325	31,667	39,190	34
Deferred revenue	-	-	3,877	-
Due to student groups/others	431,459	1,154,671	-	-
Total Liabilities	445,005	1,186,734	1,394,773	34
FUND EQUITY				
Fund Balances				
Reserved	-	-	-	549,057
Total Fund Equity	-	-	-	549,057
Total Liabilities and Fund Equity	$ 445,005	$ 1,186,734	$ 1,394,773	$ 549,091

See accompanying note to additional supplementary information.

Associated Students Other Trust	Total
$ 232,237	$ 2,528,554
-	111,418
-	896,257
28,373	262,371
-	37,613
$ 260,610	$ 3,836,213
$ -	$ 668,034
181,675	865,964
33,713	117,929
-	3,877
45,222	1,631,352
260,610	3,287,156
-	549,057
-	549,057
$ 260,610	$ 3,836,213

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	Student Financial Aid	Scholarship and Loan	Total
REVENUES			
Federal revenues	$ 16,599,267	$ -	$ 16,599,267
State revenues	1,433,343	-	1,433,343
Local revenues	-	12,047	12,047
Total Revenues	18,032,610	12,047	18,044,657
EXPENDITURES			
Current Expenditures			
Services and operating expenditures	-	55	55
Total Expenditures	-	55	55
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,032,610	11,992	18,044,602
OTHER FINANCING SOURCES (USES)			
Operating transfers in	60,560	-	60,560
Other uses	(18,093,170)	-	(18,093,170)
Total Other Financing Sources (Uses)	(18,032,610)	-	(18,032,610)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	11,992	11,992
FUND BALANCE, BEGINNING OF YEAR	-	537,065	537,065
FUND BALANCE, END OF YEAR	$ -	$ 549,057	$ 549,057

See accompanying note to additional supplementary information.

NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

Schedule of Expenditures of State Awards

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

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

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

Reconciliation of Annual Financial and Budget Report with Fund Financial Statements

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

Reconciliation of the Governmental Fund Balance Sheets to the Statement of Net Assets

This schedule provides a reconciliation of the adjustments necessary to bring the District's fund financial statements, prepared on a modified accrual basis, to the accrual basis required under GASB Statement No. 35.

Fund Financial Statements

The accompanying financial statements report the governmental, proprietary, and fiduciary fund activities of Contra Costa Community College District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these financial statements may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 - RECONCILIATION OF EXPENDITURES OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEM

The following is a list of the grants differences between the District's accounting records and the Schedule of Expenditures of Federal Awards.

Federal revenue per financial statements	$ 20,001,260
Federal Family Education Loans	1,250,672
Student Financial Aid	264,044
TANF	137,763
Foster Relative	50,550
Expenditures per Schedule of Expenditures of Federal Awards	$ 21,704,289

INDEPENDENT AUDITORS' REPORTS

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

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

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the financial statements of the business-type activities of the Contra Costa Community College District (the District) for the years ended June 30, 2009 and 2008, and have issued our report thereon dated December 18, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-1 to 2009-3 to be significant deficiencies in internal control over financial reporting.

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A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that the significant deficiencies described as items 2009-1 and 2009-2 above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Contra Costa 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 audits 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.*

We noted certain matters that we reported to management of Contra Costa Community College District in a separate letter dated December 18, 2009.

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

This report is intended solely for the information and use of the Board of Trustees, Finance Committee, District Management, the California Community Colleges System's Office, and the District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Contra Costa Community College District
Martinez, California

Compliance

We have audited the compliance of Contra Costa Community College District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2009. Contra Costa Community College District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Contra Costa Community College District's management. Our responsibility is to express an opinion on Contra Costa Community College District's compliance based on our audit.

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

In our opinion, Contra Costa Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2009.

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Internal Control Over Compliance

The management of Contra Costa Community College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Contra Costa Community College District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Contra Costa Community College District's internal control over compliance.

A *control deficiency* in a district's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, Finance Committee, District Management, the California Community Colleges System's Office, and the District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

REPORT ON STATE COMPLIANCE

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the compliance of Contra Costa Community College District (the District) with the types of compliance requirements described in Section 400 of the California State System's Office's *California Community College District Audit Manual (CDAM)* that are applicable to community colleges in the State of California. The specific requirements are described below.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements with State laws and regulations have occurred. An audit includes examining, on a test basis, evidence about Contra Costa 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. Our audit does not provide a legal determination of Contra Costa Community College District's compliance with those requirements.

General Directive

Section 424: MIS Implementation - State General Apportionment Funding System

Administration

Section 435: Open Enrollment

Section 437: Student Fees - Instructional Materials and Health Fees

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Apportionments

Section 423: Apportionment of Instructional Service Agreements/Contracts
Section 425: Residency Determination for Credit Courses
Section 427: Concurrent Enrollment of K-12 Students in Community College Credit Courses
Section 432: Enrollment Fee
Section 426: Students Actively Enrolled

Fiscal Operations

Section 421: Salaries of Classroom Instructors (50% Law)
Section 431: Gann Limit Calculation

Student Services

Section 428: Use of Matriculation Funds
Section 433: CalWORKs - Use of State and Federal TANF Funding

Facilities

Section 434: Scheduled Maintenance Program

In our opinion, Contra Costa Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported and are described in the accompanying schedule of findings and questioned costs as items 2009-4 and 2009-5.

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

This report is intended solely for the information of the Board of Trustees, Audit Committee, District Management, the California Community Colleges System's Office, the California Department of Finance, and the California Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2009

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	No
Identification of major programs:	

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.032, 84.033, 84.063, 84.375	Student Financial Aid Cluster
84.048	CTEA

Dollar threshold used to distinguish between Type A and Type B programs:	$ 613,609
Auditee qualified as low-risk auditee?	No

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for State programs:	Qualified

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2009

The following findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2009-1 Finding – Year End Closing Process
Material Weakness

Criteria or Specific Requirement

One element of a District's internal control over financial reporting is its ability to prepare financial statements from its trial balance in accordance with Generally Accepted Accounting Standards. This includes development of a system of internal control procedures that allow for accurate, timely closing of accounting records.

Condition

We noted that several adjustments to the District trial balance were necessary after the start of the audit. Some of these adjustments were noted by District personnel, and some were a result of our inquiries during the completion of the audit. The CCFS-311 was filed prior to the discovery of these adjustments, and therefore, these variances are included on the fund balance reconciliation page of this report.

Questioned Costs

Not applicable.

Context

Four funds required adjustments exceeding $100,000 each, totaling approximately $2.8 million after the year end close was completed. In addition, many smaller differences that were considered immaterial in relation to the financial statements as a whole, remain under investigation and some have not been reconciled or corrected.

Effect

Reconciliations and adjustments to the year end balances occurring after the filing of the form CCFS-311, and after financial reports have been presented to management and the governing board decrease the relevance and usefulness of the data that was previously provided.

Cause
Year end closing procedures were not sufficient to identify and correct errors in a timely manner.

Recommendation

We recognized that the District has made significant improvements in identifying and reconciling year end accruals decreasing the number of proposed material audit adjustments exceeding $100,000 from eight to four. We recommend that the District continue its effort in this process so that all significant accruals and adjustments presented in the CCFS-311 reflect the current, accurate finances of the District.

District Response

The District concurs with the audit recommendation to continue its effort to improve identifying and reconciling year end accruals and closing procedures. The District believes that it has made substantial improvements in this area and that the issues would not have been raised to the level of material if it had not been for the large dollar amount involved in the bond redemption fund. The district will continue to improve its year-end closing procedures to insure accurate, timely closing of accounting records.

2009-2 Finding – Payroll Clearing Accounts
Material Weakness

Criteria or Specific Requirement

Industry standards and general best practices emphasize recording transactions in a clear concise manner to provide for the transparency of the items being recorded. Transactions should be posted in a timely manner and reconciled periodically throughout the year.

Condition

We noted there are three payroll benefit liability accounts with significant balances totaling approximately $3.3 million were not supported by detail payroll clearing account reconciliations or other information.

Questioned Costs

Not applicable.

Context

The District's annual payroll and benefits expenditures total over $165 million, or 56% of total District-wide expenditures.

Effect

By not reconciling payroll related accounts in a timely manner, errors and/or misuse of accounts could occur and not be detected in timely manner. In addition, the delayed reconciliations and reviews of payroll accounts can impact the ability of the District to provide timely and accurate reporting to outside agencies of the activities during the period.

Cause

The District was unable to provide explanation and/or evidence for three payroll liability balances.

Recommendation

The District should ensure that the processing, posting, and reconciliation of payroll as well as other transactions through the general ledger system occurs in a timely manner. The detail of the payroll clearing account should be reviewed and the transaction detail should be validated through methods such as payroll exception reports designed to catch errors in entries prior to posting of the amounts to the general ledger. Exception reports can be used for various purposes, including but not limited to determining if retirement withholding or other liability amounts are being posted to non-existent general ledger accounts, or if student payroll is coded to a certificated salary account, etc.
We recommend that reconciliations be performed monthly for the payroll clearing accounts, so that any unusual items can be identified timely and investigated.

District Response

The District concurs with this recommendation as it has self-identified these as issues with the unreconciled payroll clearing account. The District will ensure that processing, posting, and reconciliation of payroll as well as transactions through the general ledger systems occurs in a timely manner. The District will establish and implement procedures to ensure that monthly reconciliations are completed and reviewed.

2009-3 Finding – Bookstore Subsidiary Ledger Reports
Significant deficiency

Criteria or Specific Requirement

Industry standards and general best practices suggest a system of internal control over bookstore operations that will provide for both the safeguarding of District-owned assets and the proper recordkeeping of each account balance.

Condition

We noted the original accounts receivable and payable detail reports did not agree with amounts reported in trial balance.

Questioned Costs

Not applicable.

Context

There was approximately $1 million in accounts receivables and $429,000 in accounts payable recorded in the Bookstore Fund.

Effect

By not maintaining proper support and reconciling assets and liabilities in a timely manner, the effect is a transaction trail of evidence that is not clear as it could be and increases the possibility that errors may occur and not be prevented or detected in a timely manner.

Cause

Accounts receivables and payables detail maintained in the bookstore system did not agree with amounts recorded in the District general ledger.

Recommendation

In order to strengthen the bookstore internal controls and therefore mitigate the potential for misappropriation, regular monitoring of the bookstore accrual transactions is recommended. Providing regular review and oversight will enhance the ability of the District to accurate account for the assets and liabilities maintained by the bookstore.

District Response

The District concurs with this recommendation and will develop and implement monitoring of the bookstore transactions. The District has already implemented consistent reporting of financials for all bookstores along with regular review and oversight of the bookstore financials.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

The following findings represent instances of noncompliance and/or questioned costs relating to State program laws and regulations.

2009-4 Finding

Criteria or Specific Requirement

Per Education Code Section 76355, districts are permitted to require students to purchase instructional materials, but must demonstrate that the District supplies the materials at a cost that is no more than the district's actual cost.

Condition

It was noted that the District does not have a systematic procedure to document the cost for the instructional material required for each class, and therefore, instructional material fees charged are not properly documented.

Questioned Costs

None.

Context

The amount set as instructional material fees may either be too high and exceed the allowable cap, or lower than the allowable amount, in which case District operations are subsidizing the instructional material purchases.

Effect

The District does not know if it is in compliance with the requirement for the upper limit on the amount established as instructional material fees.

Cause

The District was unable to provide us with invoices that support the District's cost of instructional materials.

Recommendation

The District should develop a method to keep track of all costs for instructional materials by classes and compare that cost to the fee charged to students to determine if the District has charged more than its actual costs to students

District Response

The District concurs with this recommendation and will work with the colleges to ensure development and implementation of a systematic procedure to document the costs of instructional materials, and compare those costs to the fees charged to the students.

2009-5 Finding

Criteria or Specific Requirement

A community college district may claim FTES for the attendance of K-12 pupils who take courses offered by the district under the concurrent enrollment arrangement only if it complies with specific conditions. Per Education Code Section 48800(a), the District governing board may authorize those pupils, upon recommendation of the principal of the pupil's school of attendance, and with parental consent, to attend a community college during any session or term.

Condition

During our testing of concurrently enrolled students' applications at DVC, we noted that 6 out of 15 students tested did not have evidence of approval from the principal of the pupil's school of attendance, and/or with evidence of parental consent, to attend the college courses.

Questioned Costs

We do not anticipate that this finding would have an effect on FTES claimed, however the six students in question may have been under-assessed enrollment fees if they should have been listed as a regular status student rather than a concurring enrollment student.

Context

We reviewed concurrently enrolled student files and reports at Diablo Valley College from the Fall 2008 and Spring 2009 semesters listing the number of FTES generated by this student group.

Effect

The District was out of compliance with the State requirements regarding maintaining evidence of approvals from the principal and parents for the special full time and part time students.

Cause

Diablo Valley College was unable to provide evidence of the approvals from the principal and/or parents for 6 of the 15 concurrent students tested.

Recommendation

The District should work with the College to develop procedures to review and maintain the necessary approvals for the concurrently enrolled students in order to be in compliance with the State requirement.

District Response

The District concurs with the recommendation and notes that 4 of the 15 student records were not in compliance. The college has implemented procedures at midyear FY 08-09 to review and maintain necessary approvals for the concurrently enrolled students.

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of audit findings and questioned costs.

Financial Statement Findings

2008-1 ACCOUNT RECONCILIATIONS AND FINANCIAL STATEMENTS

Criteria or Specific Requirement
One element of a District's internal control over financial reporting is its ability to prepare financial statements from its trial balance in accordance with Generally Accepted Accounting Standards. This includes development of a system of internal control procedures that allow for accurate, timely closing of accounting records.

Condition
Material Weakness - We noted that many adjustments to the District trial balance were necessary after the start of the audit. Some of these adjustments were noted by District personnel, and some were a result of our inquiries during the completion of the audit. The CCFS-311 was filed prior to the discovery of these adjustments, and therefore, these variances are included on the fund balance reconciliation page of this report

Questioned Costs
Not applicable

Context
Eight funds required adjustments totaling approximately $1.0 million after the year end close was completed. In addition, many smaller differences that were considered immaterial in relation to the financial statements as a whole, remain under investigation and have not been reconciled or corrected

Effect
Reconciliations and adjustments to the year end balances occurring after the filing of the form CCFS-311, and after financial reports have been presented to management and the governing board decrease the relevance and usefulness of the data that was previously provided.

Cause
Year end closing procedures were not sufficient to identify and correct errors in a timely manner.

Recommendation
We recommend that reconciliations and adjustments be performed prior to completion of year end reports for the board and filing of the CCFS-311, so as to reflect the most up to date, accurate amounts. Tasks and timelines for the processes involved in year end closing should be mapped out and consideration given to the appropriate level of resources necessary to complete these tasks in a timely manner that allows for reconciliations and adjustments to be completed at an earlier date.

Current Status
Partially implemented, see current year finding at 2009-1.

2008-2 Subsidiary Accounting Ledgers

Criteria or Specific Requirement
One element of a District's internal control over financial reporting is its ability to prepare accurate financial statements from its trial balance in accordance with Generally Accepted Accounting Standards. This includes maintaining and reviewing support for amounts reported in the trial balance.

Condition
Material Weakness - We noted that accounts receivable and accounts payable aging reports supporting the outstanding receivable and payable balances are not available. The District does have general ledger detail of these accounts. However, general ledger detail contains many transactions that were accrued and then subsequently reviewed and due to the large volume of detail, does not allow for a clear concise report of amounts that remain outstanding. In addition, we noted that an allowance for uncollectible receivables in the amount of $1 million has been recorded however, there is no support or rationale that was able to be located to indicate the basis on which $1 million was decided upon as a reasonable allowance for uncollectible amounts.

Questioned Costs
Not applicable

Context
Accounts receivable at June 30, 2008 totaled $43 million, of which $6 million was from student receivables. Accounts payable at June 30, 2008 totaled $26 million. These amounts include grant receivables and payables as well as other types of receivables and payables.

Effect
Without aging reports showing year end balances by name, management is not able to effectively identify for review and follow up old balances that may no longer be valid and it appears that old uncollectible or even previously collected items remain in student receivables, grant receivables and other accruals. Not having a rationale for the determination of the amount of the allowance and not updating the amount from historical levels indicates that receivables reported in the financial records may be over or under stated.

Cause
The District has not developed processes to effectively monitor receivables and payables to ensure that only valid balances remain in these accounts at the end of year fiscal year. In addition, the District has not considered the need for any change to the allowance for doubtful accounts.

Recommendation
We recommend the District determine how best to prepare management reports that will allow for review of old outstanding items and assessment of whether they continue to be valid or need to be written off.

Current Status
Partially Implemented – see finding 2009-3.

Federal Award Findings

2008-3 Vocational Education –Special Education Grants to States (CFDA #84.048)

Criteria or Specific Requirement
One objective of internal control pertaining to the compliance requirements for Federal programs is that transactions are properly recorded and accounted for to maintain accountability over assets. Institutions of higher education follow the provisions of OMB Circular A-110. Included among the compliance requirements over equipment management is a requirement that a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records.

Condition
During our review of internal controls and compliance requirements over equipment management, we noted that District management was not able to determine when the last equipment inventory observation was taken and that there is no reconciliation procedure performed between the physical inventory listing and the equipment records.

Questioned Costs
The total program expenditures during 2007-2008 was $871,226, of which $263,103 was used to purchase equipment and other capital assets.

Context
We reviewed the Student Financial Aid Federal Cluster of Programs, VATEA, Title III and Title V and compared internal control and compliance requirements to the applicable Office of Management and Budget circulars.

Effect
Equipment inventory may be overstated or understated. In addition, the disposition of an asset may not be detected and the Federal awarding agency may not receive its proportionate amount of the current fair market value of the disposed equipment.

Cause
Management has no control activity in place requiring a physical inventory observation of equipment once every two years and a corresponding reconciliation between the physical inventory listing and the equipment records.

Recommendation
We recommend that management establish a policy requiring an annual observation of equipment inventory and a reconciliation procedure between the inventory listing and equipment records. We recommend that any discrepancies between the reports should be investigated and corrected timely. Review of the reconciliation should be documented by management.

Current Status
Implemented.

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

State Award Findings

2008-4 Apportionment for Instructional Services Agreement (ISA)

Criteria or Specific Requirement
Education Code Section 84752 requires community college districts that offer ISAs to comply with following regulations in order to claim FTES for state funding:

- Program must be approved by the State Chancellor's Office and courses must be part of those approved programs or the colleges must received delegated authority to separately approve those courses,
- Courses must be open to all admitted students who meet any approved prerequisites for the courses,
- Students must be under the immediate supervision of a district employee,
- The district employee must possess valid credentials or meet the minimum qualifications required for the assignment, and
- The district and public or private agency, individual, or group of individuals with who the district has an ISA may not receive full compensation for the direct education costs for conduct of the class from any other source.

Condition
During our review of Instructional Service Agreements with Paris Beauty we found two missing items. One, which the contract does not include the signed copy stating that "funds were not received by any other outside sources" (attribute 9-10). Two, the contract fails to state the amount of FTES hours claimed by the district (attribute 1). We also found that all three contracts do not specify that they "did not receive full compensation for the direct education costs" (attribute 8).

Questioned Costs
The total 2007-08 Resident FTES of 321.05 attributable to the LMC contract with Paris Beauty School.

Context
Only one of the two contracts that the College claimed state apportionment for was out of compliance. The College has since created a master contract and we have determined that the master contract has the required disclosures. Therefore, it appears to be an isolated incident.

Effect
Certification statements verifying that the requirements of the program were not documented.

Cause
The contracts with Paris Beauty School did not include all elements required for the receipt of FTES funding.

Recommendation
We recommend the District prepare a master contract that contains all required elements and can be used for future instructional service agreements. Prior to the start of each course, the contract should be reviewed for completeness, including verification that it includes all required disclosures and has been signed by all appropriate parties. A secondary review performed as part of the preparation of the 320 Attendance Reports, where these FTES are included should be done to review the contracts and verify the FTES amounts being reported.

Current Status
Implemented.

2008-5 CalWorks

Criteria or Specific Requirement
Calworks requirements are incorporated in Education Code 79200-79203 & 84759 and the CalWORKS Program Handbook Section V (Eligibility Determination) and requirements of the State System's Office requires certain eligibility documents to be obtained and included within student files as support for eligibility determinations. Education code and the Handbook also indicate that the student's eligibility should be verified at the beginning of each semester.

Condition
The District does not have a procedure in place to document and maintain the required eligibility documentation through the County Welfare Department for each academic term the recipient was served. In addition, the eligibility of CalWORKS program is not verified at each academic term.

Questioned Costs
Program funding is $799,903 from state and $145,171 from federal sources.

Context
4 out of 10 CalWORKS students from Los Medanos College and all of ten students from Contra Costa College, selected for review of CalWorks files were missing Welfare to Work Plans in the student files. We noted that Contra Costa College has historically relied on weekly on-site visit from County coordinators, rather than obtaining Welfare to Work Plans.

Effect
The District may be at risk of providing services to individuals who are not eligible to receive the specific services from the CalWORKS and/or TANF programs.

Cause
The District does not have a procedure in place to effectively coordinate with the County Welfare Department to ensure that required documentation is obtained for each academic term the recipient was served.

Recommendation
Documentation to support the eligibility of all individuals receiving services through the CalWORKS and TANF programs should be maintained in one central program area for each site and maintained to support that services are properly provided. Student files should be checked at the beginning of each semester to determine that all required documents are included as well as the required certification from the County. Use of a checklist may assist in ensuring the student files are well organized and complete.

Current Status
Implemented.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Date of Delivery]

Governing Board
Contra Costa Community College District
Martinez, California

Contra Costa Community College District
General Obligation Bonds, Election of 2006
consisting of
$22,695,000 Series 2010A (Tax-Exempt)
and
$50,305,000 Series 2010B (Federally Taxable Build America Bonds)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Contra Costa Community College District (the "District"), which is located in the County of Contra Costa, California (the "County"), in connection with the issuance by the District of $22,695,000 aggregate principal amount of bonds designated as "Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt)" (the "Series 2010A Bonds") and $50,305,000 aggregate principal amount of bonds designated as "Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds)" (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds"), representing a portion of the $286,500,000 of bonds authorized at an election held in the District on June 6, 2006. The Bonds are issued under and pursuant to a resolution of the Governing Board of the District adopted on February 24, 2010 (the "Resolution").

In such connection, we have reviewed the Resolution, the tax certificate of the District for the Series 2010A Bonds dated the date hereof (the "Tax Certificate"), certificates of the District, the County, and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to ensure that future actions, omissions or events will not cause interest on the Series 2010A Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against community college districts and counties in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the documents mentioned in the preceding sentence. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District.

2. The Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.

3. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.

4. Interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$22,695,000 CONTRA COSTA COMMUNITY COLLEGE DISTRICT (Contra Costa County, California) General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt)	**$50,305,000 CONTRA COSTA COMMUNITY COLLEGE DISTRICT (Contra Costa County, California) General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds)**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Contra Costa Community College District (the "District") in connection with the issuance of the above-named bonds (collectively, the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Resolution") adopted by the Governing Board of the District on February 24, 2010. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Participating Underwriters" shall mean Piper Jaffray & Co. and Backstrom McCarley Berry & Co., the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2009-10 Fiscal Year (which is due not later than April 1, 2011), provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

* Adopted budget of the District for the current fiscal year, or a summary thereof.
* District student attendance.
* District outstanding debt.
* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bond holders;
8. Optional, unscheduled or contingent Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
11. Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (a)(8) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Contra Costa or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ______________, 2010.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

By ________________________________
Authorized District Representative

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of District:	CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Name of Bond Issue:	CONTRA COSTA COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2010A (TAX-EXEMPT) / SERIES 2010B (FEDERALLY TAXABLE BUILD AMERICA BONDS)
Date of Issuance:	______________, 2010

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed no later than _____________.]

Dated: _______________

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

_____________[to be signed only if filed]____________

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APPENDIX E

CONTRA COSTA COUNTY
INVESTMENT POLICY AND
DESCRIPTION OF INVESTMENT POOL

The following information has been furnished by the Office of the Treasurer-Tax Collector, County of Contra Costa. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the County Treasurer and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Treasurer-Tax Collector, 625 Court Street, Room 100, Martinez, California, 94553, phone number (925) 957-2850.

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CONTRA COSTA COUNTY

INVESTMENT POLICY

JUNE 2009

STANDARDS AND OBJECTIVES

§53600.3.[1] Standard for Governing Bodies or Persons Authorized to Make Investment Decisions for Local Agencies

Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the ***prudent investor standard***. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall strategy, investments may be acquired as authorized by law.

§53600.5. Trustee's Objectives Regarding Funds

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objective of a trustee shall be to ***safeguard the principal*** of the funds under its control. The secondary objective shall be to ***meet the liquidity*** needs of the depositor. The third objective shall be to ***achieve a return*** on the funds under its controls.

[1] Number refers to Government Code number and section.

INSTRUMENTS AUTHORIZED FOR INVESTMENT

§53601. Instruments Authorized for Investment

A. ***Bonds issued by the local agencies***, including bonds payable solely out of the revenues from a revenue-producing property, owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.

B. ***United States Treasury notes, bonds, bills or certificates of indebtedness***, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

C. ***Registered state warrants or treasury notes or bonds of this state***, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state.

D. ***Bonds, notes, warrants or other evidences of indebtedness of any local agency within this state***, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority of the local agency.

E. ***Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments***, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

F. ***Bankers acceptances otherwise known as bills of exchange or time drafts*** drawn on and accepted by a commercial bank. Purchases of banker's acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the banker's acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6, commencing with Section 11501, of the Public Utilities Code).

G. ***Commercial paper*** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:
- (A) Is organized and operating in the United States as a general corporation.
- (B) Has total assets in excess of five hundred million dollars ($500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:
(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
(B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635. Following are the concentration limits (Government Code Section 53635, subdivision (a)):

1. Not more than 40 percent of the local agency's money may be invested in eligible commercial paper.
2. Not more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer's commercial paper.

H. ***Negotiable certificates of deposit*** issued by a nationally- or state-chartered bank or a savings association or federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

I. Investments in ***repurchase agreements*** or ***reverse repurchase agreements*** of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

1. **"Repurchase agreement"** means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the

securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

a. **"Securities,"** for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date and maturity.

b. Investments in repurchase agreements may be made on any investment authorized in this section when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

2. **"Reverse repurchase agreement"** means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

   Reverse repurchase agreements may be utilized only when all of the following conditions are met:

   The security to be sold on reverse repurchase agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale; the total of all reverse repurchase agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio; the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

   Investments in reverse repurchase agreements shall only be made with primary dealers of the Federal Reserve Bank of New York, or with a nationally- or state-chartered bank that has or has had a significant banking relationship with a local agency…"Significant banking relationship" means any of the following activities of a bank:

   a. Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, notes, or other evidence of indebtedness.

b. Financing of a local agency's activities.

c. Acceptance of a local agency's securities or funds as deposits.

J. ***Medium-term notes*** of a maximum of five-years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally-recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

K. 1. ***Shares of beneficial interest*** issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivision (m) or (n) and that comply with the investment restrictions of this article and Article 2.

2. ***Shares of beneficial interest*** issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (I5 U.S.C. Sec. 80a-1 et seq.).

3. If investment is in shares issued pursuant to paragraph (2), the company shall have met the following criteria:

a. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

b. Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

4. The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

L. ***Moneys held by a trustee or fiscal agent*** and pledged to the payment of security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are not specific statutory provision, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

M. ***Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest*** in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

N. ***Any mortgage pass-through security, collaterialized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond*** of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of **"AA"** or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

O. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n) , inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (n) inclusive.
(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

P. *Local Agency Investments – LAIF - (All references in this section to the Treasurer and the Controller pertain to the State Treasurer and the State Controller)*.

§16305.9. (a) All money in the Local Agency Investment Fund shall be held in trust in the custody of the Treasurer.

(b) All money in the Local Agency Investment Fund is nonstate money. That money shall be held in a trust account or accounts. The Controller shall be responsible for maintaining those accounts to record the Treasurer's accountability, and shall maintain a separate account for each trust deposit in the Local Agency Investment Fund.

(c) That money shall be subject to audit by the Department of Finance and to cash count as provided for in Sections 13297,13298, and 13299. It may be withdrawn only upon the order of the depositing entity or its disbursing officers. The system that the Director of Finance has established for the handling, receiving, holding, and disbursing of state agency money shall also be used for the money in the Local Agency Investment Fund.

(d) All money in the Local Agency Investment Fund shall be deposited, invested and reinvested in the same manner and to the same extent as if it were state money in the State Treasury.

§16429.1. Existence and Appropriation of Fund; Investment and Distribution of Deposits

(a) There is in trust in the custody of the Treasurer the Local Agency Investment Fund, which fund is hereby created. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agency engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund, that is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

(l) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of one-half of one percent of the earnings of this fund, shall be deducted from the earnings prior to distribution. The amount of this deduction shall be credited as reimbursements to the state agencies having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

FURTHER RESTRICTIONS/LIMITATIONS BY GOVERNMENT CODE AND COUNTY TREASURER

Further Restrictions Set by Treasurer

A. Reverse repurchase agreements will be used strictly for the purpose of supplementing income with a limit of 10 percent of the total portfolio without prior approval of the Treasurer.

B. Swaps and Trades will each be approved on a per-trade basis by Treasurer or Assistant Treasurer.

C. SBA loans require prior approval of the Treasurer in every transaction.

D. Repurchase Agreements will generally be limited to Wells Fargo Bank, Bank of America or other institutions with whom the County treasury has executed tri-party agreements. Collateral will be held by a third party to the transaction that may include the trust department of particular banks. Collateral will be only securities that comply with Government Code 53601.

E. Securities purchased through brokers will be held in safekeeping at The Bank of New York Trust Company, N.A. or as designated by the specific contract(s) for government securities and tri-party repurchase agreements.

F. Bank C.D.s or non-negotiable C.D.s will be collateralized at 110 percent by government securities or 150 percent by current mortgages. There will be no waiver of the first $100,000 collateral except by special arrangement with the Treasurer.

G. All investments purchased by the Treasurer's Office shall be of investment grade. The minimum credit rating of purchased investments shall be as defined by Government Code 53600 et. seq.

H. All legal securities issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars or snuff or for smoking in pipes or a company that has total revenues of 15 percent or more from the sale of such products. The tobacco-related issuers restricted from any investment are British American Tobacco, Gallaher Group PLC, Imasco Ltd., Lowes Companies, ALTRIA Group, Inc., RJ Reynolds Tobacco Holdings, Inc., Brooke Groupe LTD., UST, Inc. and Universal Corp. However, tobacco-related companies will not be limited to the foregoing list. Additional companies will be prohibited as long as said entities fall within the definition of tobacco-related companies.

I. Financial futures or financial option contracts will each be approved on a per trade basis by the County Treasurer.

J. No more than 10 percent of the local agency's money may be invested in the outstanding commercial paper of any single issuer.

K. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased by the local agency.

§53601.6. Prohibited Investments by Government Code

A. A local agency shall not invest any funds pursuant to this Article or pursuant to Article 2 (commencing with Section 53630) in ***inverse floaters, range notes or interest-only strips*** that are derived from a pool of mortgages.

B. A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630)in ***any security that could result in zero interest accrual if held to maturity***. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1,et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

§53601. Instruments Authorized for Investments: Maturity

Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, **no investment shall be made in any security**, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment **has a term remaining to maturity in excess of five years**, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment.

Quality of Investment Instruments, Issuers and Sources

Regular financial review and analysis of issuers and sources of securities such as banks and brokerage firms shall be performed. These will be based on credit-rating services' evaluations, financial documents such as audits, Form 10-Q filings to the Securities and Exchange Commission and other reliable financial information.

SAFEKEEPING AND CUSTODY

§53601. Instruments Authorized for Investment

A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered or non-registered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisors, consultants or managers using the agency's funds, by book entry, physical delivery or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term of remaining maturity at the time of the investment, no investment shall be made in any security other than a security underlying a repurchase or reverse repurchase agreement authorized by this section.

In compliance with this section, the securities of Contra Costa County and its agencies shall be in safekeeping at The Bank of New York Trust Company, N. A., a counterparty bank's trust department or as defined in the debt indenture and contract.

AUTHORIZED BROKERS AND DEALERS

Securities for Contra Costa County and its agencies shall be purchased from the following:

- Primary dealers of the Federal Reserve Bank of New York and their subcontracts.
- Banks and financial institutions that sell and buy instruments authorized for investments per Government Code 53600 et. seq. and their subcontracts.
- Issuers of securities authorized by Government Code 53601 et. seq.

Securities shall not be purchased from brokers, brokerages, dealers or securities firms who within any 48-month period following January 1, 1996, made a political contribution to the local treasurer, any member of the governing board of the local agency or any candidate for those offices in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board.

LIMITS ON THE RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Gift Prohibitions

All state and local officials who are listed in Government Code Section 87200, and candidates for those elective offices (except judges), are prohibited from accepting a gift or gifts aggregating more than **as stated in California Government Code §89502(a) and §89503(f)** in a calendar year from a single source.

Beginning on January 1, 1993, the State Fair Political Practices Commission shall adjust the gift limitations in this section on January 1st of each odd-numbered year to reflect changes in the Consumer Price Index rounded to the nearest ten dollars ($10). §89503(f)

Honorarium Prohibition

All state and local officials who are listed in Government Code Section 87200, and candidates for those elective offices (except judges), are prohibited from accepting any honorarium for any speech given, article published or attendance at any public or private conference, convention, meeting, social event, meal or like gathering.

Exceptions

- The gift limit and honorarium prohibitions do not apply to a part-time member of the governing board of a public institution of higher education unless the member is also an elected official.

- For state board and commission members, the gift limit and honorarium prohibition are applicable only if the member would be required to report the receipt of income or gifts from the source on his or her statement of economic interests. The $10 gift limit is applicable only to lobbyists and lobbying firms registered to lobby the board or commission member's agency.

Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect any of their financial interests, not just those that they are required to disclose on a statement of economic interests.

Enforcement

The Fair Political Practices Commission may impose penalties for statements of economic interests that are filed late. The fine is $10 per day, beginning the day after the filing deadline, up to a maximum of $100. Late-filing penalties can be reduced or waived under certain circumstances.

In addition, the Fair Political practices Commission may initiate investigations with respect to any suspected violation of the Political Reform Act. Other law enforcement agencies (the Attorney General or District Attorney) may initiate investigations under certain circumstances. If violations are found, the Commission may initiate administrative enforcement proceedings that could result in the imposition of monetary penalties of up to **$5,000** per violation. In lieu of administrative prosecution, a civil action may be brought for negligent or intentional violations by the appropriate civil prosecutor (the Commission, Attorney General or District Attorney) where the measure of damages for most violations is the amount of value not properly reported. Persons who violate the conflict-of-interest disclosure provisions of the Political Reform Act can also be subject to discipline by their agency, including dismissal.

Finally, a knowing or willful violation of any provision of the Political Reform Act is a misdemeanor. Persons convicted of a misdemeanor may be disqualified for four years from the date of the conviction from serving as a lobbyist or running for elective office in addition to other penalties that may be imposed. The Act also provides for numerous civil penalties, including monetary penalties and damages, and injunctive relief from the courts.

FURTHER AMENDMENTS TO THE CONFLICT OF INTEREST CODES
(Per a Contra Costa County Board of Supervisors' Order dated February 6, 1996)

Amend all local Conflict of Interest Codes as follows:

Pursuant to Government Code Sections 87302 and 87306 et. seq., this Board hereby amends every local Conflict of Interest Code previously approved by the Board of Supervisors to add the following:

"All other provisions of this Code notwithstanding, the following provisions hereafter apply:

1. No designated employee shall accept **any** honorarium.

   Subdivisions (b), (c) and (e) of Government Code Section 89502 shall apply to the prohibitions in this Section. This Section shall not limit or prohibit payments, advances or reimbursements for travel and related lodging and subsistence authorized by Government Code Section 89506.

2. No designated employee shall accept any gifts with a total value of more than three hundred ninety dollars ($390) in a calendar year from any single source.

   Subdivision (d) of Government Code Section 89504 shall apply to this Section."

This amendment is necessary to assure that all local codes comply with recent amendments to Government Code Section 89502.

INVESTMENT REPORT

The Treasurer may render a quarterly report "…to the Chief Executive Officer, the Internal Auditor and the legislative body of the local agency…" (Government Code 53646).

The County shall submit copies of its second and fourth quarter reports to the California Debt and Investment Advisory Commission within 60 days after the close of the second and fourth quarters of each calendar year (Government Code 53646(g)).

In addition the County Treasurer will provide "…the County Treasury Oversight Committee with an investment report as required by the Board of Supervisors…" (Government Code 27133 (e)).

The County shall submit copies of its investment policy each calendar year to the California Debt and Investment Advisory Commission. All subsequent policy amendment(s) have to be submitted within 60 days.

PLEDGE REPORT

Any securities that are pledged or loaned for any purpose shall be reported in the Quarterly Investment Report. The transaction detail will be provided, including purpose, beginning and termination dates and all parties to the contract. The security descriptions as to type, name, maturity date, coupon rate, CUSIP and other material information will be included.

REVERSE REPURCHASE AGREEMENTS

All reverse repurchase agreements entered into, whether active or inactive by the end of each quarter, shall be reported in the Treasurer's Quarterly Investment Report.

LOCAL AGENCY INVESTMENTS

To be eligible to receive local agency money, a bank, savings association, federal association, or federally-insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisorial agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. (Government Code 53635)

METHODOLOGY OF CALCULATING AND APPORTIONING TREASURY COSTS

Regular and Routine Investments

- $20 per investment transaction; i.e., $20 at placement and $20 at maturity.
- .00333 of interest income; i.e., $3.33 per $1,000 of interest income.

Charged quarterly by journal entry.

Special Reports and Research

Actual staff time and materials.

Special Bank Transactions

Actual bank fee schedule, staff time and materials.

§53684. Alternative Procedure for Investment of Excess Funds

B. The County Treasurer shall, at *least* quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency *and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles.* *

Prior to distributing that interest or increment, the County Treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and *to the total average daily balance of deposits in the investment pool.*

C. The County Treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect**.** *

* In Contra Costa County, the Auditor-Controller performs these functions for fiscal control purposes.

NON-MANDATED DEPOSITS AND WITHDRAWALS IN THE TREASURY

Following are the terms and conditions for deposit of funds for investment purposes by entities that are not legally required to deposit their funds in the County Treasury.

- Resolution by the County Board of Supervisors authorizing the acceptance of outside participants by the County Treasury.

- Resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to Government Code 53684.

- Treasury investments will be directed transactions.

Withdrawal of funds in the Treasury shall coincide with investment maturities or authorized sale of securities by the legislative or governing body of the local agency. Except for funds in the California State Local Agency Investment Fund, a five-business-days notification may be required when authorized sale of securities is involved. However, the section on evaluation of request for withdrawal of funds for use outside the County treasury pool by both mandated and non-mandated treasury pool participants shall also apply.

WITHDRAWAL OF FUNDS BY MANDATED TREASURY PARTICIPANTS

The withdrawal of mandated deposits in the Treasury will coincide with investment maturities and/or authorized sale of securities by authorized personnel of the local agency. Except for funds in the California State Local Agency Fund, a five-business-days notification may be required when authorized sale of securities is involved. However, the section on evaluation of request for withdrawal of funds for use outside the County treasury pool by both mandated and non-mandated treasury pool participants shall also apply.

Evaluation of Request For Withdrawal of Funds For Use Outside the County Treasury Pool by Both Mandated and Non-Mandated Treasury Pool Participants

Pursuant to Section 27136(a):

"Notwithstanding any other provisions of law, any local agency, public agency, public entity or public official that has funds on deposit in the County treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the County treasury pool shall first submit the request for withdrawal to the County Treasurer before withdrawing funds from the County treasury pool."

The County Treasurer shall evaluate each proposed withdrawal and may request up to 30 days in order to assess the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury and that the interests of the other depositors will not be adversely affected.

APPROVED BROKERS AND ISSUERS

ABN AMRO, Incorporated
American Express Credit Corporation
Associates Corporation of North America
Associates First Capital
Bank of America
Bank of the West
Bankers Trust Company
Barclays Capital, Incorporated
California Arbitrage Management Program
Chase Securities, Incorporated
Chevron Corporation
Chevron Funding
Citibank
Citigroup Funding Inc.
Credit Suisse First Boston
Deere & Company
Donaldson, Lufkin & Jenrette Securities Corporation
Exxon Mobil Corporation and Subsidiaries
First Commercial Bank
General Electric Capital Corporation
General Electric Capital Services
General Electric Company
Gilford Securities, Incorporated
Goldman, Sachs & Company
Government Perspectives
John Deere Capital Corporation
Mechanics Bank
Mellon Bank
Prudential Securities, Incorporated
Public Financial Management, Incorporated
Rauscher Pierce Refsnes, Incorporated
Salomon Smith Barney, Incorporated
Sumitomo Bank of California
Toyota Motors Credit Corporation
UBS Financial Services
Union Bank
US Bancorp
Wells Fargo Bank
Westamerica Bank

Note: The County Treasury will not be limited to the above list. Others will be included as long as all conditions for authorized brokers and dealers set forth in this policy are met. Additionally, deletions and additions are based on the maintenance of required credit quality as rated by Standard and Poor's, Moody's and other recognized rating services and reliable financial sources.

APPROVED PRIMARY GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK

BNP Paribas Securities Corp.
Banc of America Securities LLC
Barclays Capital Inc.
Citigroup Global Markets, Inc.
Cantor Fitzgerald & Co.
Credit Suisse Securities (USA) LLC
Daiwa Securities America Inc.
Deutsche Bank Securities Inc.
Dresdner Kleinwort Wasserstein Securities LLC
Goldman, Sachs & Co.
Greenwich Capital Markets, Inc.
HSBC Securities (USA) Inc.
J.P. Morgan Securities, Inc.
Mizuho Securities USA Inc.
Morgan Stanley & Co. Incorporated
RBS Securities Inc.
UBS Securities LLC.

GLOSSARY

Agencies A colloquial term for securities issued by the federal agencies.

Bankers Acceptances A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

Basis Point One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 8.25% to 8.50%, the difference is referred to as a 25-basis-point increase.

Blue Sky Laws Common term for state securities law, which vary from state to state. Generally refers to provision related to prohibitions against fraud, dealer and broker regulations and securities registration.

Book Value Refers to value of a held security as carried in the records of an investor. May differ from current market value of the security.

Certificates of Deposit (C/Ds) Certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable.

- **Negotiable Certificates of Deposit** May be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit plus interest earned to the bearer of the certificate at maturity.

- **Non-Negotiable Certificates of Deposit** These certificates are collateralized and are not money market instruments since they cannot be traded in the secondary market. They are issued on a fixed-maturity basis and often pay higher interest rates than are permissible on other savings or time-deposit accounts.

Commercial Paper Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

Coupon Rate The annual rate of interest payable on a security expressed as a percentage of the principal amount.

CUSIP Numbers CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

Inverse Floaters An adjustable interest rate note keyed to various indices such as LIBOR, commercial paper, federal funds, treasuries and derivative structures. The defined interest rate formula is the opposite or inverse of these indices. Interest rates and pay dates may reset daily, weekly, monthly, quarterly, semi-annually or annually.

Liquidity Usually refers to the ability to convert assets (such as investments) into cash.

Mark to Market Valuing the inventory of held securities at its current market value.

Market Value Price at which a security can be traded in the current market.

Maturity The date upon which the principal of a security becomes due and payable to the holder.

Medium-Term Notes (MTNs) Corporate debt obligations continuously offered in a broad range of maturities. MTNs were created to bridge the gap between commercial paper and corporate bonds. The key characteristic of MTNs is that they are issued on a continuous basis.

Money Market Instruments Private and government obligations of one year or less.

Offer The price of a security at which a person is willing to sell.

Par Value The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

Premium The amount by which the price paid for a security exceeds par value, generally representing the difference between the nominal interest rate and the actual or effective return to the investor.

Range Notes A security whose rate of return is pegged to an index. The note defines the interest rate minimum or floor and the interest rate maximum or cap. An example of an index may be federal funds. The adjustable rate of interest is determined within the defined range of the funds.

Repurchase Agreement or RP or REPO An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

Settlement Date The date used in price and interest computations, usually the date of delivery.

SLUGS An acronym for State and Local Government Series. SLUGS are special United States Government securities sold by the Secretary of the Treasury to states, municipalities and other local government bodies through individual subscription agreements. The interest rates and maturities of SLUGS are arranged to comply with arbitrage restrictions imposed under Section 103 of the Internal Revenue Code. SLUGS are most commonly used for deposit in escrow in connection with the issuance of refunding bonds.

STRIPS US Treasury acronym for "separate trading of registered interest and principal of securities." Certain registered Treasury securities can be divided into separate interest and principal components, which may then be traded as separate entities.

SWAP Generally refers to an exchange of securities, with essentially the same par value, but may vary in coupon rate, type of instrument, name of issuer and number of days to maturity. The purpose of the SWAP may be to enhance yield, to shorten the maturity or any benefit deemed by the contracting parties.

Treasury Securities Debt obligations of the United States Government sold by the Treasury Department in the form of bills, notes and bonds:

- **Bills** Short-term obligations that mature in one year or less and are sold at a discount in lieu of paying periodic interest.

- **Notes** Interest-bearing obligations that mature between one year and 10 years.

- **Bonds** Interest-bearing long-term obligations that generally mature in 10 years or more.

Zero-Coupon Security A security that makes no periodic interest payments but instead is sold at a deep discount from its face value.

APPENDIX

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Resolution on January 20, 2009 by the following vote:

AYES: GIOIA, UILKEMA, PIEPHO, & BONILLA

NOES: NONE

ABSENT: GLOVER

ABSTAIN:

RESOLUTION OF CONTRA COSTA COUNTY (Account #99-07-000) — Resolution No. 2009/25

AGENCY ADDRESS: 625 Court Street, Room 102, Martinez, CA 94553

AGENCY PHONE NUMBER: 925-957-2850

AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Supervisors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the CONTRA COSTA COUNTY.

NOW THEREFORE, BE IT RESOLVED, that the Board of Supervisors does hereby authorize the deposit and withdrawal of CONTRA COSTA COUNTY monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following CONTRA COSTA COUNTY officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

William J. Pollacek	Russell V. Watts	Brice E. Bins
(NAME)	(NAME)	(NAME)
Treasurer-Tax Collector	Chief Deputy Treasurer-Tax Collector	Assistant Treasurer
(TITLE)	(TITLE)	(TITLE)
William Pollacek	Russell Watts	B. E. Bins
(SIGNATURE)	(SIGNATURE)	(SIGNATURE)

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

ATTESTED: January 20, 2009
DAVID TWA, Clerk of the Board of Supervisors
And County Administrator

By G. Wilson Deputy

RESOLUTION NO. 2008/25

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CONTRA COSTA COUNTY INVESTMENT POOL

TREASURER'S QUARTERLY INVESTMENT REPORT

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CONTRA COSTA COUNTY

TREASURER'S QUARTERLY INVESTMENT REPORT

AS OF DECEMBER 31, 2009

EXECUTIVE SUMMARY

- The Treasurer's investment portfolio is in compliance with Government Code 53600 et. seq..

- The Treasurer's investment portfolio is in compliance with the Treasurer's current investment policy.

- The Treasurer's investment portfolio has no securities lending, reverse repurchase agreements or derivatives.

- The total cost of the investment portfolio was equal to **$2,005,987,239** on December 31, 2009. The fair value was **$2,008,159,215** which was 100.1% of cost.

- The weighted average maturity of the total investment pool was 116 days. More than 88 percent of the portfolio or over $1.77 billion will mature in less than a year. Historical activities combined with future cash flow projections indicate that the County is able to meet its cash flow needs for the next six months.

CONTRA COSTA COUNTY INVESTMENT POOL
As of December 31, 2009

TYPE	PAR VALUE	COST	FAIR VALUE	PERCENT OF TOTAL COST
A. Investments Managed by Treasurer's Office				
1. U.S. Treasuries (STRIPS, Bills, Notes)	$25,451,000.00	$25,003,248.93	$25,579,586.03	1.25%
2. U.S. Agencies				
Federal Agriculture Mortgage Corporation	6,751,000.00	7,032,398.93	7,131,002.19	0.35%
Federal Home Loan Banks	125,109,000.00	126,674,978.15	127,731,660.00	6.31%
Federal National Mortgage Association	86,318,000.00	86,305,276.19	86,808,549.06	4.30%
Federal Farm Credit Banks	14,582,000.00	14,925,873.17	15,053,515.01	0.74%
Federal Home Loan Mortgage Corporation	73,046,000.00	73,615,996.56	73,480,599.91	3.67%
Municipal Bonds	1,000,000.00	1,000,000.00	1,000,000.00	0.05%
Subtotal	306,806,000.00	309,554,523.00	311,205,326.17	15.43%
3. Money Market Instruments				
Bankers Acceptances	9,291,930.00	9,277,271.30	9,286,827.25	0.46%
Repurchase Agreement	200,000,000.00	200,000,000.00	200,000,000.00	9.97%
Commercial Paper	458,587,000.00	458,435,742.29	458,475,102.23	22.85%
Negotiable Certificates of Deposit	215,825,000.00	215,825,000.00	215,873,293.41	10.76%
Corporate Notes	33,587,000.00	33,681,289.35	33,388,412.48	1.68%
Time Deposit	3,076.96	3,076.96	3,076.96	0.00%
Subtotal	917,294,006.96	917,222,379.90	917,026,712.33	45.72%
TOTAL	1,249,551,006.96	1,251,780,151.83	1,253,811,624.53	62.40%
B. Investments Managed by Outside Contractors				
1. Local Agency Investment Fund	433,215,632.08	433,215,632.08	433,626,244.69	21.60%
2. Other				
a. California Asset Management Program (RDA)	29,295.47	29,295.47	29,345.94	0.00%
b. Miscellaneous (BNY, Mechanics, CCFCU)	421,362.24	421,362.24	387,194.07	0.02%
c. Wells Fargo Asset Management (324-131235)	45,021,754.00	45,346,263.50	45,308,623.51	2.26%
d. Columbia Management Group (Bank of America)	38,369,794.00	38,774,448.00	38,649,158.00	1.93%
e. CalTRUST	138,492,332.21	138,492,332.21	138,419,270.44	6.90%
Subtotal	222,334,537.92	223,063,701.42	222,793,591.96	11.12%
TOTAL	655,550,170.00	656,279,333.50	656,419,836.65	32.72%
C. Cash	97,927,754.05	97,927,754.05	97,927,754.05	4.88%
***GRAND TOTAL (FOR A , B, & C)**	$2,003,028,931.01	$2,005,987,239.38	$2,008,159,215.23	100.00%

* Does not include the Futuris Public Entity Trust of the Contra Costa Community College District Retirement Board of Authority

NOTES TO INVESTMENT PORTFOLIO SUMMARY AS OF DECEMBER 31, 2009

1. All report information is unaudited but due diligence was utilized in its preparation.

2. There may be slight differences between the portfolio summary page and the attached exhibits and statements for investments managed by outside contractors or trustees. The variance is due to the timing difference in recording transactions associated with outside contracted parties during interim periods and later transmitted to the appropriate county agency and/or the Treasurer's Office. In general, the Treasurer's records reflect booked costs at the beginning of a period.

CONTRA COSTA COUNTY
TREASURER'S OFFICE
INVESTMENT INVENTORY WITH MARKET VALUE

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INVESTMENTS OUTSTANDING AS OF 12/31/09
MAJOR SORT KEY IS ICC#

INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
SUBTOTAL (Inv Type) 10 TREASURY NOTES - STRIPS			.07%(M)		8.1600	861,000.00	854,265.63	483,360.27	31,078.05
					10.1840	339,827.31	99.21784300000		
SUBTOTAL (Inv Type) 12 TREASURY NOTES			1.97%(M)		1.4955	24,590,000.00	24,725,320.40	76,389.06	87,076.79
					1.3478	24,663,421.62	100.5503070000		-17,808.45
SUBTOTAL (Inv Type) 20 FEDERAL AGRICULTURE MOR			.57%(M)		4.9234	6,751,000.00	7,131,002.19	134,435.74	98,603.26
					3.7458	7,032,398.93	105.6288280000		
SUBTOTAL (Inv Type) 22 FEDERAL HOME LOAN BANKS			9.81%(M)		3.2337	120,355,000.00	122,980,289.13	799,047.19	1,309,275.10
					2.6726	121,925,504.23	102.1812880000		-206,224.22
SUBTOTAL (Inv Type) 23 FEDERAL NATIONAL MORTGA			5.04%(M)		2.6600	62,620,000.00	63,151,998.43	493,471.30	611,143.91
					2.5795	62,667,068.63	100.8495660000		-99,071.82
SUBTOTAL (Inv Type) 27 FEDERAL FARM CREDIT BAN			1.20%(M)		4.0883	14,582,000.00	15,053,515.01	242,604.10	210,502.75
					3.0101	14,925,873.17	103.2335410000		-82,860.91
SUBTOTAL (Inv Type) 28 FEDERAL HOME LOAN MORTG			.86%(M)		.2863	10,765,000.00	10,764,829.56	14,483.78	1,621.70
					.2867	10,748,724.08	99.99841700000		
SUBTOTAL (Inv Type) 29 FHLMC NOTES			4.92%(M)		2.0807	61,281,000.00	61,714,520.35	226,889.69	123,658.98
					1.5154	61,867,272.48	100.7074300000		-260,519.14
SUBTOTAL (Inv Type) 31 MUNICIPAL BONDS			.08%(M)		4.5760	1,000,000.00	1,000,000.00	17,287.11	.00
					4.5760	1,000,000.00	100.0000000000		
SUBTOTAL (Inv Type) 34 FHLMC FLOATING RATE			.08%(M)		.3306	1,000,000.00	1,001,250.00	578.60	1,250.00
					.3306	1,000,000.00	100.1250000000		
SUBTOTAL (Inv Type) 41 FNMA DISCOUNT NOTES			1.89%(M)		.2806	23,698,000.00	23,656,550.63	9,390.35	9,551.40
					.2815	23,638,207.56	99.82509300000		-598.68
SUBTOTAL (Inv Type) 43 FHLB DISCOUNT NOTES			.38%(M)		.1369	4,754,000.00	4,751,370.87	1,377.81	626.22
					.1372	4,749,473.92	99.94469600000		-107.08
SUBTOTAL (Inv Type) 51 BA, DOMESTIC			.74%(M)		.3155	9,291,930.00	9,286,827.25	8,133.29	1,422.66
					.3160	9,277,271.30	99.94508400000		
SUBTOTAL (Inv Type) 61 REPURCHASE AGREEMENTS			15.95%(M)		.1400	200,000,000.00	200,000,000.00	1,555.56	.00
					.1400	200,000,000.00	100.0000000000		
SUBTOTAL (Inv Type) 70 COMMERCIAL PAPER INT BE			14.91%(M)		.1612	186,937,000.00	186,937,000.00	16,667.86	.00
					.1612	186,937,000.00	100.0000000000		

1

CONTRA COSTA COUNTY
TREASURER'S OFFICE
INVESTMENT INVENTORY WITH MARKET VALUE

(RPTMKT) RUN: 01/06/10 15:12:24

INVESTMENTS OUTSTANDING AS OF 12/31/09
MAJOR SORT KEY IS ICC#

INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
SUBTOTAL (Inv Type) 71 COMMERCIAL PAPER DISCOU 21.66%(M)					.2209	271,650,000.00	271,538,102.23	40,188.64	5,535.19
					.2210	271,498,742.29	99.95880800000		-6,363.89
SUBTOTAL (Inv Type) 72 NEGOTIABLE CERT OF DEPO 17.22%(M)					.2258	215,825,000.00	215,873,293.41	82,793.87	48,293.41
					.2258	215,825,000.00	100.0223760000		
SUBTOTAL (Inv Type) 73 CORP NOTE FLTG RT ACT- .30%(M)					.6178	3,775,000.00	3,771,812.50	3,952.09	210,527.75
					5.3356	3,561,284.75	99.91556300000		
SUBTOTAL (Inv Type) 75 CORPORATE NOTES 2.36%(M)					3.5161	29,812,000.00	29,616,599.98	377,297.12	184,833.50
					2.9294	30,120,004.60	99.34455900000		-687,544.50
SUBTOTAL (Inv Type) 1000 TD WITH CALC CODE OF .00%(M)					3.7500	3,076.96	3,076.96	423.08	.00
					3.7500	3,076.96	100.0000000000		
GRAND TOTAL					.8931	1249551006.96	1253811624.53	3,030,326.51	2,935,000.67
					.7840	1251780151.83	100.3409720000		-1,361,098.69

NET OF RETIREMENT $4,429,000

* MARKET = BOOK LESS PURCHASE INTEREST

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this APPENDIX F has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede &

Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT (CONTRA COSTA COUNTY, CALIFORNIA) • GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2010A AND 2010B

Printed by: ImageMaster, Inc.

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: "Aa2"
S&P: "AA"
(See **"MISCELLANEOUS – Ratings"** herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2010A Bonds (the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$22,695,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010A
(Tax-Exempt)

$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010B
(Federally Taxable Build America Bonds)

Dated: Date of Delivery **Due: August 1, as shown on inside cover**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt) (the "Series 2010A Bonds") and the Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds") are issued by the Contra Costa Community College District (the "District") (i) to finance specific construction and modernization projects approved by the voters; and (ii) to pay costs of issuance of the Bonds. The Board of Supervisors of Contra Costa County (the "County") is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The Bonds will be issued as Current Interest Bonds. Interest on the Bonds is payable on August 1, 2010 and thereafter on each February 1 and August 1. Principal of the Bonds is payable on August 1 in each of the years and in the amounts set forth in the table on the inside cover page hereof. Payments of principal of and interest on the Bonds will be made by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A., to The Depository Trust Company, New York, New York ("DTC"), for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Payment of Principal and Interest."

The Series 2010B Bonds are issued as refundable credit "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation. See "TAX MATTERS – Tax Matters Relating to the Series 2010B Bonds" and "THE BONDS – Designation of Series 2010B Bonds as Build America Bonds."

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of a nominee of DTC. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS – Form and Registration."

The Bonds are subject to redemption, as more fully described herein. See "THE BONDS - Redemption."

MATURITY SCHEDULES
See Inside Cover

The Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Orrick, Herrington & Sutcliffe LLP is also acting as Disclosure Counsel with respect to the Bonds. Certain legal matters will be passed upon for the Underwriters by Stradling Yocca Carlson & Rauth, San Francisco, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about March 30, 2010.

PiperJaffray

Backstrom McCarley Berry & Co.

The date of this Official Statement is March 16, 2010.

MATURITY SCHEDULES

$22,695,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010A
(Tax-Exempt)

Maturity (August 1)	Principal Amount	Interest Rate	Yield*	CUSIP†
2010	$5,160,000	1.500%	0.270%	212204EM9
2011	5,300,000	1.000	0.420	212204EN7
2012	5,370,000	0.750	0.750	212204EP2
2014	75,000	3.000	1.270	212204EQ0
2015	240,000	3.000	1.590	212204ER8
2016	390,000	4.000	2.040	212204ES6
2017	550,000	4.000	2.400	212204ET4
2018	715,000	5.000	2.680	212204EU1
2019	905,000	5.000	2.900	212204EV9
2020	1,105,000	5.000	3.100	212204EW7
2021	1,325,000	5.000	3.280c	212204EX5
2022	1,560,000	5.000	3.440c	212204EY3

$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010B
(Federally Taxable Build America Bonds)

$6,175,000 5.882% Term Bonds due August 1, 2025 – Price* 100% CUSIP† 212204EZ0
$44,130,000 6.504% Term Bonds due August 1, 2034 – Price* 100% CUSIP† 212204FA4

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* Prices or yields certified by the Underwriters. The District takes no responsibility for the accuracy thereof.
c Yield to par call on August 1, 2020.
† Copyright, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriters take any responsibility for the accuracy of such numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption under Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

TABLE OF CONTENTS

APPENDICES

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$22,695,000	$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT	**CONTRA COSTA COMMUNITY COLLEGE DISTRICT**
(Contra Costa County, California)	**(Contra Costa County, California)**
General Obligation Bonds, Election of 2006, Series 2010A	**General Obligation Bonds, Election of 2006, Series 2010B**
(Tax-Exempt)	**(Federally Taxable Build America Bonds)**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, is provided to furnish information in connection with the sale of the Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt) (the "Series 2010A Bonds") and the Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds) (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds").

The Series 2010B Bonds are issued as refundable credit "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation. See "TAX MATTERS – Tax Matters Relating to the Series 2010B Bonds" and "THE BONDS – Designation of Series 2010B Bonds as Build America Bonds."

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the Contra Costa Community College District (the "District"), the District has no obligation to update the information in this Official Statement. See "OTHER LEGAL MATTERS – Continuing Disclosure."

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolution of the Governing Board of the District providing for the issuance of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District from the Office of the Chancellor, 500 Court Street, Martinez, CA 94553. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District, whose boundaries are contiguous with all but 48 square miles of the boundaries of Contra Costa County, California, was established in 1948, and operates three colleges: Contra Costa College, Diablo Valley College and Los Medanos College, as well as the San Ramon Campus and the Brentwood Center. Combined, the three colleges of the District annually serve approximately 65,000 individual students and 29,900 full-time-equivalent students (FTES), and offer the first two years of college-level instruction in a wide variety of transfer programs and vocational-technical programs, as well as noncredit courses in job skills and lifelong learning/adult education. Students can earn either Associate in Arts or Science degrees or receive Certificates of Proficiency in their chosen fields. Each college is fully accredited by the Western Association of Schools and Colleges, the recognized local accrediting agency for the western United States, affiliated with the Federation of Regional Accrediting Commissions of Higher Education. As of January 1, 2010, the District employed approximately 1,600 full-time-equivalent (FTE) staff, many on an hourly or part-time basis, including certificated (credentialed teaching) staff, classified (non-teaching) staff, and management personnel. The District has adopted a Fiscal Year 2009-10 budget with total general fund expenditures of approximately $164 million. Total assessed valuation of taxable property in the District in Fiscal Year 2009-10 is approximately $146 billion.

The District is governed by an elected Governing Board consisting of five members. The voting members are elected to four-year terms. The day-to-day operations are managed by a board-appointed Chancellor. The Chancellor, Dr. Helen Benjamin, has worked in the Contra Costa Community College District since 1990. She began her career at Los Medanos College as Dean of Language Arts and Humanistic Studies and Related Occupations. Dr. Benjamin has held the following positions beginning with the most recent: President of Contra Costa College; Interim President of Contra Costa and Los Medanos Colleges; Vice Chancellor, Educational Programs and Services; and Associate Chancellor at District headquarters.

For additional information about the District, see APPENDIX A: "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET."

THE BONDS

Authority for Issuance; Purpose

The Bonds are issued pursuant to the provisions of Chapters 1 and 1.5 of Part 10 of the Education Code of the State of California and other applicable law, and a resolution adopted by the Governing Board of the District on February 24, 2010 (the "Resolution").

The District received authorization at an election held on June 6, 2006, by more than 55% of the votes cast by eligible voters within the District, to issue bonds in an aggregate principal amount not to exceed $286.5 million for the construction, reconstruction and repair of college facilities, summarized as follows: to renovate aging college facilities (making energy savings, safety, and handicapped accessibility improvements), and update facilities used by transfer, career and vocational students (for math, science, nursing, technology and other programs) at Contra Costa College, Diablo Valley College, Los Medanos College and the San Ramon Valley and Brentwood centers. The District has previously issued a series of the authorized bonds in the principal amount of $73 million.

The 2006 ballot measure (known locally as "Measure A") authorized a specific list of projects eligible to be funded from the proceeds of the approved bonds. As required by Measure A, the District has established a Citizens' Oversight Committee to review District expenditures of bond proceeds and progress in completing the projects specified in the measure, and to make periodic reports to the public in order to ensure that bond funds are spent only for authorized purposes. The District makes no representations herein as to the specific application of the proceeds of the Bonds, the estimated completion date of any of the projects, or whether the authorized bonds will provide sufficient funds to complete all of the projects, or any particular project.

Form and Registration

The Bonds will be issued in fully registered book-entry form only, in denominations of $5,000 principal amount each or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See APPENDIX F: "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be dated the date of their delivery and bear interest at the rates set forth on the inside cover page hereof, payable on February 1 and August 1 of each year commencing August 1, 2010 (each, an "Interest Payment Date"), until payment of the principal amount thereof. Interest is computed on the basis of a year of 360 days comprising twelve 30-day months. Bonds authenticated and registered on any date prior to the close of business on July 15, 2010, will bear interest from the date of their delivery. Bonds authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (the "Record Date") and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Payment of interest on any Bond on each Interest Payment Date (or on the following Business Day, as defined below, if the Interest Payment Date does not fall on a Business Day) will be made to the person appearing on the registration books of the Paying Agent with respect to the Bonds, initially The Bank of New York Mellon Trust Company, N.A., (the "Paying Agent") as the registered owner thereof (the "Owner") as of the preceding Record Date, such interest to be paid by check or draft mailed to such Owner at such Owner's address as it appears on such registration books or at such other address as the Owner may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner of an aggregate principal amount of $1,000,000 or more of Bonds may request in writing to the Paying Agent to be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the applicable Record Date.

A "Business Day" is any day other than a Saturday, Sunday, or a day on which banks located in the city where the corporate trust office of the Paying Agent is located are required or authorized to remain closed.

Principal will be payable at maturity, or upon redemption prior to maturity, upon surrender of Bonds at the principal office of the Paying Agent. The interest, principal and redemption premiums, if any, on the Bonds will be payable in lawful money of the United States of America from moneys on deposit in the interest and sinking fund of the District (the "Interest and Sinking Fund") within the County treasury, consisting of *ad valorem* taxes collected and held by the County Treasurer-Tax Collector (the "County Treasurer"), together with any net premium and accrued interest received upon issuance of the Bonds. So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, redemption premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to beneficial owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer.

Designation of Series 2010B Bonds as Build America Bonds

The Series 2010B Bonds are issued as refundable credit "Build America Bonds" under the American Recovery and Reinvestment Act of 2009. Under this law, the District is allowed a credit with respect to each interest payment made on the Series 2010B Bonds, payable by the Secretary of the Treasury to the District (or to the District's paying agent, as the District shall direct) equal to 35% of the amount of each such interest payment. An application for a refundable credit must be filed with the Internal Revenue Service with respect to each interest payment in order to qualify for the credit, and the District makes no covenant to owners of the Series 2010B Bonds to make such filings. The U.S. Treasury is authorized to withhold payment of any refundable credit in order to collect any debts the District owes or is alleged to owe to federal agencies. Payments received by the District from the U.S. Treasury are not pledged as security for the Series 2010B Bonds, although the District intends to deposit such payments, if and as received, into the Interest and Sinking Fund. Any refundable credit payments received by the District and deposited into the Interest and Sinking Fund will be held and invested as other moneys in the Interest and Sinking Fund, and available for payment of debt service on any outstanding bonds of the District. The County Treasurer is obligated to levy property taxes sufficient to make all payments of principal of and interest on the Series 2010B Bonds regardless of whether or not the District qualifies for, applies for, or receives any refundable credit payments. The District can give no assurances about future changes in legislation or Treasury regulations, or the withholding of other liabilities of the District owed to any federal agencies from the refundable credit payments, which may affect the amount or timely receipt of such payments.

Redemption

Capitalized terms used in this section and not previously defined in this Official Statement are defined below in this section.

Optional Redemption of Series 2010A Bonds. The Series 2010A Bonds maturing on or before August 1, 2020 are not subject to redemption prior to their respective stated maturity dates. The Series 2010A Bonds maturing on and after August 1, 2021, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2020, at a redemption price equal to 100% of the principal amount of Series 2010A Bonds to be redeemed, without premium, together with interest accrued thereon to the redemption date.

Optional "Make-Whole" Redemption of Series 2010B Bonds. The Series 2010B Bonds are subject to optional redemption as a whole or in part on any Business Day prior to maturity at the Optional Make-Whole Redemption Price.

The "Optional Make-Whole Redemption Price" is equal to the greater of:

(a) the issue price of the Series 2010B Bonds to be redeemed set forth on the inside cover page hereof (but not less than 100% of the principal amount of the Series 2010B Bonds to be redeemed); or

(b) the sum of the present value of the remaining scheduled payments of the principal of and interest on the Series 2010B Bonds to be redeemed to the maturity date of such Series 2010B Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year comprising twelve 30-day months, at the Treasury Rate plus 25 basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2010B Bond, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) or any successor release (the "H.15 statistical release") that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) most nearly equal to the period from the redemption date to the maturity date of the Series 2010B Bonds to be redeemed, calculated to the nearest 1/12th of a year. If the H.15 statistical release sets forth a weekly average yield for U.S. Treasury securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the Treasury Rate will be equal to such weekly average yield. If the period from the redemption date to the maturity date is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used. In all other cases, the Treasury Rate will be calculated by interpolation on a straight-line basis between the weekly average yields on the U.S. Treasury Securities that have a constant maturity closest to and less than the remaining term (in each case as set forth in the H.15 statistical release or any successor release). Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for U.S. Treasury securities are not available in the H.15 statistical release or otherwise, then the Treasury Rate will be calculated by interpolation of comparable rates selected by an independent investment banker or independent financial advisor appointed by the District, in the manner described above.

Extraordinary Optional "Make-Whole" Redemption of Series 2010B Bonds. The Series 2010B Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District upon the occurrence of an Extraordinary Event, from any source of available funds, in whole or in part on any date, at a redemption price equal to the Extraordinary Redemption Price.

"Extraordinary Event" means an event causing the refundable credit expected to be received from the U.S. Treasury with respect to the Series 2010B Bonds to be reduced or eliminated, as reasonably determined by the

District, which determination shall be conclusive, as a result of: (a) a material adverse change to Section 54AA or Section 6431 of the Internal Revenue Code of 1986 (the "Code") (as such sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to "Build America Bonds"), (b) guidance published by the Internal Revenue Service or the U.S. Treasury with respect to such sections, or (c) a determination by the IRS, the U.S. Treasury, or a court of competent jurisdiction, which determination is not the result of a failure of the District to satisfy the requirements under the American Recovery and Reinvestment Act of 2009 to qualify for or receive subsidy payments.

The "Extraordinary Redemption Price" is equal to the greater of:

(a) the issue price of the Series 2010B Bonds to be redeemed set forth on the inside cover page hereof (but not less than 100% of the principal amount of the Series 2010B Bonds to be redeemed); or

(b) the sum of the present value of the remaining scheduled payments of principal of and interest on the Series 2010B Bonds to be redeemed to the maturity date of such Series 2010B Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year comprising twelve 30-day months, at the Treasury Rate (as defined above) plus 100 basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

The Extraordinary Redemption Price will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the District at the District's expense to calculate such Extraordinary Redemption Price. The Paying Agent and the District may conclusively rely on such determination and will not be liable for such reliance.

Mandatory Sinking Fund Redemption. The $6,175,000 Term Bond maturing on August 1, 2025, is subject to mandatory sinking fund redemption on each Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date	Principal Amount to be Redeemed
August 1, 2023	$1,810,000
August 1, 2024	2,055,000
August 1, 2025†	2,310,000

† Final maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced proportionately, in integral multiples of $5,000, by any portion of the Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

The $44,130,000 Term Bond maturing on August 1, 2034, is subject to mandatory sinking fund redemption on each Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date	Principal Amount to be Redeemed
August 1, 2026	$2,575,000
August 1, 2027	2,870,000
August 1, 2028	3,165,000
August 1, 2029	3,470,000
August 1, 2030	3,805,000
August 1, 2031	4,145,000
August 1, 2032	4,510,000
August 1, 2033	9,490,000
August 1, 2034†	10,100,000

† Final maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced proportionately, in integral multiples of $5,000, by any portion of the Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds for Redemption.

Series 2010A Bonds. If less than all of the Series 2010A Bonds are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the Series 2010A Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Bonds to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond shall be deemed to consist of individual Bonds of $5,000 denominations each, which may be separately redeemed.

Series 2010B Bonds. If less than all of the Series 2010B Bonds are called for redemption, such Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the Series 2010B Bonds of any maturity are designated for redemption, then (a) if the Series 2010B Bonds are in book-entry form at the time of such redemption, the Paying Agent will instruct DTC to instruct the DTC Participants to select the portion of such Series 2010B Bonds for redemption *pro rata* among Owners in the ratio of the principal amount owned to the total principal amount to be redeemed, and neither the District nor the Paying Agent will have any responsibility to ensure that DTC or the DTC Participants properly select such Series 2010B Bonds for redemption; and (b) if the Series 2010B Bonds are not in book-entry form at the time of such redemption, the Paying Agent will select the portion of such Series 2010B Bonds for redemption *pro rata* among Owners in the ratio of the principal amount owned to the total principal amount to be redeemed. The portion of any registered Series 2010B Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. Notice of redemption of any Bond will be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the respective owners of any Bond designated for redemption at their addresses appearing on the bond registration books; (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as securities depositories; (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities; and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District. See APPENDIX D: "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then outstanding Bonds are to be called for redemption, the distinctive serial numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the owners at the principal corporate trust office of the Paying Agent; and (x) notice that further interest on such Bonds will not accrue after the designated redemption date. The actual receipt by the Owner of any Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as provided for in the Resolution, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in the Resolution, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The owners of Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance of Bonds

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, will be fully sufficient, in the opinion of a certified public accountant, to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Unclaimed Moneys

Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Application and Investment of Bond Proceeds

The proceeds from the sale of the Bonds will be deposited in the County Treasury to the credit of the Building Fund of the District to the extent of the principal amount of the Bonds. Any premium received will be deposited in the Interest and Sinking Fund of the District in the County Treasury. Taxes collected to pay principal and interest on the Bonds will also be invested in the Interest and Sinking Fund. Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Bonds were approved. Moneys in the Interest and Sinking Fund may only be applied to make payments of interest, principal, and redemption premium, if any, on the Bonds and any other outstanding voter-approved bonds of the District.

All funds held by the County Treasurer in the Interest and Sinking Fund shall be invested at the sole discretion of the County Treasurer pursuant to law and the investment policy of the County. All funds held by the County Treasurer in the Building Fund shall be invested at the County Treasurer's discretion unless otherwise directed in writing by the District as follows: all or any portion of the Building Fund may be invested in (i) the Local Agency Investment Fund in the treasury of the State; or (ii) in investment agreements that comply with the requirements of each rating agency then rating the Bonds necessary to maintain the then-current rating on the Bonds, provided that the County Treasurer shall be a signatory to each such agreement. See Appendix E: "COUNTY OF CONTRA COSTA INVESTMENT POLICIES AND PRACTICES; DESCRIPTION OF INVESTMENT POOL."

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Contra Costa Community College District
General Obligation Bonds, Election of 2006, Series 2010
Estimated Sources and Uses of Funds

Sources of Funds	
Principal Amount of Bonds	$73,000,000.00
Original Issue Premium	1,059,339.05
Total Sources	$74,059,339.05
Uses of Funds	
Deposit to Building Fund	$73,000,000.00
Deposit to Interest and Sinking Fund	385,928.05
Costs of Issuance[1]	673,411.00
Total Uses	$74,059,339.05

[1] Includes financial advisor fees, bond counsel fees, disclosure counsel fees, underwriters' discount, rating agency fees, printing fees and other miscellaneous expenses.

SCHEDULED DEBT SERVICE

Scheduled debt service obligations for the Bonds, assuming no redemptions prior to maturity, are as shown in the table below:

Contra Costa Community College District
Series 2010 Bonds
Semi-Annual Debt Service

Period Ending	Principal	Interest	Total Debt Service
8/1/2010	$5,160,000	$1,254,250.27	$6,414,250.27
2/1/2011	--	1,827,126.85	1,827,126.85
8/1/2011	5,300,000	1,827,126.85	7,127,126.85
2/1/2012	--	1,800,626.85	1,800,626.85
8/1/2012	5,370,000	1,800,626.85	7,170,626.85
2/1/2013	--	1,780,489.35	1,780,489.35
8/1/2013	--	1,780,489.35	1,780,489.35
2/1/2014	--	1,780,489.35	1,780,489.35
8/1/2014	75,000	1,780,489.35	1,855,489.35
2/1/2015	--	1,779,364.35	1,779,364.35
8/1/2015	240,000	1,779,364.35	2,019,364.35
2/1/2016	--	1,775,764.35	1,775,764.35
8/1/2016	390,000	1,775,764.35	2,165,764.35
2/1/2017	--	1,767,964.35	1,767,964.35
8/1/2017	550,000	1,767,964.35	2,317,964.35
2/1/2018	--	1,756,964.35	1,756,964.35
8/1/2018	715,000	1,756,964.35	2,471,964.35
2/1/2019	--	1,739,089.35	1,739,089.35
8/1/2019	905,000	1,739,089.35	2,644,089.35
2/1/2020	--	1,716,464.35	1,716,464.35
8/1/2020	1,105,000	1,716,464.35	2,821,464.35
2/1/2021	--	1,688,839.35	1,688,839.35
8/1/2021	1,325,000	1,688,839.35	3,013,839.35
2/1/2022	--	1,655,714.35	1,655,714.35
8/1/2022	1,560,000	1,655,714.35	3,215,714.35
2/1/2023	--	1,616,714.35	1,616,714.35
8/1/2023	1,810,000	1,616,714.35	3,426,714.35
2/1/2024	--	1,563,482.25	1,563,482.25
8/1/2024	2,055,000	1,563,482.25	3,618,482.25
2/1/2025	--	1,503,044.70	1,503,044.70
8/1/2025	2,310,000	1,503,044.70	3,813,044.70
2/1/2026	--	1,435,107.60	1,435,107.60
8/1/2026	2,575,000	1,435,107.60	4,010,107.60
2/1/2027	--	1,351,368.60	1,351,368.60
8/1/2027	2,870,000	1,351,368.60	4,221,368.60
2/1/2028	--	1,258,036.20	1,258,036.20
8/1/2028	3,165,000	1,258,036.20	4,423,036.20
2/1/2029	--	1,155,110.40	1,155,110.40
8/1/2029	3,470,000	1,155,110.40	4,625,110.40
2/1/2030	--	1,042,266.00	1,042,266.00
8/1/2030	3,805,000	1,042,266.00	4,847,266.00
2/1/2031	--	918,527.40	918,527.40
8/1/2031	4,145,000	918,527.40	5,063,527.40
2/1/2032	--	783,732.00	783,732.00
8/1/2032	4,510,000	783,732.00	5,293,732.00
2/1/2033	--	637,066.80	637,066.80
8/1/2033	9,490,000	637,066.80	10,127,066.80
2/1/2034	--	328,452.00	328,452.00
8/1/2034	10,100,000	328,452.00	10,428,452.00
Total	$73,000,000	$70,577,861.27	$143,577,861.27

Annual debt service obligations for all of the District's outstanding bonds, including the Bonds and the District's General Obligation Bonds, Election of 2002, Series 2002, Series 2004 and Series 2006, and Election of 2006, Series 2007, are as follows:

Contra Costa Community College District
General Obligation Bonds
Annual Debt Service—Bond Year Basis

Year Ending (August 1)	Outstanding Bonds Debt Service	Series 2010 Bonds Debt Service	Total Annual Debt Service
2010	$ 11,805,992.52	$6,414,250.27	$18,220,242.79
2011	11,939,467.52	8,954,253.70	20,893,721.22
2012	12,080,292.52	8,971,253.70	21,051,546.22
2013	12,216,792.52	3,560,978.70	15,777,771.22
2014	12,318,917.52	3,635,978.70	15,954,896.22
2015	12,391,162.52	3,798,728.70	16,189,891.22
2016	12,555,212.52	3,941,528.70	16,496,741.22
2017	12,717,012.52	4,085,928.70	16,802,941.22
2018	12,865,337.52	4,228,928.70	17,094,266.22
2019	13,061,977.52	4,383,178.70	17,445,156.22
2020	13,229,396.26	4,537,928.70	17,767,324.96
2021	13,431,496.26	4,702,678.70	18,134,174.96
2022	13,614,486.26	4,871,428.70	18,485,914.96
2023	13,775,671.26	5,043,428.70	18,819,099.96
2024	13,962,481.26	5,181,964.50	19,144,445.76
2025	14,167,500.00	5,316,089.40	19,483,589.40
2026	14,373,825.00	5,445,215.20	19,819,040.20
2027	14,558,280.00	5,572,737.20	20,131,017.20
2028	14,772,545.00	5,681,072.40	20,453,617.40
2029	14,997,845.00	5,780,220.80	20,778,065.80
2030	12,901,700.00	5,889,532.00	18,791,232.00
2031	4,576,125.00	5,982,054.80	10,558,179.80
2032	4,588,050.00	6,077,464.00	10,665,514.00
2033	--	10,764,133.60	10,764,133.60
2034	--	10,756,904.00	10,756,904.00
Total	$286,901,567.50	$143,577,861.27	$430,479,427.77

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. Community college districts levy property taxes for payment of voter-approved bonds and receive property taxes for general operating purposes as well. The District receives approximately 34% of its total operating revenues from local property taxes.

Local property taxation is the responsibility of various county officers. For each community college district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school and community college district located in the county, holds and invests community college district funds, including taxes collected for payment of school and community college district bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a community college district whose boundaries extend into more than one county are administered separately by the county in which the property is located. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Assessed Valuation of Property Within the District

Under Proposition 13, an amendment to the California Constitution adopted in 1978, the county assessor's valuation of real property is established as shown on the fiscal year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property and of similar properties more recently sold. Likewise, changes in ownership of property and reassessment of such property to market value commonly lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. See generally, APPENDIX A: "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. For assessment and tax collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and other property (real or personal) for which there is a lien on real property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Shown in the following table is the assessed valuation of property in the District in the last several years.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows recent history of taxable property assessed valuation in the District.

Contra Costa Community College District
Summary of Assessed Valuation

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment(1)
2005-06	$123,680,824,113	$778,008,389	$4,359,165,041	$128,817,997,543	$114,311,154,540
2006-07	138,981,709,682	657,680,011	4,523,422,141	144,162,811,834	127,085,552,124
2007-08	151,552,494,770	558,065,472	4,607,800,088	156,718,360,330	137,947,538,637
2008-09	151,510,844,221	576,695,232	4,996,033,333	157,083,572,786	138,010,140,203
2009-10	139,873,965,883	557,056,345	5,286,590,539	145,717,612,767	129,061,363,358

Source: California Municipal Statistics, Inc.
(1) For discussion of redevelopment agency tax increment and community college district funding, see "Tax Collections and Delinquencies - *Impact of Redevelopment Agency Project Areas*," below.

Appeals of Assessed Valuation. State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may request a reduction in assessment directly from the County Assessor (the "Assessor"), who may grant or refuse the request, and may appeal an assessment directly to the Contra Costa County Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County against all taxing agencies who received tax revenues, including the District.

Bonding Capacity. The District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. The District's gross bonding capacity is approximately $3.6 billion. Taking into account all of the outstanding bonds of the District and the Bonds, the District's net bonding capacity is approximately $3.4 billion. In accordance with the law which permitted the Bonds to be approved by a 55% popular vote, bonds approved by the District's voters at the June 6, 2006 election may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than $25.00 per $100,000 of assessed valuation. Based on the assessed valuation of taxable property in the District at the time of issuance of the Bonds, the District projects, pursuant to a certification to be delivered concurrently with the issuance of the Bonds, that the maximum tax rate required to repay the Bonds will not exceed the aforementioned legal limit.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Contra Costa Community College District
Assessed Valuation and Parcels by Land Use

	2009-10 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office	$ 12,829,514,319	9.14%	7,415	2.08%
Industrial	12,116,287,404	8.63	2,319	0.65
Vacant Industrial	2,520,298,334	1.79	1,375	0.38
Government/Social/Institutional	795,575,525	0.57	3,291	0.92
Power Plants/Non-Unitary Utility	557,056,345	0.40	169	0.05
Recreational	476,610,050	0.34	801	0.22
Agricultural/Rural	377,927,720	0.27	1,295	0.36
Vacant Commercial	249,724,105	0.18	1,489	0.42
Miscellaneous Non-Residential	113,527,472	0.08	1,610	0.45
Subtotal Non-Residential	$ 30,036,521,274	21.39%	19,764	5.53%
Residential:				
Single Family Residence	$ 91,083,560,502	64.86%	265,495	74.31%
Condominium/Townhouse	11,573,979,656	8.24	47,657	13.34
5+ Residential Units/Apartments	4,293,289,059	3.06	2,391	0.67
Vacant Residential	1,874,562,105	1.33	13,220	3.70
2-4 Residential Units	1,294,704,124	0.92	6,014	1.68
Miscellaneous Residential	220,931,492	0.16	1,061	0.30
Mobile Home	53,474,016	0.04	1,655	0.46
Subtotal Residential	$110,394,500,954	78.61%	337,493	94.47%
Total	$140,431,022,228	100.00%	357,257	100.00%

Source: California Municipal Statistics, Inc.
(1) Local Secured Assessed Valuation, plus Utility; excluding tax-exempt property.

Assessed Valuation of Single-Family Residential Properties. The following table focuses on single-family residential properties only, which comprise approximately 65% of the assessed value of taxable property in the District. The average assessed value per parcel is $343,071, and the median assessed value per parcel is $255,500.

Contra Costa Community College District
Per Parcel 2009-10 Assessed Valuation of Single Family Homes

	No. of Parcels	2009-10 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	265,495	$91,083,560,502	$343,071	$255,500

2009-10 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	793	0.299%	0.299%	$ 14,053,901	0.015%	0.015%
$25,000 - $49,999	8,525	3.211	3.510	343,152,739	0.377	0.392
$50,000 - $74,999	16,471	6.204	9.714	1,016,953,909	1.117	1.509
$75,000 - $99,999	13,986	5.268	14.981	1,218,332,117	1.338	2.846
$100,000 - $124,999	13,593	5.120	20.101	1,524,858,160	1.674	4.520
$125,000 - $149,999	13,975	5.264	25.365	1,919,784,108	2.108	6.628
$150,000 - $174,999	15,077	5.679	31.044	2,443,714,442	2.683	9.311
$175,000 - $199,999	16,015	6.032	37.076	2,996,946,701	3.290	12.601
$200,000 - $224,999	15,708	5.916	42.993	3,332,143,235	3.658	16.260
$225,000 - $249,999	15,234	5.738	48.730	3,606,597,792	3.960	20.219
$250,000 - $274,999	13,310	5.013	53.744	3,487,501,148	3.829	24.048
$275,000 - $299,999	12,338	4.647	58.391	3,539,254,025	3.886	27.934
$300,000 - $324,999	10,610	3.996	62.387	3,307,069,405	3.631	31.565
$325,000 - $349,999	9,250	3.484	65.871	3,117,054,132	3.422	34.987
$350,000 - $374,999	8,941	3.368	69.239	3,236,610,368	3.553	38.540
$375,000 - $399,999	7,403	2.788	72.027	2,862,371,739	3.143	41.683
$400,000 - $424,999	6,653	2.506	74.533	2,739,500,354	3.008	44.691
$425,000 - $449,999	5,754	2.167	76.701	2,512,939,512	2.759	47.450
$450,000 - $474,999	5,157	1.942	78.643	2,380,579,601	2.614	50.063
$475,000 - $499,999	4,498	1.694	80.337	2,189,983,841	2.404	52.468
$500,000 and greater	52,204	19.663	100.000	43,294,159,273	47.532	100.000
Total	265,495	100.000%		$91,083,560,502	100.000%	

Source: California Municipal Statistics, Inc.
[1] Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Largest Taxpayers in District. The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the 2009-10 tax roll, and the assessed valuations thereof, are shown in the following table.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. In 2009-10, no single taxpayer owned more than 2.60% of the total taxable property in the District. Each taxpayer listed is a unique name on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

Contra Costa Community College District
Largest 2009-10 Local Secured Taxpayers

	Property Owner	Primary Land Use	2009-10 Assessed Valuation	% of Total[1]
1.	Chevron USA Inc.	Industrial/Office Building	$3,649,333,897	2.60%
2.	Equilon Enterprises LLC	Industrial/Refinery	2,003,074,036	1.43
3.	Tesoro Refining & Marketing Co.	Industrial/Refinery	1,362,645,962	0.97
4.	Tosco Corporation	Industrial/Refinery	1,022,985,625	0.73
5.	Shapell Industries Inc.	Residential Properties	568,856,208	0.41
6.	Delta Energy Center LLC	Power Plant	439,900,000	0.31
7.	Sunset Building Company LLC/ Sunset Land Company LLC	Office Building	366,889,511	0.26
8.	USS Posco Industries	Industrial	303,868,260	0.22
9.	Sierra Pacific Properties Inc.	Office Building	239,014,334	0.17
10.	First Walnut Creek Mutual	Cooperatives-Rossmoor	238,923,908	0.17
11.	Bank of America	Office Building	208,894,741	0.15
12.	Rreef America REIT II Corp.	Office Building	197,523,301	0.14
13.	Second Walnut Creek Mutual	Cooperatives-Rossmoor	184,523,028	0.13
14.	Lennar Homes	Residential Properties	176,035,723	0.13
15.	Pacific Atlantic Terminals LLC	Industrial	171,424,575	0.12
16.	Taubman Land Associates LLC	Shopping Center/Mall	161,840,100	0.12
17.	SDC 7	Industrial	155,235,950	0.11
18.	Annabel Investment Co.	Industrial	152,331,782	0.11
19.	Macerich Northwest Associates	Shopping Center/Mall	136,311,463	0.10
20.	Bio-Rad Laboratories Inc.	Industrial	136,086,947	0.10
			$11,875,699,351	8.46%

Source: California Municipal Statistics, Inc.
(1) 2009-10 Total Secured Assessed Valuation: $140,431,022,228 (plus Utility)

Taxation of State-Assessed Utility Property. A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization. State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Ongoing changes in the structure of California electric utility industry and in the way in which components of the industry are owned and regulated, including the sale of electric generation assets to largely unregulated, nonutility companies, may affect how utility assets are assessed in the future, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets or the State's methods of assessing utility property and allocating tax revenues to local taxing agencies, including the District.

Tax Rate

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. (Unsecured property is taxed at the secured property tax rate from the prior year.) Property values could be reduced by factors beyond the District's control, such as a depressed real estate market due to general economic conditions in the San Francisco Bay Area. The District is located in a seismically active area: the Hayward Fault, a branch of the more famous San Andreas Fault running near San Francisco, and considered one of the most active faults in California, runs through the District and directly under the Contra Costa College campus. Other faults running through the District include the Northern Calaveras Fault, a fork of the Hayward Fault, and the Mount Diablo fault. Not far away to the west lies the San Andreas fault. Taxable property within the District could sustain extensive damage in a major earthquake, as could the District's own college facilities, and a major earthquake could adversely affect the Bay Area's economic activity.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

The following table shows *ad valorem* property tax rates for the last two years in a typical Tax Rate Area of the District (TRA 8-001). TRA 8-001 comprises 3.82% of the total assessed value of taxable property in the District:

Contra Costa Community College District
Summary of Ad Valorem Tax Rates
Typical Total Tax Rate (TRA 8-001)

	2005-06	2006-07	2007-08	2008-09	2009-10
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of Richmond	.1400	.1400	.1400	.1400	.1400
Bay Area Rapid Transit District	.0048	.0050	.0076	.0090	.0057
East Bay Regional Park District	.0057	.0085	.0080	.0100	.0108
West Contra Costa Unified School District	.1041	.1143	.1035	.1230	.1828
Contra Costa Community College District	.0047	.0043	.0108	.0066	.0126
Total	1.2593%	1.2721%	1.2699%	1.2886%	1.3519%

Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

As required by State Law, the District utilizes the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are County, city and other special district taxes.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1. When necessitated by changes in assessed value in the course of a year, a supplemental assessment is prepared, and taxes are pro-rated for the portion of the tax year remaining after the change.

Property taxes on the secured roll are due in two equal installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. If the taxes have not been paid by June 30, the tax is deemed to be in default. Secured roll property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If the taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale at a public auction by the County Treasurer.

Property taxes on the unsecured roll are due as of the lien date of January 1 and become delinquent if unpaid on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the County Treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the County, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The County Treasurer may also bring a civil suit against the taxpayer for payment.

The following table shows real property tax collections and delinquencies in the District for the last several years.

Contra Costa Community College District
Secured Tax Charges and Delinquencies

	Secured Tax Charge[1]	Amount Del. June 30	% Del. June 30
2005-06	$5,774,336.35	$108,783.54	1.88%
2006-07	5,933,982.84	201,740.28	3.40
2007-08	16,226,842.46	777,981.63	4.79
2008-09	9,876,732.48	394,584.06	4.00

Source: California Municipal Statistics, Inc.
[1] Bond debt service levy only.

Teeter Plan. The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the County, including the District, receives the full amount of uncollected taxes credited to its fund (including delinquent taxes, if any), in the same manner as if the full amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school and community college district bonds.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency.

Impact of Redevelopment Agency Project Areas. Under California law, a city or county can create a redevelopment agency in territory within one or more community college districts. Upon formation of a "project area" of a redevelopment agency, all property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of tax revenues to other local taxing agencies, including community college districts, from that time forward. As shown in the table of Direct and Overlapping Bonded Debt, below, more than $16.6 billion of the assessed value of taxable property in the District is subject to tax increment diversion due to the existence of redevelopment agency project areas. Taxes collected for payment of debt service on community college district bonds are not affected or diverted.

Direct and Overlapping Debt. The following table was prepared by California Municipal Statistics Inc., and is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of March 1, 2010, and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Contra Costa Community College District
Direct And Overlapping Bonded Debt

2009-10 Assessed Valuation:	$145,717,612,767
Redevelopment Incremental Valuation:	(16,656,249,409)
Adjusted Assessed Valuation:	$129,061,363,358

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/10
Bay Area Rapid Transit District	29.554%	$ 124,126,800
Contra Costa Community College District	**100.**	**172,795,000**[(1)]
Antioch Unified School District School Facilities Improvement District No. 1	100.	20,000,000
John Swett Unified School District	100.	15,241,175
Martinez Unified School District	100.	20,969,777
Mt. Diablo Unified School District	100.	208,025,000
Pittsburg Unified School District	100.	106,740,000
San Ramon Valley Unified School District	98.738	278,720,929
West Contra Costa Unified School District	100.	731,132,876
Acalanes and Liberty Union High School District	100.	173,475,376
School Districts	100.	168,784,727
Cities	100.	28,719,977
West Contra Costa Healthcare District Parcel Tax Obligations	100.	23,175,000
East Bay Municipal Utility District Special District No. 1	6.319	1,882,114
East Bay Regional Park District	45.037	90,418,533
Community Facilities Districts	100.	282,699,684
City of El Cerrito Parcel Tax Obligations	100.	3,165,000
1915 Act Assessment Bonds	100.	402,834,669
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,852,906,637

DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Contra Costa County General Fund Obligations	99.628%	$ 283,496,455
Contra Costa County Pension Obligations	99.628	463,723,507
Alameda-Contra Costa Transit District Certificates of Participation	10.701	4,316,248
Contra Costa Community College District General Fund Obligations	**100.**	**1,050,000**
High School and Unified School District Certificates of Participation	100.	94,935,000
Brentwood Union School District Certificates of Participation	100.	3,245,000
City of Antioch General Fund Obligations	100.	28,895,000
City of Brentwood General Fund Obligations	100.	56,745,000
City of Concord General Fund and Judgment Obligations	100.	28,705,000
City of Hercules General Fund Obligations	100.	24,630,000
City of Pittsburg Pension Obligations	100.	39,266,056
City of Richmond General Fund and Pension Obligations	100.	262,365,133
City of San Ramon General Fund Obligations	100.	15,325,629
Other City General Fund Obligations	97.213-100.	50,055,143
Byron-Bethany Irrigation District General Fund Obligations	19.126	1,072,969
Contra Costa County Fire Protection District Pension Obligations	100.	120,180,000
San Ramon Valley Fire Protection District Certificates of Participation	98.567	14,849,119
Pleasant Hill Recreation and Park District Certificates of Participation	100.	2,470,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,495,325,259
Less: Contra Costa County self-supporting obligations		131,868,934
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$1,363,456,325
GROSS COMBINED TOTAL DEBT		$4,348,231,896[(2)]
NET COMBINED TOTAL DEBT		$4,216,362,962

Ratios to 2009-10 Assessed Valuation:
Direct Debt ($172,795,000) 0.12%
Total Direct and Overlapping Tax and Assessment Debt 1.96%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($173,845,000) 0.13%
Gross Combined Total Debt 3.37%
Net Combined Total Debt 3.27%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

(1) Excludes Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

To the extent the issue price of any maturity of the Series 2010A Bonds is less than the amount to be paid at maturity of such Series 2010A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2010A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Series 2010A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2010A Bonds is the first price at which a substantial amount of such maturity of the Series 2010A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2010A Bonds accrues daily over the term to maturity of such Series 2010A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2010A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2010A Bonds. Beneficial owners of the Series 2010A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2010A Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Series 2010A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2010A Bonds is sold to the public.

Series 2010A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2010A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2010A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2010A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2010A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2010A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2010A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010A Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code, or court decisions, may cause interest on the Series 2010A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals or clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2010A Bonds. Prospective purchasers of the Series 2010A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2010A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2010A Bonds ends with the issuance of the Series 2010A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax-exempt status of the Series 2010A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2010A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2010A Bonds, and may cause the District or the beneficial owners to incur significant expense.

Tax Matters Relating to the Series 2010B Bonds

In the opinion of Bond Counsel, interest on the 2010B Bonds is exempt from State of California personal income taxes. See APPENDIX C: "PROPOSED FORM OF OPINION OF BOND COUNSEL".

Interest on the 2010B Bonds is not excluded from gross income for federal income tax purposes. Prospective investors that are not individuals or regular C corporations who are U.S. persons purchasing the 2010B Bonds for investment should consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the 2010B Bonds.

Circular 230. Under 31 C.F.R. part 10, the regulations governing practice before the IRS (Circular 230), the District and its tax advisors are (or may be) required to inform prospective investors that:

1. any advice contained herein is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;

2. any such advice is written to support the promotion or marketing of the 2010B Bonds and the transactions described herein; and

3. each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for Piper Jaffray & Co., as representative of itself and Backstrom McCarley Berry & Co. (collectively, the "Underwriters") by their counsel, Stradling Yocca Carlson & Rauth, San Francisco, California.

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code of the State, are eligible securities for the deposit of public moneys in the State.

No Litigation

No litigation is pending or threatened concerning the validity of the Bonds, or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District or County officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to purchasers at the time of the original delivery of the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2009-10 Fiscal Year (which is due no later than April 1, 2011 and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX D: "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

MISCELLANEOUS

Ratings

The Bonds have received underlying ratings of "Aa2" by Moody's Investors Service and "AA" by Standard & Poor's. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement). The ratings reflect only the current views of the rating agencies, and any explanation of the significance of such ratings may be obtained only from Moody's at www.moodys.com and from Standard & Poor's at www.standardandpoors.com. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The District undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel to the District and as Disclosure Counsel with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. KNN Public Finance, A Division of Zions First National Bank is acting as financial advisor to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Underwriting

The Bonds are being purchased by the Underwriters pursuant to the terms of a bond purchase agreement between the District and the Underwriters dated March 16, 2010 (the "Purchase Agreement"). The Purchase Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation of the Underwriters to purchase the Bonds being subject to certain terms and conditions to be satisfied by the District.

The Underwriters have agreed to purchase the Bonds from the District at a purchase price of $73,385,928.05. Based on the reoffering prices provided by the Underwriters, the original issue premium on the reoffering of the Bonds is $1,059,339.05, and the Underwriters' gross compensation is $418,511.00. Pursuant to the Purchase Agreement, the Underwriters have also agreed to pay costs of issuing the Bonds not to exceed $254,900.00 from the original issue premium.

The initial offering prices and initial reoffering yields shown on the inside cover page hereof have been provided by the Underwriters for inclusion herein. The District makes no representation as to the accuracy thereof. The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriters.

Piper Jaffray & Co. ("Piper") has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings allocated to Piper at the original offering prices. Under the Distribution Agreement, if applicable to the Bonds, Piper will share with AAM a portion of the fee or commission, exclusive of management fees, paid to Piper.

Additional Information

Quotations from and summaries and explanations of the Bonds and the Resolution providing for issuance and payment of the Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

* * *

All data contained herein have been taken or constructed from the District's records and other sources, as indicated. This Official Statement and its distribution have been duly authorized and approved by the District.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

Kindred Murillo

By: /s/ Kindred Murillo
Vice Chancellor, Districtwide
Administrative Services

APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

The information in this appendix concerning the operations of the District, the District's finances, and State funding of education is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.

DISTRICT FINANCIAL INFORMATION

General

The District's annual revenues are determined by a State funding formula, and consist of local property taxes, student fees, and State appropriations that are based upon student attendance. Because over 92% of the District's general fund operating revenues are tied to this State funding formula, and over 40% of these revenues are provided directly by the State, the District's fiscal position is closely tied to the fiscal health of the State. And because the State Constitution commands that approximately 40% of the State's general fund budget be used to fund local school districts and community college districts, funding for education is at the heart of an often-contentious annual State budget approval process.

This Appendix discusses overall State funding of education through the State's constitutional funding formula known as "Proposition 98", funding of the community college system, and the District's budget process. Specific information is presented regarding the District's current budgeted revenues and expenditures, as well as long-term obligations and capital financing.

The State's community college funding model adopted in 2006 equalized funding among the 72 community college districts and their 110 community colleges. The model provides for a base allocation by size of college, and an allocation for State-approved and grandfathered college "centers". The primary basis of the State apportionment is the calculation of Full-Time Equivalent Students (FTES). For Fiscal Year 2009-10, the District is budgeted to receive a base allocation of $11,625,408 for three colleges and one approved center. Student attendance in approved credit courses (generally, those courses leading to a degree) are funded at a rate of $4,565 per FTES; attendance in designated non-credit courses (including lifelong/adult learning, remedial basic skills courses, English as a Second Language, and other courses designed to lead to improved job opportunities) are funded at $2,745 per FTES, and enhanced non-credit courses (generally, specific categories of career development and college preparation courses) are funded at $3,232 per FTES.

A recent history of actual audited attendance and the current budgeted attendance measured in terms of FTES is shown in the table on the following page. Since completion of the year-end financial audits, the District has made corrections to its historical FTES for certain years.

Contra Costa Community College District
Resident Full-Time Equivalent Students

Fiscal Year	Resident Full-Time Equivalent Students
2004-05	25,952
2005-06	30,429
2006-07	25,525
2007-08	30,877(1)
2008-09	28,566(1)
2009-10 (Budgeted)	29,837

(1) Approximately 2,050 summer session FTES from summer 2008, accounted for in Fiscal Year 2007-08.

The table below represents non-resident international students who pay full tuition to the District. These students are excluded from the State funding formula calculation.

Fiscal Year	Non-Resident International Students
2004-05	1,192
2005-06	1,550
2006-07	1,420
2007-08	1,774
2008-09	1,744
2009-10 (Budgeted)	1,743

State Funding of the Community College System; State Budget Process

General. As is true for all community college districts in California, the District's operating income consists primarily of these components: (i) a State portion funded from the State's general fund, (ii) a local portion derived from the District's share of the county-wide property tax; (iii) revenues generated from the district's operations, consisting primarily of student fees and sales; and (iv) federal government grants and transfers. The District receives over 40% of its general fund revenues from State funds, budgeted at approximately $69.8 million in fiscal year 2009-10. As a result, decreases in State revenues, or in State legislative appropriations made to fund higher education, may significantly affect District operations.

State funding is guaranteed to a minimum level for community college districts, school districts, and other State agencies that provide direct elementary and secondary instructional programs. The funding guarantee is known as "Proposition 98", a constitutional and statutory initiative amendment adopted by the State's voters in 1988, and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution).

The Proposition 98 funding mandate normally commands about 45% of all State general fund revenues, and community colleges normally receive about 11% of the Proposition 98 figure. However, recent years have seen frequent disruptions in the three components of State general fund revenues, State personal income taxes, sales and use taxes, and corporate taxes. This has made it increasingly difficult for the State to meet its obligations under Proposition 98 while providing for other fixed State costs and priority programs and services.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted by a two-thirds vote of each house of the Legislature no later than June 15, although this deadline is routinely breached. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. The Governor signed the State's amended 2009-10 Budget Act on July 28, 2009.

When the State budget is not adopted on time, appropriations to the District will be delayed. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to community college districts without an adopted budget or emergency appropriation. Funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that funding for community colleges may not be appropriated without an adopted budget. Should the Legislature fail to pass the budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White* decision and the State's practice of adopting budgets late, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor".

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent, and others, sued the State or Governor in 1995, 2005, and 2009, to force them to fund Proposition 98 in the full amount required. The settlement of the 1995 and 2004 lawsuits has so far resulted in over $4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006 (QEIA), have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, as the State did in 2004-05; and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

2009-10 State Budget. On September 24, 2008, the Governor signed the State budget for fiscal year 2008-09, the latest budget approval in State history. It is widely acknowledged that even by the time of its passage, the budget's revenue estimates were already too optimistic, in light of continuing weak performance in the California economy and unprecedented adverse developments in the global and national financial markets, particularly after September 15, 2008. The Governor declared a fiscal emergency in December 2008, and called three concurrent special legislative sessions in order to address the budget deficit, then estimated to be $42 billion. In the face of growingly negative estimates of State tax receipts during fiscal year 2008-09, the Governor signed the

State's Fiscal Year 2009-10 Budget Act on February 20, 2009 (the earliest date on record), essentially as a revised two-year budget settlement for fiscal years 2008-09 and 2009-10. However, after the failure in May 2009 of six revenue and spending propositions on the statewide ballot deemed essential to success of the budget bill, work began again on a fiscal year 2009-10 budget plan. On July 24, 2009, the Legislature approved a new budget package, which the Governor signed on July 28, 2009. For an accurate view of current Proposition 98 funding, one must treat these three recent budgets as a whole, and consider also the significant adjustments that have been left to future budget years.

The amended 2009-10 State Budget consisted of some 30 separate bills; subsequent legislation may affect final budget totals. Indeed, as preliminary budget discussions for 2010-11 have revealed, the assumptions in even the amended 2009-10 State Budget may prove unsustainable, and midyear cuts as well as retroactive cuts and revisions may be needed. Until audited fiscal year-end 2008-09 State revenues are known, the State cannot determine the final fiscal year 2008-09 or 2009-10 Proposition 98 funding requirement.

The following information relating to community college funding in 2009-10 is adapted from reports and budget summaries prepared by the Legislative Analyst's Office and other sources.

Proposition 98. For 2009–10, community colleges are budgeted to receive $5.7 billion in Proposition 98 support, which is 11.2% of total state Proposition 98 spending. This reflects a reduction of $265 million (4.5%) from the revised 2008–09 budget. Of this amount, $3.7 billion is State general fund support, or $434 million (10.4%) less than the 2007–08 funding level. Total programmatic funding from all sources is budgeted to be $6.5 billion, or $189 million (2.8 %) less than 2007–08, and $287 million (4.2%) less than 2008–09. Some of this funding pays for costs incurred in prior fiscal years for which funding was deferred to 2009-10. The Legislature added $340 million to the existing $200 million in community college funding deferrals in the 2008-09 budget year, and the budget package defers an additional $163 million from 2009-10 to 2010–11, thereby creating an ongoing deferral of $703 million annually. For the second year in a row, the budget provides neither enrollment growth nor a cost of living allowance (COLA) for community colleges.

Base Apportionment Reductions. The budget reflects cuts totaling $140 million (about 2%) to Proposition 98 State general fund support for community college district apportionments (general–purpose moneys). This includes an unallocated reduction of $130 million as well as $10 million in savings from the elimination of the California High School Exit Exam remediation program.

Local Property Tax Backfill. The budget includes a total of $63.3 million in State general fund support to partially compensate for an estimated $116.7 million drop in community college districts' local property tax revenues in 2009–10 from earlier estimates. This backfill is derived from two sources: (1) a redirection of $58.3 million in funds previously intended for enrollment growth, and (2) a $5 million reappropriation of unspent funds from prior years.

Student Fees. The budget package increased enrollment fees from $20 per unit to $26 per unit, which returned student fees back to their 2006 level. These higher fees are expected to generate $80 million in additional revenue for community college districts, thereby mitigating the impact of reduced Proposition 98 support for apportionments. Lower– and middle–income students are largely shielded from the fee increase by the fee waiver program and recently expanded federal tax credits.

Workload Reduction Provision. The budget package includes a provision that permits community colleges to reduce the number of students they serve ("workload") in 2009–10 in proportion to the net reduction in base apportionment funding. Another provision expresses the Legislature's intent that any resulting workload reductions be limited as much as possible to areas other than basic skills, workforce training, and transfer-level coursework.

Categorical Cuts and Flexibility. The budget package reduces Proposition 98 support for categorical programs by a total of $263 million compared with revised 2008–09 levels. The budget assumes that $130 million of this reduction will be backfilled by federal stimulus funding, for a net reduction of $133 million. In order to better accommodate these cuts, during budget years 2009–10 though 2012–13, community college districts are permitted to transfer funds for twelve of 21 categorical programs to any other categorical spending purpose.

California Community College Budget Summary (Statewide)
(Dollars in millions)

	2007-08 Actual	2008-09 Proposed	2009-10 Proposed	Change from 2008-09 Amount	Change from 2008-09 Percent
Community College Proposition 98					
General Fund	$4,142.1	$4,031.9	$4,418.0	$386.1	9.6%
Local property tax	1,970.7	2,053.5	2,063.6	10.1	0.5
Subtotals, Proposition 98	$6,112.8	$6,085.4	$6,481.7[a]	$396.3	6.5%
Other Funds					
General Fund					
Proposition 98 Reversion Account	19.1	21.6	—	-21.6	-100.0
Quality Education Investment Act	32.0	48.0	48.0	—	—
Chancellor's Office	10.0	9.8	10.2	0.4	3.8
Teachers' retirement	87.8	89.2	95.5	6.4	7.1
Bond payments	164.1	219.0	271.6	52.6	24.0
Compton CCD[b] Loan Payback	-0.3	-0.9	-0.9	—	—
Total General Fund	$312.7	$386.7	$424.3	$37.6	9.7%
State lottery funds	168.7	164.2	169.8	5.6	3.4
Other state funds	19.7	28.6	28.3	-0.3	-1.0
Student fees	291.3	299.4	308.4	9.0	3.0
Federal funds	257.9	256.1	255.8	-0.3	-0.1
Other local funds	1,918.4	1,916.9	1,916.9	—	—
Subtotals, Other Funds	$2,968.7	$3,051.9	$3,103.5	$51.6	1.7%
GRAND TOTALS	**$9,081.6**	**$9,137.3**	**$9,585.2**	**$447.9**	**4.9%**

Source: Calif. Leg. Analyst's Office, "2009-10 Budget Analysis Series—Proposition 98 Education Programs" (Feb. 3, 2009).
[a] Excludes $169.8 million backfill of lottery funds.
[b] Community college district.
Detail may not total due to rounding.

Cash Management. On March 1, 2010, the Governor signed urgency legislation approved by the Legislature in extraordinary session that requires deferral of State apportionments to community college districts and certain other agencies from March 2010 to between April 15 and May 1, 2010, if necessary to meet cash requirements of the State. In addition, the legislation requires deferral of State apportionments to community colleges from July 2010 to October 2010, and from March 2011 to May 2011, unless the Chancellor of the California Community Colleges (the "State Chancellor") and State Director of Finance determine that such deferrals will present an imminent threat to the fiscal integrity and security of a college. While the District believes this legislation will affect the District's cash flow and interest income, it expects the effects to be similar to the delays in State apportionments it frequently experiences due to delay in adoption of the State budget, as described above. See "State Funding of the Community College System; State Budget Process—*Adoption of Annual State Budget*".

Proposition 1A. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (ERAF) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election.

Proposition 1A is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 1A allows the State to divert up to 8% of local property tax revenues for State purposes only if: (i) the Governor declares such action to be necessary due to a State fiscal emergency; (ii) two-thirds of both houses of the Legislature approve the action; (iii) the amount diverted is required by statute to be repaid within three years; (iv) the State does not owe any repayment to local agencies for past property tax or Vehicle License Fee diversions to local agencies; and (v) such property tax diversions do not occur in more than two of any ten consecutive fiscal years. Because ERAF shifts will be capped and limited in frequency, community college districts that receive Proposition 98 funding from the State will be more directly dependent upon the State's general fund.

The amended 2009-10 State Budget includes a Proposition 1A diversion of $1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State general fund spending for education and other programs. Such diverted revenues must be repaid, with interest, no later than June 30, 2013. The amended 2009-10 State Budget diverts another $1.7 billion in local property tax revenues from local redevelopment agencies, but this is not covered by Proposition 1A. The California Redevelopment Association and two redevelopment agencies filed a lawsuit in October 2009 challenging the constitutionality of this diversion.

District Budget Process; Fiscal Accountability

Community college district budgeting begins each year with the State Budget process discussed above. The District prepares a preliminary budget by June 30 of each year for the upcoming fiscal year commencing July 1. By September 15 of the budget year, the Governing Board of the District is required to formally adopt a revised budget, and deliver it to the State Chancellor not later than October 10, pursuant to Section 58305 of the California Code of Regulations, Title V. Once adopted, the budget may be amended throughout the fiscal year as the District's financial circumstances change. Set forth below is information relating to the District's adopted fiscal year 2009-10 budget.

The statewide governing board of the California Community Colleges and the State Chancellor have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the State Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the State Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources, and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the State Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts with greater financial difficulty will receive follow-up visits from the State Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

District Operating Revenues

In fiscal year 2008-09, local property tax revenues made up 34% of the District's total revenues, State apportionments accounted for approximately 28%, other State revenues accounted for another 11%, and federal revenues and student enrollment fees and tuition each accounted for approximately 8% of total District revenues. Federal funding normally contributes less than 3% to District operations, but the figure in 2008-09 was higher (8%) due to receipt of federal stimulus funding under the American Recovery and Reinvestment Act of 2009. In its 2009-10 adopted budget, the District projects local property tax revenues of $70.7 million, State general apportionment funds of $65 million, State subventions and non-tax revenues of $4.4 million, and student enrollment fees of

$11.8 million. The State's workload reduction formula in the State's 2009-10 budget is expected to result in a revenue loss of $4.8 million.

The balance of the District's general fund revenues in each fiscal year are derived from auxiliary enterprise revenues (such as bookstore, cafeteria and information technology operations), lottery income, non-resident tuition, special purpose apportionments, interest, and miscellaneous other sources. Auxiliary revenues accounted for approximately 7% of total District revenues in 2008-09. Lottery funds, which are distributed to community college districts proportional to their total enrollment, are budgeted at $111 per FTES in 2009-10, or about $3.6 million. Lottery funds may not be used for non-instructional purposes, such as the payment of principal of and interest on the Bonds, acquisition of real property, the construction of facilities or the financing of research. Interest income is primarily derived from District cash held in the County treasury.

The District's restricted general fund revenues for Fiscal Year 2008-09 were $23.7 million. Fiscal Year 2009-10 restricted general fund revenues are budgeted at $2.2 million, reflecting in large part the district's practice of taking such revenues into account when funding becomes more certain over the course of the year. A portion of the District's restricted general fund revenues come from state funding earmarked for specific categorical programs. The volume and allocation of categorical funding is subject to the discretion of the State legislature and the District's continued qualification for each such program. The District experienced funding reductions to a variety of categorical programs in Fiscal Years 2008-09 and 2009-10. The District cannot predict how State funding of categorical programs will vary in the future.

The District adopted its 2009-10 budget after the adoption of the State budget. Certain adjustments may have to be made throughout the year based on actual State funding and actual attendance. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on public education funding, or whether the State will make additional cuts or enhancements to education funding during Fiscal Year 2009-10.

Tax and Revenue Anticipation Notes. Because District revenues from local property taxes and State apportionments are received at irregular intervals throughout the year, while expenditures tend to be incurred on a regular monthly basis, the District has at times found it necessary to borrow for short-term cash flow needs by issuance of tax and revenue anticipation notes. The District's notes are a general obligation of the District, payable from the District's general fund and any other lawfully available moneys. The following table shows a recent history of the District's Tax and Revenue Anticipation Notes issues. The District expects to be able to cover its current-year cash flow needs without issuance of notes.

Issuance Date	Principal Amount	Interest Rate	Yield	Due Date
07/01/02	$14,695,000	3.0%	1.80%	07/28/03
07/01/04	15,830,000	3.5	1.67	07/29/05
07/01/05	13,000,000	4.0	2.62	06/30/06

Foundations. Each of the colleges of the District is supported by an independent not-for-profit foundation. Each foundations acts primarily as a fundraising organization to provide grants and scholarships to students and other financial support to the programs of the District, according to the foundation's means, its own funding priorities, and restrictive terms of donor grants. The foundations are considered as component units of the District for financial reporting purposes, and the District provides facilities, staff, and operational support to each of the three foundations. In 2008-09, the three foundations provided a total of $1.5 million in direct support to District programs. See APPENDIX B: "ANNUAL FINANCIAL REPORT, JUNE 30, 2009," Note 1.

Major District Expenditures

The largest part of each community college district's general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits. In its fiscal year 2009-10 budget, the District projects that it will expend $153 million in salaries and benefits, or approximately 92% of its unrestricted and restricted general fund expenditures. This amount represents a decrease of approximately 5.4% from the $162 million the District expended in salaries and benefits in fiscal year 2008-09.

Labor Relations. As of January 1, 2010, 1,600 full-time-equivalent employees were represented by labor organizations, as shown in the table below. The remainder are not represented by any formal bargaining unit.

Contra Costa Community College District
Labor Organizations

Labor Organization	Represented Employees (FTEs)	Contract Expiration
United Faculty	1,100	06/30/2011
Local 1	500	06/30/2012

Retirement Programs. The District participates in the State Teachers' Retirement System ("STRS") for all full-time and some part-time certificated employees. Each community college district is required by statute to contribute 8.25% of eligible employees' salaries to STRS on a monthly basis. Employees are required to contribute 8% of eligible salary. The State is required to contribute as well. The District's employer contribution to STRS was $5.3 million for Fiscal Year 2008-09 and is budgeted at approximately $5.6 million in Fiscal Year 2009-10.

The District also participates in the California Public Employees' Retirement System ("CalPERS") for all full-time and some part-time classified employees. The District is required to contribute toward CalPERS, at a State-determined percentage of CalPERS-eligible salaries. For fiscal year 2009-10, the contribution percentage is 9.709%. In the current budget year, the total contribution is budgeted at approximately $4.4 million, compared to a Fiscal Year 2008-09 expense of $3.5 million.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. See APPENDIX B: "ANNUAL FINANCIAL REPORT, JUNE 30, 2009," Note 14.

Summary of General Fund Revenues and Expenditures

The following table summarizes the District's total audited or budgeted general fund revenues and expenditures for Fiscal Years 2005-06 through 2009-10. The District's audited financial statements for the year ending June 30, 2009, are presented in Appendix B.

REVENUES	2005-06 Actual(1)	2006-07 Actual(1)	2007-08 Actual(1)	2008-09 Actual(1)	2009-10 Budget(2)
From Federal Sources	$ 2,892,169	$ 3,106,333	$ 3,223,379	$ 3,401,993	$ 28,000(3)
From State Sources	76,045,231	88,985,231	95,107,924	94,750,944	69,832,890(3)
From Local Sources	90,489,167	96,810,749	97,772,446	100,290,786	94,102,411
TOTAL	**169,426,567**	**188,902,313**	**196,103,749**	**198,443,723**	**163,963,301**
EXPENDITURES					
Salaries and Benefits	126,855,934	142,280,428	154,231,021	161,709,461	153,039,311
Books and Supplies	4,772,445	5,228,732	4,952,991	5,593,259	4,060,861
Other	25,278,802	27,471,109	28,207,101	27,160,683	9,351,936
TOTAL	**156,907,181**	**174,980,269**	**187,391,113**	**194,463,403**	**166,452,108**
OTHER SOURCES (USES)	**(1,102,112)**	**(16,434,577)**	**(1,002,900)**	**(1,969,601)**	**(1,156,898)**
CHANGE IN FUND BALANCE	**11,417,274**	**(2,512,533)**	**7,709,736**	**2,010,719**	**(3,645,705)**
BEGINNING BALANCE	10,806,203	22,223,477	19,711,538	27,421,274	29,376,269
Post-Year Adjustments	-	594	-	-	-
ENDING FUND BALANCE	**$22,223,477**	**$19,711,538**	**$27,421,274**	**$29,431,993**	**$25,730,564**
Unrestricted Balance	22,191,016	20,615,425	27,421,274	29,431,993	25,730,564
General Fund Balance as a percent of Expenditures	**14.2%**	**11.3%**	**14.6%**	**15.1%**	**15.5%**

(1) District Audited Financial Statements for each year.
(2) District Annual Financial and Budget Report (CCFS-311) dated October 12, 2009.
(3) District's adopted budget understates certain expected federal and state categorical revenues, which are incorporated into budget adjustments over the course of the year as funding becomes more certain.

Accounting Practices; Annual Audit

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California Community Colleges Budget and Accounting Manual (BAM). The Budget and Accounting Manual has the authority of regulation in accordance with Title 5, Section 59011 of the California Code of Regulations (CCR), as defined in California Education Code Section 70901. Each community college district is required to follow the Budget and Accounting Manual in accordance with Education Code Section 84030. For most activities and funds, a modified accrual basis is used. Revenues are recognized only when they are earned, measurable and available: collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when an event or transaction is expected to draw upon current spendable resources

The District's financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Procedure No. 34 and No. 35, following a business-type activity model. These financial statements allow for the presentation of financial activity and results with respect to the District as a whole, rather than focusing on individual funds. The District's financial statements are presented using an accrual basis of accounting, recognizing revenues when earned and expenses when an obligation has been incurred.

Vavrinek, Trine, Day & Company, LLP, Pleasanton, California, serves as independent auditor to the District and its report for Fiscal Year Ended June 30, 2009, is attached hereto as APPENDIX B. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit herein that there has been no material change in the financial condition of the District since the audit was concluded. The District is required by law to file its audited financial statements with the County Clerk, County Superintendent of Schools, the Board of Governors of the California Community Colleges, and the State Department of Finance no later than December 31 following the close of each fiscal year.

Long-Term Obligations

The District carries on its books long-term obligations consisting of outstanding bonds, long-term lease obligations, compensated absences, and non-pension post-retirement benefits obligations. See, generally, APPENDIX B: "ANNUAL FINANCIAL REPORT, JUNE 30, 2009," Notes 10 and 11.

Post-Employment Benefits. The District offers subsidized health insurance benefits to all employees who retire from the District and meet the age and service requirements for eligibility (age 55 for certificated and 50 for classified employees; minimum ten years of service). The amount of the District's contribution towards such annual premiums per employee is determined according to collective bargaining agreements or court settlements. The District recognizes the cost of providing those benefits and related administrative costs when paid. Costs associated with employee benefits, including post-retirement benefits, have been rapidly increasing due to rising health care costs and health insurance premiums.

Beginning in Fiscal Year 2007-08, the District was required to implement Governmental Accounting Standards Board Statement No. 45 ("GASB 45") which directs certain changes in accounting for post-employment healthcare benefits in order to quantify a government agency's current liability for future benefit payments. On December 2, 2008, Rael & Letson of Foster City, California, actuarial consultants, completed a study of the District's outstanding post-employment benefit obligations as of June 30, 2008.

The report calculates the value of all future benefits already earned by current retirees and current employees, known as the "actuarial accrued liability" (AAL). As of the date of the report, the District had an actuarial accrued liability of approximately $263 million for 699 current retirees and beneficiaries and 1,059 additional future participants. The AAL is an actuarial estimate that depends on a variety of assumptions about future events such as health care costs and beneficiary mortality. Every year, the AAL increases by the amount of future benefit costs incurred with respect to active employees in that year, which annual increment is known as the "normal cost". The report estimated the normal cost at $7.5 million for 2008-09. To the extent that the District has not set aside moneys with which to pay these accrued and accruing future liabilities, there is an unfunded accrued actuarial liability (UAAL). As of the date of the report, the District had set aside $49.4 million to fund its future obligations, while $213.3 million remained unfunded. The annual required contribution (ARC) is the amount required to fund each year's normal cost plus an annual amortization of the unfunded accrued actuarial liability, assuming the UAAL will be fully funded over a 30-year period. If the amount budgeted and funded in any year is less than the ARC, the difference reflects the amount by which the UAAL is growing. In 2008, the ARC was determined to be $23.3 million. In 2008-09, the District funded $8.5 million in pay-as-you-go expenditures. The District's 2009-10 budgeted contribution towards post-retirement benefits was $8.75 million.

As of February 1, 2010, the District had funded approximately $53 million of its actuarial accrued liability, including a 2008-09 contribution of $1 million for future expenses. An irrevocable trust established in 2008-09 held $9.1 million, while the balance is set aside in a District-controlled special reserve fund, but is not held in trust. Accordingly, GASB does not recognize amounts in the special reserve fund as reducing the UAAL.

Accrued Vacation and other Obligations: The long-term portion of accumulated and unpaid employee vacation for the District as of June 30, 2009, was $14,112,822.

General Obligation Bonds. Since 2002, the District has conducted two bond elections and issued bonds as described below. All such bonds are payable from a special *ad valorem* property tax which the County is required to levy in an amount sufficient to pay such obligations.

On March 5, 2002, the voters of the District approved a bond proposition authorizing the issuance of $120 million of bonds of the District to: "repair outmoded facilities (for energy savings, safety and handicapped accessibility improvements); and update facilities used by vocational programs (for fire science, nursing, police, culinary arts and technology programs) and transfer programs at Contra Costa College, Diablo Valley College, Los Medanos College, San Ramon Valley Center and the Brentwood/Delta Science Centers." The bonds were issued in three series, as shown in the table below.

On June 6, 2006, the voters of the District approved a bond proposition authorizing the issuance of $286.5 million of bonds of the District to: "renovate outmoded college facilities (making energy savings, safety, and handicapped accessibility improvements), and update facilities used by transfer, career and vocational students (for math, science, nursing, technology and other programs) at Contra Costa College, Diablo Valley College, Los Medanos College, the San Ramon Valley and Brentwood Centers." To date, one series of bonds has been issued, as shown in the table below.

Summary of Outstanding General Obligation Bond Issues
as of January 1, 2010
(Table does not reflect the issuance of the Bonds)

Series Name	Initial Principal	Outstanding Principal	Issued
Election of 2002			
Series 2002	$ 50,000,000	$ 43,350,000	July 2002
Series 2004	45,000,000	41,850,000	August 2004
Series 2006	25,000,000	23,625,000	May 2006
TOTAL	$120,000,000	$108,825,000	
Election of 2006			
Series 2007	$ 73,000,000	$ 63,970,000	August 2007
TOTAL	$ 73,000,000	$ 63,970,000	

Certificates of Participation. In June 1996, $1,605,000 of Certificates of Participation (representing proportionate interests in lease revenues derived from a lease – lease-back financing structure) were issued on behalf of the District. The District's remaining annual rental payment obligations range from $65,000 to $110,000 through 2021. The proceeds were used to fund completion of the Diablo Valley College Student Center/Student Union Building. As of June 30, 2009, $1,050,000 principal amount of the Certificates remained outstanding. The rental payment is an obligation payable from the general fund of the District.

Capital Lease Obligations. The District leases equipment under various capital leases. Rental payments thereunder are an obligation payable from the general fund of the District. Future minimum lease payments are as follows:

Year Ending June 30	Lease Payment
2010	$142,062
2011	8,356
2012	5,712
2013	5,236
Total	$161,366
Less Amounts representing interest	(6,118)
Net minimum lease payments (present value)	$155,248

Capital Financing Plan

The District has identified approximately $430 million in capital project needs over the next five years, including modernization projects at all three of the District's community college campuses. The District last completed a comprehensive facilities master plan in 2002, and is currently in the process of completing an analysis of districtwide seismic retrofitting needs. Of the identified amount, the District's Measure A approved by voters in 2006 will provide approximately $286 million. Additional funding is being and will be sought from the State's Capital Outlay Program for community colleges. Other available funding sources include State deferred maintenance funds, bond proceeds from the District's 2002 bond measure encumbered for specific projects, and remaining unencumbered interest and contingency funds related to the 2002 bond measure earmarked for Contra Costa College projects.

Insurance, Risk Pooling and Joint Powers Arrangements

The District participates in Bay Area Community College District Joint Powers Authority ("BACCD JPA") and Contra Costa County Schools Insurance Group ("CCCSIG") for selected insurance coverage. BACCD JPA administers a cooperative insurance program for member districts. Member districts are insured under certain liability and property insurance policies purchased by BACCD JPA. For property damage, the District has coverage of $250,000,000 per occurrence, with a deductible of $10,000 per occurrence and the BACCD JPA has a deductible of $250,000 per occurrence. For liability insurance, the District has coverage of $25,000,000 per occurrence, with a deductible of $10,000 per occurrence and the BACCD JPA has a deductible of $100,000 per occurrence.

CCCSIG provides a cooperative program of self-insurance for workers' compensation for member districts. CCCSIG is self-insured for individual workers' compensation claims less than $500,000 and is covered by insurance for individual claims exceeding such amount to a maximum of $10,000,000 per claim. Each participant's individual claims performance dictates whether the participant will be required to contribute more to cover pooled insurance costs or derive dividends from pool savings.

The relationship between the District and BACCD JPA and CCCSIG is such that these Joint Powers Authorities are not considered to be component units of the District for financial reporting purposes. The District does not directly bear liability for the losses of other members of either BACCD JPA or CCCSIG; however in the event of numerous large local losses, either JPA's self-insured retention fund could be exhausted, and member districts such as the District could be required to make further contributions to cover member claims.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

Article XIIIA of the California Constitution. Article XIIIA of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA limits the maximum *ad valorem* tax on real property to 1% of "full cash value," and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the bond proposition. The tax for payment of the District's Measure A bonds approved in 2006 falls within the exception for bonds approved by a 55% vote.

Section 2 of Article XIIIA defines "full cash value" to mean the county assessor's valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restored value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIIIA provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIIIA has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the District.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Article XIIIC and Article XIIID of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including community college districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies such as community college districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIIIC also provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a duty on the County Treasurer to levy a property tax sufficient to pay debt service on community college district bonds coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the duty of the District and the County with respect to such taxes. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Developer fees are neither pledged nor available to pay the Bonds.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Expenditures and Appropriations

Article XIIIB of the California Constitution. In addition to the limits Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual "appropriations limit" or "Gann Limit" imposed by Article XIIIB of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds.

Article XIIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Each school or community college district is required to establish an appropriations limit each year. In the event that a district's revenues exceed its spending limit, the district may increase its appropriations limit to equal its spending by taking appropriations limit from the State.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years. If the State's aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, 50% of the excess is transferred to fund the State's contribution to school and community college districts.

In Fiscal Year 2008-09, the District had an appropriations limit of $211.6 million. In Fiscal year the District estimates an appropriations limit of $196.8 million and appropriations subject to the limit of $136.5 million.

Future Initiatives. Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, as well as Propositions 98 and 111, were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

APPENDIX B

ANNUAL FINANCIAL REPORT
JUNE 30, 2009

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2009

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

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JUNE 30, 2009

FINANCIAL SECTION

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the accompanying basic financial statements of the business-type activities of the Contra Costa Community College District (the District) as of and for the years ended June 30, 2009 and 2008, and its discretely presented component units as listed in the Table of Contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. The financial statements of Contra Costa, Diablo Valley, and Los Medanos Foundations (the Foundations) were not audited in accordance with *Governmental Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Contra Costa Community College District and its discretely presented component units as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

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FRESNO • LAGUNA HILLS • PLEASANTON • RANCHO CUCAMONGA • PALO ALTO

The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Supplementary Information on pages 58 through 67 has been presented at the request of District management for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

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 Contra Costa Community College District (the District) as of June 30, 2009. The report consists of three basic financial statements: the Statement of Financial Position, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows and 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, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

The District's primary funding source is apportionment received from the State of California based upon student attendance. The primary basis of this apportionment is the calculation of Full Time Equivalent Students (FTES). During the 2008-2009 fiscal year, the reported resident FTES were 28,566 as compared to 30,838 in the 2007-2008 fiscal year. Included in the 2007/08 attendance report were 2,050 FTES borrowed from Summer 2008 to maximize restoration funding that would be otherwise forfeited.

All employee groups received a 3.59% salary increase in 2008-09, of which 2.0% was identified as fronted growth. Costs for employee salaries increased by $4 million from the 2007-08 fiscal year and costs associated with employee benefits increased by approximately seven percent (7%) percent. The increase in the benefit costs is due to continued rising costs of health and welfare benefits paid on behalf of both current employees and retirees and a minor increase in the contribution rates for CalPERS retirement contributions.

During the 2008-2009 fiscal year, the District provided in excess of $19 million in financial aid to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and fee waivers funded through the Federal government, the State System Office, and local funding.

The District issued $73 million in general obligation bonds in August 2007 for construction and renovation projects and equipment throughout the District. This represents the initial issuance of Measure A bonds approved in 2006 by the voters within the District's boundaries. The designated projects will be completed over the coming three to five years. A second issuance of approximately $70 million is anticipated to occur in 2009-2010.

The District is continuing several construction and modernization projects at our three college campuses resulting in completed or in-progress building and improvements to sites of approximately $42 million in the 2009-2010 fiscal year. These projects are funded both through State construction revenues and through our voter approved general obligation bonds.

THE DISTRICT AS A WHOLE

Net Assets

Table 1

	2009	2008	Change	2007	Change
ASSETS					
Current Assets					
Cash and investments	$ 115,278,093	$ 132,892,668	$ (17,614,575)	$ 93,004,108	$ 39,888,560
Accounts receivable (net)	34,086,725	42,792,075	(8,705,350)	14,653,346	28,138,729
Other current assets	9,590,708	9,065,438	525,270	7,052,338	2,013,100
Total Current Assets	158,955,526	184,750,181	(25,794,655)	114,709,792	70,040,389
Other assets	25,929,533	25,155,185	774,348	23,247,379	1,907,806
Capital assets (net)	271,059,874	261,665,775	9,394,099	212,265,234	49,400,541
Total Assets	$ 455,944,933	$ 471,571,141	$ (15,626,208)	$ 350,222,405	$ 121,348,736
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	30,505,386	35,059,512	(4,554,126)	35,742,071	(682,559)
Amounts held in trust for others	1,631,352	9,746,556	(8,115,204)	7,043,288	2,703,268
Current portion of long-term debt	3,586,274	9,179,014	(5,592,740)	1,346,069	7,832,945
Total Current Liabilities	35,723,012	53,985,082	(18,262,070)	44,131,428	9,853,654
Long-term Debt	223,726,958	211,685,139	12,041,819	126,458,968	85,226,171
Total Liabilities	259,449,970	265,670,221	(6,220,251)	170,590,396	95,079,825
NET ASSETS					
Invested in capital assets	138,730,749	146,359,631	(7,628,882)	121,678,261	24,681,370
Restricted	18,630,553	19,274,457	(643,904)	1,502,014	17,772,443
Unrestricted	39,133,661	40,266,832	(1,133,171)	56,451,734	(16,184,902)
Total Net Assets	196,494,963	205,900,920	(9,405,957)	179,632,009	26,268,911
Total Liabilities and Net Assets	$ 455,944,933	$ 471,571,141	$ (15,626,208)	$ 350,222,405	$ 121,348,736

Cash and investments consist primarily of funds held in the Contra Costa County Treasury and the Local Agency Investment Fund (LAIF). The changes in our cash position are explained in the Statement of Cash Flows on pages 15 and 16.

Much of the unrestricted net assets have been designated by the Board or by contracts for such purposes as our required general reserve for ongoing financial health, commitments on contracts, other post employment benefits, and bookstore and cafeteria reserves.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the *Statement of Revenues, Expenses, and Changes in Net Assets* on page 14.

Table 2

	2009	2008	Change	2007	Change
Operating Revenues					
Tuition and fees	$ 21,074,951	$ 19,098,420	$ 1,976,531	$ 19,538,627	$ (440,207)
Auxiliary sales, charges and other	16,828,795	17,079,529	(250,734)	14,464,546	2,614,983
Total Operating Revenues	37,903,746	36,177,949	1,725,797	34,003,173	2,174,776
Operating Expenses					
Salaries and benefits	181,924,813	178,671,045	3,253,768	146,263,785	32,407,260
Supplies and other expenses	67,345,926	41,218,103	26,127,823	75,868,577	(34,650,474)
Depreciation	8,797,042	7,351,811	1,445,231	5,472,225	1,879,586
Total Operating Expenses	258,067,781	227,240,959	30,826,822	227,604,587	(363,628)
Loss on Operations	(220,164,035)	(191,063,010)	(29,101,025)	(193,601,414)	2,538,404
Nonoperating Revenues					
State apportionments	68,800,023	66,840,628	1,959,395	66,434,899	405,729
Property taxes	84,283,816	90,518,413	(6,234,597)	78,287,536	12,230,877
State revenues	27,487,658	29,803,076	(2,315,418)	23,168,279	6,634,797
Federal revenues	20,001,260	15,075,124	4,926,136	13,568,580	1,506,544
Net interest expense	(556,755)	(581,281)	24,526	(566,088)	(15,193)
Other nonoperating revenues	4,399,547	6,436,266	(2,036,719)	4,868,754	1,567,512
Total Nonoperating Revenue	204,415,549	208,092,226	(3,676,677)	185,761,960	22,330,266
Other Revenues					
State and local capital income	6,342,529	9,239,695	(2,897,166)	16,143,465	(6,903,770)
Net Increase in Net Assets	$ (9,405,957)	$ 26,268,911	$ (35,674,868)	$ 8,304,011	$ 17,964,900

During the 2008-2009 fiscal year, grant revenues were separated into Federal and State components for purposes of this analysis, thereby, creating classification differences in those two lines. When comparing these amounts to prior year amounts it would be more appropriate to consider the two amounts in total.

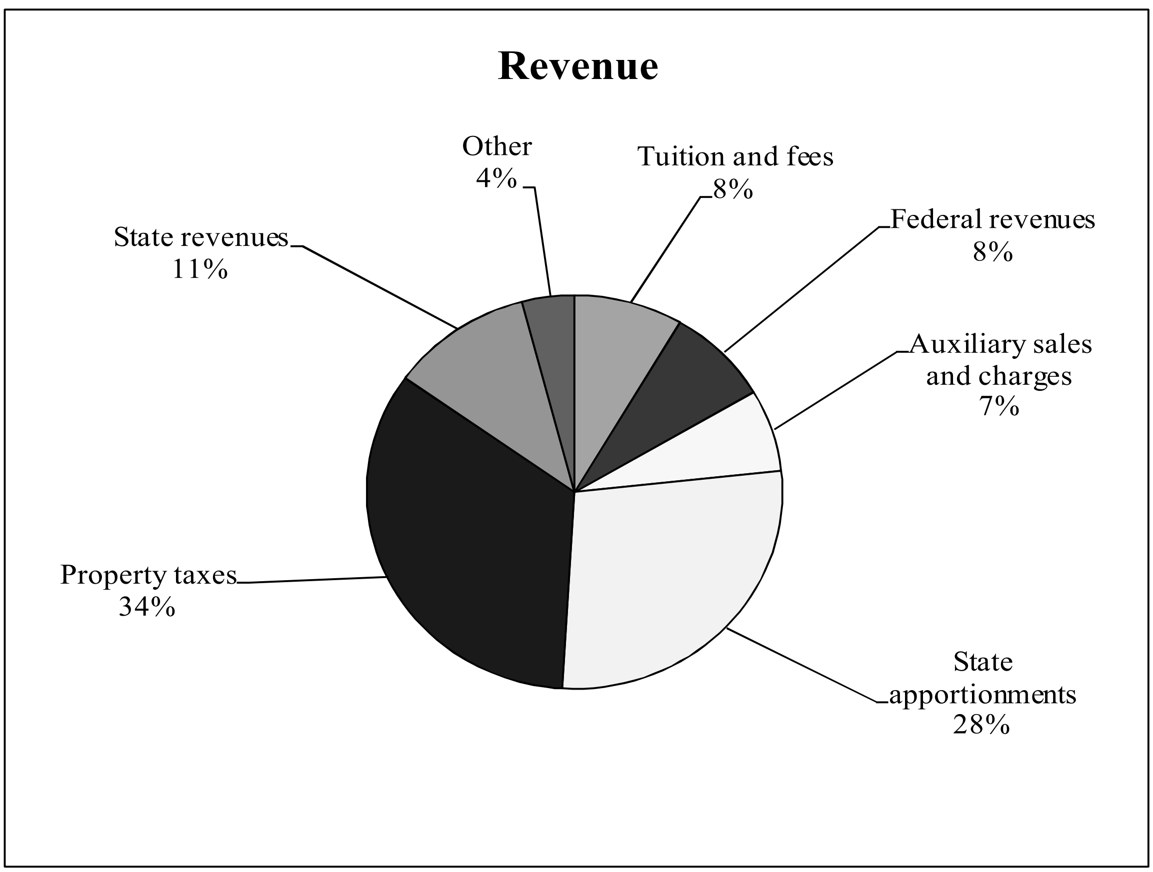
During the 2007-2008 fiscal year, the District capitalized approximately $16 million of capital outlay expenses that were paid for during 2006-2007. This adjustment affected the supplies and other expenses in that supplies and other expenses should have been approximately $16 million higher in 2008, and the same less in 2007.

The District's primary revenue fund is the State apportionment calculation which is comprised of three sources of revenues: local property taxes, student enrollment fees, and State apportionment. While there is a minor increase in the property taxes levied and received from property within Contra Costa County, tax collections fell short of the budgeted target statewide. Student enrollment fees show a slight increase over 2007-2008, reflecting an increase in enrolled units. As with property tax collections, however, statewide enrollment fees fell short of the State enacted budget. The combination of declined property taxes and enrollment fees resulted in a statewide deficit of general revenue of approximately 1.5%; Contra Costa CCD's share of this loss was approximately $2.3 million.

Auxiliary revenue consists of bookstore and cafeteria net revenues, as well as information technology services provided to Contra Costa County Office of Education and certain K-12 school districts. The three college campuses each maintain their own bookstores and cafeterias to provide services to the students and faculty of the college. The operations are self-supporting and contribute to the student programs on each campus.

Federal and state revenues relate primarily to student financial aid as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Interest income of $4.4 million was off-set by interest expense of $5.0 million. The interest income is primarily the result of cash held in the Contra Costa County Treasury. Interest income is down approximately $2.4 million as compared to the 2007-2008 fiscal year due to decreased balances in County Cash and lower interest rates. Interest expense has decreased approximately $2.8 million.



In accordance with requirements set forth by the California Community Colleges Chancellor's Office, the District reports operating expenses by object code. Operating expenses by functional classification are as follows:

Table 3

Year ended June 30, 2009:

	Salaries	Employee Benefits	Supplies, Material, and Other Expenses and Services	Depreciation	Total
Instructional activities	$ 69,758,128	$ 32,454,387	$ 2,253,559	$ -	$ 104,466,074
Academic support	10,581,692	2,868,378	1,503,834	-	14,953,904
Student services	10,381,226	2,737,127	4,647,371	-	17,765,724
Plant operations and maintenance	6,431,982	2,416,850	7,767,075	-	16,615,907
Instructional support services	13,903,889	12,707,356	7,075,793	-	33,687,038
Community services and economic development	7,711,951	1,789,298	6,570,372	-	16,071,621
Ancillary services and auxiliary operations	6,270,914	1,911,635	19,434,752	-	27,617,301
Student aid	-	-	18,093,170	-	18,093,170
Unallocated depreciation	-	-	-	8,797,042	8,797,042
Total	$ 125,039,782	$ 56,885,031	$ 67,345,926	$ 8,797,042	$ 258,067,781

Year ended June 30, 2008:

	Salaries	Employee Benefits	Supplies, Material, and Other Expenses and Services	Depreciation	Total
Instructional activities	$ 65,649,494	$ 30,498,798	$ 3,080,231	$ -	$ 99,228,523
Academic support	9,638,550	3,106,842	1,517,590	-	14,262,982
Student services	12,681,499	5,197,470	2,005,613	-	19,884,582
Plant operations and maintenance	6,347,829	3,804,985	6,113,270	-	16,266,084
Instructional support services	14,285,082	13,182,072	7,413,647	-	34,880,801
Community services and economic development	1,335,720	443,244	564,684	-	2,343,648
Ancillary services and auxiliary operations	9,127,525	3,371,936	7,645,080	-	20,144,541
Student aid	-	-	12,877,988	-	12,877,988
Unallocated depreciation	-	-	-	7,351,811	7,351,811
Total	$ 119,065,699	$ 59,605,347	$ 41,218,103	$ 7,351,811	$ 227,240,960

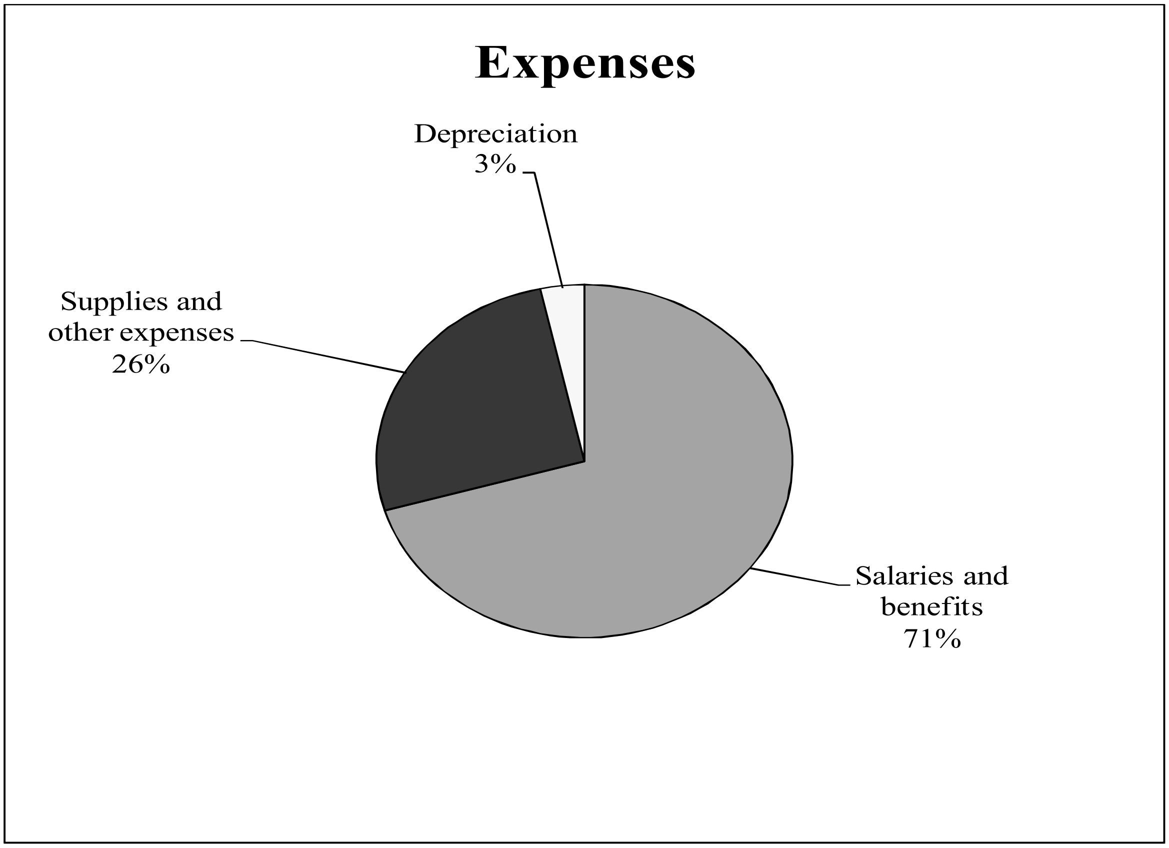


Table 4

Changes in Cash Position

	2009	2008	Change	2007	Change
Cash Provided by (Used in)					
Operating activities	$ (228,071,881)	$ (156,113,620)	$ (71,958,261)	$ (114,694,984)	$ (41,418,636)
Noncapital financing activities	217,478,150	171,961,384	45,516,766	152,112,480	19,848,904
Capital financing activities	(11,636,820)	32,178,856	(43,815,676)	(26,444,129)	58,622,985
Investing activities	4,733,525	2,950,800	1,782,725	7,644,078	(4,693,278)
Net Increase (Decrease) in Cash	(17,497,026)	50,977,420	(68,474,446)	18,617,445	32,359,975
Cash, Beginning of Year	132,529,796	81,552,376	50,977,420	62,934,931	18,617,445
Cash, End of Year	$ 115,032,770	$ 132,529,796	$ (17,497,026)	$ 81,552,376	$ 50,977,420

The Statement of Cash Flows on pages 15 and 16 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. Our primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had $271.1 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2008, our net capital assets were $261.7 million. The District is currently in the middle of a major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds resulting from voter-approved Measure A 2002 and Measure A+ 2006. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought in to the depreciable Buildings and Improvement category.

Capital projects are continuing through the 2009-2010 fiscal year and beyond with primary funding through our general obligation bond.

Table 5

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	$ 48,485,961	$ 15,852,478	$ 7,171,181	$ 57,167,258
Buildings and improvements	266,531,289	6,856,042	45,528	273,341,803
Furniture and equipment	44,161,755	2,667,481	48,142	46,781,094
Subtotal	359,179,005	25,376,001	7,264,851	377,290,155
Accumulated depreciation	(97,513,230)	(8,797,042)	(79,991)	(106,230,281)
	$ 261,665,775	$ 16,578,959	$ 7,184,860	$ 271,059,874

Obligations

At the end of the 2008-2009 fiscal year, the District had $176 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Contra Costa Community College District boundaries. Other obligations for the District includes Certificates of Participation issued to fund the student center and bookstore building project at Diablo Valley College and a Note Payable to fund energy retrofitting projects.

In addition to the above obligations, the District is obligated to employees of the District for vacation and load banking benefits and lease purchase agreements for equipment.

Table 6

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
General obligation bonds	$ 184,890,000	$ -	$ 8,840,000	$ 176,050,000
COPs and notes payable	1,110,000	-	60,000	1,050,000
OPEB (retiree benefits)	19,544,083	22,986,100	8,546,774	33,983,409
Other liabilities	15,320,070	1,295,154	385,401	16,229,823
Total Long-Term Debt	$ 220,864,153	$ 24,281,254	$ 17,832,175	$ 227,313,232
Amount due within one year				$ 3,586,274

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Governing Board adopted the final amendment to the budget for the 2008-2009 fiscal year on September 30, 2009.

Within the Unrestricted General Fund, operating costs have continually increased. The State Budget has not kept pace with the increased operating costs, primarily in health and welfare benefits, especially in regards to the need to recognize post retirement benefits. Contra Costa CCD has continued to set aside funding for this long-term liability and in 2008-2009 established an irrevocable trust that was funded with $9.1 million in July 2009. An additional $41.8 million is invested in a restricted reserve fund.

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

The economic position of the District is closely tied to the State of California as State apportionments and property taxes allocated to the District represent approximately 83 percent of the total unrestricted sources of revenues received within the General Fund. As in 2008-2009, similar general revenue shortfalls are expected in addition to statewide budget reductions included in the 2009-10 enacted State budget. The California Community College System Office is addressing some of these budget cuts through workload adjustments, i.e. reduction in the number of full-time equivalent students (FTES) funded. While the statutory cost of living adjustment (COLA) has been determined to be 4.25% for 2009-10, for the second year in a row California community colleges will see a zero funding COLA and 2010-2011 is expected to be the same.

The funding formula for the 2009-2010 is not expected to adversely affect the District in its first year of implementation due largely to the establishment of reserves by the Governing Board in excess of the mandatory minimum. The District has conservatively approached the inevitable budget reductions with a two-year step down. In 2009-2010, the colleges and District Office/District-wide Services have been tasked with reducing their operating budgets by nearly $11.5 million. One-time funding sources (including undesignated reserves) have been identified to soften the cuts, but on-going sources will be identified for 2010-2011. It is expected that $4 million more will need to be cut in 2010-11, in addition to the current $8 million.

After several years of declining enrollment the District enrollment has increased in 2008-2009; this is significantly attributed to the State's high unemployment rate and the increased demand for retraining and lower division courses. With the current budget situation, the District continues to monitor enrollment and operating costs of the District to ensure ongoing financial stability and retain the reserve levels required by our Governing Board and the State Chancellor's Office.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Contra Costa Community College District, Finance Department, (925) 229-1000.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND 2008

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents	$ 29,798,206	$ 45,409,687
Investments	245,323	362,872
Restricted cash and cash equivalents	85,234,564	87,120,109
Accounts receivable, net	34,086,725	42,792,075
Notes receivable - current portion	259,385	227,681
Prepaid expenses - current portion	6,746,301	6,573,069
Stores inventories	2,522,738	2,190,831
Deferred charges - current portion	62,284	73,857
Total Current Assets	158,955,526	184,750,181
Noncurrent Assets		
Investments - noncurrent portion	24,696,377	24,235,268
Deferred charges - noncurrent portion	1,233,156	919,917
Nondepreciable capital assets	57,167,258	48,485,961
Depreciable capital assets, net of depreciation	213,892,616	213,179,814
Total Noncurrent Assets	296,989,407	286,820,960
TOTAL ASSETS	455,944,933	471,571,141
LIABILITIES		
Current Liabilities		
Accounts payable	17,786,258	16,145,791
Interest payable	3,513,486	3,694,132
Claims payable	90,971	159,630
Deferred revenue	9,114,671	15,059,959
Amounts held in trust custody on behalf of others	1,631,352	9,746,556
Notes payable - current portion	60,000	60,000
Bonds payable - current portion	3,255,000	8,840,000
Lease obligations - current portion	155,248	269,375
Other long-term liabilities - current portion	116,026	9,639
Total Current Liabilities	35,723,012	53,985,082
Noncurrent Liabilities		
Compensated absences payable - noncurrent portion	14,112,822	13,181,618
Notes payable - noncurrent portion	990,000	1,050,000
Bonds payable - noncurrent portion	172,795,000	176,050,000
Lease obligations - noncurrent portion	-	155,248
OPEB Liability	33,983,409	19,544,083
Other long-term liabilities - noncurrent portion	1,845,727	1,704,190
Total Noncurrent Liabilities	223,726,958	211,685,139
TOTAL LIABILITIES	259,449,970	265,670,221
NET ASSETS		
Invested in capital assets, net of related debt	138,730,749	146,359,631
Restricted for:		
Debt service	10,710,944	13,268,851
Capital projects	7,735,995	6,005,606
Other activities	183,614	191,009
Unrestricted	39,133,661	40,075,823
TOTAL NET ASSETS	$ 196,494,963	$ 205,900,920

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
OPERATING REVENUES		
Student Tuition and Fees	$ 26,108,372	$ 22,878,441
Less: Scholarship discount and allowance	(5,033,421)	(3,780,021)
Net tuition and fees	21,074,951	19,098,420
Auxiliary Enterprise Sales and Charges		
Bookstore	12,956,786	13,343,132
Cafeteria	1,094,183	970,100
Other enterprise	2,777,826	2,766,297
TOTAL OPERATING REVENUES	37,903,746	36,177,949
OPERATING EXPENSES		
Salaries	125,039,782	119,065,699
Employee benefits	56,885,031	59,605,346
Supplies and materials	5,718,114	5,101,879
Services and other operating costs	43,534,642	23,238,236
Student financial aid	18,093,170	12,877,988
Depreciation	8,797,042	7,351,811
TOTAL OPERATING EXPENSES	258,067,781	227,240,959
OPERATING LOSS	(220,164,035)	(191,063,010)
NONOPERATING REVENUES (EXPENSES)		
State apportionments, noncapital	68,800,023	66,840,628
Local property taxes, levied for general purposes	73,201,516	73,427,484
Taxes levied for other specific purposes	11,082,300	17,090,929
Federal revenues	20,001,260	15,075,124
State revenues, other	26,616,080	28,854,573
State taxes and other revenues	871,578	948,503
Investment income	4,435,528	6,794,437
Interest expense on capital related debt	(5,045,193)	(7,879,452)
Investment income on capital asset-related debt, net	52,910	503,734
Other nonoperating revenue	4,399,547	6,436,266
TOTAL NONOPERATING REVENUES (EXPENSES)	204,415,549	208,092,226
INCOME BEFORE OTHER REVENUES AND EXPENSES	(15,748,486)	17,029,216
State revenues, capital	3,258,836	2,088,693
Local revenues, capital	3,083,693	7,151,002
TOTAL INCOME BEFORE OTHER REVENUES AND EXPENSES	6,342,529	9,239,695
CHANGE IN NET ASSETS	(9,405,957)	26,268,911
NET ASSETS, BEGINNING OF YEAR	205,900,920	179,632,009
NET ASSETS, END OF YEAR	$ 196,494,963	$ 205,900,920

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 20,273,217	$ 16,459,052
Payments to vendors for supplies and services	(71,530,114)	(37,250,553)
Payments to or on behalf of employees	(163,228,229)	(136,344,323)
Payments to students for scholarships and grants	(18,093,170)	(13,291,028)
Auxiliary enterprise sales and charges	14,186,327	14,313,232
Other operating receipts (payments)	(9,679,912)	-
Net Cash Flows From Operating Activities	(228,071,881)	(156,113,620)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State apportionments	77,275,780	45,477,983
Property taxes - nondebt related	73,201,516	73,427,484
State taxes and other apportionments	15,252,979	7,216,952
Federal grants and contracts	20,001,260	8,980,842
State grants and contracts	26,616,080	27,278,285
Local grants and contracts	4,006,271	7,224,296
Other nonoperating	1,124,264	2,355,542
Net Cash Flows From Noncapital Financing Activities	217,478,150	171,961,384
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(18,349,547)	(55,049,569)
Loss on disposal of capital assets	1,546,683	-
Proceeds from sale of bonds	-	65,928,713
Net increase on OPEB obligation	14,803,276	19,544,083
State revenue, capital projects	3,258,836	2,088,693
Local revenue, capital projects	1,550,689	7,151,002
Deferred cost on issuance	11,573	-
Principal paid on capital debt	(9,285,401)	(1,352,989)
Interest paid on capital debt	(5,225,839)	(6,477,839)
Interest received on capital asset-related debt	52,910	346,762
Net Cash Flows From Capital Financing Activities	(11,636,820)	32,178,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	-	13,492,712
Purchase of investments	(343,560)	(11,895,000)
Interest received from investments	5,077,085	1,353,088
Net Cash Flows From Investing Activities	4,733,525	2,950,800
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,497,026)	50,977,420
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	132,529,796	81,552,376
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 115,032,770	$ 132,529,796

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS, Continued
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	$(220,164,035)	$(191,063,010)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:		
Depreciation and amortization expense	8,797,042	7,351,811
Changes in Assets and Liabilities:		
Receivables	(331,215)	21,772,247
Stores inventories	(331,907)	223,725
Prepaid expenses	(173,232)	(2,070,777)
Accounts payable and accrued liabilities	1,571,808	(5,804,202)
Deferred revenue	(9,325,138)	3,730,030
Funds held for others	(8,115,204)	9,746,556
Total Adjustments	(7,907,846)	34,949,390
Net Cash Flows From Operating Activities	$(228,071,881)	$(156,113,620)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:		
Cash in banks	$ 1,307,748	$ 4,011,709
Cash in county treasury	21,186,516	28,190,283
Cash in LAIF	92,538,506	100,327,804
Total Cash and Cash Equivalents	$ 115,032,770	$ 132,529,796
NON CASH TRANSACTIONS		
On behalf payments for benefits	$ 2,873,441	$ 3,246,088

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNITS
CONTRA COSTA, DIABLO VALLEY, AND LOS MEDANOS FOUNDATIONS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

	Contra Costa	Diablo Valley	Los Medanos	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 907,310	$ 799,813	$ 831,058	$ 2,538,181
Investments	1,133,403	1,808,738	-	2,942,141
Accounts receivable	-	1,600	2,000	3,600
Prepaid expenses	-	18,146	-	18,146
Total Current Assets	2,040,713	2,628,297	833,058	5,502,068
NONCURRENT ASSETS				
Equipment, net	-	516	2,526	3,042
Total Noncurrent Assets	-	516	2,526	3,042
TOTAL ASSETS	$ 2,040,713	$ 2,628,813	$ 835,584	$ 5,505,110
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ -	$ 6,053	$ -	$ 6,053
Deferred revenue	-	127,500	-	127,500
Funds held for others	256,193	-	131,157	387,350
TOTAL LIABILITIES	256,193	133,553	131,157	520,903
NET ASSETS				
Unrestricted	980,347	(80,382)	291,303	1,191,268
Temporarily restricted	260,815	1,478,887	383,124	2,122,826
Permanently restricted	543,358	1,096,755	30,000	1,670,113
Total Net Assets	1,784,520	2,495,260	704,427	4,984,207
Total Liabilities and Net Assets	$ 2,040,713	$ 2,628,813	$ 835,584	$ 5,505,110

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT
CONTRA COSTA FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Total	2008 Total
REVENUES					
Donations	$ 214,228	$ 44,730	$ -	$ 258,958	$ 104,768
Program income	67,527	-	-	67,527	72,389
Event income, net of expenses	108,066	-	-	108,066	51,686
Investment income	11,981	22,404	-	34,385	76,707
Other income	(285)	-	-	(285)	2,142
Satisfaction of program restrictions	143,468	(143,468)	-	-	-
Total Revenues	544,985	(76,334)	-	468,651	307,692
EXPENSES					
Program services	279,631	-	-	279,631	258,176
Management and general	14,817	-	-	14,817	5,501
Fundraising	11,071	-	-	11,071	21,136
Total Expenses	305,519	-	-	305,519	284,813
CHANGE IN NET ASSETS	239,466	(76,334)	-	163,132	22,879
NET ASSETS, BEGINNING OF YEAR	740,881	337,149	543,358	1,621,388	1,598,509
NET ASSETS, END OF YEAR	$ 980,347	$ 260,815	$ 543,358	$ 1,784,520	$ 1,621,388

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

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT
DIABLO VALLEY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 28,197	$ 272,466	$ -	$ 300,663
District in kind support	332,462	-	-	332,462
Other in kind donations	4,478	-	-	4,478
Event income, net of expenses	86,152	-	-	86,152
Investment income (loss)	(244,887)	(42,300)	-	(287,187)
Other income	178	-	-	178
Satisfaction of program restrictions	402,939	(402,939)	-	-
Total Revenues	609,519	(172,773)	-	436,746
EXPENSES				
Program services	316,949	-	-	316,949
Management and general	270,136	-	-	270,136
Fundraising	147,228	-	-	147,228
Total Expenses	734,313	-	-	734,313
CHANGE IN NET ASSETS	(124,794)	(172,773)	-	(297,567)
NET ASSETS, BEGINNING OF YEAR	44,412	1,651,660	1,096,755	2,792,827
NET ASSETS, END OF YEAR	$ (80,382)	$ 1,478,887	$ 1,096,755	$ 2,495,260

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT
LOS MEDANOS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 45,654	$ 218,159	$ -	$ 263,813
In kind donations	399,850	-	-	399,850
Event income, net of expenses	5,762	-	-	5,762
Interest income	18,212	2,170	-	20,382
Other income	44	-	-	44
Satisfaction of program restrictions	551,482	(551,482)	-	-
Total Revenues	1,021,004	(331,153)	-	689,851
EXPENSES				
Program services	935,992	-	-	935,992
Management and general	146,496	-	-	146,496
Total Expenses	1,082,488	-	-	1,082,488
CHANGE IN NET ASSETS	(61,484)	(331,153)	-	(392,637)
NET ASSETS, BEGINNING OF YEAR	352,787	714,277	30,000	1,097,064
NET ASSETS, END OF YEAR	$ 291,303	$ 383,124	$ 30,000	$ 704,427

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNITS
CONTRA COSTA, DIABLO VALLEY AND LOS MEDANOS FOUNDATIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Contra Costa	Diablo Valley	Los Medanos	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	$ 163,132	$ (297,567)	$ (392,637)	$ (527,072)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities				
Unrealized gain	19,163	366,358	-	385,521
Depreciation	-	775	937	1,712
Donated investments	-	(7,873)	-	(7,873)
Changes in Assets and Liabilities				
Accounts receivable	-	350	(2,000)	(1,650)
Prepaids assets	-	(10,220)	-	(10,220)
Accounts payable	-	6,053	-	6,053
Deferred revenue	-	30,460	-	30,460
Funds held for others	(35,335)	-	94,904	59,569
Net Cash Flows From Operating Activities	146,960	88,336	(298,796)	(153,529)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	122,973	1,052,826	-	1,175,799
Purchase of investments	(384,958)	(1,086,274)	-	(1,471,232)
Interest received from investments	34,385	-	-	34,385
Net Cash Flows From Investing Activities	(227,600)	(33,448)	-	(261,048)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(80,640)	54,888	(298,796)	(324,548)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	987,950	744,925	1,129,854	2,862,729
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 907,310	$ 799,813	$ 831,058	$ 2,538,181
In kind donations	$ -	$ 344,813	$ 399,850	$ 744,663

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

NOTE 1 - ORGANIZATION

Financial Reporting Entity

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

Component Units

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

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

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

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

The discretely presented component units are as follows:

- Contra Costa, Diablo Valley and Los Medanos Foundations

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

  The Foundations are not-for-profit organization under Internal Revenue Code (IRS) Section 501(c)(3) that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundations' operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made,* and FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundations' financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statements. The Contra Costa Foundation reports its activities on the cash basis.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to colleges and universities, as well as those prescribed by the California Community Colleges System's Office. The District reports are based on all applicable GASB pronouncements, as well as applicable FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The budgetary and financial accounts of the District are maintained in accordance with the State System's Office's *Budget and Accounting Manual*.

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

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

Cash and Cash Equivalents

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

Investments

Investments held at June 30, 2009 and 2008, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $1,326,000 and $1,000,000 as of June 30, 2009 and 2008.

Prepaid Expenses

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

Inventories

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

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $25,000 for building and land improvements and $1,000 for all other capital assets. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

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

Accrued Liabilities and Long-Term Obligations

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

Deferred Issuance Costs, Premiums, and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Compensated Absences

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

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

Deferred Revenue

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

Net Assets

GASB Statements No. 34 and No. 35 report equity as "Net Assets." Net assets are classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

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

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

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

None of the District's restricted net assets have resulted from enabling legislation adopted by the District.

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

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

State Apportionments

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

On-Behalf Payments

GASB Statement No. 24 requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees for another legally separate entity be recognized as revenues and expenditures by the employer entity. The State of California makes direct on-behalf payments to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) on behalf of all community colleges in California. The amounts of on-behalf payments were $2,873,441 and $0 for CalSTRS and CalPERS, respectively.

Estimates

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

Property Taxes

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

The voters of the District passed General Obligation Bonds in 2002 and 2006 for the acquisition, construction, and remodeling of District capital assets. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected. The property tax revenue received for the repayment of the bonds for the years ended June 30, 2009 and 2008 was $11,082,300 and $10,832,480, respectively.

Scholarship Discounts and Allowances

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

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Stafford Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations,* and the related *Compliance Supplement.* During the years ended June 30, 2009 and 2008, the District distributed $1,250,672 and $246,268 in direct lending through the U.S. Department of Education. These amounts have not been included as revenues or expenses within the accompanying financial statements as the amounts were passed directly to qualifying students; however, the amounts are included on the Schedule of Expenditures of Federal Awards.

Interfund Activity

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

Foundation Presentation

The Contra Costa, Diablo Valley, and Los Medanos Foundation’s present its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Foundation does not use fund accounting.

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

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

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

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

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

Financial assets (Investments) are reported at fair value in accordance with SFAS No. 157.

The Foundations are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

New Accounting Pronouncements

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Classifications*. The objectives of this Statements is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. The District does not anticipate a significant impact in reporting as a result of this Statement as fund financial information is not reported.

Comparative Financial Information

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Policies and Practices

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

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

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

General Authorizations

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

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

Summary of Deposits and Investments

Deposits and investments as of June 30, 2009, consist of the following:

Cash on hand and in banks	$ 1,134,378
Cash in revolving	173,370
Investments	138,666,722
Total Deposits and Investments	$ 139,974,470
Cash and cash equivalents - current	$ 29,798,206
Cash and cash equivalents - restricted	85,234,564
Total Cash and cash equivalents	115,032,770
Investments - current	245,323
Investments - noncurrent	24,696,377
Total Investments	24,941,700
Total Deposits and Investments	$ 139,974,470

Interest Rate Risk

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

Segmented Time Distribution

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

Investment Type	Fair Value	12 Months or Less	More than 12 Months
U.S. Treasuries	$ 6,324,473	$ 134,102	$ 6,190,371
Federal Agency Bonds	8,416,485	-	8,416,485
Municipal Bonds	2,745,050	1,745,050	1,000,000
Corporate Notes	7,083,454	581,353	6,502,101
Mortgage Backed Securities	372,238	372,238	-
County Pool	21,186,516	21,186,516	-
State Investment Pool	92,538,506	92,538,506	-
Total	$ 138,666,722	$ 116,557,765	$ 22,108,957

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool and LAIF are not required to be rated, nor have they been rated as of June 30, 2009.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year End AAA	AA	AA-	A+	A-	Unrated
U.S. Treasuries	$ 6,324,473	n/a	$ -	$ -	$ -	$ -	$ -	$ 6,324,473
Federal Agency Bonds	8,416,485	n/a	8,416,485	-	-	-	-	-
Municipal Bonds	2,745,050	A	-	1,039,630	-	704,690	1,000,730	-
Corporate Notes	7,083,454	A	1,955,102	1,034,467	2,787,523	1,306,362	-	-
Mortgage Backed Securities	372,238	A	372,238	-	-	-	-	-
County Pool	21,186,516	n/a	-	-	-	-	-	21,186,516
State Investment Pool	92,538,506	n/a	-	-	-	-	-	92,538,506
Total	$ 138,666,722		$ 10,743,825	$ 2,074,097	$ 2,787,523	$ 2,011,052	$ 1,000,730	$ 120,049,495

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2009, District's bank balances were within the FDIC limit.

NOTE 4 - ACCOUNTS RECEIVABLE

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

The accounts receivable are as follows:

	2009	2008
Federal Government		
Categorical aid	$ 2,411,467	$ 1,610,594
State Government		
Apportionment	16,266,738	21,362,645
Categorical aid	814,173	4,217,183
Lottery	1,727,287	2,424,251
Local Sources		
Interest	511,613	1,153,170
Other local sources	11,179,157	7,004,368
Total, excluding student receivables	32,910,435	37,772,211
Student receivables	2,502,826	6,091,864
Less allowance for bad debt	(1,326,536)	(1,000,000)
Student receivables, net	1,176,290	5,019,864
Total	$ 34,086,725	$ 42,792,075

Discretely Presented Component Unit

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

NOTE 5 - PREPAID EXPENSES AND OTHER ASSETS

The District has prepaid health insurance costs for periods after June 30, 2009.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2009, was as follows:

2009	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 13,651,216	$ -	$ -	$ 13,651,216
Construction in progress	34,834,745	15,852,478	7,171,181	43,516,042
Total Capital Assets Not Being Depreciated	48,485,961	15,852,478	7,171,181	57,167,258
Capital Assets Being Depreciated				
Land improvements	16,952,148	-	-	16,952,148
Buildings and improvements	249,579,141	6,856,042	45,528	256,389,655
Furniture and equipment	44,161,755	2,667,481	48,142	46,781,094
Total Capital Assets Being Depreciated	310,693,044	9,523,523	93,670	320,122,897
Total Capital Assets	359,179,005	25,376,001	7,264,851	377,290,155
Less Accumulated Depreciation				
Land improvements	14,200,464	212,805	-	14,413,269
Buildings and improvements	52,266,090	4,937,672	32,780	57,170,982
Furniture and equipment	31,046,676	3,646,565	47,211	34,646,030
Total Accumulated Depreciation	97,513,230	8,797,042	79,991	106,230,281
Net Capital Assets Being Depreciated	213,179,814	726,481	13,679	213,892,616
Net Capital Assets	$ 261,665,775	$ 16,578,959	$ 7,184,860	$ 271,059,874

Depreciation expense for the year was $8,797,042.

Capital asset activity for the District for the fiscal year ended June 30, 2008, was as follows:

2008	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Capital Assets Not Being Depreciated				
Land	$ 13,651,216	$ -	$ -	$ 13,651,216
Construction in progress	55,386,353	28,190,770	48,742,378	34,834,745
Total Capital Assets Not Being Depreciated	69,037,569	28,190,770	48,742,378	48,485,961
Capital Assets Being Depreciated				
Land improvements	14,914,367	2,037,781	-	16,952,148
Buildings and improvements	181,073,100	69,576,818	1,070,777	249,579,141
Furniture and equipment	38,295,914	6,784,850	919,009	44,161,755
Total Capital Assets Being Depreciated	234,283,381	78,399,449	1,989,786	310,693,044
Total Capital Assets	303,320,950	106,590,219	50,732,164	359,179,005
Less Accumulated Depreciation				
Land improvements	14,055,585	144,879	-	14,200,464
Buildings and improvements	48,069,108	4,207,690	10,708	52,266,090
Furniture and equipment	28,931,023	2,999,242	883,589	31,046,676
Total Accumulated Depreciation	91,055,716	7,351,811	894,297	97,513,230
Net Capital Assets Being Depreciated	143,227,665	71,047,638	1,095,489	213,179,814
Net Capital Assets	$ 212,265,234	$ 99,238,408	$ 49,837,867	$ 261,665,775

Depreciation expense for the year was $7,351,811.

Discretely Presented Component Unit

All of the Foundations' capital assets are equipment purchases. At June 30, 2009, total equipment and accumulated depreciation were $7,371 and $4,329, respectively. Depreciation expense as of June 30, 2009 was $1,712.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

	2009	2008
Accrued payroll	$ 9,656,464	$ 6,330,410
Construction	2,639,866	2,798,272
Vendors	5,489,928	7,017,109
Total	$ 17,786,258	$ 16,145,791

NOTE 8 - DEFERRED REVENUE

Deferred revenue consisted of the following:

	2009	2008
Federal financial assistance	$ -	$ 123,544
State categorical aid	4,825,109	1,321,715
Enrollment and other student fees	3,569,339	8,214,647
Other local	720,223	5,400,053
Total	$ 9,114,671	$ 15,059,959

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Balances owing between funds at year-end were for interfund balances at June 30, 2009 and 2008, have been eliminated in the consolidation process.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers between funds of the District have been eliminated in the consolidation process.

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the 2009 fiscal year consisted of the following:

	Balance Beginning of Year	Additions/ Adjustment	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	$ 184,890,000	$ -	$ 8,840,000	$ 176,050,000	$ 3,255,000
Certificates of participation	1,110,000	-	60,000	1,050,000	60,000
Debt premium, net	1,713,829	363,950	116,026	1,961,753	116,026
Total Bonds and Notes Payable	187,713,829	363,950	9,016,026	179,061,753	3,431,026
Other Liabilities					
Compensated absences	13,181,618	931,204	-	14,112,822	-
Capital leases	424,623	-	269,375	155,248	155,248
Net OPEB obligation	19,544,083	22,986,100	8,546,774	33,983,409	-
Total Other Liabilities	33,150,324	23,917,304	8,816,149	48,251,479	155,248
Total Long-Term Debt	$ 220,864,153	$ 24,281,254	$ 17,832,175	$ 227,313,232	$ 3,586,274

The changes in the District's long-term obligations during the 2008 fiscal year consisted of the following:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds	$ 112,900,000	$ 73,000,000	$ 1,010,000	$ 184,890,000	$ 8,840,000
Certificates of participation	1,165,000	-	55,000	1,110,000	60,000
Debt premium, net	1,556,023	231,336	73,530	1,713,829	9,639
Total Bonds and Notes Payable	115,621,023	73,231,336	1,138,530	187,713,829	8,909,639
Other Liabilities					
Compensated absences	11,519,560	1,662,058	-	13,181,618	-
Capital leases	664,455	48,157	287,989	424,623	269,375
Net OPEB obligation	-	27,172,200	7,628,117	19,544,083	-
Total Other Liabilities	12,184,015	27,220,357	7,916,106	33,150,324	269,375
Total Long-Term Debt	$ 127,805,038	$ 100,451,693	$ 9,054,636	$ 220,864,153	$ 9,179,014

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

Description of Bonds

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

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

In May 2006, the District issued the third series in the amount of $25,000,000. The bonds require annual principal payments and semi-annual interest payments beginning February 2007 through August 2027. Annual interest rates range from 4.0% to 4.5%.

On June 6, 2006, $286,500,000 in general obligation bonds were authorized by the voters under Proposition 39/Measure A+ in an election held within the Contra Costa Community College District. In August 2007, the District issued its first series in the amount of $73,000,000. The bonds require annual principal payments and semi-annual interest payments beginning August 2008 through August 2028. Annual interest rates range from 4.0% to 5.0%.

Debt Maturity

General Obligation Bonds

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2008	Redeemed	Bonds Outstanding June 30, 2009
6/11/2002	8/1/2026	3.5%-6%	$ 50,000,000	$ 44,100,000	$ 600,000	$ 43,500,000
8/11/2004	8/1/2029	4.0%-5.5%	45,000,000	43,125,000	325,000	42,800,000
4/25/2006	8/1/2030	4.0%-4.5%	25,000,000	24,665,000	515,000	24,150,000
8/2/2007	8/1/2032	4.0%-5.0%	73,000,000	73,000,000	7,400,000	65,600,000
				$ 184,890,000	$ 8,840,000	$ 176,050,000

The bonds mature through 2029 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2010	$ 3,255,000	$ 8,349,180	$ 11,604,180
2011	3,540,000	8,175,230	11,715,230
2012	3,855,000	7,989,881	11,844,881
2013	4,185,000	7,791,043	11,976,043
2014	4,530,000	7,570,355	12,100,355
2015-2019	28,035,000	34,169,173	62,204,173
2020-2024	39,670,000	26,525,779	66,195,779
2025-2029	55,170,000	15,322,313	70,492,313
2030-2033	33,810,000	2,429,798	36,239,798
Total	$ 176,050,000	$ 118,322,752	$ 294,372,752

Certificates of Participation

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

Year Ending June 30,	Principal	Interest	Total
2010	$ 60,000	$ 63,000	$ 123,000
2011	65,000	59,400	124,400
2012	70,000	55,500	125,500
2013	75,000	51,300	126,300
2014	80,000	46,800	126,800
2015-2019	475,000	156,000	631,000
2020-2021	225,000	20,400	245,400
Total	$ 1,050,000	$ 452,400	$ 1,502,400

Capital Leases

The District has entered into various capital lease arrangements and has recorded capital assets in the amount of $2,166,463 with corresponding depreciation of $1,662,043 at June 30, 2009. The District's liability on lease agreements with option to purchase is summarized below:

Year Ending June 30,	Lease Payment
2010	$ 142,062
2011	8,356
2012	5,712
2013	5,236
Total	161,366
Less: Amount Representing Interest	6,118
Present Value of Minimum Lease Payments	$ 155,248

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

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

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For fiscal year 2008-2009, the District contributed $1,000,000 to a special reserve fund designated for future premiums.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	$ 23,290,200
Interest on net OPEB obligation	909,000
Adjustment to annual required contribution	(1,213,100)
Contributions made	(8,546,774)
Increase in net OPEB obligation	14,439,326
Net OPEB obligation, beginning of year	19,544,083
Net OPEB obligation, end of year	$ 33,983,409

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year were as follows:

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2009	$ 23,290,200	28%	$ 33,983,409

Funding Status and Funding Progress

Actuarial valuation 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 contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, follow the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July1, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), if the Plan is not being funded in an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio. Healthcare cost trend rates ranged from an initial 7.5 percent to an ultimate rate of 12 percent. The cost trend rate used for the Dental and Vision Programs was 6.5 percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2009, was 29 years. The actuarial value of assets was not determined in this actuarial valuation.

NOTE 12 - LEASE REVENUES

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

NOTE 13 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year ending June 30, 2009, the District contracted with the Bay Area Community College District Joint Powers Authority for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2008-2009, the District participated in the Contra Costa Schools Insurance Group Joint Powers Authority (JPA), an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA's selection criteria.

Insurance Program / Company Name	Type of Coverage	Limits
Contra Costa Schools Insurance Group	Workers' Compensation	State Statutory Limit
Statewide Association of Community Colleges	Liability	$25,000,000 per occurance
Statewide Association of Community Colleges	Property	$250,000,000 per occurance

Employee Medical Benefits

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

Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2007 to June 30, 2009:

		Property and Liability
Liability Balance, July 1, 2007	$	106,024
Claims and changes in estimates		71,808
Claims payments		18,202
Liability Balance, June 30, 2008		159,630
Claims and changes in estimates		721,227
Claims payments		789,886
Liability Balance, June 30, 2009	$	90,971
Assets Available to Pay Claims at June 30, 2009	$	1,570,142

NOTE 14 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

CalSTRS

Plan Description

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, California 95826.

Funding Policy

Active members are required to contribute 8.0 percent of their salary while the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-2009 was 8.25 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's total contributions to CalSTRS for the fiscal years ended June 30, 2009, 2008, and 2007, were $5,253,436, $5,110,375, and $7,449,721, respectively, and equal 100 percent of the required contributions for each year.

CalPERS

Plan Description

The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95811.

Funding Policy

Active plan members are required to contribute seven percent of their salary (seven percent of monthly salary over $133.33 if the member participates in Social Security), and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The District's contribution rate to CalPERS for fiscal year 2008-2009 was 9.428percent of annual payroll. The District's contributions to CalPERS for fiscal years ending June 30, 2009, 2008, and 2007, were $3,530,999, $3,476,364, and $3,032,200, respectively, and equaled 100 percent of the required contributions for each year.

Other

As established by Federal law, all public section employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Cash Balance Plan as its alternative plan. The Cash Balance Plan (CB Plan), is an alternative to the STRS contribution plan for instructors. Instructors who choose not to sign up for STRS or FICA may participate in the CB plan. The District contribution rate for the year ended June 30, 2009, was 4% of annual payroll. Contributions for the year ended June 30, 2009, were $395,917.

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

On-Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS which amounted to $2,873,441, $3,246,088, for the years ended June 30, 2009, and 2008, respectively and were (4.517 percent) of salaries subject to CalSTRS. A contribution to CalPERS was not required for the years ended June 30, 2009 or, 2008. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

Deferred Compensation

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

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2009.

Operating Leases

The District has entered into various operating leases for buildings and equipment with lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date. Future minimum lease payments under these agreements are as follows:

Year Ending June 30,	Facility Leases
2010	$ 1,201,956
2011	544,536
2012	578,420
2013	112,884
Total	$ 2,437,796

Related Party Transactions

The District provides facilities, staff, and operational support to each of the three Foundations.

Construction Commitments

As of June 30, 2009, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
2006 Bond		
Diablo Valley		
Common area development (Quad)	$ 2,588,382	Oct-12
Athletic fields	30,000	Aug-09
Parking lot repaving	830,418	Sep-09
Los Medanos		
Athletic fields	256,832	Jul-09
Student Services	1,313,166	Sep-11
Nursing/EMT remodel	500,728	Apr-11
Contra Costa		
Athletic fields	296,752	Feb-10
College Center	25,115	2012
District Wide		
Solar panels and energy measures	245,246	Aug-09
IT Infrastructure	129,167	To be determined
Total 2006 Bond	6,215,806	
2002 Bond		
Diablo Valley		
Parking island landscaping	490,350	Nov-09
Los Medanos		
Core building remodel	365,846	Aug-09
Scoreboard	3,916	Aug-09
Science Building	15,000	Nov-09
Learning Resource Center	134,669	Sep-09
Art area remodel	156,659	Mar-10
Contra Costa		
Student Services	378,820	Jul-09
Library building	1,100	Sep-09
Bio Science	216,903	Oct-09
Library Arts building - seismic	118,994	Jan-10
Total 2002 Bond	1,882,257	
Campus Projects		
EETEC	8,603	Aug-09
Generator	35,006	Feb-10
New irrigation	15,100	Mar-10
Replace 2 AC unit-music	33,758	Jul-09
Total Campus Projects	92,467	
Total All Projects	$ 8,190,530	

The projects are funded through a combination of general obligation bonds, certificates of participation, and capital project apportionments from the State Chancellor's Office.

Deferral of State Apportionments

Due to the inability of the California State legislature to enact a budget by June 30, 2009, certain apportionments owed to the District for funding of FTES, categorical programs, and construction reimbursements which are attributable to the 2008-2009 fiscal year have been deferred to the 2009-2010 fiscal year. The total amount of funding deferred into the 2009-2010 fiscal year and received in July 2009 was $10.9 million. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years.

NOTE 16 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

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

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

During the year ended June 30, 2009, the District made payments of $2,253,932 and $842,559 to Contra Costa Schools Insurance Group and Bay Area Community College District JPA, respectively.

NOTE 17 – SUBSEQUENT EVENT

On July 30, 2008, the District Governing Board adopted Resolution No. 5-C to approve the establishment of the Futuris Public Investment Trust (Trust). The Trust is irrevocable and was established solely for the purpose of investing and disbursing funds designated by the District for employee retiree health benefits. On June 24, 2009, the Board authorized $9.1 million of the funds allocated to OPEB to be invested into the irrevocable trust. The $9.1 million was not transferred to the Trust until July 2009.

REQUIRED SUPPLEMENTARY INFORMATION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
June 30, 2006	$ -	$ 335,136,700	$ 335,136,700	-	$ 65,849,200	509%
June 30, 2008	$ -	$ 262,768,400	$ 262,768,400	-	$ 70,661,000	372%

SUPPLEMENTARY INFORMATION

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION
JUNE 30, 2009

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

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Sheila A. Grilli	President	2010
Dr. Anthony T. Gordon	Vice President	2010
John T. Neiedly	Secretary	2010
Jess H. Reyes	Member	2012
Tomi Van de Brooke	Member	2012
Bundit Kertbundit	Student Trustee	2009

ADMINISTRATION

Dr. Helen Benjamin	Chancellor
Kindred Murillo	Vice Chancellor, District-wide Administrative Services
Ms. Judy Breza	Director, Fiscal Services

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION		
Title V, Hispanic Serving Institutions	84.031S	$ 527,894
TRIO talent search	84.044	314,933
Childcare Access Means Parents In School	84.335	50,264
Higher Educational Institutional Aid	84.031	51,895
Bridges To The Future	84.116	50,043
Minority Science Improvement	84.120A	72,644
STUDENT FINANCIAL AID CLUSTER		
Federal Pell Grant Programs	84.063	16,152,385
Federal Supplemental Educational Opportunity Grant - SEOG	84.007	387,494
Federal College Work Study - FWS	84.033	333,203
Federal Family Education Loans	84.032	1,250,672
Academic Competitiveness Grant	84.375	119,950
PASS THROUGH FUNDS		
Career Technical Education Act Title IC	84.048	1,013,288
Career Technical Education Act Title II	84.049	221,919
Tech Prep Career Exploration	84.049	27,739
Tech Prep Demonstration	84.353	166,388
Total U.S. Department of Education		20,740,711
NATIONAL SCIENCE FOUNDATION		
Computer Science, Engineering, and Mathematics Scholarship Program (CSEMS)	47.076	37,887
National Science Foundation	47.076	37,547
National Science Foundation Stem	47.076	76,150
Total National Science Foundation		151,584
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
PASS THROUGH FUNDS		
Foster Parent Training	93.600	301,031
Foster Care Title IV-E	93.658	50,550
Temporary Assistance for Needy Families (TANF)	93.558	137,763
Total U.S. Department of Health and Human Services		489,344
U.S. DEPARTMENT OF LABOR		
President's Community Training	17.269	322,650
Total Expenditures of Federal Awards		$21,704,289

See accompanying note to supplementary information.

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

	Program Revenues				Total
Program	Cash Received	Accounts Receivable	Deferred Income	Total Revenue	Program Expenditures
AB1725 Staff Diversity	$ 142,063	$ -	$ 108,163	$ 33,900	$ 33,900
Basic Skills	2,814,833	-	1,431,587	1,383,246	1,383,246
AB602 Board Financial Aid Staffing	968,598		20,380	948,218	948,220
California High School Exit Exam Grant	-	55,004	-	55,004	55,004
Cal Grants	1,331,508	101,835	-	1,433,343	1,433,343
CalWORKS	761,766	-	-	761,766	761,766
CARE	414,069	-	9,737	404,332	404,332
Career Tech Community Colleges	807,249	-	573,271	233,978	233,978
Career Tech Education	142,213	-	119,800	22,413	22,413
Career Tech Project Supplement	99,991	-	99,991	-	-
Career Tech Workforce Innovation	399,997	-	316,257	83,740	83,740
CGTR Center Grant	289,297	-	41,195	248,102	248,102
Disabled Student Program and Services	3,003,338	-	17,434	2,985,904	2,985,903
Energy Systems	210,000	39,698	-	249,698	249,698
Environmental Tech Leadership	172,426	31,088	-	203,514	203,514
Extended Opportunity Programs and Services	2,997,950	-	156,579	2,841,371	2,841,370
Evaluation & Technology Support	41,614	32,000	-	73,614	73,614
Faculty and Staff Development	135,397	-	43,438	91,959	91,959
Foster Parent Training	103,057	174,817	-	277,874	277,874
Foster Relative	-	16,850	-	16,850	16,850
IDRC EETEC Grant	251,997	27,261	-	279,258	279,258
Instructional Equipment, One-time	252,683	-	252,683	-	-
Instructional Equipment, On-going	1,883,949	-	1,045,760	838,189	838,189
Lottery	1,901,659	1,376,888	-	3,278,547	3,278,547
Lottery, Prop 20	11,119	350,399	-	361,518	361,518
Matriculation-(Credit)	1,947,952	-	102,564	1,845,388	1,845,388
Matriculation-(Non-Credit)	8,949	-	-	8,949	8,949
MCHS SciMath	7,708	114,138	-	121,846	121,846
Nursing Capacity Building	306,112	-	142,225	163,887	163,887
Part-Time Insurance	119,526	-	-	119,526	119,526
Part-Time Faculty Allocation	1,325,370	-	-	1,325,370	1,325,370
Part-Time Faculty Office Hours	387,813	-	-	387,813	387,813
RN Enrollment Growth	229,075	-	110,086	118,989	118,989
Scheduled Maintenance, On-going	326,304	-	-	326,304	326,304
State Pre-School	1,296,543	91,520	-	1,388,063	1,388,063
Strengthening Existing Programs	229,799	-	53,389	176,410	176,410
Technical Support To Workforce Development	83,466	-	1	83,465	83,465
Transfer and Articulation	9,000	-	4,000	5,000	5,000
TTIP	308,200	-	176,569	131,631	131,631
Workability III	54,984	129,962	-	184,946	184,946
Subtotal	$ 25,777,574	$ 2,541,460	$ 4,825,109	$ 23,493,925	$ 23,493,925

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT - ANNUAL/ACTUAL ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2009

CATEGORIES	Revised Reported Data *	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2008 only)			
1. Noncredit	28	-	28
2. Credit	1,031	-	1,031
B. Summer Intersession (Summer 2009 - prior to July 1, 2009)			
1. Noncredit	-	-	-
2. Credit	211	-	211
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	21,726	-	21,726
(b) Daily Census Contact Hours	1,970	-	1,970
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	215	-	215
(b) Credit	1,437	-	1,437
3. Independent Study/Work Experience Education Courses			
(a) Weekly Census Procedure Courses	885	-	885
(b) Daily Census Procedure Courses	1,062	-	1,062
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	28,566	-	28,566
Supplemental Information (subset of above information)			
E. In Service Training Courses (FTES)	-	-	-
H. Basis Skills Courses and Immigrant Education			
(a) Noncredit	62	-	62
(b) Credit	1,610	-	1,610

* Revised on October 1, 2009.

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH FUND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Summarized below are the fund balance reconciliations between the Annual Financial and Budget Report (CCFS-311) and the fund financial statements.

	Other Special Revenue	Bond Interest and Redemption	Revenue Bond Interest and Redemption	Capital Outlay Projects Fund	Revenue Bond Construction Fund	Bookstore
FUND BALANCE						
Balance, June 30, 2009, (CCFS-311)	$ 220,274	$ 2,265,232	$ 2,182,228	$ 7,887,925	$ 52,308,241	$ 976,481
Adjustments	(36,660)	2,248,872	1,264,612	(151,930)	(484,061)	(8,946)
Balance, June 30, 2009, Fund Financial Statement	$ 183,614	$ 4,514,104	$ 3,446,840	$ 7,735,995	$ 51,824,180	$ 967,535

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEETS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Amounts Reported in the Statement of Net Assets are Different Because:			
Total Fund Balance - All District Funds		**$**	**152,763,237**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.			
The cost of capital assets is	$ 377,290,155		
Accumulated depreciation is	(106,230,281)		271,059,874
Capital assets recorded in proprietary funds			(722,582)
A fiduciary fund is used by the District's management to account for the activities of the student financial aid services. The assets and liabilities of the financial aid fund are included with governmental activities.			549,057
Expenditures relating to issuance of debt were recognized in modified accrual basis, but should not be recognized in accrual basis.			1,295,440
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term debt is recognized when it is incurred.			(3,513,486)
Internal Service funds are used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.			2,376,655
Long-term liabilities at year end consist of:			
Bonds payable	176,050,000		
Bond premiums, net of amortization	1,961,753		
Capital leases payable	155,248		
Contracts payable	1,050,000		
Compensated absences (vacations)	14,112,822		
OPEB Benefits	33,983,409		(227,313,232)
Total Net Assets		**$**	**196,494,963**

See accompanying note to supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2009

	General Unrestricted	General Restricted	Retiree Benefits	Other Special Revenue
ASSETS				
Cash and cash equivalents	$21,422,973	$ 3,053,134	$ 27,025,509	$ 93,269
Investments	-	-	24,696,377	133,905
Accounts receivable	21,029,860	5,355,555	206,664	-
Due from other funds	10,788,543	1,442,086	1,001,439	-
Prepaid expenses	5,360,902	916	-	49,709
Total Assets	$58,861,663	$ 9,851,691	$ 52,929,989	$ 276,883
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	$11,000,366	$ 2,769,419	$ 5,410	$ -
Due to other funds	14,859,965	1,524,121	48,068	93,269
Other current liabilities	-	16,696	-	-
Deferred revenue	3,569,339	5,541,455	-	-
Total Liabilities	29,429,670	9,851,691	53,478	93,269
FUND EQUITY				
Fund Balances				
Reserved	14,570,592	-	-	183,614
Unreserved				
Designated	608,215	-	52,876,511	-
Undesignated	14,253,186	-	-	-
Total Fund Equity	29,431,993	-	52,876,511	183,614
Total Liabilities and Fund Equity	$58,861,663	$ 9,851,691	$ 52,929,989	$ 276,883

See accompanying note to additional supplementary information.

Bond Interest and Redemption	Other Debt Service	Capital Outlay Projects	Revenue Bond Construction	Total Governmental Fund (Memorandum Only)
$ 7,890,579	$ 2,750,000	$ 2,184,348	$ 52,800,828	$ 117,220,640
-	-	-	-	24,830,282
70,365	-	4,579,064	203,425	31,444,933
-	-	1,436,523	212,507	14,881,098
-	-	-	1,297,161	6,708,688
$ 7,960,944	$ 2,750,000	$ 8,199,935	$ 54,513,921	$ 195,345,026
$ -	$ -	$ 254,680	$ 2,385,186	$ 16,415,061
-	-	209,260	304,555	17,039,238
-	-	-	-	16,696
-	-	-	-	9,110,794
-	-	463,940	2,689,741	42,581,789
7,960,944	2,750,000	7,735,995	51,824,180	85,025,325
-	-	-	-	53,484,726
-	-	-	-	14,253,186
7,960,944	2,750,000	7,735,995	51,824,180	152,763,237
$ 7,960,944	$ 2,750,000	$ 8,199,935	$ 54,513,921	$ 195,345,026

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	General Unrestricted	General Restricted	Retiree Benefits	Other Special Revenue
REVENUES				
Federal revenues	$ 28,465	$ 3,373,528	$ -	$ -
State revenues	77,522,368	17,228,576	-	-
Local revenues	97,236,804	3,053,982	2,579,741	655
Total Revenues	174,787,637	23,656,086	2,579,741	655
EXPENDITURES				
Current Expenditures				
Academic salaries	75,282,817	4,256,061	-	-
Classified salaries	34,340,401	6,732,985	-	-
Employee benefits	38,636,243	2,460,954	-	-
Books and supplies	3,309,059	2,284,200	-	-
Services and operating expenditures	16,702,271	6,873,433	128,552	-
Capital outlay	2,305,259	1,027,651	-	-
Debt service - principal	99,674	137,510	-	60,000
Debt service - interest and other	6,640	8,245	-	73,797
Total Expenditures	170,682,364	23,781,039	128,552	133,797
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,105,273	(124,953)	2,451,189	(133,142)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	15,587,680	145,310	1,000,000	125,747
Operating transfers out	(17,660,010)	(20,357)	-	-
Other sources	250	-	-	-
Other uses	(22,474)	-	-	-
Total Other Financing Sources (Uses)	(2,094,554)	124,953	1,000,000	125,747
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,010,719	-	3,451,189	(7,395)
FUND BALANCE, BEGINNING OF YEAR	27,421,274	-	49,425,322	191,009
FUND BALANCE, END OF YEAR	$ 29,431,993	$ -	$ 52,876,511	$ 183,614

See accompanying note to additional supplementary information.

Bond Interest and Redemption	Other Debt Service	Capital Outlay Projects	Revenue Bond Construction	Total Governmental Fund (Memorandum Only)
$ -	$ -	$ -	$ -	$ 3,401,993
103,394	-	3,258,836	-	98,113,174
11,135,210	-	1,550,689	1,244,761	116,801,842
11,238,604	-	4,809,525	1,244,761	218,317,009
-	-	-	-	79,538,878
-	-	-	298,401	41,371,787
-	-	-	95,173	41,192,370
-	-	-	-	5,593,259
-	-	-	885,689	24,589,945
-	-	4,070,735	14,968,020	22,371,665
8,840,000	-	-	-	9,137,184
4,956,511	-	-	-	5,045,193
13,796,511	-	4,070,735	16,247,283	228,840,281
(2,557,907)	-	738,790	(15,002,522)	(10,523,272)
-	-	991,599	-	17,850,336
-	-	-	-	(17,680,367)
-	-	-	-	250
-	-	-	-	(22,474)
-	-	991,599	-	147,745
(2,557,907)	-	1,730,389	(15,002,522)	(10,375,527)
10,518,851	2,750,000	6,005,606	66,826,702	163,138,764
$ 7,960,944	$ 2,750,000	$ 7,735,995	$ 51,824,180	$ 152,763,237

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUNDS
BALANCE SHEETS
JUNE 30, 2009

	Enterprise Funds				
	Cafeteria	Bookstore	Information Technology	Total	Internal Service Fund
ASSETS					
Cash and cash equivalents	$ 27,962	$ 276,552	$ -	$ 304,514	$ -
Accounts receivable	325	1,013,124	8,284	1,021,733	723,802
Due from other funds	236,667	118,079	1,645,330	2,000,076	846,340
Stores inventories	3,552	2,519,186	-	2,522,738	-
Furniture and equipment (net)	15,853	545,780	160,949	722,582	-
Total Assets	$ 284,359	$ 4,472,721	$ 1,814,563	$ 6,571,643	$ 1,570,142
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Overdrafts	$ 112,983	$ 2,897,967	$ 1,231,311	$ 4,242,261	$ 110,643
Accounts payable	34,387	435,626	10,107	480,120	90,971
Due to other funds	21,825	163,176	116	185,117	647,601
Capital lease	-	8,417	-	8,417	-
Total Liabilities	169,195	3,505,186	1,241,534	4,915,915	849,215
FUND EQUITY					
Retained earnings	115,164	967,535	573,029	1,655,728	720,927
Total Liabilities and Fund Equity	$ 284,359	$ 4,472,721	$ 1,814,563	$ 6,571,643	$ 1,570,142

See accompanying note to additional supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds				
	Cafeteria	Bookstore	Information Technology	Total	Internal Service Fund
OPERATING REVENUES					
Sales revenues	$ 1,094,183	$ 12,956,786	$ 2,777,826	$ 16,828,795	$ 1,533,004
OPERATING EXPENSES					
Classified salaries	338,865	2,087,628	1,696,840	4,123,333	5,784
Employee benefits	97,566	617,275	537,592	1,252,433	902
Books and supplies	32,919	56,569	35,367	124,855	-
Services and other operating expenditures	624,164	10,117,238	184,294	10,925,696	1,089,638
Capital outlay	541	13,028	8,466	22,035	47,149
Interest expense	-	1,269	-	1,269	-
Depreciation	4,148	249,198	79,317	332,663	-
Total Operating Expenses	1,098,203	13,142,205	2,541,876	16,782,284	1,143,473
Operating Income (Loss)	(4,020)	(185,419)	235,950	46,511	389,531
NONOPERATING REVENUES (EXPENSES)					
Interest income	-	-	-	-	4,962
Operating transfers in	103,084	-	46,670	149,754	200,000
Operating transfers out	-	(421,340)	-	(421,340)	(33,196)
Total Nonoperating Revenues (Expenses)	103,084	(421,340)	46,670	(271,586)	171,766
NET INCOME (LOSS)	99,064	(606,759)	282,620	(225,075)	561,297
RETAINED EARNINGS, BEGINNING OF YEA	16,100	1,574,294	290,409	1,880,803	159,630
RETAINED EARNINGS, END OF YEAR	$ 115,164	$ 967,535	$ 573,029	$ 1,655,728	$ 720,927

See accompanying note to additional supplementary information.

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds					
	Cafeteria	Bookstore	Regional Training Institute	Information Technology	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from user charges	$ 1,093,858	$ 12,863,747	$ -	$ 2,791,806	$ 16,749,411	$ -
Cash payments to employees for services	(436,431)	(2,704,903)	-	(2,234,432)	(5,375,766)	(6,686)
Cash payments for insurance claims	-	-	-	-	-	1,533,004
Cash payments to suppliers for goods and services	(645,869)	(10,155,038)	-	(171,896)	(10,972,803)	(1,055,816)
Cash payments for other operating expenses	-	(1,269)	-	-	(1,269)	(723,802)
Net Cash Provided (Used) for Operating Activities	11,558	2,537	-	385,478	399,573	(253,300)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due from/to other funds	47,352	(535,245)	(10,325)	(1,606,935)	(2,105,153)	(31,935)
Net Cash Provided (Used) from Noncapital Financing Activities	47,352	(535,245)	(10,325)	(1,606,935)	(2,105,153)	(31,935)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payment of capital lease principal	-	(40,970)	-	-	(40,970)	-
Acquisition of capital assets	(11,431)	-	-	(8,037)	(19,468)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(11,431)	(40,970)	-	(8,037)	(60,438)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	-	-	-	-	-	4,962
Net Cash Provided (Used) from Investing Activities	-	-	-	-	-	4,962
Net increase-decrease in cash and cash equivalents	47,479	(573,678)	(10,325)	(1,229,494)	(1,766,018)	(280,273)
Cash and cash equivalents - Beginning	(132,500)	(2,047,737)	10,325	(1,817)	(2,171,729)	169,630
Cash and cash equivalents - Ending	$ (85,021)	$ (2,621,415)	$ -	$ (1,231,311)	$ (3,937,747)	$ (110,643)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	$ (4,020)	$ (185,419)	$ -	$ 235,950	$ 46,511	$ 389,531
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,148	249,198	-	79,317	332,663	-
Changes in assets and liabilities:						
Receivables	(325)	(93,039)	-	13,980	(79,384)	(723,802)
Prepaid expenses	-	-	-	105,375	105,375	-
Inventories	-	(331,907)	-	-	(331,907)	-
Accounts payable	11,755	363,704	-	(49,144)	326,315	80,971
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 11,558	$ 2,537	$ -	$ 385,478	$ 399,573	$ (253,300)

See accompanying note to additional supplementary information.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
BALANCE SHEETS
JUNE 30, 2009

	Associated Students Trust	Student Center Fee	Student Financial Aid	Scholarship and Loan
ASSETS				
Cash and cash equivalents	$ 432,576	$ 1,086,664	$ 342,484	$ 434,593
Investments	-	-	-	111,418
Accounts receivable	153	843	892,181	3,080
Due from other funds	12,276	99,227	122,495	-
Prepaid expenses	-	-	37,613	-
Total Assets	$ 445,005	$ 1,186,734	$ 1,394,773	$ 549,091
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Overdrafts	$ -	$ -	$ 668,034	$ -
Accounts payable	221	396	683,672	-
Due to other funds	13,325	31,667	39,190	34
Deferred revenue	-	-	3,877	-
Due to student groups/others	431,459	1,154,671	-	-
Total Liabilities	445,005	1,186,734	1,394,773	34
FUND EQUITY				
Fund Balances				
Reserved	-	-	-	549,057
Total Fund Equity	-	-	-	549,057
Total Liabilities and Fund Equity	$ 445,005	$ 1,186,734	$ 1,394,773	$ 549,091

See accompanying note to additional supplementary information.

Associated Students Other Trust	Total
$ 232,237	$ 2,528,554
-	111,418
-	896,257
28,373	262,371
-	37,613
$ 260,610	$ 3,836,213
$ -	$ 668,034
181,675	865,964
33,713	117,929
-	3,877
45,222	1,631,352
260,610	3,287,156
-	549,057
-	549,057
$ 260,610	$ 3,836,213

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

	Student Financial Aid	Scholarship and Loan	Total
REVENUES			
Federal revenues	$ 16,599,267	$ -	$ 16,599,267
State revenues	1,433,343	-	1,433,343
Local revenues	-	12,047	12,047
Total Revenues	18,032,610	12,047	18,044,657
EXPENDITURES			
Current Expenditures			
Services and operating expenditures	-	55	55
Total Expenditures	-	55	55
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,032,610	11,992	18,044,602
OTHER FINANCING SOURCES (USES)			
Operating transfers in	60,560	-	60,560
Other uses	(18,093,170)	-	(18,093,170)
Total Other Financing Sources (Uses)	(18,032,610)	-	(18,032,610)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	11,992	11,992
FUND BALANCE, BEGINNING OF YEAR	-	537,065	537,065
FUND BALANCE, END OF YEAR	$ -	$ 549,057	$ 549,057

See accompanying note to additional supplementary information.

NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

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

Schedule of Expenditures of State Awards

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

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

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

Reconciliation of Annual Financial and Budget Report with Fund Financial Statements

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

Reconciliation of the Governmental Fund Balance Sheets to the Statement of Net Assets

This schedule provides a reconciliation of the adjustments necessary to bring the District's fund financial statements, prepared on a modified accrual basis, to the accrual basis required under GASB Statement No. 35.

Fund Financial Statements

The accompanying financial statements report the governmental, proprietary, and fiduciary fund activities of Contra Costa Community College District and are presented on the modified accrual basis of accounting. Therefore, some amounts presented in these financial statements may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 - RECONCILIATION OF EXPENDITURES OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEM

The following is a list of the grants differences between the District's accounting records and the Schedule of Expenditures of Federal Awards.

Federal revenue per financial statements	$ 20,001,260
Federal Family Education Loans	1,250,672
Student Financial Aid	264,044
TANF	137,763
Foster Relative	50,550
Expenditures per Schedule of Expenditures of Federal Awards	$ 21,704,289

INDEPENDENT AUDITORS' REPORTS

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the financial statements of the business-type activities of the Contra Costa Community College District (the District) for the years ended June 30, 2009 and 2008, and have issued our report thereon dated December 18, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-1 to 2009-3 to be significant deficiencies in internal control over financial reporting.

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A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that the significant deficiencies described as items 2009-1 and 2009-2 above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Contra Costa 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 audits 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.*

We noted certain matters that we reported to management of Contra Costa Community College District in a separate letter dated December 18, 2009.

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

This report is intended solely for the information and use of the Board of Trustees, Finance Committee, District Management, the California Community Colleges System's Office, and the District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Contra Costa Community College District
Martinez, California

Compliance

We have audited the compliance of Contra Costa Community College District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2009. Contra Costa Community College District's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Contra Costa Community College District's management. Our responsibility is to express an opinion on Contra Costa Community College District's compliance based on our audit.

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

In our opinion, Contra Costa Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2009.

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Internal Control Over Compliance

The management of Contra Costa Community College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Contra Costa Community College District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Contra Costa Community College District's internal control over compliance.

A *control deficiency* in a district's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, Finance Committee, District Management, the California Community Colleges System's Office, and the District's Federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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REPORT ON STATE COMPLIANCE

Board of Trustees
Contra Costa Community College District
Martinez, California

We have audited the compliance of Contra Costa Community College District (the District) with the types of compliance requirements described in Section 400 of the California State System's Office's *California Community College District Audit Manual (CDAM)* that are applicable to community colleges in the State of California. The specific requirements are described below.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements with State laws and regulations have occurred. An audit includes examining, on a test basis, evidence about Contra Costa 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. Our audit does not provide a legal determination of Contra Costa Community College District's compliance with those requirements.

General Directive

Section 424: MIS Implementation - State General Apportionment Funding System

Administration

Section 435: Open Enrollment

Section 437: Student Fees - Instructional Materials and Health Fees

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Apportionments

Section 423: Apportionment of Instructional Service Agreements/Contracts
Section 425: Residency Determination for Credit Courses
Section 427: Concurrent Enrollment of K-12 Students in Community College Credit Courses
Section 432: Enrollment Fee
Section 426: Students Actively Enrolled

Fiscal Operations

Section 421: Salaries of Classroom Instructors (50% Law)
Section 431: Gann Limit Calculation

Student Services

Section 428: Use of Matriculation Funds
Section 433: CalWORKs - Use of State and Federal TANF Funding

Facilities

Section 434: Scheduled Maintenance Program

In our opinion, Contra Costa Community College District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported and are described in the accompanying schedule of findings and questioned costs as items 2009-4 and 2009-5.

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

This report is intended solely for the information of the Board of Trustees, Audit Committee, District Management, the California Community Colleges System's Office, the California Department of Finance, and the California Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co LLP

Pleasanton, California
December 18, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2009

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	No
Identification of major programs:	

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.032, 84.033, 84.063, 84.375	Student Financial Aid Cluster
84.048	CTEA

Dollar threshold used to distinguish between Type A and Type B programs:	$ 613,609
Auditee qualified as low-risk auditee?	No

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for State programs:	Qualified

The following findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2009-1 Finding – Year End Closing Process
Material Weakness

Criteria or Specific Requirement

One element of a District's internal control over financial reporting is its ability to prepare financial statements from its trial balance in accordance with Generally Accepted Accounting Standards. This includes development of a system of internal control procedures that allow for accurate, timely closing of accounting records.

Condition

We noted that several adjustments to the District trial balance were necessary after the start of the audit. Some of these adjustments were noted by District personnel, and some were a result of our inquiries during the completion of the audit. The CCFS-311 was filed prior to the discovery of these adjustments, and therefore, these variances are included on the fund balance reconciliation page of this report.

Questioned Costs

Not applicable.

Context

Four funds required adjustments exceeding $100,000 each, totaling approximately $2.8 million after the year end close was completed. In addition, many smaller differences that were considered immaterial in relation to the financial statements as a whole, remain under investigation and some have not been reconciled or corrected.

Effect

Reconciliations and adjustments to the year end balances occurring after the filing of the form CCFS-311, and after financial reports have been presented to management and the governing board decrease the relevance and usefulness of the data that was previously provided.

Cause
Year end closing procedures were not sufficient to identify and correct errors in a timely manner.

Recommendation

We recognized that the District has made significant improvements in identifying and reconciling year end accruals decreasing the number of proposed material audit adjustments exceeding $100,000 from eight to four. We recommend that the District continue its effort in this process so that all significant accruals and adjustments presented in the CCFS-311 reflect the current, accurate finances of the District.

District Response

The District concurs with the audit recommendation to continue its effort to improve identifying and reconciling year end accruals and closing procedures. The District believes that it has made substantial improvements in this area and that the issues would not have been raised to the level of material if it had not been for the large dollar amount involved in the bond redemption fund. The district will continue to improve its year-end closing procedures to insure accurate, timely closing of accounting records.

2009-2 Finding – Payroll Clearing Accounts
Material Weakness

Criteria or Specific Requirement

Industry standards and general best practices emphasize recording transactions in a clear concise manner to provide for the transparency of the items being recorded. Transactions should be posted in a timely manner and reconciled periodically throughout the year.

Condition

We noted there are three payroll benefit liability accounts with significant balances totaling approximately $3.3 million were not supported by detail payroll clearing account reconciliations or other information.

Questioned Costs

Not applicable.

Context

The District's annual payroll and benefits expenditures total over $165 million, or 56% of total District-wide expenditures.

Effect

By not reconciling payroll related accounts in a timely manner, errors and/or misuse of accounts could occur and not be detected in timely manner. In addition, the delayed reconciliations and reviews of payroll accounts can impact the ability of the District to provide timely and accurate reporting to outside agencies of the activities during the period.

Cause

The District was unable to provide explanation and/or evidence for three payroll liability balances.

Recommendation

The District should ensure that the processing, posting, and reconciliation of payroll as well as other transactions through the general ledger system occurs in a timely manner. The detail of the payroll clearing account should be reviewed and the transaction detail should be validated through methods such as payroll exception reports designed to catch errors in entries prior to posting of the amounts to the general ledger. Exception reports can be used for various purposes, including but not limited to determining if retirement withholding or other liability amounts are being posted to non-existent general ledger accounts, or if student payroll is coded to a certificated salary account, etc.
We recommend that reconciliations be performed monthly for the payroll clearing accounts, so that any unusual items can be identified timely and investigated.

District Response

The District concurs with this recommendation as it has self-identified these as issues with the unreconciled payroll clearing account. The District will ensure that processing, posting, and reconciliation of payroll as well as transactions through the general ledger systems occurs in a timely manner. The District will establish and implement procedures to ensure that monthly reconciliations are completed and reviewed.

2009-3 Finding – Bookstore Subsidiary Ledger Reports
Significant deficiency

Criteria or Specific Requirement

Industry standards and general best practices suggest a system of internal control over bookstore operations that will provide for both the safeguarding of District-owned assets and the proper recordkeeping of each account balance.

Condition

We noted the original accounts receivable and payable detail reports did not agree with amounts reported in trial balance.

Questioned Costs

Not applicable.

Context

There was approximately $1 million in accounts receivables and $429,000 in accounts payable recorded in the Bookstore Fund.

Effect

By not maintaining proper support and reconciling assets and liabilities in a timely manner, the effect is a transaction trail of evidence that is not clear as it could be and increases the possibility that errors may occur and not be prevented or detected in a timely manner.

Cause

Accounts receivables and payables detail maintained in the bookstore system did not agree with amounts recorded in the District general ledger.

Recommendation

In order to strengthen the bookstore internal controls and therefore mitigate the potential for misappropriation, regular monitoring of the bookstore accrual transactions is recommended. Providing regular review and oversight will enhance the ability of the District to accurate account for the assets and liabilities maintained by the bookstore.

District Response

The District concurs with this recommendation and will develop and implement monitoring of the bookstore transactions. The District has already implemented consistent reporting of financials for all bookstores along with regular review and oversight of the bookstore financials.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

The following findings represent instances of noncompliance and/or questioned costs relating to State program laws and regulations.

2009-4 Finding

Criteria or Specific Requirement

Per Education Code Section 76355, districts are permitted to require students to purchase instructional materials, but must demonstrate that the District supplies the materials at a cost that is no more than the district's actual cost.

Condition

It was noted that the District does not have a systematic procedure to document the cost for the instructional material required for each class, and therefore, instructional material fees charged are not properly documented.

Questioned Costs

None.

Context

The amount set as instructional material fees may either be too high and exceed the allowable cap, or lower than the allowable amount, in which case District operations are subsidizing the instructional material purchases.

Effect

The District does not know if it is in compliance with the requirement for the upper limit on the amount established as instructional material fees.

Cause

The District was unable to provide us with invoices that support the District's cost of instructional materials.

Recommendation

The District should develop a method to keep track of all costs for instructional materials by classes and compare that cost to the fee charged to students to determine if the District has charged more than its actual costs to students

District Response

The District concurs with this recommendation and will work with the colleges to ensure development and implementation of a systematic procedure to document the costs of instructional materials, and compare those costs to the fees charged to the students.

2009-5 Finding

Criteria or Specific Requirement

A community college district may claim FTES for the attendance of K-12 pupils who take courses offered by the district under the concurrent enrollment arrangement only if it complies with specific conditions. Per Education Code Section 48800(a), the District governing board may authorize those pupils, upon recommendation of the principal of the pupil's school of attendance, and with parental consent, to attend a community college during any session or term.

Condition

During our testing of concurrently enrolled students' applications at DVC, we noted that 6 out of 15 students tested did not have evidence of approval from the principal of the pupil's school of attendance, and/or with evidence of parental consent, to attend the college courses.

Questioned Costs

We do not anticipate that this finding would have an effect on FTES claimed, however the six students in question may have been under-assessed enrollment fees if they should have been listed as a regular status student rather than a concurring enrollment student.

Context

We reviewed concurrently enrolled student files and reports at Diablo Valley College from the Fall 2008 and Spring 2009 semesters listing the number of FTES generated by this student group.

Effect

The District was out of compliance with the State requirements regarding maintaining evidence of approvals from the principal and parents for the special full time and part time students.

Cause

Diablo Valley College was unable to provide evidence of the approvals from the principal and/or parents for 6 of the 15 concurrent students tested.

Recommendation

The District should work with the College to develop procedures to review and maintain the necessary approvals for the concurrently enrolled students in order to be in compliance with the State requirement.

District Response

The District concurs with the recommendation and notes that 4 of the 15 student records were not in compliance. The college has implemented procedures at midyear FY 08-09 to review and maintain necessary approvals for the concurrently enrolled students.

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of audit findings and questioned costs.

Financial Statement Findings

2008-1 ACCOUNT RECONCILIATIONS AND FINANCIAL STATEMENTS

Criteria or Specific Requirement
One element of a District's internal control over financial reporting is its ability to prepare financial statements from its trial balance in accordance with Generally Accepted Accounting Standards. This includes development of a system of internal control procedures that allow for accurate, timely closing of accounting records.

Condition
Material Weakness - We noted that many adjustments to the District trial balance were necessary after the start of the audit. Some of these adjustments were noted by District personnel, and some were a result of our inquiries during the completion of the audit. The CCFS-311 was filed prior to the discovery of these adjustments, and therefore, these variances are included on the fund balance reconciliation page of this report

Questioned Costs
Not applicable

Context
Eight funds required adjustments totaling approximately $1.0 million after the year end close was completed. In addition, many smaller differences that were considered immaterial in relation to the financial statements as a whole, remain under investigation and have not been reconciled or corrected

Effect
Reconciliations and adjustments to the year end balances occurring after the filing of the form CCFS-311, and after financial reports have been presented to management and the governing board decrease the relevance and usefulness of the data that was previously provided.

Cause
Year end closing procedures were not sufficient to identify and correct errors in a timely manner.

Recommendation
We recommend that reconciliations and adjustments be performed prior to completion of year end reports for the board and filing of the CCFS-311, so as to reflect the most up to date, accurate amounts. Tasks and timelines for the processes involved in year end closing should be mapped out and consideration given to the appropriate level of resources necessary to complete these tasks in a timely manner that allows for reconciliations and adjustments to be completed at an earlier date.

Current Status
Partially implemented, see current year finding at 2009-1.

2008-2 Subsidiary Accounting Ledgers

Criteria or Specific Requirement
One element of a District's internal control over financial reporting is its ability to prepare accurate financial statements from its trial balance in accordance with Generally Accepted Accounting Standards. This includes maintaining and reviewing support for amounts reported in the trial balance.

Condition
Material Weakness - We noted that accounts receivable and accounts payable aging reports supporting the outstanding receivable and payable balances are not available. The District does have general ledger detail of these accounts. However, general ledger detail contains many transactions that were accrued and then subsequently reviewed and due to the large volume of detail, does not allow for a clear concise report of amounts that remain outstanding. In addition, we noted that an allowance for uncollectible receivables in the amount of $1 million has been recorded however, there is no support or rationale that was able to be located to indicate the basis on which $1 million was decided upon as a reasonable allowance for uncollectible amounts.

Questioned Costs
Not applicable

Context
Accounts receivable at June 30, 2008 totaled $43 million, of which $6 million was from student receivables. Accounts payable at June 30, 2008 totaled $26 million. These amounts include grant receivables and payables as well as other types of receivables and payables.

Effect
Without aging reports showing year end balances by name, management is not able to effectively identify for review and follow up old balances that may no longer be valid and it appears that old uncollectible or even previously collected items remain in student receivables, grant receivables and other accruals. Not having a rationale for the determination of the amount of the allowance and not updating the amount from historical levels indicates that receivables reported in the financial records may be over or under stated.

Cause
The District has not developed processes to effectively monitor receivables and payables to ensure that only valid balances remain in these accounts at the end of year fiscal year. In addition, the District has not considered the need for any change to the allowance for doubtful accounts.

Recommendation
We recommend the District determine how best to prepare management reports that will allow for review of old outstanding items and assessment of whether they continue to be valid or need to be written off.

Current Status
Partially Implemented – see finding 2009-3.

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Award Findings

2008-3 Vocational Education –Special Education Grants to States (CFDA #84.048)

Criteria or Specific Requirement
One objective of internal control pertaining to the compliance requirements for Federal programs is that transactions are properly recorded and accounted for to maintain accountability over assets. Institutions of higher education follow the provisions of OMB Circular A-110. Included among the compliance requirements over equipment management is a requirement that a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records.

Condition
During our review of internal controls and compliance requirements over equipment management, we noted that District management was not able to determine when the last equipment inventory observation was taken and that there is no reconciliation procedure performed between the physical inventory listing and the equipment records.

Questioned Costs
The total program expenditures during 2007-2008 was $871,226, of which $263,103 was used to purchase equipment and other capital assets.

Context
We reviewed the Student Financial Aid Federal Cluster of Programs, VATEA, Title III and Title V and compared internal control and compliance requirements to the applicable Office of Management and Budget circulars.

Effect
Equipment inventory may be overstated or understated. In addition, the disposition of an asset may not be detected and the Federal awarding agency may not receive its proportionate amount of the current fair market value of the disposed equipment.

Cause
Management has no control activity in place requiring a physical inventory observation of equipment once every two years and a corresponding reconciliation between the physical inventory listing and the equipment records.

Recommendation
We recommend that management establish a policy requiring an annual observation of equipment inventory and a reconciliation procedure between the inventory listing and equipment records. We recommend that any discrepancies between the reports should be investigated and corrected timely. Review of the reconciliation should be documented by management.

Current Status
Implemented.

State Award Findings

2008-4 Apportionment for Instructional Services Agreement (ISA)

Criteria or Specific Requirement
Education Code Section 84752 requires community college districts that offer ISAs to comply with following regulations in order to claim FTES for state funding:

- Program must be approved by the State Chancellor's Office and courses must be part of those approved programs or the colleges must received delegated authority to separately approve those courses,
- Courses must be open to all admitted students who meet any approved prerequisites for the courses,
- Students must be under the immediate supervision of a district employee,
- The district employee must possess valid credentials or meet the minimum qualifications required for the assignment, and
- The district and public or private agency, individual, or group of individuals with who the district has an ISA may not receive full compensation for the direct education costs for conduct of the class from any other source.

Condition
During our review of Instructional Service Agreements with Paris Beauty we found two missing items. One, which the contract does not include the signed copy stating that "funds were not received by any other outside sources" (attribute 9-10). Two, the contract fails to state the amount of FTES hours claimed by the district (attribute 1). We also found that all three contracts do not specify that they "did not receive full compensation for the direct education costs" (attribute 8).

Questioned Costs
The total 2007-08 Resident FTES of 321.05 attributable to the LMC contract with Paris Beauty School.

Context
Only one of the two contracts that the College claimed state apportionment for was out of compliance. The College has since created a master contract and we have determined that the master contract has the required disclosures. Therefore, it appears to be an isolated incident.

Effect
Certification statements verifying that the requirements of the program were not documented.

Cause
The contracts with Paris Beauty School did not include all elements required for the receipt of FTES funding.

Recommendation
We recommend the District prepare a master contract that contains all required elements and can be used for future instructional service agreements. Prior to the start of each course, the contract should be reviewed for completeness, including verification that it includes all required disclosures and has been signed by all appropriate parties. A secondary review performed as part of the preparation of the 320 Attendance Reports, where these FTES are included should be done to review the contracts and verify the FTES amounts being reported.

Current Status
Implemented.

2008-5 CalWorks

Criteria or Specific Requirement
Calworks requirements are incorporated in Education Code 79200-79203 & 84759 and the CalWORKS Program Handbook Section V (Eligibility Determination) and requirements of the State System's Office requires certain eligibility documents to be obtained and included within student files as support for eligibility determinations. Education code and the Handbook also indicate that the student's eligibility should be verified at the beginning of each semester.

Condition
The District does not have a procedure in place to document and maintain the required eligibility documentation through the County Welfare Department for each academic term the recipient was served. In addition, the eligibility of CalWORKS program is not verified at each academic term.

Questioned Costs
Program funding is $799,903 from state and $145,171 from federal sources.

Context
4 out of 10 CalWORKS students from Los Medanos College and all of ten students from Contra Costa College, selected for review of CalWorks files were missing Welfare to Work Plans in the student files. We noted that Contra Costa College has historically relied on weekly on-site visit from County coordinators, rather than obtaining Welfare to Work Plans.

Effect
The District may be at risk of providing services to individuals who are not eligible to receive the specific services from the CalWORKS and/or TANF programs.

Cause
The District does not have a procedure in place to effectively coordinate with the County Welfare Department to ensure that required documentation is obtained for each academic term the recipient was served.

Recommendation
Documentation to support the eligibility of all individuals receiving services through the CalWORKS and TANF programs should be maintained in one central program area for each site and maintained to support that services are properly provided. Student files should be checked at the beginning of each semester to determine that all required documents are included as well as the required certification from the County. Use of a checklist may assist in ensuring the student files are well organized and complete.

Current Status
Implemented.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Date of Delivery]

Governing Board
Contra Costa Community College District
Martinez, California

Contra Costa Community College District
General Obligation Bonds, Election of 2006
consisting of
$22,695,000 Series 2010A (Tax-Exempt)
and
$50,305,000 Series 2010B (Federally Taxable Build America Bonds)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Contra Costa Community College District (the "District"), which is located in the County of Contra Costa, California (the "County"), in connection with the issuance by the District of $22,695,000 aggregate principal amount of bonds designated as "Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010A (Tax-Exempt)" (the "Series 2010A Bonds") and $50,305,000 aggregate principal amount of bonds designated as "Contra Costa Community College District General Obligation Bonds, Election of 2006, Series 2010B (Federally Taxable Build America Bonds)" (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds"), representing a portion of the $286,500,000 of bonds authorized at an election held in the District on June 6, 2006. The Bonds are issued under and pursuant to a resolution of the Governing Board of the District adopted on February 24, 2010 (the "Resolution").

In such connection, we have reviewed the Resolution, the tax certificate of the District for the Series 2010A Bonds dated the date hereof (the "Tax Certificate"), certificates of the District, the County, and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to ensure that future actions, omissions or events will not cause interest on the Series 2010A Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against community college districts and counties in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the documents mentioned in the preceding sentence. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District.

2. The Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.

3. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Bonds and the interest thereon.

4. Interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Series 2010A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

<table>
<tr>
<td align="center">$22,695,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010A
(Tax-Exempt)</td>
<td align="center">$50,305,000
CONTRA COSTA COMMUNITY COLLEGE DISTRICT
(Contra Costa County, California)
General Obligation Bonds, Election of 2006, Series 2010B
(Federally Taxable Build America Bonds)</td>
</tr>
</table>

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Contra Costa Community College District (the "District") in connection with the issuance of the above-named bonds (collectively, the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Resolution") adopted by the Governing Board of the District on February 24, 2010. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at *http://emma.msrb.org*.

"Participating Underwriters" shall mean Piper Jaffray & Co. and Backstrom McCarley Berry & Co., the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2009-10 Fiscal Year (which is due not later than April 1, 2011), provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

* Adopted budget of the District for the current fiscal year, or a summary thereof.
* District student attendance.
* District outstanding debt.
* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bond holders;
8. Optional, unscheduled or contingent Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
11. Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (a)(8) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Contra Costa or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ______________, 2010.

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

By ________________________________
Authorized District Representative

CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of District:	CONTRA COSTA COMMUNITY COLLEGE DISTRICT
Name of Bond Issue:	CONTRA COSTA COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2010A (TAX-EXEMPT) / SERIES 2010B (FEDERALLY TAXABLE BUILD AMERICA BONDS)
Date of Issuance:	______________, 2010

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed no later than _____________.]

Dated: _______________

CONTRA COSTA COMMUNITY COLLEGE DISTRICT

_____________[to be signed only if filed]____________

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APPENDIX E

CONTRA COSTA COUNTY
INVESTMENT POLICY AND
DESCRIPTION OF INVESTMENT POOL

The following information has been furnished by the Office of the Treasurer-Tax Collector, County of Contra Costa. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the County Treasurer and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Treasurer-Tax Collector, 625 Court Street, Room 100, Martinez, California, 94553, phone number (925) 957-2850.

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CONTRA COSTA COUNTY

INVESTMENT POLICY

JUNE 2009

STANDARDS AND OBJECTIVES

§53600.3.[1] Standard for Governing Bodies or Persons Authorized to Make Investment Decisions for Local Agencies

Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the ***prudent investor standard***. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall strategy, investments may be acquired as authorized by law.

§53600.5. Trustee's Objectives Regarding Funds

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objective of a trustee shall be to ***safeguard the principal*** of the funds under its control. The secondary objective shall be to ***meet the liquidity*** needs of the depositor. The third objective shall be to ***achieve a return*** on the funds under its controls.

[1] Number refers to Government Code number and section.

INSTRUMENTS AUTHORIZED FOR INVESTMENT

§53601. Instruments Authorized for Investment

A. ***Bonds issued by the local agencies***, including bonds payable solely out of the revenues from a revenue-producing property, owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.

B. ***United States Treasury notes, bonds, bills or certificates of indebtedness***, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

C. ***Registered state warrants or treasury notes or bonds of this state***, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state.

D. ***Bonds, notes, warrants or other evidences of indebtedness of any local agency within this state***, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority of the local agency.

E. ***Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments***, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

F. ***Bankers acceptances otherwise known as bills of exchange or time drafts*** drawn on and accepted by a commercial bank. Purchases of banker's acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the banker's acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6, commencing with Section 11501, of the Public Utilities Code).

G. ***Commercial paper*** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:
  (A) Is organized and operating in the United States as a general corporation.
  (B) Has total assets in excess of five hundred million dollars ($500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:
(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
(B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635. Following are the concentration limits (Government Code Section 53635, subdivision (a)):

1. Not more than 40 percent of the local agency's money may be invested in eligible commercial paper.
2. Not more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer's commercial paper.

H. ***Negotiable certificates of deposit*** issued by a nationally- or state-chartered bank or a savings association or federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

I. Investments in ***repurchase agreements*** or ***reverse repurchase agreements*** of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

1. **"Repurchase agreement"** means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the

securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

a. **"Securities,"** for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date and maturity.

b. Investments in repurchase agreements may be made on any investment authorized in this section when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

2. **"Reverse repurchase agreement"** means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

   Reverse repurchase agreements may be utilized only when all of the following conditions are met:

   The security to be sold on reverse repurchase agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale; the total of all reverse repurchase agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio; the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

   Investments in reverse repurchase agreements shall only be made with primary dealers of the Federal Reserve Bank of New York, or with a nationally- or state-chartered bank that has or has had a significant banking relationship with a local agency…"Significant banking relationship" means any of the following activities of a bank:

   a. Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, notes, or other evidence of indebtedness.

b. Financing of a local agency's activities.

c. Acceptance of a local agency's securities or funds as deposits.

J. ***Medium-term notes*** of a maximum of five-years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally-recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

K. 1. ***Shares of beneficial interest*** issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivision (m) or (n) and that comply with the investment restrictions of this article and Article 2.

2. ***Shares of beneficial interest*** issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (I5 U.S.C. Sec. 80a-1 et seq.).

3. If investment is in shares issued pursuant to paragraph (2), the company shall have met the following criteria:

   a. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

   b. Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

4. The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

L. ***Moneys held by a trustee or fiscal agent*** and pledged to the payment of security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are not specific statutory provision, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

M. ***Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest*** in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

N. ***Any mortgage pass-through security, collaterialized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond*** of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of **"AA"** or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

O. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n) , inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (n) inclusive.
(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

P. Local Agency Investments – LAIF - (All references in this section to the Treasurer and the Controller pertain to the State Treasurer and the State Controller).

§16305.9. (a) All money in the Local Agency Investment Fund shall be held in trust in the custody of the Treasurer.

(b) All money in the Local Agency Investment Fund is nonstate money. That money shall be held in a trust account or accounts. The Controller shall be responsible for maintaining those accounts to record the Treasurer's accountability, and shall maintain a separate account for each trust deposit in the Local Agency Investment Fund.

(c) That money shall be subject to audit by the Department of Finance and to cash count as provided for in Sections 13297,13298, and 13299. It may be withdrawn only upon the order of the depositing entity or its disbursing officers. The system that the Director of Finance has established for the handling, receiving, holding, and disbursing of state agency money shall also be used for the money in the Local Agency Investment Fund.

(d) All money in the Local Agency Investment Fund shall be deposited, invested and reinvested in the same manner and to the same extent as if it were state money in the State Treasury.

§16429.1. Existence and Appropriation of Fund; Investment and Distribution of Deposits

(a) There is in trust in the custody of the Treasurer the Local Agency Investment Fund, which fund is hereby created. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agency engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund, that is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

(l) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of one-half of one percent of the earnings of this fund, shall be deducted from the earnings prior to distribution. The amount of this deduction shall be credited as reimbursements to the state agencies having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

FURTHER RESTRICTIONS/LIMITATIONS BY GOVERNMENT CODE AND COUNTY TREASURER

Further Restrictions Set by Treasurer

A. Reverse repurchase agreements will be used strictly for the purpose of supplementing income with a limit of 10 percent of the total portfolio without prior approval of the Treasurer.

B. Swaps and Trades will each be approved on a per-trade basis by Treasurer or Assistant Treasurer.

C. SBA loans require prior approval of the Treasurer in every transaction.

D. Repurchase Agreements will generally be limited to Wells Fargo Bank, Bank of America or other institutions with whom the County treasury has executed tri-party agreements. Collateral will be held by a third party to the transaction that may include the trust department of particular banks. Collateral will be only securities that comply with Government Code 53601.

E. Securities purchased through brokers will be held in safekeeping at The Bank of New York Trust Company, N.A. or as designated by the specific contract(s) for government securities and tri-party repurchase agreements.

F. Bank C.D.s or non-negotiable C.D.s will be collateralized at 110 percent by government securities or 150 percent by current mortgages. There will be no waiver of the first $100,000 collateral except by special arrangement with the Treasurer.

G. All investments purchased by the Treasurer's Office shall be of investment grade. The minimum credit rating of purchased investments shall be as defined by Government Code 53600 et. seq.

H. All legal securities issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars or snuff or for smoking in pipes or a company that has total revenues of 15 percent or more from the sale of such products. The tobacco-related issuers restricted from any investment are British American Tobacco, Gallaher Group PLC, Imasco Ltd., Lowes Companies, ALTRIA Group, Inc., RJ Reynolds Tobacco Holdings, Inc., Brooke Groupe LTD., UST, Inc. and Universal Corp. However, tobacco-related companies will not be limited to the foregoing list. Additional companies will be prohibited as long as said entities fall within the definition of tobacco-related companies.

I. Financial futures or financial option contracts will each be approved on a per trade basis by the County Treasurer.

J. No more than 10 percent of the local agency's money may be invested in the outstanding commercial paper of any single issuer.

K. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased by the local agency.

§53601.6. Prohibited Investments by Government Code

A. A local agency shall not invest any funds pursuant to this Article or pursuant to Article 2 (commencing with Section 53630) in ***inverse floaters, range notes or interest-only strips*** that are derived from a pool of mortgages.

B. A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630)in ***any security that could result in zero interest accrual if held to maturity***. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1,et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

§53601. Instruments Authorized for Investments: Maturity

Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, **no investment shall be made in any security**, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment **has a term remaining to maturity in excess of five years**, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment.

Quality of Investment Instruments, Issuers and Sources

Regular financial review and analysis of issuers and sources of securities such as banks and brokerage firms shall be performed. These will be based on credit-rating services' evaluations, financial documents such as audits, Form 10-Q filings to the Securities and Exchange Commission and other reliable financial information.

SAFEKEEPING AND CUSTODY

§53601. Instruments Authorized for Investment

A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered or non-registered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisors, consultants or managers using the agency's funds, by book entry, physical delivery or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term of remaining maturity at the time of the investment, no investment shall be made in any security other than a security underlying a repurchase or reverse repurchase agreement authorized by this section.

In compliance with this section, the securities of Contra Costa County and its agencies shall be in safekeeping at The Bank of New York Trust Company, N. A., a counterparty bank's trust department or as defined in the debt indenture and contract.

AUTHORIZED BROKERS AND DEALERS

Securities for Contra Costa County and its agencies shall be purchased from the following:

- Primary dealers of the Federal Reserve Bank of New York and their subcontracts.
- Banks and financial institutions that sell and buy instruments authorized for investments per Government Code 53600 et. seq. and their subcontracts.
- Issuers of securities authorized by Government Code 53601 et. seq.

Securities shall not be purchased from brokers, brokerages, dealers or securities firms who within any 48-month period following January 1, 1996, made a political contribution to the local treasurer, any member of the governing board of the local agency or any candidate for those offices in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board.

LIMITS ON THE RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Gift Prohibitions

All state and local officials who are listed in Government Code Section 87200, and candidates for those elective offices (except judges), are prohibited from accepting a gift or gifts aggregating more than **as stated in California Government Code §89502(a) and §89503(f)** in a calendar year from a single source.

Beginning on January 1, 1993, the State Fair Political Practices Commission shall adjust the gift limitations in this section on January 1st of each odd-numbered year to reflect changes in the Consumer Price Index rounded to the nearest ten dollars ($10). §89503(f)

Honorarium Prohibition

All state and local officials who are listed in Government Code Section 87200, and candidates for those elective offices (except judges), are prohibited from accepting any honorarium for any speech given, article published or attendance at any public or private conference, convention, meeting, social event, meal or like gathering.

Exceptions

- The gift limit and honorarium prohibitions do not apply to a part-time member of the governing board of a public institution of higher education unless the member is also an elected official.

- For state board and commission members, the gift limit and honorarium prohibition are applicable only if the member would be required to report the receipt of income or gifts from the source on his or her statement of economic interests. The $10 gift limit is applicable only to lobbyists and lobbying firms registered to lobby the board or commission member's agency.

Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect any of their financial interests, not just those that they are required to disclose on a statement of economic interests.

Enforcement

The Fair Political Practices Commission may impose penalties for statements of economic interests that are filed late. The fine is $10 per day, beginning the day after the filing deadline, up to a maximum of $100. Late-filing penalties can be reduced or waived under certain circumstances.

In addition, the Fair Political practices Commission may initiate investigations with respect to any suspected violation of the Political Reform Act. Other law enforcement agencies (the Attorney General or District Attorney) may initiate investigations under certain circumstances. If violations are found, the Commission may initiate administrative enforcement proceedings that could result in the imposition of monetary penalties of up to **$5,000** per violation. In lieu of administrative prosecution, a civil action may be brought for negligent or intentional violations by the appropriate civil prosecutor (the Commission, Attorney General or District Attorney) where the measure of damages for most violations is the amount of value not properly reported. Persons who violate the conflict-of-interest disclosure provisions of the Political Reform Act can also be subject to discipline by their agency, including dismissal.

Finally, a knowing or willful violation of any provision of the Political Reform Act is a misdemeanor. Persons convicted of a misdemeanor may be disqualified for four years from the date of the conviction from serving as a lobbyist or running for elective office in addition to other penalties that may be imposed. The Act also provides for numerous civil penalties, including monetary penalties and damages, and injunctive relief from the courts.

FURTHER AMENDMENTS TO THE CONFLICT OF INTEREST CODES
(Per a Contra Costa County Board of Supervisors' Order dated February 6, 1996)

Amend all local Conflict of Interest Codes as follows:

Pursuant to Government Code Sections 87302 and 87306 et. seq., this Board hereby amends every local Conflict of Interest Code previously approved by the Board of Supervisors to add the following:

"All other provisions of this Code notwithstanding, the following provisions hereafter apply:

1. No designated employee shall accept **any** honorarium.

   Subdivisions (b), (c) and (e) of Government Code Section 89502 shall apply to the prohibitions in this Section. This Section shall not limit or prohibit payments, advances or reimbursements for travel and related lodging and subsistence authorized by Government Code Section 89506.

2. No designated employee shall accept any gifts with a total value of more than three hundred ninety dollars ($390) in a calendar year from any single source.

   Subdivision (d) of Government Code Section 89504 shall apply to this Section."

This amendment is necessary to assure that all local codes comply with recent amendments to Government Code Section 89502.

INVESTMENT REPORT

The Treasurer may render a quarterly report "…to the Chief Executive Officer, the Internal Auditor and the legislative body of the local agency…" (Government Code 53646).

The County shall submit copies of its second and fourth quarter reports to the California Debt and Investment Advisory Commission within 60 days after the close of the second and fourth quarters of each calendar year (Government Code 53646(g)).

In addition the County Treasurer will provide "…the County Treasury Oversight Committee with an investment report as required by the Board of Supervisors…" (Government Code 27133 (e)).

The County shall submit copies of its investment policy each calendar year to the California Debt and Investment Advisory Commission. All subsequent policy amendment(s) have to be submitted within 60 days.

PLEDGE REPORT

Any securities that are pledged or loaned for any purpose shall be reported in the Quarterly Investment Report. The transaction detail will be provided, including purpose, beginning and termination dates and all parties to the contract. The security descriptions as to type, name, maturity date, coupon rate, CUSIP and other material information will be included.

REVERSE REPURCHASE AGREEMENTS

All reverse repurchase agreements entered into, whether active or inactive by the end of each quarter, shall be reported in the Treasurer's Quarterly Investment Report.

LOCAL AGENCY INVESTMENTS

To be eligible to receive local agency money, a bank, savings association, federal association, or federally-insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisorial agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. (Government Code 53635)

METHODOLOGY OF CALCULATING AND APPORTIONING TREASURY COSTS

Regular and Routine Investments

- $20 per investment transaction; i.e., $20 at placement and $20 at maturity.
- .00333 of interest income; i.e., $3.33 per $1,000 of interest income.

Charged quarterly by journal entry.

Special Reports and Research

Actual staff time and materials.

Special Bank Transactions

Actual bank fee schedule, staff time and materials.

§53684. Alternative Procedure for Investment of Excess Funds

B. The County Treasurer shall, at *least* quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency *and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles.* *****

   Prior to distributing that interest or increment, the County Treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and *to the total average daily balance of deposits in the investment pool.*

C. The County Treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect**. ***

***** In Contra Costa County, the Auditor-Controller performs these functions for fiscal control purposes.

NON-MANDATED DEPOSITS AND WITHDRAWALS IN THE TREASURY

Following are the terms and conditions for deposit of funds for investment purposes by entities that are not legally required to deposit their funds in the County Treasury.

- Resolution by the County Board of Supervisors authorizing the acceptance of outside participants by the County Treasury.

- Resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to Government Code 53684.

- Treasury investments will be directed transactions.

Withdrawal of funds in the Treasury shall coincide with investment maturities or authorized sale of securities by the legislative or governing body of the local agency. Except for funds in the California State Local Agency Investment Fund, a five-business-days notification may be required when authorized sale of securities is involved. However, the section on evaluation of request for withdrawal of funds for use outside the County treasury pool by both mandated and non-mandated treasury pool participants shall also apply.

WITHDRAWAL OF FUNDS BY MANDATED TREASURY PARTICIPANTS

The withdrawal of mandated deposits in the Treasury will coincide with investment maturities and/or authorized sale of securities by authorized personnel of the local agency. Except for funds in the California State Local Agency Fund, a five-business-days notification may be required when authorized sale of securities is involved. However, the section on evaluation of request for withdrawal of funds for use outside the County treasury pool by both mandated and non-mandated treasury pool participants shall also apply.

Evaluation of Request For Withdrawal of Funds For Use Outside the County Treasury Pool by Both Mandated and Non-Mandated Treasury Pool Participants

Pursuant to Section 27136(a):

"Notwithstanding any other provisions of law, any local agency, public agency, public entity or public official that has funds on deposit in the County treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the County treasury pool shall first submit the request for withdrawal to the County Treasurer before withdrawing funds from the County treasury pool."

The County Treasurer shall evaluate each proposed withdrawal and may request up to 30 days in order to assess the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury and that the interests of the other depositors will not be adversely affected.

APPROVED BROKERS AND ISSUERS

ABN AMRO, Incorporated
American Express Credit Corporation
Associates Corporation of North America
Associates First Capital
Bank of America
Bank of the West
Bankers Trust Company
Barclays Capital, Incorporated
California Arbitrage Management Program
Chase Securities, Incorporated
Chevron Corporation
Chevron Funding
Citibank
Citigroup Funding Inc.
Credit Suisse First Boston
Deere & Company
Donaldson, Lufkin & Jenrette Securities Corporation
Exxon Mobil Corporation and Subsidiaries
First Commercial Bank
General Electric Capital Corporation
General Electric Capital Services
General Electric Company
Gilford Securities, Incorporated
Goldman, Sachs & Company
Government Perspectives
John Deere Capital Corporation
Mechanics Bank
Mellon Bank
Prudential Securities, Incorporated
Public Financial Management, Incorporated
Rauscher Pierce Refsnes, Incorporated
Salomon Smith Barney, Incorporated
Sumitomo Bank of California
Toyota Motors Credit Corporation
UBS Financial Services
Union Bank
US Bancorp
Wells Fargo Bank
Westamerica Bank

Note: The County Treasury will not be limited to the above list. Others will be included as long as all conditions for authorized brokers and dealers set forth in this policy are met. Additionally, deletions and additions are based on the maintenance of required credit quality as rated by Standard and Poor's, Moody's and other recognized rating services and reliable financial sources.

APPROVED PRIMARY GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK

BNP Paribas Securities Corp.
Banc of America Securities LLC
Barclays Capital Inc.
Citigroup Global Markets, Inc.
Cantor Fitzgerald & Co.
Credit Suisse Securities (USA) LLC
Daiwa Securities America Inc.
Deutsche Bank Securities Inc.
Dresdner Kleinwort Wasserstein Securities LLC
Goldman, Sachs & Co.
Greenwich Capital Markets, Inc.
HSBC Securities (USA) Inc.
J.P. Morgan Securities, Inc.
Mizuho Securities USA Inc.
Morgan Stanley & Co. Incorporated
RBS Securities Inc.
UBS Securities LLC.

GLOSSARY

Agencies A colloquial term for securities issued by the federal agencies.

Bankers Acceptances A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

Basis Point One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 8.25% to 8.50%, the difference is referred to as a 25-basis-point increase.

Blue Sky Laws Common term for state securities law, which vary from state to state. Generally refers to provision related to prohibitions against fraud, dealer and broker regulations and securities registration.

Book Value Refers to value of a held security as carried in the records of an investor. May differ from current market value of the security.

Certificates of Deposit (C/Ds) Certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable.

- **Negotiable Certificates of Deposit** May be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit plus interest earned to the bearer of the certificate at maturity.

- **Non-Negotiable Certificates of Deposit** These certificates are collateralized and are not money market instruments since they cannot be traded in the secondary market. They are issued on a fixed-maturity basis and often pay higher interest rates than are permissible on other savings or time-deposit accounts.

Commercial Paper Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

Coupon Rate The annual rate of interest payable on a security expressed as a percentage of the principal amount.

CUSIP Numbers CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

Inverse Floaters An adjustable interest rate note keyed to various indices such as LIBOR, commercial paper, federal funds, treasuries and derivative structures. The defined interest rate formula is the opposite or inverse of these indices. Interest rates and pay dates may reset daily, weekly, monthly, quarterly, semi-annually or annually.

Liquidity Usually refers to the ability to convert assets (such as investments) into cash.

Mark to Market Valuing the inventory of held securities at its current market value.

Market Value Price at which a security can be traded in the current market.

Maturity The date upon which the principal of a security becomes due and payable to the holder.

Medium-Term Notes (MTNs) Corporate debt obligations continuously offered in a broad range of maturities. MTNs were created to bridge the gap between commercial paper and corporate bonds. The key characteristic of MTNs is that they are issued on a continuous basis.

Money Market Instruments Private and government obligations of one year or less.

Offer The price of a security at which a person is willing to sell.

Par Value The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

Premium The amount by which the price paid for a security exceeds par value, generally representing the difference between the nominal interest rate and the actual or effective return to the investor.

Range Notes A security whose rate of return is pegged to an index. The note defines the interest rate minimum or floor and the interest rate maximum or cap. An example of an index may be federal funds. The adjustable rate of interest is determined within the defined range of the funds.

Repurchase Agreement or RP or REPO An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

Settlement Date The date used in price and interest computations, usually the date of delivery.

SLUGS An acronym for State and Local Government Series. SLUGS are special United States Government securities sold by the Secretary of the Treasury to states, municipalities and other local government bodies through individual subscription agreements. The interest rates and maturities of SLUGS are arranged to comply with arbitrage restrictions imposed under Section 103 of the Internal Revenue Code. SLUGS are most commonly used for deposit in escrow in connection with the issuance of refunding bonds.

STRIPS US Treasury acronym for "separate trading of registered interest and principal of securities." Certain registered Treasury securities can be divided into separate interest and principal components, which may then be traded as separate entities.

SWAP Generally refers to an exchange of securities, with essentially the same par value, but may vary in coupon rate, type of instrument, name of issuer and number of days to maturity. The purpose of the SWAP may be to enhance yield, to shorten the maturity or any benefit deemed by the contracting parties.

Treasury Securities Debt obligations of the United States Government sold by the Treasury Department in the form of bills, notes and bonds:

- **Bills** Short-term obligations that mature in one year or less and are sold at a discount in lieu of paying periodic interest.
- **Notes** Interest-bearing obligations that mature between one year and 10 years.
- **Bonds** Interest-bearing long-term obligations that generally mature in 10 years or more.

Zero-Coupon Security A security that makes no periodic interest payments but instead is sold at a deep discount from its face value.

APPENDIX

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Resolution on January 20, 2009 by the following vote:

AYES: GIOIA, UILKEMA, PIEPHO, & BONILLA

NOES: NONE

ABSENT: GLOVER

ABSTAIN:

RESOLUTION OF CONTRA COSTA COUNTY
(Account #99-07-000)

Resolution No. 2009/25

AGENCY ADDRESS: 625 Court Street, Room 102
Martinez, CA 94553

AGENCY PHONE NUMBER: 925-957-2850

AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Supervisors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the CONTRA COSTA COUNTY.

NOW THEREFORE, BE IT RESOLVED, that the Board of Supervisors does hereby authorize the deposit and withdrawal of CONTRA COSTA COUNTY monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following CONTRA COSTA COUNTY officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

William J. Pollacek	Russell V. Watts	Brice E. Bins
(NAME)	(NAME)	(NAME)
Treasurer-Tax Collector	Chief Deputy Treasurer-Tax Collector	Assistant Treasurer
(TITLE)	(TITLE)	(TITLE)
(SIGNATURE)	(SIGNATURE)	(SIGNATURE)

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

ATTESTED: January 20, 2009
DAVID TWA, Clerk of the Board of Supervisors
And County Administrator

By ____________ Deputy

RESOLUTION NO. 2008/25

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CONTRA COSTA COUNTY INVESTMENT POOL

TREASURER'S QUARTERLY INVESTMENT REPORT

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CONTRA COSTA COUNTY

TREASURER'S QUARTERLY INVESTMENT REPORT

AS OF DECEMBER 31, 2009

<u>**EXECUTIVE SUMMARY**</u>

- The Treasurer's investment portfolio is in compliance with Government Code 53600 et. seq..

- The Treasurer's investment portfolio is in compliance with the Treasurer's current investment policy.

- The Treasurer’s investment portfolio has no securities lending, reverse repurchase agreements or derivatives.

- The total cost of the investment portfolio was equal to **$2,005,987,239** on December 31, 2009. The fair value was **$2,008,159,215** which was 100.1% of cost.

- The weighted average maturity of the total investment pool was 116 days. More than 88 percent of the portfolio or over $1.77 billion will mature in less than a year. Historical activities combined with future cash flow projections indicate that the County is able to meet its cash flow needs for the next six months.

CONTRA COSTA COUNTY INVESTMENT POOL
As of December 31, 2009

TYPE	PAR VALUE	COST	FAIR VALUE	PERCENT OF TOTAL COST
A. Investments Managed by Treasurer's Office				
1. U.S. Treasuries (STRIPS, Bills, Notes)	$25,451,000.00	$25,003,248.93	$25,579,586.03	1.25%
2. U.S. Agencies				
Federal Agriculture Mortgage Corporation	6,751,000.00	7,032,398.93	7,131,002.19	0.35%
Federal Home Loan Banks	125,109,000.00	126,674,978.15	127,731,660.00	6.31%
Federal National Mortgage Association	86,318,000.00	86,305,276.19	86,808,549.06	4.30%
Federal Farm Credit Banks	14,582,000.00	14,925,873.17	15,053,515.01	0.74%
Federal Home Loan Mortgage Corporation	73,046,000.00	73,615,996.56	73,480,599.91	3.67%
Municipal Bonds	1,000,000.00	1,000,000.00	1,000,000.00	0.05%
Subtotal	306,806,000.00	309,554,523.00	311,205,326.17	15.43%
3. Money Market Instruments				
Bankers Acceptances	9,291,930.00	9,277,271.30	9,286,827.25	0.46%
Repurchase Agreement	200,000,000.00	200,000,000.00	200,000,000.00	9.97%
Commercial Paper	458,587,000.00	458,435,742.29	458,475,102.23	22.85%
Negotiable Certificates of Deposit	215,825,000.00	215,825,000.00	215,873,293.41	10.76%
Corporate Notes	33,587,000.00	33,681,289.35	33,388,412.48	1.68%
Time Deposit	3,076.96	3,076.96	3,076.96	0.00%
Subtotal	917,294,006.96	917,222,379.90	917,026,712.33	45.72%
TOTAL	1,249,551,006.96	1,251,780,151.83	1,253,811,624.53	62.40%
B. Investments Managed by Outside Contractors				
1. Local Agency Investment Fund	433,215,632.08	433,215,632.08	433,626,244.69	21.60%
2. Other				
a. California Asset Management Program (RDA)	29,295.47	29,295.47	29,345.94	0.00%
b. Miscellaneous (BNY, Mechanics, CCFCU)	421,362.24	421,362.24	387,194.07	0.02%
c. Wells Fargo Asset Management (324-131235)	45,021,754.00	45,346,263.50	45,308,623.51	2.26%
d. Columbia Management Group (Bank of America)	38,369,794.00	38,774,448.00	38,649,158.00	1.93%
e. CalTRUST	138,492,332.21	138,492,332.21	138,419,270.44	6.90%
Subtotal	222,334,537.92	223,063,701.42	222,793,591.96	11.12%
TOTAL	655,550,170.00	656,279,333.50	656,419,836.65	32.72%
C. Cash	97,927,754.05	97,927,754.05	97,927,754.05	4.88%
***GRAND TOTAL (FOR A , B, & C)**	$2,003,028,931.01	$2,005,987,239.38	$2,008,159,215.23	100.00%

* Does not include the Futuris Public Entity Trust of the Contra Costa Community College District Retirement Board of Authority

NOTES TO INVESTMENT PORTFOLIO SUMMARY AS OF DECEMBER 31, 2009

1. All report information is unaudited but due diligence was utilized in its preparation.

2. There may be slight differences between the portfolio summary page and the attached exhibits and statements for investments managed by outside contractors or trustees. The variance is due to the timing difference in recording transactions associated with outside contracted parties during interim periods and later transmitted to the appropriate county agency and/or the Treasurer’s Office. In general, the Treasurer’s records reflect booked costs at the beginning of a period.

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CONTRA COSTA COUNTY
TREASURER'S OFFICE
INVESTMENT INVENTORY WITH MARKET VALUE

(RPTMKT)

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INVESTMENTS OUTSTANDING AS OF 12/31/09
MAJOR SORT KEY IS ICC#

INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
SUBTOTAL	(Inv Type) 10 TREASURY NOTES - STRIPS		.07%(M)		8.1600	861,000.00	854,265.63	483,360.27	31,078.05
					10.1840	339,827.31	99.21784300000		
SUBTOTAL	(Inv Type) 12 TREASURY NOTES		1.97%(M)		1.4955	24,590,000.00	24,725,320.40	76,389.06	87,076.79
					1.3478	24,663,421.62	100.5503070000		-17,808.45
SUBTOTAL	(Inv Type) 20 FEDERAL AGRICULTURE MOR		.57%(M)		4.9234	6,751,000.00	7,131,002.19	134,435.74	98,603.26
					3.7458	7,032,398.93	105.6288280000		
SUBTOTAL	(Inv Type) 22 FEDERAL HOME LOAN BANKS		9.81%(M)		3.2337	120,355,000.00	122,980,289.13	799,047.19	1,309,275.10
					2.6726	121,925,504.23	102.1812880000		-206,224.22
SUBTOTAL	(Inv Type) 23 FEDERAL NATIONAL MORTGA		5.04%(M)		2.6600	62,620,000.00	63,151,998.43	493,471.30	611,143.91
					2.5795	62,667,068.63	100.8495660000		-99,071.82
SUBTOTAL	(Inv Type) 27 FEDERAL FARM CREDIT BAN		1.20%(M)		4.0883	14,582,000.00	15,053,515.01	242,604.10	210,502.75
					3.0101	14,925,873.17	103.2335410000		-82,860.91
SUBTOTAL	(Inv Type) 28 FEDERAL HOME LOAN MORTG		.86%(M)		.2863	10,765,000.00	10,764,829.56	14,483.78	1,621.70
					.2867	10,748,724.08	99.99841700000		
SUBTOTAL	(Inv Type) 29 FHLMC NOTES		4.92%(M)		2.0807	61,281,000.00	61,714,520.35	226,889.69	123,658.98
					1.5154	61,867,272.48	100.7074300000		-260,519.14
SUBTOTAL	(Inv Type) 31 MUNICIPAL BONDS		.08%(M)		4.5760	1,000,000.00	1,000,000.00	17,287.11	.00
					4.5760	1,000,000.00	100.0000000000		
SUBTOTAL	(Inv Type) 34 FHLMC FLOATING RATE		.08%(M)		.3306	1,000,000.00	1,001,250.00	578.60	1,250.00
					.3306	1,000,000.00	100.1250000000		
SUBTOTAL	(Inv Type) 41 FNMA DISCOUNT NOTES		1.89%(M)		.2806	23,698,000.00	23,656,550.63	9,390.35	9,551.40
					.2815	23,638,207.56	99.82509300000		-598.68
SUBTOTAL	(Inv Type) 43 FHLB DISCOUNT NOTES		.38%(M)		.1369	4,754,000.00	4,751,370.87	1,377.81	626.22
					.1372	4,749,473.92	99.94469600000		-107.08
SUBTOTAL	(Inv Type) 51 BA, DOMESTIC		.74%(M)		.3155	9,291,930.00	9,286,827.25	8,133.29	1,422.66
					.3160	9,277,271.30	99.94508400000		
SUBTOTAL	(Inv Type) 61 REPURCHASE AGREEMENTS		15.95%(M)		.1400	200,000,000.00	200,000,000.00	1,555.56	.00
					.1400	200,000,000.00	100.0000000000		
SUBTOTAL	(Inv Type) 70 COMMERCIAL PAPER INT BE		14.91%(M)		.1612	186,937,000.00	186,937,000.00	16,667.86	.00
					.1612	186,937,000.00	100.0000000000		

CONTRA COSTA COUNTY
TREASURER'S OFFICE
INVESTMENT INVENTORY WITH MARKET VALUE

(RPTMKT)

RUN: 01/06/10 15:12:24

INVESTMENTS OUTSTANDING AS OF 12/31/09
MAJOR SORT KEY IS ICC#

INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
SUBTOTAL (Inv Type) 71 COMMERCIAL PAPER DISCOU 21.66%(M)					.2209	271,650,000.00	271,538,102.23	40,188.64	5,535.19
					.2210	271,498,742.29	99.95880800000		-6,363.89
SUBTOTAL (Inv Type) 72 NEGOTIABLE CERT OF DEPO 17.22%(M)					.2258	215,825,000.00	215,873,293.41	82,793.87	48,293.41
					.2258	215,825,000.00	100.0223760000		
SUBTOTAL (Inv Type) 73 CORP NOTE FLTG RT ACT- .30%(M)					.6178	3,775,000.00	3,771,812.50	3,952.09	210,527.75
					5.3356	3,561,284.75	99.91556300000		
SUBTOTAL (Inv Type) 75 CORPORATE NOTES 2.36%(M)					3.5161	29,812,000.00	29,616,599.98	377,297.12	184,833.50
					2.9294	30,120,004.60	99.34455900000		-687,544.50
SUBTOTAL (Inv Type) 1000 TD WITH CALC CODE OF .00%(M)					3.7500	3,076.96	3,076.96	423.08	.00
					3.7500	3,076.96	100.0000000000		
GRAND TOTAL					.8931	1249551006.96	1253811624.53	3,030,326.51	2,935,000.67
					.7840	1251780151.83	100.3409720000		-1,361,098.69

NET OF RETIREMENT $4,429,000

* MARKET = BOOK LESS PURCHASE INTEREST

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this APPENDIX F has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede &

Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

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CONTRA COSTA COMMUNITY COLLEGE DISTRICT (CONTRA COSTA COUNTY, CALIFORNIA) • GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2010A AND 2010B

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