

**OHLONE COMMUNITY COLLEGE  
DISTRICT**

**AUDIT REPORT**

**JUNE 30, 2015**

**San Diego**

**Los Angeles**

**San Francisco  
Bay Area**

**christywhite**  
A PROFESSIONAL  
ACCOUNTANCY CORPORATION *associates*

**OHLONE COMMUNITY COLLEGE DISTRICT  
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 FOR THE YEAR ENDED JUNE 30, 2015**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Christy White, CPA

Michael Ash, CPA

Heather Rubio

The Board of Trustees  
Ohlone Community College District  
Fremont, California

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the business-type activity, and the aggregate discretely presented component units of the Ohlone Community College District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Ohlone Community College District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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State Board of Accountancy*

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity, the aggregate discretely presented component units and the fiduciary funds of Ohlone Community College District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis on pages 4 through 12 and the schedule of postemployment healthcare benefit funding progress on page 49 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ohlone Community College 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 the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015 on our consideration of Ohlone Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ohlone Community College District's internal control over financial reporting and compliance.

*Christy White Associates*

San Diego, California  
November 16, 2015

**OHOLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**ORGANIZATION**

Ohlone Community College District (the “District”) was established on July 1, 1966, and is comprised of an area approximately 534 acres in Fremont and 80 acres in Newark. There was no change in the boundaries of the District during the current year.

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

Board of Trustees

Member	Office	Term Expires
Mr. Greg Bonaccorsi	Chair	December 2016
Mr. Richard Watters	Vice Chair	December 2018
Ms. Teresa Cox	Member	December 2016
Ms. Jan Giovannini-Hill	Member	December 2018
Ms. Vivien Larsen	Member	December 2018
Mr. Ishan Shah	Member	December 2016
Mr. Garrett S. Yee	Member	December 2018
Mr. Rahul Patel	Member	May 2016

District Executive Team

Name	Title
Gari Browning, Ph.D.	President/ Superintendent
Leta Stagnaro, Ed D.	Vice President of Academic Affairs/ Deputy Superintendent
Ron Travenick, Ed D	Vice President of Student Services
Chris De La Rosa	Associate Vice President of IT
Shairon Zingsheim	Associate Vice President of HR & Training
Ronald D. Little	Vice President of Administrative Services

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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**OVERVIEW AND ANALYSIS OF THE FINANCIAL STATEMENTS**

**Net Position**

The following management’s discussion and analysis provides an overview of the financial position and activities of the District’s Financial Report for the fiscal year that ended June 30, 2015. As required, the annual report consists of three basic financial statements that provide information on the District as a whole; the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The information provided on the statements that follow includes all funds, with the exception of the Associated Students of Ohlone College (ASOC) funds shown on page 17 of the audit and the Ohlone College Foundation, which is a separate entity. Each statement will be reviewed and discussed separately.

**ACCOUNTING STANDARDS**

In June 1999, the Governmental Accounting Standards’ Board (GASB) released Statement No. 34, “Basic Financial Statement and Management’s Discussion and Analysis for State and Local Governments,” which changed the reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, “Basic Financial Statement and Management’s Discussion and Analysis for Public Colleges and Universities,” which applies these reporting standards to public colleges and universities. The Ohlone Community College District continues to present its financial statements in this reporting format.

The following management’s discussion and analysis provides an overview of the financial position and activities of the Ohlone Community College District’s Financial Report for the year ended June 30, 2015. The previous year’s financial statements that provide information on the District as a whole:

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

Each of these statements will be reviewed and significant events discussed.

**BUDGET HIGHLIGHTS**

Passage of Proposition 30, slow, but positive growth in the economy, and resultant tax revenues allowed for the highest funding increase in history. The increase in funding was used by the state to buy down the “wall of debt” and continue implementation of Local Control Funding Formula (LCFF) at the level proposed in the Governor’s proposal in January of 2014. Not included in the state budget was funding to address the increased employer costs to deal with the unfunded liability in the CalSTRS fund or payments on prior years state mandates.

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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**FINANCIAL HIGHLIGHTS**

The state budget included a .85% COLA. A plan to fully fund CalSTRS by 2045-46 began July 1, 2014. Employer contribution rates to increase from 8.25% to 19.1% over seven years. The rate for 2014/15 increased to 9.5%. GASB 68 became effective June 15, 2014. This standard calls for employers (Local Education Authorities) to recognize their proportionate share of the following in their financial statements: total net pension liability, pension expense and deferred inflows and outflows.

The employer CalPERS contribution rate changed from 11.442% in 2013/14 to 11.771% in 2014/15. The rate is projected to increase each year to 20.4% in 2020/21.

Measure A, the District's \$150 Million General Obligation Bond, approved by voters in 2002, came to a close in 2013-14. Since the bond was passed, multiple projects have been completed on the Fremont Campus with bond proceeds including the construction of the Student Services Center Building. Measure A funds also supported the construction of Ohlone's Newark Center, which opened for classes in January of 2008. The Chemistry classroom modular on the Fremont campus was the final Measure-A project to be completed in 2013-14. The fund was closed as of June 30, 2014.

Measure G, the District's \$349 Million General Obligation Bond, was approved by voters in late 2010. In November 2011 the District issued Series A Measure G bonds for a total of \$80 million. \$10 millions of these proceeds were slated as a Technology Endowment, invested in tax exempt bonds, and placed in a trust fund. The District subsequently issued Series B Measure G bonds in the amount of \$75 million in August, 2014. Construction began on the award winning South Parking Structure in January of 2014 and was completed in August, 2015. This parking structure, which provides over 900 parking spaces, was officially opened in September, 2015 and is currently utilized by our students. In addition to the parking structure, the renovation of the Athletic Fields is currently underway and is expected to be completed in the summer of 2016. Since the construction of the Academic Core building is expected to be launched in early 2016, it is anticipated that Measure G, Series C will also be issued in the Spring of 2016.

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

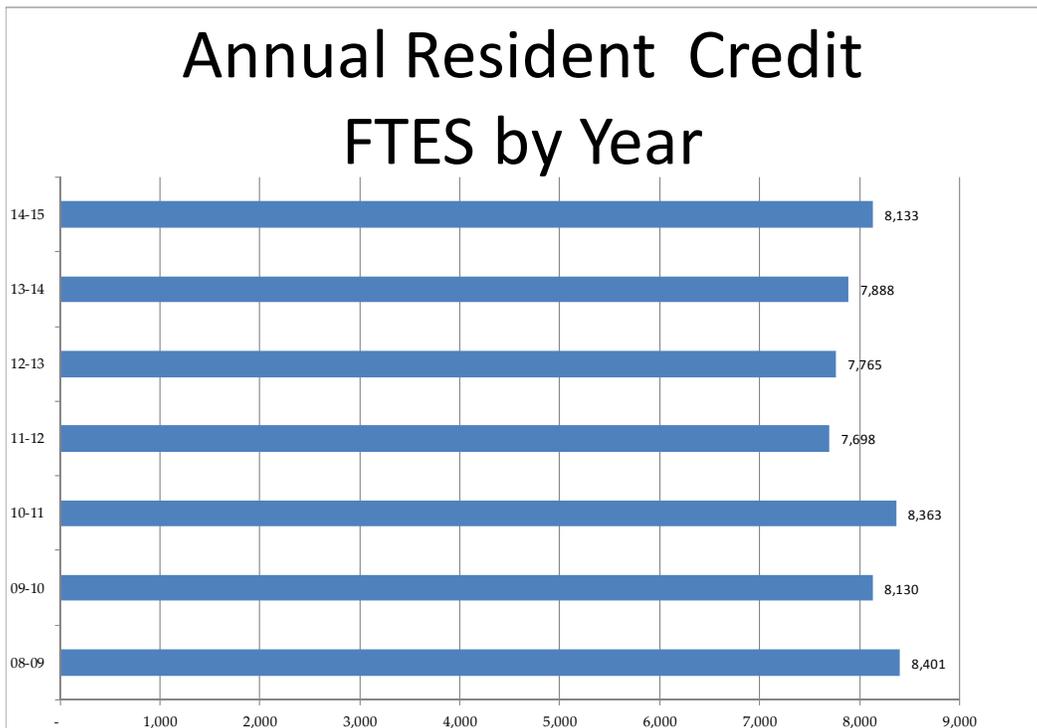
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**ENROLLMENT HIGHLIGHTS**

Full Time Equivalent Students (FTES) at the District increased by 3.1% in fiscal year 2014-15 compared to fiscal year 2013-14. This increase was due to course sections added as a result of California State workload restoration/Prop 30 approvals. Still, the 2014-15 FTES levels are well below (-3%) the District’s peak enrollment of 2008-09.

A brief history of the District’s FTES is provided below.

	<b>Resident Credit</b>	<b>Total FTES</b>
2008-09	8401	8839
2009-10	8130	8579
2010-11	8363	8851
2011-12	7698	8240
2012-13	7765	8336
2013-14	7888	8466
2014-15	8133	



**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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**STATEMENT OF NET POSITION**

The Statement of Net Position presents information on the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

	2015	2014	Net Change
<b>ASSETS</b>			
Current assets	\$ 35,153,787	\$ 33,927,184	\$ 1,226,603
Non-current assets	367,101,211	288,716,175	78,385,036
<b>Total Assets</b>	<b>402,254,998</b>	<b>322,643,359</b>	<b>79,611,639</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	6,497,261	-	6,497,261
<b>Total Deferred Outflows of Resources</b>	<b>6,497,261</b>	<b>-</b>	<b>6,497,261</b>
<b>LIABILITIES</b>			
Current liabilities	27,272,193	22,186,486	5,085,707
Non-current liabilities	307,350,647	209,290,459	98,060,188
<b>Total Liabilities</b>	<b>334,622,840</b>	<b>231,476,945</b>	<b>103,145,895</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	10,299,141	-	10,299,141
<b>Total Deferred Inflows of Resources</b>	<b>10,299,141</b>	<b>-</b>	<b>10,299,141</b>
<b>NET POSITION</b>			
Net investment in capital assets	(16,136,786)	33,332,816	(49,469,602)
Restricted	28,078,017	44,740,832	(16,662,815)
Unrestricted	51,889,047	13,092,766	38,796,281
<b>Total Net Position</b>	<b>\$ 63,830,278</b>	<b>\$ 91,166,414</b>	<b>\$ (27,336,136)</b>

**Assets**

Total Assets have increased by \$79.6 million year over year, an increase of 24.67%.

***Current Assets***

Current Assets consist of cash and cash equivalents held in the County Treasury, accounts receivable due from State, Federal and local grants, contracts and general apportionment earned, but not received by year-end, and prepaid expenditures that are paid prior to year-end, but that relate to the next fiscal year. Current Assets increased by \$1.2 million primarily due to higher state apportionment and no deferrals.

***Non-Current Assets***

Non-Current Assets consist of restricted cash and cash equivalents related to capital projects, investments related to Technology Endowment, cost of bond issuances, and net capital assets reported at the historical cost of land, buildings and equipment less accumulated depreciation, where applicable. Non-current assets increased by \$78.4 million primarily due to the issuance of Measure G bond, series B in 2014-15.

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, *continued*  
FOR THE YEAR ENDED JUNE 30, 2015**

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**STATEMENT OF NET POSITION (*continued*)**

**Liabilities**

Total liabilities increased by approximately \$103.1 million year over year, an increase of 44.56%.

***Current liabilities***

Current Liabilities consist of amounts due to vendors, deferred revenue related to federal, state and local program funds received, but not earned as of June 30, 2015, and accrued payroll and benefits held for the payment to employees who work ten months, but elect to have their salary spread over a twelve month period. Other current liabilities include general obligation bond principle and interest due within one year. Current liabilities increased by approximately \$5.1million. This was primarily due to:

- Increased accrued expenses related to capital projects.
- Increase in interest payable as a result of General Obligation Bond Measure G, Series B.

***Non-Current Liabilities***

Non-current Liabilities represent debt potentially owed in future years. The major component of the long-term liabilities is the long-term portion (due in more than one year) of the general obligation bonds Measure A and Measure G. Other components include compensated absences, SERP liability, accreted interest, bond premiums, Other Postemployment Benefits (OPEB), and the Net Pension Liability. The noncurrent portion of long term liabilities increased \$98.1 million due to the issuance of general obligation bonds and the net pension liability.

**Deferred Outflows/Deferred Inflows of Resources**

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

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

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*, the District recognized deferred outflows and inflows of resources related to pensions in the District-wide financial statements. Refer to Note 13 for the District's deferred outflows and inflows of resources related to pensions.

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The Statement of Revenues, Expenses and Changes in Net Position present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to receivables and expenses pertaining to earned, but unused, compensated balances.

	2015	2014	\$ Change
Total operating revenue	\$ 25,860,698	\$ 22,211,728	\$ 3,648,970
Total operating expenses	70,739,343	68,144,106	2,595,237
Operating loss	(44,878,645)	(45,932,378)	1,053,733
Net non-operating revenue (expenses)	42,666,869	37,970,485	4,696,384
Loss before capital revenue	(2,211,776)	(7,961,893)	5,750,117
Capital revenues	17,663,723	17,584,271	79,452
Increase (decrease) in net position	15,451,947	9,622,378	5,829,569
Net position - beginning of the year	91,166,414	83,438,821	7,727,593
Adjustment for restatement (See Note 13)	(42,788,083)	5,280,677	(48,068,760)
Net position - as restated	48,378,331	81,544,036	(33,165,705)
Net position - end of the year	\$ 63,830,278	\$ 91,166,414	\$ (27,336,136)

*Operating Revenues*

Total Operating Revenues increased roughly \$3.6 million, an increase of 15.07% due to an increase in student tuition and Categorical and grant programs funding compared to FY 2013-14.

*Operating Expenses*

Total Operating Expenses increased by 3.81%, almost \$2.6 million. Items of significance affecting the changes include:

- Increase in salary and benefit costs due to one time off schedule pay and steps and columns as well as filling vacant positions.
- Increased depreciation cost due to an increase in Fixed Assets related to capital projects.

*Net Non-Operating Revenues (Expenses)*

Net Non-Operating Revenues increased by \$4.7 million, a 15.07% increase, mainly due to higher state apportionment

*Capital contributions*

Capital contributions increased by 0.45%, approximately \$79 thousand due primarily to higher local property tax apportionment.

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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**District's Fiduciary Responsibility**

The District is the trustee, or fiduciary, for certain amounts held on behalf of students, clubs, and donors for student loans and scholarships. The District's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the District's other financial statements because these assets cannot be used to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

As of June 30, 2015, the District had approximately \$299.6 million invested in net capital assets. Total capital assets of \$368.0 million consist of land, construction in progress, buildings and improvements, vehicles, data processing equipment, and other office equipment. These assets have accumulated depreciation of \$68.3 million. Depreciation expense of \$6.7 million was recorded for FY 2014-15.

Note 4 to the financial statements provides additional information on capital assets. A comparison of capital assets net of depreciation is summarized below:

	2015	2014	Net Change
Land and construction in progress	\$ 123,222,392	\$ 69,521,444	\$ 53,700,948
Buildings, improvements, and equipment	244,689,911	240,616,627	4,073,284
Accumulated depreciation	(68,262,419)	(61,559,305)	(6,703,114)
<b>Total Capital Assets</b>	<b>\$ 299,649,884</b>	<b>\$ 248,578,766</b>	<b>\$ 51,071,118</b>

*Debt*

At June 30, 2015 the District had \$307.4 million in debt less amounts due within one year. A comparison is summarized below:

	2015	2014	Net Change
Compensated absences	\$ 984,879	\$ 823,544	\$ 161,335
Post-employment health benefits	315,215	443,669	(128,454)
General obligation bonds	256,895,119	190,664,503	66,230,616
Bond premiums	17,532,913	18,303,547	(770,634)
SERP liability	49,767	621,592	(571,825)
Accreted interest	4,405,723	4,389,095	16,628
Net pension liability	35,603,054	-	35,603,054
Less: Current portion of debt	(8,436,023)	(5,955,491)	(2,480,532)
<b>Total Long-term Liabilities</b>	<b>\$ 307,350,647</b>	<b>\$ 209,290,459</b>	<b>\$ 98,060,188</b>

**OHLONE COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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**ECONOMIC OUTLOOK AND FACTORS AFFECTING NEXT YEAR'S BUDGET**

The 2015-16 California State budget for community colleges includes a cost of living adjustment (COLA) of 1.02% on the general purpose apportionment and 3% of growth/restoration funding statewide. Additional State funds provide for deferred maintenance, instructional equipment, full-time faculty hiring, Student Equity and Student Success and Support Programs. Funding is also provided to help offset the additional obligation to fund employees' retirement benefits including STRS, PERS and OPEB. The trend for State General Fund revenues to exceed estimates continues and has led to large amounts of one-time funding for community colleges. Enrollment at the college for fiscal year 2015-16 is expected to remain flat at the 2014-15 level. No growth is assumed in the 2015-16 college budget.

**REQUEST FOR INFORMATION**

The financial report is designed to provide a general overview of the District's finances. Questions concerning this report or requests for additional financial information should be addressed to the Ohlone Community College District, Fiscal Services Department, 43600 Mission Blvd, Fremont, CA 94539.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF NET POSITION – PRIMARY GOVERNMENT**  
**JUNE 30, 2015**

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	<u>Business-Type Activity</u>
	<u>Primary Government</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 32,707,684
Accounts receivable	2,031,713
Prepaid expenses	414,390
<b>Total Current Assets</b>	<u>35,153,787</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents	57,451,327
Investment held in trust	10,000,000
Capital assets, net of accumulated depreciation	299,649,884
<b>Total Noncurrent Assets</b>	<u>367,101,211</u>
<b>TOTAL ASSETS</b>	<u>402,254,998</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	6,497,261
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>6,497,261</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	8,756,906
Unmatured interest	4,979,661
Deferred revenue	5,099,603
Current Portion - long-term liabilities	8,436,023
<b>Total Current Liabilities</b>	<u>27,272,193</u>
<b>NONCURRENT LIABILITIES</b>	
Noncurrent portion - long-term liabilities	307,350,647
<b>TOTAL LIABILITIES</b>	<u>334,622,840</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	10,299,141
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>10,299,141</u>
<b>NET POSITION</b>	
Net investment in capital assets	(16,136,786)
Restricted for:	
Capital projects	17,069,153
Financial aid	95,085
Debt service	9,313,427
Educational programs	1,600,352
Unrestricted	51,889,047
<b>TOTAL NET POSITION</b>	<u>\$ 63,830,278</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>Business-Type Activity</u> <u>Primary Government</u>
<b>OPERATING REVENUES</b>	
Student Tuition and Fees	\$ 13,845,986
Less: Scholarship discount & allowance	(3,634,690)
Net tuition & fees	<u>10,211,296</u>
Grants and Contracts, noncapital:	
Federal	2,698,240
State	12,773,336
Local	177,826
Subtotal	<u>15,649,402</u>
TOTAL OPERATING REVENUES	<u>25,860,698</u>
<b>OPERATING EXPENSES</b>	
Salaries	39,834,752
Benefits	7,177,389
Financial aid	7,638,615
Supplies, materials, & other operating expenses	8,796,107
Depreciation	7,292,480
TOTAL OPERATING EXPENSES	<u>70,739,343</u>
<b>OPERATING LOSS</b>	<u>(44,878,645)</u>
<b>NONOPERATING REVENUES/(EXPENSES)</b>	
State apportionments, non-capital	13,374,794
Local property taxes	17,439,194
Financial aid	6,266,817
State taxes & other revenues	3,107,312
Investment income - Non-capital	43,300
Investment income - Capital	257,729
Interest expense	(26,231)
Other non-operating revenues	2,203,954
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>42,666,869</u>
<b>LOSS BEFORE OTHER REVENUES AND GAINS</b>	(2,211,776)
<b>OTHER REVENUES AND GAINS/(LOSSES)</b>	
State apportionments, capital	663,353
Local property tax and revenues - Capital	17,003,287
Loss on disposal of equipment	(2,917)
TOTAL OTHER REVENUES AND GAINS	<u>17,663,723</u>
<b>CHANGE IN NET POSITION</b>	15,451,947
<b>BEGINNING NET POSITION</b>	<u>91,166,414</u>
<b>ADJUSTMENT FOR RESTATEMENT (see Note 14)</b>	(42,788,083)
<b>NET POSITION, AS RESTATED</b>	<u>48,378,331</u>
<b>ENDING NET POSITION</b>	<u>\$ 63,830,278</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>Business-Type Activity</u> <u>Primary Government</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 10,414,505
Federal grants and contracts	2,274,973
State grants and contracts	13,579,112
Local grants and contracts	540,402
Payments to suppliers for goods and services	(10,257,601)
Payment to/on behalf of employees	(44,370,058)
Payment to/on behalf of students	(7,638,615)
Net Cash Used by Operating Activities	<u>(35,457,282)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State apportionments and receipts	19,557,439
Property taxes	17,439,194
State taxes and other revenues	2,971,919
Pell grants	6,266,815
Other receipts (payments)	(4,293,306)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>41,942,061</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
State appropriations for capital purposes	663,353
Purchase of capital assets	(56,115,386)
Loss on disposal, capital assets	(2,917)
Principal paid on capital debt	(8,764,814)
Proceeds from issuance	74,995,430
Interest paid on capital debt	253,040
Local property taxes and other revenues for capital purposes	17,003,287
Net Cash Provided/(Used) by Capital Financing Activities	<u>28,031,993</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	301,029
Net Cash Provided/(Used) by Investing Activities	<u>301,029</u>
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	34,817,801
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>55,341,210</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 90,159,011</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, continued  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>Business-Type Activity</u> <u>Primary Government</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>	
<b>USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (44,878,645)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation expense	7,292,480
Changes in Assets and Liabilities:	
Accounts receivable, net	193,820
Inventory and prepaids	391,456
Accounts payable	(1,786,046)
Unearned revenue	754,475
Compensated absences	(7,023,685)
Retiree health benefits	(128,454)
SERP liability	(571,825)
Net pension liability	10,299,142
<b>Net Cash Flows From Operating Activities</b>	<u>\$ (35,457,282)</u>

See accompanying notes to the financial statements.

OHLONE COMMUNITY COLLEGE DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2015

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	<b>Associated Students of Ohlone College</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 625,749
Investments	304,719
Accounts receivable	42,405
Prepaid expenses	553
<b>Total Assets</b>	<u>973,426</u>
<b>LIABILITIES</b>	
Accounts payable	38,328
Deferred revenue	33,238
<b>Total Liabilities</b>	<u>71,566</u>
<b>NET POSITION</b>	
Restricted Net Position	<u>901,860</u>
<b>Total Net Position</b>	<u>\$ 901,860</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<b>Associated Students of Ohlone College</b>
<b>Additions</b>	
Interest and investment income	\$ 1,471
Sales and other local revenues	537,550
<b>Total Additions</b>	<u>539,021</u>
<b>Deductions</b>	
Salaries	48,940
Benefits	1,893
Supplies and materials	255,586
Other operating expenses and services	63,620
Capital outlay	3,872
Scholarships	3,750
Other payments to students	154,401
<b>Total Deductions</b>	<u>532,062</u>
<b>CHANGE IN NET POSITION</b>	<u>6,959</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>894,901</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 901,860</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
DISCRETELY PRESENTED COMPONENT UNITS – STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015**

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	<b>Ohlone College Foundation</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 456,801
Short term investment in Fremont Bank	427,242
Contributions receivable	279,899
Prepaid expense	156,928
<b>Total Current Assets</b>	<u>1,320,870</u>
<b>Noncurrent Assets</b>	
Assets held in trust	886,031
Investments	2,957,444
<b>Total Noncurrent Assets</b>	<u>3,843,475</u>
<b>Total Assets</b>	<u>\$ 5,164,345</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 179,551
Liabilities to beneficiaries due within one year	71,654
<b>Total Current Liabilities</b>	<u>251,205</u>
<b>Long term liabilities</b>	
Scholarships, long term	41,822
Liabilities to beneficiaries, long-term	371,515
<b>Total Long Term Liabilities</b>	<u>413,337</u>
<b>Total Liabilities</b>	<u>664,542</u>
<b>Net Assets</b>	
Unrestricted	226,868
Temporarily restricted	2,289,935
Permanently restricted	1,983,000
<b>Total Net Assets</b>	<u>4,499,803</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,164,345</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
DISCRETELY PRESENTED COMPONENT UNITS – STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

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	Ohlone College Foundation			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>SUPPORT AND REVENUES</b>				
Contributions	\$ 575,533	\$ 862,606	\$ 15,000	\$1,453,139
Donated materials and services	20,862	-	-	20,862
Investment income, net	1,718	25,054	-	26,772
Change in value split interest agreements	-	(7,334)	-	(7,334)
Transfers	-	(3,500)	3,500	-
Net assets released from restriction				
Purpose restriction satisfied	320,655	(320,655)	-	-
<b>Total Support and Revenues</b>	<b>918,768</b>	<b>556,171</b>	<b>18,500</b>	<b>1,493,439</b>
<b>EXPENSES</b>				
Program services	451,023	-	-	451,023
General and administrative	201,315	-	-	201,315
Fundraising	369,109	-	-	369,109
<b>Total Expenses</b>	<b>1,021,447</b>	<b>-</b>	<b>-</b>	<b>1,021,447</b>
<b>CHANGE IN NET ASSETS</b>	<b>(102,679)</b>	<b>556,171</b>	<b>18,500</b>	<b>471,992</b>
<b>Net Assets - Beginning</b>	<b>329,547</b>	<b>1,733,764</b>	<b>1,964,500</b>	<b>4,027,811</b>
<b>Net Assets - Ending</b>	<b>\$ 226,868</b>	<b>\$ 2,289,935</b>	<b>\$ 1,983,000</b>	<b>\$ 4,499,803</b>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT  
DISCRETELY PRESENTED COMPONENT UNITS – STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>Ohlone College Foundation</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 471,992
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Increase in operating assets	
Accounts receivable	(275,337)
Decrease in prepaid expense	(151,224)
Other assets	1,217
Increase in operating liabilities	
Accounts payable	8,697
Liabilities to beneficiaries due within one year	4,950
<b>Net cash provided by operating activities</b>	<u>60,295</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	<u>3,623</u>
<b>Net cash provided by investing activities</b>	<u>3,623</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	63,918
 <b>Cash and cash equivalents - Beginning</b>	<u>392,883</u>
 <b>Cash and cash equivalents - Ending</b>	<u>\$ 456,801</u>

See accompanying notes to the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Ohlone County Community College District (District) is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

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 component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASBS No. 39, *Determining Whether Certain Organizations Are Component Units* and GASBS No. 61, *The Financial Reporting Entity: Omnibus*, and thus are included in the financial statements of the District.

Based upon the application of the criteria listed above, the following component units have been included through discrete presentation:

The Foundation for the Ohlone Community College District is a separate not-for-profit corporation. The Foundation Board of Governors are appointed independent of any District Board of Trustee's elections. The Board is responsible for approving their own budgets and accounting and finance related activities, however, the District's governing board has fiscal responsibility over the Foundation.

Separate audited financial reports for the Foundation may be obtained through the District.

In addition, the District maintains a fiduciary fund which is composed of a trust fund as follows:

Associated Student Government Funds – These funds are held on behalf of students of the District under a formal trust agreement between the associated student government and the District.

Separate financial statements are not prepared for trust and agency funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**B. Measurement Focus**

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. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. 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.

**C. Basis of Accounting**

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

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

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**D. Financial Statement Presentation**

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:
  - Statements of Net Position - Primary Government
  - Statements of Revenues, Expenses, and Changes in Net Position - Primary Government
  - Statements of Cash Flows - Primary Government
  - Financial Statements for the Fiduciary Funds including:
    - Statements of Fiduciary Net Position
    - Statements of Changes in Fiduciary Net Position
- Notes to the Financial Statements

**E. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the Alameda County Treasury is recorded at fair value in accordance with the requirements of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*.

**F. Accounts Receivable**

Accounts receivable consists primarily of amounts due from the federal government, state, and local governments, or private sources, in connection with reimbursement of allowable expenses made pursuant to the District's grant and contracts.

**G. Inventory**

Inventories are presented at the lower of cost or market using the average cost method and are expensed when used. Inventory consists of expandable instructional, custodial, health and other supplies held for consumption.

**H. Prepaid Expenses**

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which goods or services are consumed.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents are those amounts externally restricted as to use pursuant to the requirements of the District's grants, contracts, and debt service requirements.

**J. Capital Assets**

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at their estimated fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings as well as renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is recorded in operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 10 years for site improvements, 8 years for equipment and vehicle, and 3 years for technology.

**K. Accounts Payable**

Accounts payable consists of amounts due to vendors.

**L. Accrued Liabilities**

Accrued liabilities consist of salaries and benefits payable, deferred summer pay and load banking. Load banking hours consist of hours worked by instructors in excess of a full-time load which they may carryover for future paid time off.

**M. Unearned Revenue**

Tuition and fees received prior to June 30 for classes and programs offered in the subsequent fiscal year are reported as unearned revenue.

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenses have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

**N. Deferred Outflows/Deferred Inflows of Resources**

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

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

**O. Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*; accumulated unpaid employee vacation benefits are recognized as a liability of the District as compensated absences in the Statement of Net Position.

Sick leave benefits are accumulated without limit for each employee. Accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires and within the constraints of the appropriate retirement systems.

**P. Net Position**

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets: Consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component net invested in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Pensions**

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

**R. State Apportionments**

The District does not receive state apportionments for the base calculation because it receives more than sufficient revenues from enrollment fees and property taxes. The excess property taxes above the base revenue calculations, is referred to as basic aid funds.

The District does receive state apportionments for categorical programs. These allocations are based upon various financial and statistical information from the current and previous years.

**S. Property Taxes**

Property taxes are assessed and levied by the County of Alameda. Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are payable in two installments on November 1 and February 1. Secured property taxes are considered delinquent after December 10 for the 1<sup>st</sup> installment and April 10 for the 2<sup>nd</sup> installment. Unsecured property taxes are payable in one installment on or before August 31 and are delinquent after August 31.

The District reports real and personal property tax on an accrual basis. A receivable has been accrued in these financial statements to reflect the amount of property taxes receivable as of June 30, 2015.

**T. On-Behalf Payments**

GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditure by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers Retirement Systems (STRS) on behalf of all Community Colleges in California. The amount of on-behalf payments made for the District is estimated at \$903,660 for STRS for the year ended June 30, 2015. This amount has been reflected in the basic financial statements as a component of non-operating revenue and employee benefit expense.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

U. Classification of Revenues

The District has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as student fees, net of scholarship discounts and allowances, and most federal, state and local grants and contracts.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as state apportionment, property taxes, state taxes, non-capital federal grants and contracts investment income, and other revenue sources.

V. Scholarship Discount and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants and other federal, state or nongovernmental programs are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance, included in the Board of Governors Grants (BOGG) waivers.

W. 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.

X. Foundation Financial Statement Presentation

The Ohlone County Community College District and the Foundation for Ohlone College present their financial statements in accordance with Statement of Financial Accounting Codifications. Under these reporting requirements, the Foundation is required to report information regarding their 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 codification, the Foundations do 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.

OHLONE COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, *continued*  
JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

X. **Foundation Financial Statement Presentation (continued)**

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.

Investments are reported at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures.

Y. **New Accounting Pronouncements**

**GASB Statement No. 68** – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Statement is effective for periods beginning after June 15, 2014. The District has implemented GASB Statement No. 68 for the year ended June 30, 2015.

**GASB Statement No. 71** – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This standard seeks to clarify certain implementation issues related to amounts that are deferred and amortized at the time GASB 68 is first adopted. It applies to situations in which the measurement date of an actuarial valuation differs from the government's fiscal year. The Statement is effective for periods beginning after June 15, 2014. The District has implemented GASB Statement No. 71 for the year ended June 30, 2015.

**GASB Statement No. 72** – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This standard addresses accounting and financial reporting issues related to fair value measurements. The Statement is effective for periods beginning after June 15, 2015. The District has not yet determined the impact on the financial statements.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Y. New Accounting Pronouncements (continued)**

**GASB Statement No. 73** – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This standard establishes requirements for defined benefit pensions that are not within the scope of GASB Statement 68 and amends certain provisions of GASB Statements 67 and 68. The Statement is effective for periods beginning after June 15, 2016. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard’s primary objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The Statement is effective for periods beginning after June 15, 2017. The District has not yet determined the impact on the financial statements.

**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

Cash and investments as of June 30, 2015, consist of the following:

	<b>Primary</b>		
	<b>Government</b>	<b>Foundation</b>	<b>Fiduciary</b>
Pooled Funds			
Cash in County Treasury	\$ 88,333,390	\$ -	\$ -
Deposits			
Cash on hand and in banks	1,825,621	456,801	625,749
Total Cash and Cash Equivalents	<u>90,159,011</u>	<u>456,801</u>	<u>625,749</u>
Investments	<u>\$ 10,000,000</u>	<u>\$ 3,384,686</u>	<u>\$ 304,719</u>

The District is authorized under California Government Code 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

OHLONE COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, *continued*  
JUNE 30, 2015

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NOTE 2 – CASH AND INVESTMENTS (*continued*)

**B. Investments**

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 (ECS) 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.

The District's Board Policy 3102 authorizes the District and the Associated Student Government to invest funds in accordance with California Government Code Section 53600, et seq., which includes U.S Treasury Obligations, federal agency securities, municipalities securities, asset-backed securities, mortgage-backed securities, banker's acceptances, commercial paper rated A-1 by Standard and Poor's Corporation (S&P) or P-1 by Moody's, negotiable certificates of deposit, medium-term notes, repurchase agreements, time deposits, shares of beneficial interest of a Joint Powers Authority that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds (MMF), registered with SEC, and the State's Local Agency Investment Fund (LAIF).

The District and the Associated Student Government did not violate any provisions of the California Government Code during the year June 30, 2015.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Equity mutual funds are not subject to interest rate risk. The trust does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Equity mutual funds are not subject to credit risk. The Trust investment policy establishes minimum acceptable credit ratings for investments from any Nationally Recognized Statistical Rating Organization (NRSROs).

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

Custodial Credit Risk

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. As of June 30, 2015, a portion of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution, but not in the name of the District.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single user. The Trust and component unit's investment policies limit investments to no more than 5% of assets invested in any single equity security, any single debt security or investment in any mutual fund that holds more than 5% of its portfolio in any single issue or issuer. The foregoing limitation is not intended to apply to the percentage of assets invested in a single diversified mutual fund, obligations of the U.S Government and its agencies, U.S. agency mortgage-backed pass-through securities, or to a mutual fund that invests in such obligations or securities. The Trust accounts did not violate any provisions of the California Government Code or its investment policy during the year ended June 30, 2015.

**NOTE 3 – INTERFUND TRANSACTIONS**

Interfund receivables and payables result when the interfund transfer is transacted after the close of the fiscal year. Interfund activity within the funds has been eliminated in the basic financial statements, except for balances that are reflected between the business-type activity and fiduciary funds.

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2015 are as follows:

	<b>Primary</b>		
	<b>Government</b>	<b>Foundation</b>	<b>Fiduciary</b>
Federal	\$ 902,002	\$ -	\$ -
State	1,093,148	-	-
Local	36,563	279,899	42,405
Total	<u>\$ 2,031,713</u>	<u>\$ 279,899</u>	<u>\$ 42,405</u>

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 5 – CAPITAL ASSETS**

The following provides a summary of changes in capital assets for the year ended June 30, 2015.

	Balance July 01, 2014	Additions	Deductions	Transfers	Balance June 30, 2015
Capital Assets not being Depreciated					
Land	\$ 36,116,441	\$ -	\$ -	\$ -	\$ 36,116,441
Construction in progress	33,405,003	56,275,087	-	(2,574,139)	87,105,951
Total Capital Assets not being Depreciated	<u>69,521,444</u>	<u>56,275,087</u>	<u>-</u>	<u>(2,574,139)</u>	<u>123,222,392</u>
Capital Assets being Depreciated					
Site improvements	9,673,833	23,012	-	2,015,344	11,712,189
Buildings and improvements	186,975,224	2,068,416	-	558,795	189,602,435
Machinery & equipment	43,967,570	-	592,283	-	43,375,287
Total Capital Assets being Depreciated	<u>240,616,627</u>	<u>2,091,428</u>	<u>592,283</u>	<u>2,574,139</u>	<u>244,689,911</u>
Total Capital Assets	<u>310,138,071</u>	<u>58,366,515</u>	<u>592,283</u>	<u>-</u>	<u>367,912,303</u>
Less Accumulated Depreciation					
Site improvements	328,179	368,629	-	-	696,808
Buildings & improvements	42,552,708	4,442,843	-	-	46,995,551
Machinery & equipment	18,678,418	2,481,008	589,366	-	20,570,060
Total Accumulated Depreciation	<u>61,559,305</u>	<u>7,292,480</u>	<u>589,366</u>	<u>-</u>	<u>68,262,419</u>
Net Capital Assets	<u>\$ 248,578,766</u>	<u>\$ 51,074,035</u>	<u>\$ 2,917</u>	<u>\$ -</u>	<u>\$ 299,649,884</u>

**NOTE 6 – UNEARNED REVENUES**

Unearned revenues as of June 30, 2015 are as follows:

Unearned federal and state revenue	\$ 1,573,075
Unearned local revenue	972,691
Unearned tuition and other student fees	2,553,837
Total unearned revenue	<u>\$ 5,099,603</u>

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE 7 – LONG TERM OBLIGATIONS**

A schedule of changes in long-term obligations for the year ended June 30, 2015 is shown below:

	Balance		Restated Balance		Deductions	Balance	Due Within
	July 01, 2014	Restatement	July 01, 2014	Additions			
<b>Long-Term Obligations</b>							
Compensated absences	\$ 823,544	\$ -	823,544	\$ 242,173	\$ 80,838	\$ 984,879	\$ 237,960
Post-employment health benefits	443,669	-	443,669	-	128,454	315,215	-
General obligation bonds	190,664,503	-	190,664,503	74,995,430	8,764,814	256,895,119	6,728,262
Bond premiums	18,303,547	-	18,303,547	649,400	1,420,034	17,532,913	1,420,034
SERP liability	621,592	-	621,592	-	571,825	49,767	49,767
Accreted interest	4,389,095	-	4,389,095	596,814	580,186	4,405,723	-
Net pension liability	-	45,698,579	45,698,579	-	10,095,525	35,603,054	-
<b>Total</b>	<b>\$ 215,245,950</b>	<b>\$ 45,698,579</b>	<b>\$ 260,944,529</b>	<b>\$ 76,483,817</b>	<b>\$ 21,641,676</b>	<b>\$ 315,786,670</b>	<b>\$ 8,436,023</b>

**Net Pension Liability**

The District follows GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The District’s restated beginning net pension liability was \$45,698,579, and was increased by current year pension expense of \$3,343,148, which was more than offset by current year decreases of \$10,095,525 the ending net pension liability at June 30, 2015 was \$35,603,054. See Note 8 for additional information regarding the net pension liability

**General Obligation Bonds**

In June 2002 and August 2005, the District issued General Obligation Bonds totaling \$150,000,000. These bonds were issued to finance the acquisition, construction and modernization of property and facilities. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 3.00% to 5.00% and are scheduled to mature through August 2012 and August 2030 for the 2002 and 2005 issuances, respectively.

In 2010, the District issued General Obligation Refunding Bonds totaling \$23,680,000. These bonds were issued to advance refund a portion of the District's outstanding Election of 2002 General Obligation Bonds, Series A, and to pay the costs of issuing the bonds. The bonds mature through August 2026 and bear interest at rates ranging from 2.00% to 4.50%. This refinancing saved District taxpayers approximately \$3.5 million.

In November 2011, the District issued \$70,000,000 and \$10,000,000 in 2010 General Obligation Bonds, Series A and Series A-1, respectively. The Series A Bonds are being issued to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities approved by the District's registered voters and to pay the cost of issuance associated with the Bonds. The Series A-1 Bonds are being issued to fund a technology endowment. Interest earnings from the endowment shall remain in the Building Fund and used for the purposes of that fund. The Series A and Series A-1 bonds will both mature through August 2041 and have interest rates ranging between 2.00% and 5.25%.

In August 2012, the District issued General Obligation Refunding Bonds totaling \$94,070,000. These bonds were issued to advance refund a portion of the District's outstanding Election of 2002 General Obligation Bonds, Series B, and to pay the costs of issuing the bonds. The bonds mature through August 2030 and bear interest at rates ranging from 1.50% to 5.00%. This refinancing saved District taxpayers approximately \$8.3 million.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 7 – LONG TERM OBLIGATIONS (continued)**

**General Obligation Bonds (continued)**

In August 2014, the District issued \$74,995,430 in 2010 General Obligation Bonds, Series B. The Series Bonds are being issued to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities approved by the District's registered voters and to pay the cost of issuance associated with the Bonds. Interest earnings from the endowment shall remain in the Building Fund and used for the purposes of that fund. The Series B bonds will mature through August 2039 and have interest rates ranging between 1.00% and 4.00%.

The annual requirements to amortize General Obligation Bonds outstanding as of June 30, 2015 are as follows:

Year Ended		Principal	Interest	Total
June 30,				
2016	\$	6,728,262	\$ 11,196,100	\$ 17,924,362
2017		6,358,456	11,297,506	17,655,962
2018		6,901,993	11,351,070	18,253,063
2019		3,383,007	11,487,880	14,870,887
2020		3,597,970	11,712,818	15,310,788
2021-2025		37,600,000	45,912,563	83,512,563
2026-2030		65,046,640	34,671,048	99,717,688
2031-2035		34,168,242	27,571,133	61,739,375
2036-2040		30,650,549	26,503,427	57,153,976
2041-2045		62,460,000	6,856,755	69,316,755
Total	\$	256,895,119	\$ 198,560,300	\$ 455,455,419

**SERP Liability**

During 2010, the District provided the option of a Supplemental Employee Retirement Plan ("SERP") to the District employees. As of June 30, 2015, there were 56 employees in the Plan. Employees under the SERP receive monthly annuity benefits. The District is obligated to pay annual installments for the calculated benefits for employees under the SERP and for the administration of the plan. The SERP liability outstanding as of June 30, 2015 is \$49,767.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS**

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

**State Teachers’ Retirement System (STRS)**

*Plan Description*

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

*Funding Policy*

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute a statutorily determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers’ Retirement Board. The required employer contribution rate for fiscal year 2014-2015 was 8.88% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

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

At June 30, 2015, the District reported a liability of \$19,865,580 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District’s proportion was .112 percent, which did not change from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,715,640. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 4,892,600
District contributions subsequent to the measurement date	3,619,867	-
	<u>\$ 3,619,867</u>	<u>\$ 4,892,600</u>

**OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS (continued)**

**State Teachers’ Retirement System (STRS) (continued)**

\$3,619,867 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 1,223,150
2017	1,223,150
2018	1,223,150
2019	1,223,150
Total	<u>\$ 4,892,600</u>

*Actuarial assumptions*

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	3.00%
Investment Yield (Net of Expenses)	7.50%
Wage Inflation	3.75%
Interest on Member Accounts	4.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2006–June 30, 2010.

**OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS (continued)**

**State Teachers’ Retirement System (STRS) (continued)**

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

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term* Expected Real Rate of Return</b>
Global Equity	47%	4.50%
Private Equity	12%	6.20%
Real Estate	15%	4.35%
Inflation Sensitive	5%	3.20%
Fixed Income	20%	0.20%
Cash/Liquidity	1%	0.00%
	100%	

\* 10-year geometric average

*Discount rate*

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

**OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS (continued)**

**State Teachers’ Retirement System (STRS) (continued)**

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate*

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

	<b>1% Decrease (6.60%)</b>	<b>Current Discount Rate (7.60%)</b>	<b>1% Increase (8.60%)</b>
District's proportionate share of the net pension liability	\$ 30,969,920	\$ 19,868,580	\$ 10,612,080

*Pension plan fiduciary net position*

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

**Public Employees’ Retirement Systems (PERS)**

*Plan Description*

The District contributes to the School Employer Pool under the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

CalPERS issues a separate comprehensive annual financial report that includes required supplementary information. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.



**OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS (continued)**

**Public Employees’ Retirement Systems (PERS) (continued)**

\$2,877,394 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 1,351,636
2017	1,351,636
2018	1,351,636
2019	1,351,636
	<u>\$ 5,406,544</u>

*Actuarial assumptions*

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Yield (Net of Expenses)	7.50%
Wage Inflation	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS (continued)**

**Public Employees’ Retirement Systems (PERS) (continued)**

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

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1-10*</b>	<b>Real Return Years 11+**</b>
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
	100%		

\* An expected inflation of 2.5% used for this period

\*\* An expected inflation of 3.0% used for this period

*Discount rate*

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

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

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 8 – EMPLOYEE PENSION PLANS (continued)**

**Public Employees’ Retirement Systems (PERS) (continued)**

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate*

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

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
District's proportionate share of the net pension liability	\$ 27,601,860	\$ 15,734,475	\$ 5,818,078

*Pension plan fiduciary net position*

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

**Contribution to STRS and PERS**

The District’s contributes to STRS and PERS for each of the last three fiscal years are as follows:

Year Ended June 30,	STRS		PERS	
	Required Contribution	Percent Contributed	Required Contribution	Percent Contributed
2013	\$ 1,198,014	100%	\$ 1,721,631	100%
2014	\$ 1,260,005	100%	\$ 1,673,581	100%
2015	\$ 1,296,522	100%	\$ 1,811,405	100%

**On Behalf Payments**

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the year ended June 30, 2015, which amounted to \$907,662 (5.704 percent for 2014-15) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2015. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

**OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2015**

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**NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS**

Plan Description

The District administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health, dental, and vision benefits to eligible retirees and their dependents in accordance with provisions established through negotiations between the District and the bargaining unions representing employees. Plan provisions are renegotiated each three-year bargaining period. The District reports the financial activity of the plan as a trust fund in these financial statements and no separate financial report is prepared.

Eligibility

The District currently provides retiree and dependent health benefits to eligible academic, classified, classified leadership and administrators until retirees reach age 65. Eligibility requirements vary by employee classification. All participants must have a minimum service of 10 years and minimum required hours of 75% FTE. In addition, classified employees must be at least 60 years of age; and classified leadership, administrators and academic employees must retire under PERS or STRS. The District also pays for retiree only Medicare supplemental coverage for academic, classified leadership and administrative retirees beyond age 65. The following table shows the current plan participants:

Retirees and beneficiaries receiving benefits	132
Active plan members	<u>337</u>
Total	<u><u>469</u></u>

Funding Policy

The contribution requirements are established and may be amended by the District. The required contribution is based on projected pay-as-you-go financing requirements, with an annual adjustment to fully fund the actuarially determined annual required contribution. For fiscal year 2014-2015, the District contributed \$755,739 to the plan for current year premiums. The District pays for 100% of coverage.

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (continued)**

Annual OPEB Cost and Net OPEB Obligation

The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize an unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed, and changes in the District’s net OPEB obligation:

Annual required contribution (ARC)	\$ 630,510
Interest on net OPEB obligation	27,730
Adjustment to annual required contribution	(30,955)
Annual OPEB cost	<u>627,285</u>
Contributions made	<u>755,739</u>
Changes in net OPEB obligation	(128,454)
Net OPEB obligation, beginning of year	<u>443,669</u>
Net OPEB obligation, end of year	<u>\$ 315,215</u>

Funding Status and Funding Progress

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Entry Age Normal Cost Method) (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2/1/2015	\$ 3,311,595	\$ 7,381,848	\$ 4,070,253	45.0%	\$ 26,952,040	15%

The above noted actuarial accrued liability was based on the February 1, 2015, actuarial valuation. Actuarial valuations of an ongoing benefit plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of employer contribution also presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison to the annual required contribution (ARC).

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (continued)**

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 benefits costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, if any, consistent with the long-term perspective of the calculations.

The actuarial cost method used in determining the benefit obligations is the Entry Age Normal Cost method. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 4.0 percent which included a 3.0 percent inflation assumption.

**NOTE 10 – JOINT POWERS AGREEMENT**

The District participates in two joint ventures under joint powers agreements (JPAs) with the Bay Area Community College Districts Joint Powers Agency (BACCDJPA) and the South Bay Regional Public Safety Training Consortium (SBRPSTC). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes. District representatives serve on both boards.

BACCDJPA arranges for and provides property and liability insurance for its members. BACCDJPA is governed by a board consisting of a representative from each member district. The board controls the operations of BACCDJPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested, and shares surpluses and deficits proportionate to their participation in BACCDJPA.

The following is a summary of financial information for BACCDJPA at June 30, 2015 (the most recent financial statements available).

Total assets	\$ 8,473,681
Total liabilities	\$ 2,795,957
Net position	\$ 5,677,724
Total revenues	\$ 4,471,587
Total expenses	\$ 2,843,129
Change in net asset	\$ 1,628,458

**OHLONE COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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**NOTE 10 – JOINT POWERS AGREEMENT (continued)**

South Bay Regional Public Safety Training Consortium

SBRPSTC provides for the educational and training needs of public safety students in the areas represented by the participating community college districts. SBRPSTC is governed by a board consisting of a representative from each member district. The board controls the operations of SBRPSTC, including selection of management and approval of operating budgets, independent of any influence by the member boards beyond their representation on the board.

The following is a summary of financial information for SBRPSTC at June 30, 2015:

Total assets	\$ 4,056,596
Total liabilities	\$ 2,555,581
Net assets	\$ 1,501,015
Total revenues	\$ 10,563,863
Total expenses	\$ 10,483,500
Change in net asset	\$ 80,363

**NOTE 11 – FUNCTIONAL EXPENSES**

The functional expenses for the year ended June 30, 2015 were as follows:

Function	Salaries	Benefits	Services	Depreciation	Aid	Total
Instructional Activities	\$ 19,712,458	\$ 3,340,580	\$ 1,295,959	\$ -	\$ -	\$ 24,348,997
Instructional Support	2,779,597	663,793	334,039	-	-	3,777,429
Student Services	5,686,784	1,402,749	538,680	-	-	7,628,213
Plant Operation & Main	1,850,144	818,564	962,887	-	-	3,631,595
Institutional Support	6,125,337	(24,689)	1,190,906	-	-	7,291,554
Community Services	2,068,528	510,354	1,223,028	-	-	3,801,910
Ancillary & Auxiliary	1,186,064	375,280	270,277	-	-	1,831,621
Student Aid	126,752	1,972	-	-	7,638,615	7,767,339
Physical Property & Related	299,088	88,786	2,980,331	-	-	3,368,205
Depreciation Expense	-	-	-	7,292,480	-	7,292,480
Total	\$ 39,834,752	\$ 7,177,389	\$ 8,796,107	\$ 7,292,480	\$ 7,638,615	\$ 70,739,343

OHLONE COMMUNITY COLLEGE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, *continued*  
 JUNE 30, 2015

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NOTE 12 - COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Purchase Commitments

As of June 30, 2015, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$49,064,375. Projects will be funded by State funds and Basic Aid funds.

C. Litigation

The District is a defendant in various pending liability lawsuits arising in the ordinary course of business. The outcome of the litigation is unknown at the present time, however, in the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

NOTE 13 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

*Pension Plans*

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.*, the District recognized deferred outflows and inflows of resources related to pensions in the District-wide financial statements. The District's deferred outflows and inflows of resources related to pensions were as follows at June 30, 2015:

	<b>Deferred outflows related to pensions</b>	<b>Deferred inflows related to pensions</b>
STRS Pension	\$ 3,619,867	\$ 4,892,600
PERS Pension	2,877,394	5,406,541
<b>Total</b>	<b>\$ 6,497,261</b>	<b>\$ 10,299,141</b>

**OHLONE COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2015**

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**NOTE 14 – RESTATEMENT OF NET POSITION**

The beginning net position of the Primary Government has been restated due to the implementation of GASB 68 Net Pension Liability.

	<u>Primary Government</u>
Net Position - Beginning, as Previously Reported	\$ 91,166,414
Restatement for net pension liability	<u>(42,788,083)</u>
Net Position - Beginning, as Restated	<u>\$ 48,378,331</u>

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2015**

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Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Entry Age Normal Cost Method) (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2/1/2011	\$ 774,529	\$ 5,818,135	\$ 5,043,606	13.3%	\$ 27,235,761	19%
2/1/2013	\$ 2,099,142	\$ 7,250,590	\$ 5,151,448	29.0%	\$ 26,671,869	19%
2/1/2015	\$ 3,311,595	\$ 7,381,848	\$ 4,070,253	45.0%	\$ 26,952,040	15%

See accompanying note to required supplementary information.

**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
STRS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.03%
District's proportionate share of the net pension liability	\$ 19,868,580
District's covered-employee payroll	\$ 15,912,728
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.25
Plan fiduciary net position as a percentage of the total pension liability.	76.50%

See accompanying note to required supplementary information.

**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
PERS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.14%
District's proportionate share of the net pension liability	\$ 15,734,475
District's covered-employee payroll	\$ 15,388,833
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.02
Plan fiduciary net position as a percentage of the total pension liability.	83.38%

See accompanying note to required supplementary information.

**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS – STRS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,712,205
Contributions in relation to the contractually required contribution	-
Contribution deficiency (excess)	<u>\$ 2,712,205</u>
District's covered-employee payroll	\$ 15,912,728
Contributions as a percentage of covered-employee payroll	17.04%

See accompanying note to required supplementary information.

**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS – PERS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,877,394
Contributions in relation to the contractually required contribution	-
Contribution deficiency (excess)	<u>\$ 2,877,394</u>
District's covered-employee payroll	\$ 15,388,833
Contributions as a percentage of covered-employee payroll	18.70%

See accompanying note to required supplementary information.

**OHLONE COMMUNITY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015**

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**NOTE 1 - PURPOSE OF SCHEDULE**

**A. Schedule of Postemployment Healthcare Benefits Funding Progress**

This schedule is prepared to show information for the most recent actuarial valuation and from the three most recent actuarial valuations in accordance with Statement No. 45 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for post-employment benefits other than pensions.

**B. Schedule of the District's Proportionate Share of the Net Pension Liability**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered-employee payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**C. Schedule of District Contributions**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered-employee payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered-employee payroll.

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**SUPPLEMENTARY  
INFORMATION**

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**OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
<b>U.S. Department of Education</b>			
<i>Direct Program</i>			
Federal Supplemental Educational Opportunity Grant	84.007	*	\$ 103,400
Federal Work Study Program	84.033	*	126,752
Federal Pell Grant	84.063	*	6,266,816
Federal Direct Student Loans	84.268	*	760,678
<i>Subtotal Student Financial Assistance Cluster</i>			7,257,646
<i>Passed through the California Community College Chancellor's Office:</i>			
Rehabilitation Training - Continuing Education	84.264	22572	275,279
Career and Technical Education - Title II-C	84.048	03-C01-061	148,164
Career and Technical Education - Title II-E	84.048	00-021-23	43,269
<i>Subtotal 84.243</i>			191,433
<b>Total U.S. Department of Education</b>			7,724,358
<b>National Science Foundation</b>			
<i>Direct Program</i>			
DeafTEC	47.076	31182-07	107,205
<b>Total National Science Foundation</b>			107,205
<b>U.S. Department of Health and Human Services</b>			
<i>Direct Program</i>			
Campus Suicide Prevention Grant	93.243	*	61,413
<i>Passed through the California Community College Chancellor's Office</i>			
Temporary Assistance for Needy Families	93.558	*	28,671
<b>Total U.S. Department of Health and Human Services</b>			90,084
<b>U.S. Department of Labor</b>			
<i>Passed through the Alameda County Workforce Investment Board:</i>			
WIA - Adults Formula Grants	17.258	C95-0263-0931	845,500
<i>Passed through the Contra Costa Community College District:</i>			
Design it, Build it, Ship it (DBS)	N/A	TC-23770-12-60-A-6	309,012
<b>Total U.S. Department of Labor</b>			1,154,512
<b>Total Federal Programs</b>			\$ 9,076,159
<b>Reconciliation to Federal Revenues</b>			
Total Federal Expenditures			\$ (9,076,159)
Total Federal Revenues			8,965,057
Revenues in excess of expenditures			(111,102)
<b>Total Federal Grants</b>			\$ (9,076,159)

\*Pass-Through number is either not available or not applicable

**OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

Program Name	Program Entitlements			Program Revenues				Total Program Expenditures
	Prior Year Carry-forward	Current Entitlement	Total Entitlement	Cash Received	Accounts Receivable	Deferred Income	Total	
<b>State Categorical Aid Programs</b>								
AB86	\$ -	\$ 219,423	\$ 219,423	\$ 197,480	\$ (95,339)	\$ -	\$ 102,141	\$ 102,141
Basic Skills	169,198	145,255	314,453	145,255	(142,015)	-	172,438	172,438
BARTPC	-	-	-	-	-	5,959	5,959	-
CalWORKs	-	160,493	160,493	160,490	8,724	-	169,214	169,214
CTE Pathways Collaborative 12	177,727	-	177,727	-	-	-	177,727	177,726
Child Development Consortium	-	3,212	3,212	3,213	(2,387)	462	1,288	1,288
Cooperative Agency Resource Education	-	32,029	32,029	32,029	-	-	32,029	32,377
Deputy Sector Navigator	-	93,860	93,860	93,860	94,484	-	188,344	188,344
SB1070 in-Region Investment	-	100,000	100,000	46,925	20,365	-	67,291	67,291
Disabled Student Program and Services	-	1,895,258	1,895,258	1,895,258	(54,017)	-	1,841,241	1,841,241
Enroll Fee Admin (2%)	-	75,977	75,977	75,977	-	-	75,977	75,987
Extended Opportunity Program and Services	-	300,454	300,454	300,454	(4,544)	-	295,910	295,910
Faculty and Staff Diversity	-	5,139	5,139	5,139	(12)	-	5,127	5,127
Instructional Equipment (On-going)	-	600,567	600,567	600,567	(29,729)	25,800	596,638	596,638
Lottery - Prop 20	-	304,322	304,322	304,323	-	541,769	846,092	133,894
SS&SP	31,591	1,384,747	1,416,338	1,384,747	(616,094)	-	800,244	800,243
Student Success (Equity)	-	324,719	324,719	324,719	(263,575)	-	61,144	61,144
Student Financial Aid Administration	-	278,148	278,148	278,145	-	-	278,145	278,145
Transfer & Articulation	-	-	-	-	-	6,008	6,008	298
<b>Total State Programs</b>	<b>\$ 378,516</b>	<b>\$ 5,923,603</b>	<b>\$ 6,302,119</b>	<b>\$ 5,848,581</b>	<b>\$ (1,084,139)</b>	<b>\$ 579,998</b>	<b>\$ 5,722,956</b>	<b>\$ 4,999,446</b>

See accompanying note to supplementary information.

OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF WORKLOAD MEASURE FOR STATE GENERAL APPORTIONMENT ANNUAL  
 (ACTUAL) ATTENDANCE  
 FOR THE YEAR ENDED JUNE 30, 2015

	Annual FTES		
	Reported Data	Audit Adjustment	Revised Data
<b>A. Summer Intersession (Summer 2013 Only)</b>			
1. Noncredit	-	-	-
2. Credit	249.49	-	249.49
<b>B. Summer Intersession (Summer 2014 - Prior to July 1, 2014)</b>			
1. Noncredit	-	-	-
2. Credit	591.42	-	591.42
<b>C. Primary Terms (Exclusive of Summer Intersession)</b>			
1. Census Procedures Courses			
(a) Weekly Census Contact Hours	4,072.69	-	4,072.69
(b) Daily Census Contact Hours	232.08	-	232.08
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	-	-	-
(b) Credit	925.74	-	925.74
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	1,914.92	-	1,914.92
(b) Daily Census Procedure Courses	146.42	-	146.42
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
<b>D. Total FTES</b>	<b>8,132.76</b>	<b>-</b>	<b>8,132.76</b>
<b>Supplemental Information (subset of information above)</b>			
In-service Training Courses (FTES)	313.00	-	313.00
Basic Skills Courses and Immigrant Education			
1. Noncredit	-	-	-
2. Credit	501.20	-	501.20
CCFS 320 Addendum			
CDCP	-	-	-
Centers FTES			
1. Noncredit	149.32	-	149.32
2. Credit	2,663.87	-	2,663.87

See accompanying note to supplementary information.

**OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH  
DISTRICT ACCOUNTING RECORDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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There were no adjustments necessary to reconcile the annual CCFS-311 report with the District accounting records for the fiscal year June 30, 2015.

**OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2015**

	Object/ TOP Codes	Activity (ESCA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6100			Activity (ESCB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	9,138,818	-	9,138,818	9,138,818	-	9,138,818
Other	1300	8,022,495	-	8,022,495	8,022,495	-	8,022,495
Total Instructional Salaries		17,161,313	-	17,161,313	17,161,313	-	17,161,313
Non-Instructional Salaries							
Contract or Regular	1200	-	-	-	3,949,629	-	3,949,629
Other	1400	-	-	-	433,453	-	433,453
Total Non-Instructional Salaries		-	-	-	4,383,082	-	4,383,082
Total Academic Salaries		17,161,313	-	17,161,313	21,544,395	-	21,544,395
<u>Classified Salaries</u>							
Non-Instructional Salaries							
Regular Status	2100	-	-	-	8,016,451	-	8,016,451
Other	2300	-	-	-	1,190,577	-	1,190,577
Total Non-Instructional Salaries		-	-	-	9,207,028	-	9,207,028
Instructional Aides							
Regular Status	2200	1,698,856	-	1,698,856	1,698,856	-	1,698,856
Other	2400	374,030	-	374,030	374,030	-	374,030
Total Instructional Aides		2,072,886	-	2,072,886	2,072,886	-	2,072,886
Total Classified Salaries		2,072,886	-	2,072,886	11,279,914	-	11,279,914
Employee Benefits	3000	3,260,719	-	3,260,719	7,800,063	-	7,800,063
Supplies and Materials	4000	-	-	-	561,353	-	561,353
Other Operating Expenses	5000	940,809	-	940,809	5,008,346	-	5,008,346
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		23,435,727	-	23,435,727	46,194,071	-	46,194,071
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff-Retirees' Benefits and Retirement Incentives	5900	372,897	-	372,897	372,897	-	372,897
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	69,489	-	69,489
Non-instructional Staff-Retirees' Benefits and Retirement Incentiv	6740	-	-	-	289,412	-	289,412
Object to Exclude							
Rents and Leases	5060	-	-	-	-	-	-
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000						
Software	4100	-	-	-	-	-	-
Books, Magazines & Periodicals	4200	-	-	-	-	-	-
Instructional Supplies & Materials	4300	-	-	-	112,757	-	112,757
Non-instructional Supplies & Materials	4400	-	-	-	255,954	-	255,954
Total Supplies and Materials		-	-	-	368,711	-	368,711
Other Operating Expenses and Services	5000	-	-	-	706,413	-	706,413
Capital Outlay	6000	-	-	-	-	-	-
Library Books	6300	-	-	-	62,307	-	62,307
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment	6420	-	-	-	-	-	-
Total Capital Outlay		-	-	-	62,307	-	62,307
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		\$ 372,897	\$ -	\$ 372,897	\$ 1,869,229	\$ -	\$ 1,869,229
Total for ECS 84362, 50% Law		\$ 23,062,830	\$ -	\$ 23,062,830	\$ 44,324,842	\$ -	\$ 44,324,842
Percent of CEE (Instructional Salary Cost/Total CEE)		52.03%	0.00%	52.03%	100.00%	0.00%	100.00%
50% of Current Expense of Education		\$ -	\$ -	\$ -	\$ 22,162,421	\$ -	\$ 22,162,421

See accompanying note to supplementary information.

OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
 DETAILS OF EDUCATION PROTECTION ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2015

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EPA Revenue	\$ 7,320,673
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Activity Classification	Activity Code	Salaries and Benefits	Operating Expenses	Capital Outlay	Total
		(Obj 1000-3000)	(Obj 4000-5000)	(Obj 6000)	
Instructional Activities	0100-5900	\$ 7,320,673	-	-	\$ 7,320,673
Total		\$ 7,320,673	-	-	\$ 7,320,673

See accompanying note to supplementary information.

OHLONE COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF GENERAL FUND FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015

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NOTE 1- PURPOSE OF SCHEDULES

A. **Schedules of Expenditures of Federal Awards and State Financial Assistance**

The audit of the Ohlone County Community College District for the year ended June 30, 2015 was conducted in accordance with OMB Circular A-133, which requires a disclosure of the financial activities of all federally funded programs. The Schedule of Federal Awards and the Schedule of State Financial Assistance is prepared on the modified accrual basis of accounting.

B. **Schedule of Workload Measures for State General Apportionment**

The Schedule of Workload Measures for State General Apportionment represents the basis of apportionment of the Ohlone County Community College District's annual calculation of funding.

C. **Reconciliation of Annual Financial and Budget Report with Audited Fund Balances**

This schedule reports any audit adjustments made to the fund balances of all funds as reported on the Form CCFS-311.

D. **Reconciliation of the ECS 84362 (50 percent law) Calculation**

This schedule reports any audit adjustments made to the reported data to ensure that a minimum of 50 percent of the District's current expense of education is expended for salaries of classroom instructors.

E. **Details of the Education Protection Account**

This schedule reports the revenue and expenditures of the District Proposition 30 Education Protection Account.

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**OTHER INDEPENDENT  
AUDITORS' REPORTS**

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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**

Independent Auditors' Report

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board  
Ohlone Community College District  
Fremont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activity, aggregate discretely presented component units and fiduciary funds of Ohlone Community College District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Ohlone Community College District's basic financial statements, and have issued our report thereon dated November 16, 2015.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Christy White Associates*

San Diego, California  
November 16, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB  
CIRCULAR A-133**

Independent Auditors' Report

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board  
Ohlone Community College District  
Fremont, California

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### *Opinion on Each Major Federal Program*

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Christy White Associates*

San Diego, California  
November 16, 2015

## REPORT ON STATE COMPLIANCE

### Independent Auditors' Report

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board  
Ohlone Community College District  
Fremont, California

#### **Report on State Compliance**

We have audited Ohlone Community College District's compliance with the types of compliance requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2014-15*, issued by the California Community Colleges Chancellor's Office for the year ended June 30, 2015.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion Ohlone Community College District's compliance with the requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *California Community Colleges Contracted District Audit Manual (CDAM) 2014-15* issued by the California Community Colleges Chancellor's Office. Those standards 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 the state programs noted below. An audit includes examining, on a test basis, evidence about Ohlone Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Ohlone Community College District's compliance with those requirements.

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### *Opinion on State Compliance*

In our opinion, Ohlone Community College District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2015.

### *Procedures Performed*

In connection with the audit referred to above, we selected and tested transactions and records to determine Ohlone Community College District's compliance with the state laws and regulations applicable to the following items:

- Section 421 – Salaries of Classroom Instructors (50 Percent Law)
- Section 423 - Apportionment for Instructional Service Agreements/Contracts
- Section 424 - State General Apportionment Funding System
- Section 425 - Residency Determination for Credit Courses
- Section 426 - Students Actively Enrolled
- Section 427 - Concurrent Enrollment of K-12 Students in Community College Credit Courses
- Section 430 – Scheduled Maintenance Program
- Section 431 - Gann Limit Calculation
- Section 435 - Open Enrollment
- Section 438 - Student Fees – Health Fees and Use of Health Fee Funds
- Section 439 – Proposition 39 Clean Energy
- Section 440 – Intercession Extension Program
- Section 474 - Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
- Section 475 - Disabled Student Programs and Services (DSPS)
- Section 479 - To Be Arranged Hours (TBA)
- Section 490 - Proposition 1D State Bond Funded Projects
- Section 491- Proposition 30 Education Protection Account Funds

### *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing over state laws and regulations based on the requirements described in the *California Community Colleges Contracted District Audit Manual (CDAM) 2014-15*. Accordingly, this report is not suitable for any other purpose.

*Christy White Associates*

San Diego, California  
November 16, 2015

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**SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS**

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**OHLONE COMMUNITY COLLEGE DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

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

<u>CFDA Numbers</u>	<u>Name of Federal Program of Cluster</u>
<u>84.007, 84.033, 84.063, 84.268</u>	<u>Student Financial Aid Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**STATE AWARDS**

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>

OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO THE FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

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*There were no findings or questioned costs related to the financial statements for the year ended June 30, 2015.*

**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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*There were no findings or questioned costs related to the federal awards for the year ended June 30, 2015.*

**OHLONE COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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*There were no findings or questioned costs related to the state awards for the year ended June 30, 2015.*

OHLONE COMMUNITY COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

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*There were no audit findings in 2013-14.*