

**AUXILIARY FOUNDATION  
OF THE SAN JOAQUIN DELTA  
COMMUNITY COLLEGE DISTRICT**

**Financial Statements as of and for the Year Ended  
June 30, 2002 and Independent Auditors' Report**



Deloitte & Touche LLP  
Suite 2000  
400 Capitol Mall  
Sacramento, California 95814-4424

Tel: (916) 498-7100  
Fax: (916) 444-7963  
www.us.deloitte.com

**Deloitte  
& Touche**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Auxiliary Foundation of the San Joaquin  
Delta Community College District  
Stockton, California

We have audited the accompanying balance sheet of the Auxiliary Foundation of the San Joaquin Delta Community College District (Foundation), a component unit of San Joaquin Delta Community College District, as of June 30, 2002, and the related statements of revenues, expenditures and changes in fund balances and of cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Auxiliary Foundation of the San Joaquin Delta Community College District as of June 30, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Deloitte + Touche LLP*

November 1, 2002

Deloitte  
Touche  
Tohmatsu

**AUXILIARY FOUNDATION OF THE SAN JOAQUIN DELTA  
COMMUNITY COLLEGE DISTRICT**

**BALANCE SHEET  
JUNE 30, 2002**

	General Operating Fund	Plant Fund	Expendable Restricted Fund	Enterprise Activity Fund	Student Loan and Scholarship Fund	Totals (Memorandum Only)
<b>ASSETS</b>						
Cash and equivalents	\$ 9,469		\$335,490	\$ 17,281	\$ 107,883	\$ 470,123
Investments, at fair value			19,842		1,070,868	1,090,710
Accounts receivable					2,939	2,939
Inventory				4,258		4,258
Equipment, net		\$864,402				864,402
Due from District clearing	<u>80,247</u>		<u>163,158</u>	<u>12,290</u>		<u>255,695</u>
<b>TOTAL ASSETS</b>	<u>\$ 89,716</u>	<u>\$864,402</u>	<u>\$518,490</u>	<u>\$ 33,829</u>	<u>\$1,181,690</u>	<u>\$2,688,127</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES -</b>						
Accounts payable	<u>\$ 61</u>		<u>\$ 16,239</u>	<u>\$ 485</u>	<u>\$ 250</u>	<u>\$ 17,035</u>
<b>FUND EQUITY:</b>						
Investment in fixed assets		864,402				864,402
Retained earnings - unreserved	89,655					89,655
Fund balance - restricted			<u>502,251</u>	<u>33,344</u>	<u>1,181,440</u>	<u>1,717,035</u>
Total fund balances	<u>89,655</u>	<u>864,402</u>	<u>502,251</u>	<u>33,344</u>	<u>1,181,440</u>	<u>2,671,092</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 89,716</u>	<u>\$864,402</u>	<u>\$518,490</u>	<u>\$ 33,829</u>	<u>\$1,181,690</u>	<u>\$2,688,127</u>

**AUXILIARY FOUNDATION OF THE SAN JOAQUIN DELTA  
COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
YEAR ENDED JUNE 30, 2002**

	General Operating Fund	Plant Fund	Expendable Restricted Fund	Enterprise Activity Fund	Student Loan and Scholarship Fund	Totals (Memorandum Only)
<b>REVENUES:</b>						
Contributions and bequests	\$ 9,970	\$ 17,800	\$ 163,708			\$ 191,478
Event income			80,647	\$ 11,456		92,103
Investment income:						
Interest and dividend income	334		11,874	610	\$ 55,446	68,264
Net decrease in fair value of investments					(231,857)	(231,857)
Sales of merchandise				4,651		4,651
<b>Total revenues</b>	<u>10,304</u>	<u>17,800</u>	<u>256,229</u>	<u>16,717</u>	<u>(176,411)</u>	<u>124,639</u>
<b>EXPENDITURES:</b>						
Cost of sales				2,665		2,665
General, administrative, and student assistance	613	144,987	100,883	18,454	87,560	352,497
<b>Total expenditures</b>	<u>613</u>	<u>144,987</u>	<u>100,883</u>	<u>21,119</u>	<u>87,560</u>	<u>355,162</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	9,691	(127,187)	155,346	(4,402)	(263,971)	(230,523)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in					7,000	7,000
Operating transfers (out)			(7,000)			(7,000)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	9,691	(127,187)	148,346	(4,402)	(256,971)	(230,523)
<b>FUND EQUITY:</b>						
Beginning of year	<u>79,964</u>	<u>991,589</u>	<u>353,905</u>	<u>37,746</u>	<u>1,438,411</u>	<u>2,901,615</u>
End of year	<u>\$ 89,655</u>	<u>\$ 864,402</u>	<u>\$ 502,251</u>	<u>\$ 33,344</u>	<u>\$ 1,181,440</u>	<u>\$ 2,671,092</u>

See notes to financial statements.

**AUXILIARY FOUNDATION OF THE SAN JOAQUIN DELTA  
COMMUNITY COLLEGE DISTRICT**

**STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2002**

	General Operating Fund	Plant Fund	Expendable Restricted Fund	Enterprise Activity Fund	Student Loan and Scholarship Fund	Totals (Memorandum Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	\$ 9,691	\$(127,187)	\$ 155,346	\$ (4,402)	\$ (263,971)	\$ (230,523)
Adjustments to reconcile to net cash provided (used) by operating activities:						
Donations of equipment		(17,800)				(17,800)
Net decrease in fair value of investments		133,147			231,857	231,857
Depreciation		11,840				133,147
Loss on disposal of equipment						11,840
Effect of changes in:						
Due from District clearing	(80,247)		(163,158)	(12,290)		(255,695)
Interest receivable					(955)	(955)
Inventory				325		325
Accounts payable	61		16,239	485	(250)	16,785
Due to other funds					(250)	(250)
Net cash provided (used) by operating activities	(70,495)		8,427	(15,882)	(33,319)	(11,269)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Maturities and sales of investments					660,068	660,068
Purchases of investments			(13,045)		(700,754)	(713,799)
Net cash used by investing activities			(13,045)		(40,686)	(53,731)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Operating transfers out			(7,000)			(7,000)
Operating transfers in					7,000	7,000
Net cash used by noncapital financing activities			(7,000)		7,000	
<b>NET DECREASE IN CASH AND EQUIVALENTS</b>	(70,495)		(11,618)	(15,882)	(67,005)	(165,000)
<b>CASH AND EQUIVALENTS:</b>						
Beginning of year	79,964		347,108	33,163	174,888	635,123
End of year	\$ 9,469	\$	\$ 335,490	\$ 17,281	\$ 107,883	\$ 470,123

See notes to financial statements.

# AUXILIARY FOUNDATION OF THE SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2002

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** - The Auxiliary Foundation of the San Joaquin Delta Community College District (Foundation) is a nonprofit organization which was incorporated on December 27, 1984. The Foundation's primary function is to promote and assist the San Joaquin Delta Community College District (District) by applying funds and properties coming into its possession toward the educational programs carried on or approved by the administrative officers of the District. The Auxiliary Foundation is included in the District's financial statements because the District has ultimate responsibility over the Foundation's operations. The Foundation is included as part of the expendable trust funds of the District.

**Use of Estimates in the Preparation of Financial Statements** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**Fund Accounting** - In observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Accordingly, all financial transactions are recorded and reported by fund.

The assets, liabilities and fund balances of the Foundation are reported in five self-balancing funds as follows:

- a. **The General Operating Fund** represents resources available to support the Foundation's general activities and programs.
- b. **The Plant Fund** is comprised of amounts used or to be used for acquisitions of facilities and equipment.
- c. **The Expendable Restricted Fund** is used to account for transactions restricted by donor or grantor for purposes not accountable in any other fund.
- d. **The Enterprise Activity Fund** is maintained to account for the revenues and expenditures of fully or partially self-supporting community service activities.
- e. **The Student Loan and Scholarship Fund** is used to account for grants awarded to students.

The accompanying financial statements include totals columns labeled "memorandum only." The "memorandum only" totals do not represent consolidated financial information. These totals are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data.

*Cash and equivalents* consist of cash and highly liquid short-term investments with remaining maturities of 90 days or less at the date of purchase.

*Investments* are recorded at fair value based upon published market prices and quotations from major investment brokers.

*Equipment* - Purchased equipment is recorded at cost. Contributed equipment is recorded at fair market value at the date of the gift. All equipment is depreciated using the straight-line method over the estimated useful lives of the related assets.

*Income Taxes* - The Foundation has received a favorable determination letter from the Internal Revenue Service as to its tax exempt status. Accordingly, no provision for income taxes has been made in the financial statements.

*New Accounting Pronouncements* - In June 1999, the GASB issued Statement of No. 35, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The statement establishes financial reporting standards for certain governmental entities which will require expanded financial information, management's discussion and analysis and required supplemental information. This statement will be effective for the District and the Auxiliary Foundation for the year ending June 30, 2003. The District is in the process of determining the effect that adopting GASB Statement No. 35 will have on the Auxiliary Foundation's financial statements.

## 2. INVESTMENTS

Investments at June 30, 2002 consist of the following:

Corporate bonds and notes	\$ 246,750
Common stock	662,565
Other	<u>181,395</u>
	<u>\$1,090,710</u>

## 3. EQUIPMENT

Changes in equipment consisted of the following:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Equipment	\$ 1,644,865	\$ 17,800	\$ (109,800)	\$ 1,552,865
Less accumulated depreciation	<u>(653,276)</u>	<u>(133,147)</u>	<u>97,960</u>	<u>(688,463)</u>
Total	<u>\$ 991,589</u>	<u>\$ (115,347)</u>	<u>\$ (11,840)</u>	<u>\$ 864,402</u>

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