

**SAN JOAQUIN DELTA  
COMMUNITY COLLEGE  
FOUNDATION**

**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  
San Joaquin Delta Community College Foundation  
Stockton, California

We have audited the accompanying balance sheet of the San Joaquin Delta Community College Foundation ("Scholarship 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 San Joaquin Delta Community College Foundation 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

# SAN JOAQUIN DELTA COMMUNITY COLLEGE FOUNDATION

## BALANCE SHEET JUNE 30, 2002

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### ASSETS

Cash and equivalents	\$ 32,283
Investments, at fair value	172,051
Accounts receivable	<u>14,274</u>
<b>TOTAL ASSETS</b>	<b><u>\$218,608</u></b>

### LIABILITIES AND EQUITY

LIABILITIES - Accounts payable	\$ 18,000
EQUITY - Fund balance - Restricted	<u>200,608</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$218,608</u></b>

See notes to financial statements.

# SAN JOAQUIN DELTA COMMUNITY COLLEGE FOUNDATION

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 2002

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REVENUES:	
Interest income	\$ 26,947
Net decrease in fair value of investments	(51,425)
Other local revenues	<u>10,575</u>
Total revenues	(13,903)
EXPENDITURES - General, administrative, and student assistance	<u>20,383</u>
EXCESS OF EXPENDITURES OVER REVENUES	(34,286)
FUND BALANCES:	
Beginning of year	<u>234,893</u>
End of year	<u>\$ 200,608</u>

See notes to financial statements.

# SAN JOAQUIN DELTA COMMUNITY COLLEGE FOUNDATION

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

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Excess of expenditures over revenues	\$ (34,286)
Adjustments to reconcile to net cash provided by operating activities:	
Net decrease in fair value of investments	51,425
Increase in accounts receivable	(11,989)
Increase in accounts payable	<u>7,000</u>
Net cash provided by operating activities	12,150
CASH AND EQUIVALENTS:	
Beginning of year	<u>20,133</u>
End of year	<u>\$ 32,283</u>

See notes to financial statements.

# SAN JOAQUIN DELTA COMMUNITY COLLEGE FOUNDATION

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

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** - The San Joaquin Delta Community College Foundation ("Scholarship Foundation") originated in September 1973 as a private, nonprofit corporation. The Scholarship Foundation is organized around the goals of advancing education and the charitable purposes related to education. The Scholarship Foundation solicits and raises money for the purpose of awarding annual scholarships to assist students to pursue education beyond the secondary level. All scholarships are awarded based on the relative merits of the student applicants. The Scholarship Foundation uses the same accounting and reporting systems as the District and has a fiscal year ending June 30, 2002. The Scholarship Foundation is included in the District's financial statements because the District has ultimate responsibility over the Scholarship Foundation's operations. The Scholarship 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.

**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.

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

**Income Taxes** - The Scholarship 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, GASB issued Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The statement establishes financial reporting standards for public colleges and universities 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 Scholarship 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 Foundation's financial statements.

2. INVESTMENTS

Investments at June 30, 2002 consist of the following:

Corporate bonds and stock	\$ 35,930
Equities	105,848
Certificate of deposit	<u>30,273</u>
Total	<u>\$ 172,051</u>

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