



**VENTURA COUNTY  
COMMUNITY COLLEGE DISTRICT**

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**SPECIAL REPORT  
FOR  
BOARD OF TRUSTEES  
AND  
MANAGEMENT ONLY**

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**JUNE 30, 2014**

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**OF VENTURA COUNTY  
VENTURA, CALIFORNIA**

**JUNE 30, 2014**

**BOARD OF TRUSTEES**

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Mr. Arturo D. Hernández	Chair	2014
Ms. Dianne B. McKay	Vice Chair	2014
Mr. Stephen P. Blum	Member	2014
Mr. Larry Kennedy	Member	2016
Mr. Bernardo M. Perez	Member	2016

**ADMINISTRATION**

Dr. Jamillah Moore	Chancellor
Mr. Brian Fahnestock	Vice Chancellor, Business and Administrative Services
Mr. Michael Shanahan	Vice Chancellor, Human Resources
Mr. Dave Fuhrmann	Associate Vice Chancellor, Information Technology

**ORGANIZATION**

The Ventura County Community College District was established in 1962 and is comprised of an area of approximately 882 square miles located in Ventura County. There were no changes in the boundaries of the District during the year.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Ventura County Community College District  
Ventura, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Ventura County Community College District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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 the modified accrual basis of accounting of the governmental fund types, fiduciary fund types, and proprietary fund types described in Notes 1 and 2; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

### Auditor's Responsibility

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 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified accrual basis of accounting of the governmental fund types, fiduciary fund types, and proprietary fund types of the District as of June 30, 2014, and the respective changes in financial position—modified accrual basis of accounting and cash flows, thereof for the year then ended in accordance with the basis of accounting as described in Notes 1 and 2.

## **Emphasis of Matter**

We draw attention to Notes 1 and 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting for the governmental fund types, fiduciary fund types, and proprietary fund types, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## **Purpose of This Report**

This report is intended solely for the information of the Board of Trustees and management of the Ventura County Community College District and is not intended to be and should not be used by anyone other than these specified parties.

*Vannest, Trine, Day & Co., LLP*

Rancho Cucamonga, California  
December 2, 2014

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**GENERAL FUNDS**

**JUNE 30, 2014**

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 50,800	\$ -	\$ 50,800
Investments	31,410,243	8,959,027	40,369,270
Accounts receivable, net	18,688,746	1,949,048	20,637,794
Student receivable, net	352,788	263,255	616,043
Due from other funds	294,970	-	294,970
Prepaid expenditures	236,126	3,902	240,028
<b>Total Assets</b>	<u>\$ 51,033,673</u>	<u>\$ 11,175,232</u>	<u>\$ 62,208,905</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 6,529,689	\$ 466,660	\$ 6,996,349
Due to other funds	-	146,172	146,172
Other current liabilities	3,212	-	3,212
Unearned revenue	4,402,705	3,857,018	8,259,723
<b>Total Liabilities</b>	<u>10,935,606</u>	<u>4,469,850</u>	<u>15,405,456</u>
 <b>FUND BALANCES</b>			
Reserved	236,126	6,705,382	6,941,508
Unreserved			
Designated	14,442,278	-	14,442,278
Undesignated	25,419,663	-	25,419,663
<b>Total Fund Balances</b>	<u>40,098,067</u>	<u>6,705,382</u>	<u>46,803,449</u>
 <b>Total Liabilities and Fund Balances</b>	 <u>\$ 51,033,673</u>	 <u>\$ 11,175,232</u>	 <u>\$ 62,208,905</u>

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

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
MODIFIED ACCRUAL BASIS  
GENERAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Unrestricted</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Federal revenues	\$ 30,500	\$ 6,376	\$ (24,124)
State revenues	63,057,969	71,627,084	8,569,115
Local revenues	74,592,629	68,931,313	(5,661,316)
<b>Total Revenues</b>	<u>137,681,098</u>	<u>140,564,773</u>	<u>2,883,675</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Academic salaries	57,273,318	56,692,803	580,515
Classified salaries	24,282,901	23,687,272	595,629
Employee benefits	34,984,069	34,866,143	117,926
Books and supplies	2,678,830	2,163,328	515,502
Services and operating expenditures	15,468,912	12,836,302	2,632,610
Capital outlay	1,514,933	844,362	670,571
<b>Total Expenditures</b>	<u>136,202,963</u>	<u>131,090,210</u>	<u>5,112,753</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,478,135</u>	<u>9,474,563</u>	<u>7,996,428</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	651,337	5,799,290	5,147,953
Transfers out	(4,455,653)	(3,764,225)	691,428
Other sources	-	691	691
Other uses	(26,196)	(7,499)	18,697
<b>Total Other Financing Sources (Uses)</b>	<u>(3,830,512)</u>	<u>2,028,257</u>	<u>5,858,769</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ (2,352,377)</u>	<u>11,502,820</u>	<u>\$ 13,855,197</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>28,595,247</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 40,098,067</u>	

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

<b>General Restricted</b>			<b>Total</b>		
<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
\$ 6,529,057	\$ 5,044,065	\$ (1,484,992)	\$ 6,559,557	\$ 5,050,441	\$ (1,509,116)
12,462,576	9,123,321	(3,339,255)	75,520,545	80,750,405	5,229,860
4,436,494	4,087,575	(348,919)	79,029,123	73,018,888	(6,010,235)
<u>23,428,127</u>	<u>18,254,961</u>	<u>(5,173,166)</u>	<u>161,109,225</u>	<u>158,819,734</u>	<u>(2,289,491)</u>
3,580,650	3,066,574	514,076	60,853,968	59,759,377	1,094,591
7,622,533	6,735,315	887,218	31,905,434	30,422,587	1,482,847
3,711,757	3,432,388	279,369	38,695,826	38,298,531	397,295
3,020,446	1,016,638	2,003,808	5,699,276	3,179,966	2,519,310
3,544,497	2,374,087	1,170,410	19,013,409	15,210,389	3,803,020
1,838,716	1,172,371	666,345	3,353,649	2,016,733	1,336,916
<u>23,318,599</u>	<u>17,797,373</u>	<u>5,521,226</u>	<u>159,521,562</u>	<u>148,887,583</u>	<u>10,633,979</u>
109,528	457,588	348,060	1,587,663	9,932,151	8,344,488
795,416	799,322	3,906	1,446,753	6,598,612	5,151,859
(550,087)	(550,260)	(173)	(5,005,740)	(4,314,485)	691,255
-	4,560	4,560	-	5,251	5,251
(269,280)	(245,861)	23,419	(295,476)	(253,360)	42,116
<u>(23,951)</u>	<u>7,761</u>	<u>31,712</u>	<u>(3,854,463)</u>	<u>2,036,018</u>	<u>5,890,481</u>
<u>\$ 85,577</u>	465,349	<u>\$ 379,772</u>	<u>\$ (2,266,800)</u>	11,968,169	<u>\$ 14,234,969</u>
	6,240,033			34,835,280	
	<u>\$ 6,705,382</u>			<u>\$ 46,803,449</u>	

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**SPECIAL REVENUE FUNDS**

**JUNE 30, 2014**

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	<b>Child Development</b>	<b>Other Special Revenue</b>	<b>Total</b>
<b>ASSETS</b>			
Investments	\$ 375,418	\$ 101,566	\$ 476,984
Accounts receivable	9,603	-	9,603
Student receivable	22,575	-	22,575
<b>Total Assets</b>	<u>\$ 407,596</u>	<u>\$ 101,566</u>	<u>\$ 509,162</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 5,178	\$ 473	\$ 5,651
Due to other funds	12,937	-	12,937
Unearned revenue	5,900	-	5,900
<b>Total Liabilities</b>	<u>24,015</u>	<u>473</u>	<u>24,488</u>
 <b>FUND BALANCES</b>			
Unreserved			
Designated	383,581	101,093	484,674
<b>Total Liabilities and Fund Balances</b>	<u>\$ 407,596</u>	<u>\$ 101,566</u>	<u>\$ 509,162</u>

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

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
MODIFIED ACCRUAL BASIS  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
State revenues	\$ 91,473	\$ 91,473	\$ -
Local revenues	864,500	679,968	(184,532)
<b>Total Revenues</b>	<u>955,973</u>	<u>771,441</u>	<u>(184,532)</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Classified salaries	702,409	679,023	23,386
Employee benefits	396,692	389,593	7,099
Books and supplies	17,500	9,412	8,088
Services and operating expenditures	22,660	21,830	830
<b>Total Expenditures</b>	<u>1,139,261</u>	<u>1,099,858</u>	<u>39,403</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(183,288)</u>	<u>(328,417)</u>	<u>(145,129)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	130,440	299,473	169,033
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>130,440</u>	<u>299,473</u>	<u>169,033</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ (52,848)</u>	<u>(28,944)</u>	<u>\$ 23,904</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>412,525</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 383,581</u>	

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

<b>Other Special Revenue</b>			<b>Total</b>		
<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
\$ -	\$ -	\$ -	\$ 91,473	\$ 91,473	\$ -
<u>145,000</u>	<u>164,912</u>	<u>19,912</u>	<u>1,009,500</u>	<u>844,880</u>	<u>(164,620)</u>
<u>145,000</u>	<u>164,912</u>	<u>19,912</u>	<u>1,100,973</u>	<u>936,353</u>	<u>(164,620)</u>
14,095	12,866	1,229	716,504	691,889	24,615
6,945	6,922	23	403,637	396,515	7,122
1,600	333	1,267	19,100	9,745	9,355
<u>13,000</u>	<u>12,992</u>	<u>8</u>	<u>35,660</u>	<u>34,822</u>	<u>838</u>
<u>35,640</u>	<u>33,113</u>	<u>2,527</u>	<u>1,174,901</u>	<u>1,132,971</u>	<u>41,930</u>
109,360	131,799	22,439	(73,928)	(196,618)	(122,690)
-	-	-	130,440	299,473	169,033
<u>(96,000)</u>	<u>(74,011)</u>	<u>21,989</u>	<u>(96,000)</u>	<u>(74,011)</u>	<u>21,989</u>
<u>(96,000)</u>	<u>(74,011)</u>	<u>21,989</u>	<u>34,440</u>	<u>225,462</u>	<u>191,022</u>
<u>\$ 13,360</u>	57,788	<u>\$ 44,428</u>	<u>\$ (39,488)</u>	28,844	<u>\$ 68,332</u>
	43,305			455,830	
	<u>\$ 101,093</u>			<u>\$ 484,674</u>	

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**CAPITAL PROJECT FUNDS**

**JUNE 30, 2014**

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
<b>ASSETS</b>			
Investments	\$ 20,435,500	\$ 35,924,570	\$ 56,360,070
Accounts receivable	18,140	31,481	49,621
Student receivable	35,920	-	35,920
Prepaid expenses	17,000	-	17,000
<b>Total Assets</b>	<u>\$ 20,506,560</u>	<u>\$ 35,956,051</u>	<u>\$ 56,462,611</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 846,837	\$ 1,731,225	\$ 2,578,062
Unearned revenue	965,270	-	965,270
<b>Total Liabilities</b>	<u>1,812,107</u>	<u>1,731,225</u>	<u>3,543,332</u>
<b>FUND BALANCES</b>			
Reserved	17,000	-	17,000
Unreserved			
Designated	18,677,453	34,224,826	52,902,279
<b>Total Fund Balances</b>	<u>18,694,453</u>	<u>34,224,826</u>	<u>52,919,279</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 20,506,560</u>	<u>\$ 35,956,051</u>	<u>\$ 56,462,611</u>

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

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – MODIFIED ACCRUAL BASIS  
CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Capital Outlay</b>	<b>Bond Construction</b>	<b>Total</b>
<b>REVENUES</b>			
State revenues	\$ 955,436	\$ -	\$ 955,436
Local revenues	914,049	168,386	1,082,435
<b>Total Revenues</b>	<u>1,869,485</u>	<u>168,386</u>	<u>2,037,871</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Classified salaries	104,314	-	104,314
Employee benefits	10,031	-	10,031
Books and supplies	160,478	8,523	169,001
Services and operating expenditures	745,428	127,814	873,242
Capital outlay	3,907,821	16,424,041	20,331,862
<b>Total Expenditures</b>	<u>4,928,072</u>	<u>16,560,378</u>	<u>21,488,450</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>(3,058,587)</u>	<u>(16,391,992)</u>	<u>(19,450,579)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,971,134	-	2,971,134
Transfers out	(18,854)	-	(18,854)
<b>Total Other Financing Sources (Uses)</b>	<u>2,952,280</u>	<u>-</u>	<u>2,952,280</u>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(106,307)</u>	<u>(16,391,992)</u>	<u>(16,498,299)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>18,800,760</u>	<u>50,616,818</u>	<u>69,417,578</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 18,694,453</u>	<u>\$ 34,224,826</u>	<u>\$ 52,919,279</u>

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

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**DEBT SERVICE FUNDS**

**JUNE 30, 2014**

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	<b>Bond Interest and Redemption</b>
<b>ASSETS</b>	
Investments	\$ 18,428,923
Accounts receivable	15,188
<b>Total Assets</b>	<u>\$ 18,444,111</u>
 <b>FUND BALANCE</b>	
Unreserved	
Designated	\$ 18,444,111
<b>Total Fund Balance</b>	<u>\$ 18,444,111</u>

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

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – MODIFIED ACCRUAL BASIS  
DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

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	<b>Bond Interest and Redemption</b>
<b>REVENUES</b>	
State revenues	\$ 158,459
Local revenues	18,528,435
<b>Total Revenues</b>	<u>18,686,894</u>
<b>EXPENDITURES</b>	
Current Expenditures	
Debt service - principal	4,360,000
Debt service - interest and other	13,035,590
<b>Total Expenditures</b>	<u>17,395,590</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,291,304</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Other sources - refunding bonds	70,420,255
Other uses - payment to bond escrow agent	<u>(69,910,678)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>509,577</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	1,800,881
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>16,643,230</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 18,444,111</u></u>

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

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**FIDUCIARY FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**TRUST FUNDS**

**JUNE 30, 2014**

	<b>Associated Students Organization</b>	<b>Student Representation Fees</b>	<b>Student Center Fees</b>
<b>ASSETS</b>			
Investments	\$ 203,115	\$ 157,417	\$ 4,476,040
Accounts receivable	172	127	3,736
Student receivable, net	13,519	12,978	78,487
Due from other funds	-	-	-
<b>Total Assets</b>	<u><u>\$ 216,806</u></u>	<u><u>\$ 170,522</u></u>	<u><u>\$ 4,558,263</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 2,500
Due to other funds	-	-	-
Unearned revenue	-	16,196	73,195
<b>Total Liabilities</b>	<u><u>-</u></u>	<u><u>16,196</u></u>	<u><u>75,695</u></u>
<b>FUND BALANCES</b>			
Reserved	-	-	-
Unreserved			
Designated	216,806	154,326	4,482,568
<b>Total Fund Balances</b>	<u><u>216,806</u></u>	<u><u>154,326</u></u>	<u><u>4,482,568</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 216,806</u></u>	<u><u>\$ 170,522</u></u>	<u><u>\$ 4,558,263</u></u>

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

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<b>Student Financial Aid</b>	<b>Scholarship and Loan</b>	<b>Student Clubs</b>	<b>Other Trust</b>	<b>Total</b>
\$ 5,951	\$ 475,405	\$ 114,515	\$ 1,935,192	\$ 7,367,635
122,151	355	24	80	126,645
15,201	5,650	-	27,219	153,054
4,203	-	-	-	4,203
<u>\$ 147,506</u>	<u>\$ 481,410</u>	<u>\$ 114,539</u>	<u>\$ 1,962,491</u>	<u>\$ 7,651,537</u>
\$ 3,390	\$ 7,068	\$ 3,774	\$ 5,929	\$ 22,661
140,064	-	-	-	140,064
-	-	45	-	89,436
<u>143,454</u>	<u>7,068</u>	<u>3,819</u>	<u>5,929</u>	<u>252,161</u>
4,052	-	-	-	4,052
-	474,342	110,720	1,956,562	7,395,324
<u>4,052</u>	<u>474,342</u>	<u>110,720</u>	<u>1,956,562</u>	<u>7,399,376</u>
<u>\$ 147,506</u>	<u>\$ 481,410</u>	<u>\$ 114,539</u>	<u>\$ 1,962,491</u>	<u>\$ 7,651,537</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**FIDUCIARY FUND TYPES**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – MODIFIED ACCRUAL BASIS  
TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Associated Students Organization</b>	<b>Student Representation Fees</b>	<b>Student Center Fees</b>
<b>REVENUES</b>			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	78,863	81,646	386,854
<b>Total Revenues</b>	<u>78,863</u>	<u>81,646</u>	<u>386,854</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	19,539	-	9,625
Employee benefits	762	-	473
Books and supplies	32,430	575	1,048
Services and operating expenditures	10,728	83,373	2,700
Capital outlay	1,362	-	-
<b>Total Expenditures</b>	<u>64,821</u>	<u>83,948</u>	<u>13,846</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>14,042</u>	<u>(2,302)</u>	<u>373,008</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	8,388	-	18,854
Transfers out	(24,878)	(1,750)	-
Other sources	-	-	-
Other uses	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(16,490)</u>	<u>(1,750)</u>	<u>18,854</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(2,448)</u>	<u>(4,052)</u>	<u>391,862</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>219,254</u>	<u>158,378</u>	<u>4,090,706</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 216,806</u>	<u>\$ 154,326</u>	<u>\$4,482,568</u>

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

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<b>Student Financial Aid</b>	<b>Scholarship and Loan</b>	<b>Student Clubs</b>	<b>Other Trust</b>	<b>Total</b>
\$ 38,912,903	\$ -	\$ -	\$ -	\$ 38,912,903
2,198,924	-	-	-	2,198,924
906	450,719	70,018	1,011,368	2,080,374
<u>41,112,733</u>	<u>450,719</u>	<u>70,018</u>	<u>1,011,368</u>	<u>43,192,201</u>
-	-	-	13,456	13,456
-	-	157	129,887	159,208
-	-	12	22,297	23,544
-	-	42,011	412,972	489,036
-	-	28,141	529,871	654,813
-	-	1,373	158,683	161,418
-	-	<u>71,694</u>	<u>1,267,166</u>	<u>1,501,475</u>
<u>41,112,733</u>	<u>450,719</u>	<u>(1,676)</u>	<u>(255,798)</u>	<u>41,690,726</u>
296,597	6,750	30,629	234,031	595,249
-	-	(7,990)	(170,612)	(205,230)
-	-	-	490	490
<u>(41,406,454)</u>	<u>(338,806)</u>	<u>(250)</u>	<u>-</u>	<u>(41,745,510)</u>
<u>(41,109,857)</u>	<u>(332,056)</u>	<u>22,389</u>	<u>63,909</u>	<u>(41,355,001)</u>
2,876	118,663	20,713	(191,889)	335,725
1,176	355,679	90,007	2,148,451	7,063,651
<u>\$ 4,052</u>	<u>\$ 474,342</u>	<u>\$ 110,720</u>	<u>\$ 1,956,562</u>	<u>\$ 7,399,376</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING BALANCE SHEET**

**PROPRIETARY FUNDS**

**JUNE 30, 2014**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Furniture and equipment, net	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND EQUITY</b>			
Retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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<b>Cafeteria</b>				<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>	<b>Total</b>	
\$ 6,000	\$ 3,000	\$ 2,000	\$ 11,000	\$ -
25,968	462,507	166,358	654,833	3,630,351
1,800	950	2,300	5,050	414
-	4,625	-	4,625	-
<u>\$ 33,768</u>	<u>\$ 471,082</u>	<u>\$ 170,658</u>	<u>\$ 675,508</u>	<u>\$ 3,630,765</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,899</u>
<u>33,768</u>	<u>471,082</u>	<u>170,658</u>	<u>675,508</u>	<u>2,887,866</u>
<u>\$ 33,768</u>	<u>\$ 471,082</u>	<u>\$ 170,658</u>	<u>\$ 675,508</u>	<u>\$ 3,630,765</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>OPERATING REVENUES</b>			
Sales revenues	\$ 2,386,795	\$ 1,296,124	\$ 2,443,855
Charges to other funds	-	-	-
<b>Total Operating Revenues</b>	<u>2,386,795</u>	<u>1,296,124</u>	<u>2,443,855</u>
<b>OPERATING EXPENSES</b>			
Classified salaries	256,121	167,122	252,364
Employee benefits	138,594	80,715	145,085
Books and supplies	1,830,606	930,307	1,830,520
Services and other operating expenditures	93,362	66,470	119,110
Capital outlay	1,191	-	-
<b>Total Operating Expenses</b>	<u>2,319,874</u>	<u>1,244,614</u>	<u>2,347,079</u>
<b>Operating Income</b>	<u>66,921</u>	<u>51,510</u>	<u>96,776</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Miscellaneous revenues	-	-	-
Transfers in	-	-	-
Transfers out	(1,764,424)	(765,415)	(3,337,049)
Other sources	-	-	-
Other uses	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,764,424)</u>	<u>(765,415)</u>	<u>(3,337,049)</u>
<b>NET INCOME</b>	(1,697,503)	(713,905)	(3,240,273)
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	1,697,503	713,905	3,240,273
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<b>Cafeteria</b>				<b>Total</b>	<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>			
\$ 57,462	\$ 21,768	\$ 85,515	\$ 6,291,519	\$ -	
-	-	-	-	12,063,276	
<u>57,462</u>	<u>21,768</u>	<u>85,515</u>	<u>6,291,519</u>	<u>12,063,276</u>	
3,821	-	2,911	682,339	-	
342	-	113	364,849	10,910,680	
1,130	-	2,500	4,595,063	-	
-	-	-	278,942	41,874	
-	-	-	1,191	-	
<u>5,293</u>	<u>-</u>	<u>5,524</u>	<u>5,922,384</u>	<u>10,952,554</u>	
<u>52,169</u>	<u>21,768</u>	<u>79,991</u>	<u>369,135</u>	<u>1,110,722</u>	
11,667	11,666	11,667	35,000	338,733	
-	-	-	-	75,000	
(60,000)	-	-	(5,926,888)	-	
-	-	-	-	-	
-	-	-	-	(1,100,000)	
<u>(48,333)</u>	<u>11,666</u>	<u>11,667</u>	<u>(5,891,888)</u>	<u>(686,267)</u>	
3,836	33,434	91,658	(5,522,753)	424,455	
29,932	437,648	79,000	6,198,261	2,463,411	
<u>\$ 33,768</u>	<u>\$ 471,082</u>	<u>\$ 170,658</u>	<u>\$ 675,508</u>	<u>\$ 2,887,866</u>	

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 66,921	\$ 51,510	\$ 96,776
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	2,205	-	33,193
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	208,254	188,458	375,450
Student loan receivable	19,709	12,452	6,615
Inventory	787,500	244,743	360,423
Increase (decrease) in:			
Accounts payable	(36,235)	(17,862)	(36,669)
Due to other funds	-	-	-
Net Cash Flows From Operating Activities	<u>1,048,354</u>	<u>479,301</u>	<u>835,788</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Miscellaneous revenues	-	-	-
Transfers out	(1,764,424)	(765,415)	(3,337,049)
Transfers in	-	-	-
Other uses	-	-	-
Net Cash Flows From Investing Activities	<u>(1,764,424)</u>	<u>(765,415)</u>	<u>(3,337,049)</u>
Net change in cash and cash equivalents	(716,070)	(286,114)	(2,501,261)
Cash and cash equivalents - Beginning	716,070	286,114	2,501,261
Cash and cash equivalents - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<b>Cafeteria</b>				<b>Total</b>	<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>			
\$ 52,169	\$ 21,768	\$ 79,991	\$ 369,135	\$ 1,110,722	
-	-	-	35,398	-	
9	51	186	772,408	(304)	
-	-	-	38,776	-	
-	-	-	1,392,666	-	
-	-	-	(90,766)	(50,397)	
-	-	-	-	(14,092)	
<u>52,178</u>	<u>21,819</u>	<u>80,177</u>	<u>2,517,617</u>	<u>1,045,929</u>	
11,667	11,666	11,667	35,000	338,733	
(60,000)	-	-	(5,926,888)	-	
-	-	-	-	75,000	
-	-	-	-	(1,100,000)	
<u>(48,333)</u>	<u>11,666</u>	<u>11,667</u>	<u>(5,891,888)</u>	<u>(686,267)</u>	
3,845	33,485	91,844	(3,374,271)	359,662	
28,123	432,022	76,514	4,040,104	3,270,689	
<u>\$ 31,968</u>	<u>\$ 465,507</u>	<u>\$ 168,358</u>	<u>\$ 665,833</u>	<u>\$ 3,630,351</u>	

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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### **NOTE 1 - ORGANIZATION**

The Ventura County Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Ventura County. The District operates under a locally elected five-member Board of Trustees form of government which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within Ventura County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

In June 1999, GASB approved Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, followed by Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public College and Universities*, as amended by GASB Statements No. 37 and No. 38. These statements are scheduled for a phased implementation (based on size of the government) through fiscal years ending in 2004. The District has implemented those changes. We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Ventura County Community College District for the year ended June 30, 2014, and have issued our report thereon dated December 2, 2014.

These financial statements have been prepared specifically for the Board of Trustees and management of the Ventura County Community College District to provide an analysis of the financial position and results of operations had the District not implemented GASB Statements No. 34 and No. 35. Fund financial statements are included in this report to present the operations of the individual funds used by the District. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

### **Financial Reporting Entity**

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

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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### *NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Governmental fund types and fiduciary fund types are reported using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

Proprietary fund types are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

#### **Cash and Cash Equivalents**

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

#### **Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2014, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### **Accounts Receivable**

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts.

Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$8,459,501 for the year ended June 30, 2014.

### **Prepaid Expenditures**

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2014.

### **Inventories**

Inventories consist primarily of bookstore merchandise and supplies held for resale to the students and faculty of the colleges. Inventories are stated at cost, utilizing the weighted average method. The cost is recorded as an expense as the inventory is consumed.

### **Capital Assets and Depreciation**

The District's capital expenditures have been accounted for as expenditures within the governmental and fiduciary fund types incurring the cost. These assets have not been capitalized within the individual funds and depreciation expense is not recorded. Capital assets are capitalized within the proprietary fund types and depreciations expense is recorded within the individual fund incurring the expense. Depreciation on capitalized assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles and equipment	2 - 15 years
Improvements	5 - 20 years

### **Compensated Absences**

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

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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

### **Unearned Revenue**

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

### **State Apportionments**

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

### **Estimates**

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

### **Property Taxes**

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

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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The voters of the District passed a general obligation bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected. The property tax revenue received for the repayment of the bonds for the year ended June 30, 2014, was \$18,638,324.

### **Budgets and Budgetary Accounting**

Annual budgets are adopted on a modified accrual basis for the District's General Funds and Special Revenue Fund. The District's Board of Trustees adopts a tentative operating budget no later than July 1 in accordance with State law. The Board revises the budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. It is this final revised budget that is presented in these financial statements. The District employs budget control by minor object and by individual appropriation accounts. The Board approves pooled budget categories for operational expenditures (e.g. supplies, operating expenses, and capital outlay). Actual expenditures are charged to the specific expenditure account number. Expenditures cannot legally exceed appropriations by major object account. A public hearing must be conducted to receive comments prior to adoption. The District's Board satisfied these requirements.

### **Financial Presentation**

These financial statements have been prepared specifically for the Board of Trustees and management of the Ventura County Community College District to provide an analysis of the financial position and results of operations of the District's individual funds had the District not implemented GASB Statements No. 34 and No. 35.

### **Change in Accounting Principles**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement

No. 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The District has implemented the provisions of this Statement for the year ended June 30, 2014.

### **New Accounting Pronouncements**

In June 2012, the 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 inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of State and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan.

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged. In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a State or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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Statement No. 68 requires a State or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a State or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a State or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

### ***NOTE 3 - CASH AND INVESTMENTS***

#### **Policies and Practices**

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.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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### Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting 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.

### General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

### Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2014, consist of the following:

Cash on hand and in banks	\$ 61,800
Investments	127,288,066
Total Deposits and Investments	<u><u>\$ 127,349,866</u></u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County investment pool.

**Specific Identification**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Days</u>
Ventura County Investment Pool	<u><u>\$ 127,039,923</u></u>	290

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Ventura County pool is not required to be rated. However, as of June 30, 2014, the County portfolio was rated by Standard and Poor's. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Rating June 30, 2014</u>
Ventura County Investment Pool	<u><u>\$ 127,039,923</u></u>	N/A	AAAf

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. 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 agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2014, the District did not have any deposits exposed to custodial credit risk because all balances were Federal Deposit Insurance Corporation (FDIC) insured.

**NOTE 4 - ACCOUNTS RECEIVABLE**

Receivables at June 30, 2014, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 988,956	\$ -	\$ -	\$ -	\$ 120,465	\$ -	\$ 1,109,421
State Government							
Apportionment	16,390,885	-	-	-	-	-	16,390,885
Categorical aid	149,566	-	-	-	-	-	149,566
Lottery	1,878,948	-	-	-	-	-	1,878,948
Mandated cost claims	6,673,514	-	-	-	-	-	6,673,514
Other State	-	9,603	-	-	-	-	9,603
Local Sources							
Interest	58,702	-	31,481	15,188	4,390	-	109,761
Other local	1,170,737	-	18,140	-	1,790	5,464	1,196,131
Accounts receivable	27,311,308	9,603	49,621	15,188	126,645	5,464	27,517,829
Less: reserve	(6,673,514)	-	-	-	-	-	(6,673,514)
Accounts receivable, net	<u>\$ 20,637,794</u>	<u>\$ 9,603</u>	<u>\$ 49,621</u>	<u>\$ 15,188</u>	<u>\$ 126,645</u>	<u>\$ 5,464</u>	<u>\$ 20,844,315</u>
Student receivable	\$ 1,954,088	\$ 22,575	\$ 35,920	\$ -	\$ 600,996	\$ -	\$ 2,613,579
Less: reserve	(1,338,045)	-	-	-	(447,942)	-	(1,785,987)
Student receivable, net	<u>\$ 616,043</u>	<u>\$ 22,575</u>	<u>\$ 35,920</u>	<u>\$ -</u>	<u>\$ 153,054</u>	<u>\$ -</u>	<u>\$ 827,592</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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***NOTE 5 - INTERFUND TRANSACTIONS***

**Interfund Receivables/Payables (Due To/Due From)**

Individual fund interfund receivable and payable balances at June 30, 2014, are as follows:

Funds	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Unrestricted	\$ 294,970	\$ -
General Restricted	-	146,172
Child Development	-	12,937
Student Financial Aid	4,203	140,064
Total	<u>\$ 299,173</u>	<u>\$ 299,173</u>

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2014**

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### Transfers

Interfund transfers consist of operating and equity transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2014, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 799,322
The General Unrestricted Fund transferred to the Capital Outlay Fund	2,591,520
The General Unrestricted Fund transferred to the Internal Service Fund	75,000
The General Unrestricted Fund to the Child Development Fund	259,600
The General Unrestricted Fund transferred to the Associated Student Organization Fund	6,638
The General Unrestricted Fund transferred to the Other Trust Fund	32,145
The General Restricted Fund to the Capital Outlay Fund	253,614
The General Restricted Fund to the Student Financial Aid Fund	296,597
The General Restricted Fund to the General Unrestricted Fund	49
The Other Special Revenue Fund transferred to General Unrestricted Fund	74,011
The Capital Outlay Fund transferred to the Student Center Fees Fund	18,854
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	6,750
The Associated Students Organization Fund transferred to the Student Clubs Fund	10,527
The Associated Students Organization Fund transferred to the Other Trust Fund	7,601
The Student Representation Fees Fund transferred to the Associated Students Organization Fund	1,750
The Students Clubs Fund transferred to the General Unrestricted Fund	1,703
The Students Clubs Fund transferred to the Other Trust Fund	6,287
The Other Trust Fund transferred to the General Unrestricted Fund	4,639
The Other Trust Fund transferred to the Child Development Fund	39,873
The Other Trust Fund transferred to the Capital Outlay Fund	126,000
The Other Trust Fund transferred to the Student Clubs Funds	100
The Bookstore Fund (Ventura ) transferred to the Other Trust Fund	73,000
The Bookstore Fund (Ventura) transferred to the General Unrestricted Fund	1,691,424
The Bookstore Fund (Oxnard) transferred to the General Unrestricted Fund	765,415
The Bookstore Fund (Moorpark) transferred to the Student Clubs Fund	20,000
The Bookstore Fund (Moorpark) transferred to the Other Trust Fund	55,000
The Bookstore Fund (Moorpark) transferred to the General Unrestricted Fund	3,262,049
The Cafeteria Fund (Ventura) transferred to the Other Trust Fund	60,000
Total	<u><u>\$ 10,539,468</u></u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2014, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 2,106,382	\$ -	\$ -	\$ -	\$ -	\$ 2,106,382
Accrued vacation	698,766	-	-	-	-	698,766
Construction	-	-	2,578,062	-	-	2,578,062
Student liabilities	2,737,524	-	-	7,068	-	2,744,592
Load banking	-	-	-	-	742,899	742,899
Other	1,453,677	5,651	-	15,593	-	1,474,921
Total	<u>\$ 6,996,349</u>	<u>\$ 5,651</u>	<u>\$ 2,578,062</u>	<u>\$ 22,661</u>	<u>\$ 742,899</u>	<u>\$ 10,345,622</u>

**NOTE 7 - UNEARNED REVENUE**

Unearned revenue at June 30, 2014, consists of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Total
Federal categorical aid	\$ 6,648	\$ -	\$ -	\$ -	\$ 6,648
State categorical aid	1,554,190	-	-	-	1,554,190
State apportionment	1,104,870	-	-	-	1,104,870
Other State	-	-	573,230	-	573,230
RDA deferral	1,568,575	-	-	-	1,568,575
Schedule maintenance	-	-	350,292	-	350,292
Lottery	1,638,313	-	-	-	1,638,313
Other grants	234,475	-	-	-	234,475
Enrollment/student fees	2,079,534	-	12,481	16,196	2,108,211
Local	73,118	5,900	29,267	73,240	181,525
Total	<u>\$ 8,259,723</u>	<u>\$ 5,900</u>	<u>\$ 965,270</u>	<u>\$ 89,436</u>	<u>\$ 9,320,329</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 8 - FUND BALANCES**

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	\$ 240,028	\$ -	\$ 17,000	\$ -
Restricted programs	6,701,480	-	-	-
Total Reserved	<u>6,941,508</u>	<u>-</u>	<u>17,000</u>	<u>-</u>
Unreserved				
Designated				
Capital outlay	-	-	52,902,279	-
Debt repayment	-	-	-	18,444,111
General reserves	7,316,130	484,674	-	-
Budget rollover	2,126,148	-	-	-
Revenue shortfall contingency	5,000,000	-	-	-
Total Designated	<u>14,442,278</u>	<u>484,674</u>	<u>52,902,279</u>	<u>18,444,111</u>
Undesignated	<u>25,419,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unreserved	<u>39,861,941</u>	<u>484,674</u>	<u>52,902,279</u>	<u>18,444,111</u>
Total	<u>\$ 46,803,449</u>	<u>\$ 484,674</u>	<u>\$ 52,919,279</u>	<u>\$ 18,444,111</u>

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

**Litigation**

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the District's financial statements.

**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, in the opinion of management, any required reimbursements will not be material.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**Construction Commitments**

As of June 30, 2014, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECT</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Moorpark College Planning and Development (indirect)	\$ 417,912	06/30/17
Moorpark College CW Planning and Development (indirect)	589	06/30/17
Moorpark College Parking Structure	737,714	12/31/14
Oxnard College Planning and Development (indirect)	364,445	06/30/17
Oxnard College CW Planning and Development (indirect)	2,194	06/30/17
Oxnard College LRC Renovation	131,418	12/30/16
Oxnard College Dental Hygiene Expansion/Renovation	4,328,796	12/31/15
Ventura College Planning and Development (indirect)	221,073	06/30/17
Ventura College CW Planning and Development (indirect)	337	06/30/17
Ventura College Applied Science Building	7,168,431	12/30/15
Ventura College M and O Renovation	2,377,187	12/30/16
Ventura College Electrical Systems Upgrade	8,782	12/30/16
Ventura College Studio Arts Building	111,220	12/30/16
Ventura College INF Piped Utility Systems	2,816	12/30/16
Fire/Sheriff Planning and Development Costs (Indirect)	118,473	06/30/17
	<u>\$ 15,991,387</u>	

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