



**VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT**

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

JUNE 30, 2012

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY
VENTURA, CALIFORNIA

JUNE 30, 2012

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Mr. Stephen P. Blum	Chair	2014
Mr. Arturo D. Hernández	Vice Chair	2014
Ms. Dianne B. McKay	Member	2014
Dr. Larry O. Miller	Member	2012
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ADMINISTRATION

Dr. Jamillah Moore	Chancellor
Ms. Susan F. Johnson	Vice Chancellor, Business and Administrative Services
Ms. Patricia S. Parham	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 AUDITORS' REPORT

Board of Trustees
Ventura County Community College District
Ventura, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Ventura County Community College District for the year ended June 30, 2012, and have issued our report thereon dated December 4, 2012. We have also audited the accompanying financial statements of the governmental fund types, fiduciary fund types, and proprietary fund types of the Ventura County Community College District as of and for the year ended June 30, 2012, as listed in the Table of Contents. These basic financial statements are the responsibility of the Ventura County Community College District's management. Our responsibility is to express an opinion on these basic financial statements based upon 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.

As described in Note 1, the Ventura County Community College District prepares its governmental fund type and fiduciary fund type financial statements on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In addition, the District has not adopted the requirement of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as it relates to governmental fund type definitions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position - modified accrual basis of the governmental fund types, fiduciary fund types, and the financial position of the proprietary fund types of the Ventura County Community College District as of June 30, 2012, and its respective changes in financial position - modified cash basis - and the changes in financial position and cash flows for the year then ended in conformity with the basis of accounting described in Note 1.

As discussed in Note 9 to the financial statements, the State of California continues to suffer the effects of a recessionary economy, which directly impacts the funding formula of Ventura County Community College District.

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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 4, 2012

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

GENERAL FUNDS

JUNE 30, 2012

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 51,480	\$ -	\$ 51,480
Investments	10,293,332	7,038,504	17,331,836
Accounts receivable, net	23,685,928	2,104,767	25,790,695
Student loan receivable, net	350,408	281,686	632,094
Due from other funds	905,531	-	905,531
Prepaid expenditures	236,456	3,033	239,489
Total Assets	<u>\$ 35,523,135</u>	<u>\$ 9,427,990</u>	<u>\$ 44,951,125</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 6,041,956	\$ 386,615	\$ 6,428,571
Due to other funds	-	703,304	703,304
Other current liabilities	3,287	-	3,287
Deferred revenue	2,707,939	2,840,871	5,548,810
Total Liabilities	<u>8,753,182</u>	<u>3,930,790</u>	<u>12,683,972</u>
FUND BALANCES			
Reserved	236,456	5,497,200	5,733,656
Unreserved			
Designated	9,351,301	-	9,351,301
Undesignated	17,182,196	-	17,182,196
Total Fund Balances	<u>26,769,953</u>	<u>5,497,200</u>	<u>32,267,153</u>
Total Liabilities and Fund Balances	<u>\$ 35,523,135</u>	<u>\$ 9,427,990</u>	<u>\$ 44,951,125</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, 2012**

	General Unrestricted		
	Budget	Actual	Variance
REVENUES			
Federal revenues	\$ 6,866	\$ 7,944	\$ 1,078
State revenues	61,562,281	63,301,079	1,738,798
Local revenues	67,185,520	66,475,290	(710,230)
Total Revenues	128,754,667	129,784,313	1,029,646
EXPENDITURES			
Current Expenditures			
Academic salaries	57,295,261	56,992,514	302,747
Classified salaries	24,713,505	24,076,199	637,306
Employee benefits	32,811,405	32,585,922	225,483
Books and supplies	2,739,437	2,051,125	688,312
Services and operating expenditures	14,739,516	12,290,798	2,448,718
Capital outlay	769,235	577,646	191,589
Debt service - principal	550,869	550,869	-
Debt service - interest and other	24,245	24,245	-
Total Expenditures	133,643,473	129,149,318	4,494,155
EXCESS OF REVENUES OVER EXPENDITURES	(4,888,806)	634,995	5,523,801
OTHER FINANCING SOURCES (USES)			
Operating transfers in	493,033	4,631	(488,402)
Operating transfers out	(5,145,710)	(4,343,937)	801,773
Other uses	(40,395)	(28,640)	11,755
Total Other Financing Sources (Uses)	(4,693,072)	(4,367,946)	325,126
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (9,581,878)	(3,732,951)	\$ 5,848,927
FUND BALANCE, BEGINNING OF YEAR		30,502,904	
FUND BALANCE, END OF YEAR		\$ 26,769,953	

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

General Restricted			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 6,409,113	\$ 4,607,673	\$ (1,801,440)	\$ 6,415,979	\$ 4,615,617	\$ (1,800,362)
10,317,124	7,874,806	(2,442,318)	71,879,405	71,175,885	(703,520)
4,214,384	4,001,135	(213,249)	71,399,904	70,476,425	(923,479)
<u>20,940,621</u>	<u>16,483,614</u>	<u>(4,457,007)</u>	<u>149,695,288</u>	<u>146,267,927</u>	<u>(3,427,361)</u>
3,549,550	2,902,340	647,210	60,844,811	59,894,854	949,957
7,571,162	6,739,614	831,548	32,284,667	30,815,813	1,468,854
3,677,430	3,218,796	458,634	36,488,835	35,804,718	684,117
2,009,657	857,901	1,151,756	4,749,094	2,909,026	1,840,068
2,888,041	1,853,737	1,034,304	17,627,557	14,144,535	3,483,022
1,453,121	834,090	619,031	2,222,356	1,411,736	810,620
-	-	-	550,869	550,869	-
-	-	-	24,245	24,245	-
<u>21,148,961</u>	<u>16,406,478</u>	<u>4,742,483</u>	<u>154,792,434</u>	<u>145,555,796</u>	<u>9,236,638</u>
<u>(208,340)</u>	<u>77,136</u>	<u>285,476</u>	<u>(5,097,146)</u>	<u>712,131</u>	<u>5,809,277</u>
848,923	851,322	2,399	1,341,956	855,953	(486,003)
(547,876)	(547,502)	374	(5,693,586)	(4,891,439)	802,147
(264,793)	(227,523)	37,270	(305,188)	(256,163)	49,025
<u>36,254</u>	<u>76,297</u>	<u>40,043</u>	<u>(4,656,818)</u>	<u>(4,291,649)</u>	<u>365,169</u>
<u>\$ (172,086)</u>	153,433	<u>\$ 325,519</u>	<u>\$ (9,753,964)</u>	(3,579,518)	<u>\$ 6,174,446</u>
	<u>5,343,767</u>			<u>35,846,671</u>	
	<u>\$ 5,497,200</u>			<u>\$ 32,267,153</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

SPECIAL REVENUE FUNDS

JUNE 30, 2012

	Child Development	Other Special Revenue	Total
ASSETS			
Investments	\$ 531,863	\$ 14,060	\$ 545,923
Accounts receivable	-	1,852	1,852
Student receivable	21,910	-	21,910
Total Assets	<u>\$ 553,773</u>	<u>\$ 15,912</u>	<u>\$ 569,685</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 289	\$ 618	\$ 907
Deferred revenue	9,600	-	9,600
Total Liabilities	<u>9,889</u>	<u>618</u>	<u>10,507</u>
FUND BALANCES			
Unreserved			
Designated	543,884	15,294	559,178
Total Liabilities and Fund Balances	<u>\$ 553,773</u>	<u>\$ 15,912</u>	<u>\$ 569,685</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, 2012**

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State revenues	\$ 91,475	\$ 91,473	\$ (2)
Local revenues	936,001	909,013	(26,988)
Total Revenues	<u>1,027,476</u>	<u>1,000,486</u>	<u>(26,990)</u>
EXPENDITURES			
Current Expenditures			
Classified salaries	720,690	720,691	(1)
Employee benefits	350,347	346,742	3,605
Books and supplies	24,500	21,320	3,180
Services and operating expenditures	7,412	5,445	1,967
Capital outlay	3,499	3,493	6
Total Expenditures	<u>1,106,448</u>	<u>1,097,691</u>	<u>8,757</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(78,972)</u>	<u>(97,205)</u>	<u>(18,233)</u>
OTHER FINANCING SOURCES			
Operating transfers in	55,000	166,872	111,872
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ (23,972)</u>	<u>69,667</u>	<u>\$ 93,639</u>
FUND BALANCE, BEGINNING OF YEAR		474,217	
FUND BALANCE, END OF YEAR		<u>\$ 543,884</u>	

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

Other Special Revenue			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ 91,475	\$ 91,473	\$ (2)
181,350	107,758	(73,592)	1,117,351	1,016,771	(100,580)
<u>181,350</u>	<u>107,758</u>	<u>(73,592)</u>	<u>1,208,826</u>	<u>1,108,244</u>	<u>(100,582)</u>
22,941	15,383	7,558	743,631	736,074	7,557
2,406	2,132	274	352,753	348,874	3,879
72,410	65,283	7,127	96,910	86,603	10,307
17,330	9,666	7,664	24,742	15,111	9,631
-	-	-	3,499	3,493	6
<u>115,087</u>	<u>92,464</u>	<u>22,623</u>	<u>1,221,535</u>	<u>1,190,155</u>	<u>31,380</u>
<u>66,263</u>	<u>15,294</u>	<u>(50,969)</u>	<u>(12,709)</u>	<u>(81,911)</u>	<u>(69,202)</u>
-	-	-	55,000	166,872	111,872
<u>\$ 66,263</u>	15,294	<u>\$ (50,969)</u>	<u>\$ 42,291</u>	84,961	<u>\$ 42,670</u>
	-			474,217	
	<u>\$ 15,294</u>			<u>\$ 559,178</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

CAPITAL PROJECT FUNDS

JUNE 30, 2012

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
ASSETS			
Investments	\$ 21,670,061	\$ 67,027,280	\$ 88,697,341
Accounts receivable	66,620	145,539	212,159
Student loan receivable	29,877	-	29,877
Prepaid expenses	8,500	-	8,500
Total Assets	<u>\$ 21,775,058</u>	<u>\$ 67,172,819</u>	<u>\$ 88,947,877</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 783,766	\$ 2,737,075	\$ 3,520,841
Deferred revenue	749,301	-	749,301
Total Liabilities	<u>1,533,067</u>	<u>2,737,075</u>	<u>4,270,142</u>
FUND BALANCES			
Reserved	8,500	-	8,500
Unreserved			
Designated	<u>20,233,491</u>	<u>64,435,744</u>	<u>84,669,235</u>
Total Fund Balances	<u>20,241,991</u>	<u>64,435,744</u>	<u>84,677,735</u>
Total Liabilities and Fund Balances	<u>\$ 21,775,058</u>	<u>\$ 67,172,819</u>	<u>\$ 88,947,877</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, 2012**

	Capital Outlay	Bond Construction	Total
REVENUES			
State revenues	\$ 64,409	\$ -	\$ 64,409
Local revenues	594,025	524,795	1,118,820
Total Revenues	<u>658,434</u>	<u>524,795</u>	<u>1,183,229</u>
EXPENDITURES			
Current Expenditures			
Classified salaries	2,034	-	2,034
Employee benefits	188	-	188
Books and supplies	64,085	188,561	252,646
Services and operating expenditures	559,988	711,867	1,271,855
Capital outlay	3,106,179	24,184,482	27,290,661
Total Expenditures	<u>3,732,474</u>	<u>25,084,910</u>	<u>28,817,384</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(3,074,040)</u>	<u>(24,560,115)</u>	<u>(27,634,155)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,327,357	-	3,327,357
Operating transfers out	(1,950)	-	(1,950)
Total Other Financing Sources (Uses)	<u>3,325,407</u>	<u>-</u>	<u>3,325,407</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	251,367	(24,560,115)	(24,308,748)
FUND BALANCE, BEGINNING OF YEAR	19,990,624	88,995,859	108,986,483
FUND BALANCE, END OF YEAR	<u>\$ 20,241,991</u>	<u>\$ 64,435,744</u>	<u>\$ 84,677,735</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, 2012

	<u>Bond Interest and Redemption</u>
ASSETS	
Investments	\$ 12,713,435
Accounts receivable	53,640
Total Assets	<u>\$ 12,767,075</u>
 FUND BALANCE	
Unreserved	
Designated	\$ 12,767,075
Total Fund Balance	<u>\$ 12,767,075</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, 2012**

	Bond Interest and Redemption
	<u> </u>
REVENUES	
Federal revenues	\$ 41
State revenues	139,135
Local revenues	14,998,212
Total Revenues	<u> 15,137,388</u>
EXPENDITURES	
Current Expenditures	
Debt service - principal	1,915,000
Debt service - interest and other	15,018,865
Total Expenditures	<u> 16,933,865</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u> (1,796,477)</u>
OTHER FINANCING SOURCES	
Other sources - refunding bonds	55,110,632
Other uses - payment to bond escrow agent	(54,702,029)
Total Other Financing Sources (Uses)	<u> 408,603</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	(1,387,874)
FUND BALANCE, BEGINNING OF YEAR	<u> 14,154,949</u>
FUND BALANCE, END OF YEAR	<u><u> \$ 12,767,075</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, 2012

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	238,409	148,395	3,660,267
Accounts receivable	329	201	5,043
Student loan receivable, net	12,423	13,502	84,675
Total Assets	<u>\$ 251,161</u>	<u>\$ 162,098</u>	<u>\$ 3,749,985</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 466	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	13,598	64,355
Total Liabilities	<u>466</u>	<u>13,598</u>	<u>64,355</u>
FUND BALANCES			
Reserved	-	-	-
Unreserved			
Designated	250,695	148,500	3,685,630
Total Fund Balances	<u>250,695</u>	<u>148,500</u>	<u>3,685,630</u>
Total Liabilities and Fund Balances	<u>\$ 251,161</u>	<u>\$ 162,098</u>	<u>\$ 3,749,985</u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 2,704	\$ -	\$ -	\$ -	\$ 2,704
-	388,527	94,709	2,123,163	6,653,470
2,190	581	-	50	8,394
218,960	6,758	-	32,322	368,640
<u>\$ 223,854</u>	<u>\$ 395,866</u>	<u>\$ 94,709</u>	<u>\$ 2,155,535</u>	<u>\$ 7,033,208</u>
\$ 20,623	\$ 413	\$ 1,901	\$ 39,820	\$ 63,223
202,227	-	-	-	202,227
-	-	-	-	77,953
<u>222,850</u>	<u>413</u>	<u>1,901</u>	<u>39,820</u>	<u>343,403</u>
1,004	-	-	-	1,004
-	395,453	92,808	2,115,715	6,688,801
<u>1,004</u>	<u>395,453</u>	<u>92,808</u>	<u>2,115,715</u>	<u>6,689,805</u>
<u>\$ 223,854</u>	<u>\$ 395,866</u>	<u>\$ 94,709</u>	<u>\$ 2,155,535</u>	<u>\$ 7,033,208</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, 2012**

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
REVENUES			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	65,545	90,550	425,609
Total Revenues	<u>65,545</u>	<u>90,550</u>	<u>425,609</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	24,201	-	38,411
Employee benefits	841	-	1,183
Books and supplies	29,032	-	-
Services and operating expenditures	21,801	69,118	3,872
Capital outlay	-	-	-
Total Expenditures	<u>75,875</u>	<u>69,118</u>	<u>43,466</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,330)</u>	<u>21,432</u>	<u>382,143</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	15,356	-	-
Operating transfers out	(43,604)	-	-
Other uses	-	-	-
Total Other Financing Sources (Uses)	<u>(28,248)</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(38,578)</u>	<u>21,432</u>	<u>382,143</u>
FUND BALANCE, BEGINNING OF YEAR	<u>289,273</u>	<u>127,068</u>	<u>3,303,487</u>
FUND BALANCE, END OF YEAR	<u>\$ 250,695</u>	<u>\$ 148,500</u>	<u>\$ 3,685,630</u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 47,042,739	\$ -	\$ -	\$ -	\$ 47,042,739
1,936,291	-	-	-	1,936,291
398	290,350	59,270	965,384	1,897,106
<u>48,979,428</u>	<u>290,350</u>	<u>59,270</u>	<u>965,384</u>	<u>50,876,136</u>
-	-	-	532	532
-	-	169	99,845	162,626
-	-	13	10,734	12,771
-	168	45,370	472,022	546,592
-	26,953	27,685	405,606	555,035
-	-	3,495	93,969	97,464
-	<u>27,121</u>	<u>76,732</u>	<u>1,082,708</u>	<u>1,375,020</u>
<u>48,979,428</u>	<u>263,229</u>	<u>(17,462)</u>	<u>(117,324)</u>	<u>49,501,116</u>
209,908	10,000	46,751	523,633	805,648
-	-	(6,292)	(84,529)	(134,425)
<u>(49,189,512)</u>	<u>(350,104)</u>	<u>(207)</u>	<u>(6,166)</u>	<u>(49,545,989)</u>
<u>(48,979,604)</u>	<u>(340,104)</u>	<u>40,252</u>	<u>432,938</u>	<u>(48,874,766)</u>
(176)	(76,875)	22,790	315,614	626,350
1,180	472,328	70,018	1,800,101	6,063,455
<u>\$ 1,004</u>	<u>\$ 395,453</u>	<u>\$ 92,808</u>	<u>\$ 2,115,715</u>	<u>\$ 6,689,805</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2012**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
ASSETS			
Cash and cash equivalents	\$ 17,672	\$ 6,000	\$ 16,412
Investments	266,456	332,783	2,479,623
Accounts receivable	268,726	104,400	117,400
Student loan receivable	17,997	7,860	5,324
Inventories	1,110,650	238,320	478,123
Furniture and equipment, net	2,205	638	36,067
Total Assets	<u><u>\$ 1,683,706</u></u>	<u><u>\$ 690,001</u></u>	<u><u>\$ 3,132,949</u></u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	<u>\$ 45,728</u>	<u>\$ 18,623</u>	<u>\$ 28,098</u>
FUND EQUITY			
Retained earnings	<u>1,637,978</u>	<u>671,378</u>	<u>3,104,851</u>
Total Liabilities and Fund Equity	<u><u>\$ 1,683,706</u></u>	<u><u>\$ 690,001</u></u>	<u><u>\$ 3,132,949</u></u>

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

Cafeteria				Internal Service Fund
Ventura	Oxnard	Moorpark	Total	
\$ -	\$ -	\$ -	\$ 40,084	\$ -
5,694	401,650	6,334	3,492,540	3,052,332
-	-	-	490,526	-
-	-	-	31,181	-
-	-	-	1,827,093	-
-	4,625	-	43,535	-
<u>\$ 5,694</u>	<u>\$ 406,275</u>	<u>\$ 6,334</u>	<u>\$ 5,924,959</u>	<u>\$ 3,052,332</u>
<u>\$ 5,694</u>	<u>\$ -</u>	<u>\$ 6,334</u>	<u>\$ 104,477</u>	<u>\$ 930,314</u>
<u>-</u>	<u>406,275</u>	<u>-</u>	<u>5,820,482</u>	<u>2,122,018</u>
<u>\$ 5,694</u>	<u>\$ 406,275</u>	<u>\$ 6,334</u>	<u>\$ 5,924,959</u>	<u>\$ 3,052,332</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, 2012**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
OPERATING REVENUES			
Sales revenues	\$ 3,103,554	\$ 1,514,740	\$ 3,361,151
Charges to other funds	-	-	-
Total Operating Revenues	<u>3,103,554</u>	<u>1,514,740</u>	<u>3,361,151</u>
OPERATING EXPENSES			
Classified salaries	318,265	190,865	408,614
Employee benefits	162,639	94,833	238,412
Books and supplies	2,316,864	1,124,529	2,478,537
Services and other operating expenditures	101,350	77,475	119,418
Capital outlay	-	1,230	-
Total Operating Expenses	<u>2,899,118</u>	<u>1,488,932</u>	<u>3,244,981</u>
Operating Income (Loss)	<u>204,436</u>	<u>25,808</u>	<u>116,170</u>
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous revenues	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(96,000)	(210)	(75,000)
Other uses	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(96,000)</u>	<u>(210)</u>	<u>(75,000)</u>
NET INCOME (LOSS)	108,436	25,598	41,170
RETAINED EARNINGS, BEGINNING OF YEAR	1,529,542	645,780	3,063,681
RETAINED EARNINGS, END OF YEAR	<u>\$ 1,637,978</u>	<u>\$ 671,378</u>	<u>\$ 3,104,851</u>

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

Cafeteria				Total	Internal Service Fund
Ventura	Oxnard	Moorpark			
\$ 532,751	\$ 110,841	\$ 626,911	\$ 9,249,948	\$ -	
-	-	-	-	10,196,226	
<u>532,751</u>	<u>110,841</u>	<u>626,911</u>	<u>9,249,948</u>	<u>10,196,226</u>	
145,581	21,242	143,224	1,227,791	-	
68,506	4,211	80,167	648,768	8,637,614	
256,388	59,355	304,781	6,540,454	-	
111,377	32,486	127,196	569,302	54,150	
1,026	-	-	2,256	-	
<u>582,878</u>	<u>117,294</u>	<u>655,368</u>	<u>8,988,571</u>	<u>8,691,764</u>	
(50,127)	(6,453)	(28,457)	261,377	1,504,462	
-	37,129	500	37,629	296,467	
9,610	-	24,117	33,727	75,000	
-	-	-	(171,210)	(65,533)	
-	-	-	-	(1,550,000)	
<u>9,610</u>	<u>37,129</u>	<u>24,617</u>	<u>(99,854)</u>	<u>(1,244,066)</u>	
(40,517)	30,676	(3,840)	161,523	260,396	
40,517	375,599	3,840	5,658,959	1,861,622	
<u>\$ -</u>	<u>\$ 406,275</u>	<u>\$ -</u>	<u>\$ 5,820,482</u>	<u>\$ 2,122,018</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 204,436	\$ 25,808	\$ 116,170
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	-	1,436	15,488
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	227,826	27,752	(109,119)
Student loan receivable	1,269	7,746	2,338
Inventory	(384,602)	24,542	193,676
Increase (decrease) in:			
Accounts payable	(5,161)	(3,585)	(213,596)
Net Cash Flows from Operating Activities	<u>43,768</u>	<u>83,699</u>	<u>4,957</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Miscellaneous revenues	-	-	-
Transfers out	(96,000)	(210)	(75,000)
Transfers in	-	-	-
Other uses	-	-	-
Net Cash Flows from Investing Activities	<u>(96,000)</u>	<u>(210)</u>	<u>(75,000)</u>
Net change in cash and cash equivalents	(52,232)	83,489	(70,043)
Cash and cash equivalents - Beginning	336,360	255,294	2,566,078
Cash and cash equivalents - Ending	<u>\$ 284,128</u>	<u>\$ 338,783</u>	<u>\$ 2,496,035</u>

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

Cafeteria				Total	Internal Service Fund
Ventura	Oxnard	Moorpark			
\$ (50,127)	\$ (6,453)	\$ (28,457)	\$ 261,377	\$ 1,504,462	
-	338	-	17,262	-	
-	-	-	146,459	1,256	
-	-	-	11,353	-	
14,827	6,417	13,072	(132,068)	-	
(28,362)	(3,935)	(13,803)	(268,442)	(89,978)	
(63,662)	(3,633)	(29,188)	35,941	1,415,740	
-	37,129	500	37,629	296,467	
-	-	-	(171,210)	(65,533)	
9,610	-	24,117	33,727	75,000	
-	-	-	-	(1,550,000)	
9,610	37,129	24,617	(99,854)	(1,244,066)	
(54,052)	33,496	(4,571)	(63,913)	171,674	
59,746	368,154	10,905	3,596,537	2,880,658	
\$ 5,694	\$ 401,650	\$ 6,334	\$ 3,532,624	\$ 3,052,332	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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, 2012, and have issued our report thereon dated December 4, 2012.

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, 2012

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, 2012, 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, 2012

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 \$8,396,461 for the year ended June 30, 2012.

Prepaid Expenditures

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2012.

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, 2012

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.

Deferred Revenue

Deferred 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 deferred revenue is removed from the combined balance sheet and revenue is recognized. Deferred revenues include (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

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, 2012

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, 2012, was \$15,044,524.

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.

New Accounting Pronouncements

From time to time, the Governmental Accounting Standards Board will issue additional guidance on the accounting and reporting for financial transactions affecting governmental entities. The following is a summary of the most recent pronouncements which will impact future reporting or accounting requirements for the District. The full text of the following statements, along with implementation guides, may be found on the GASB website: www.gasb.org.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*.

This Statement modifies and amends certain requirements for inclusion and reporting of component units in the financial reporting entity. Guidance is provided for both blended and discretely presented component units. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier implementation is encouraged. Management does not believe the implementation of this Statement will materially impact the reporting of the District or related component units for the June 30, 2013, financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included within other pronouncements issued on or before November 30, 1989, which does not conflict or contradict the GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier implementation is encouraged. The provisions of this Statement are required to be applied retroactively for all periods presented. Management is in the process of determining the impact to the District reporting for the June 30, 2013, financial statements.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier implementation is encouraged. Management does not believe the implementation of this Statement will materially impact the reporting of the District for the June 30, 2013, financial statements.

In March 2012, 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. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier implementation is encouraged. Management does not believe the implementation of this Statement will materially impact the reporting of the District for the June 30, 2014, financial statements.

In March 2012, GASB issued Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*.

The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, GASB Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier implementation is encouraged. Management does not believe the implementation of this Statement will materially impact the reporting of the District for the June 30, 2014, financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

In June 2012, GASB issued Statements No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions - an amendment of Statement No. 27*.

The primary objective of these Statements 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 and Statement No. 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement - determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement is effective for fiscal years beginning after June 15, 2014. Earlier implementation is encouraged. Management is in the process of determining the impact of both GASB Statements No. 67 and No. 68 on the June 30, 2015, financial statements.

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.

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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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.

Summary of Deposits and Investments

Deposits and investments as of June 30, 2012, consist of the following:

Cash on hand and in banks	\$ 94,268
Investments	<u>132,486,877</u>
Total Deposits and Investments	<u><u>\$ 132,581,145</u></u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County 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 Date</u>
Ventura County Investment Pool	<u>\$ 132,703,915</u>	337*

* Weighted average days to maturity

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 County pool is not required to be rated. 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, 2012</u>
Ventura County Investment Pool	<u>\$ 132,703,915</u>	N/A	AAAf

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, 2012, the District did not have any deposits exposed to custodial credit risk because all balances were Federal Deposit Insurance Corporation (FDIC) insured.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2012, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 1,043,108	\$ -	\$ -	\$ -	\$ 2,190	\$ -	\$ 1,045,298
State Government							
Apportionment	21,067,169	-	-	-	-	-	21,067,169
Categorical aid	278,340	-	-	-	-	-	278,340
Lottery	1,903,018	-	-	-	-	-	1,903,018
Mandated cost claims	6,964,775	-	-	-	-	-	6,964,775
State construction claims	-	-	65,595	-	-	-	65,595
Local Sources							
Interest	134,567	-	146,085	17,174	6,154	-	303,980
RDA	771,760	-	-	-	-	-	771,760
Other local	592,733	1,852	479	36,466	50	490,526	1,122,106
Accounts receivable	<u>32,755,470</u>	<u>1,852</u>	<u>212,159</u>	<u>53,640</u>	<u>8,394</u>	<u>490,526</u>	<u>33,522,041</u>
Less: reserve	<u>(6,964,775)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,964,775)</u>
Accounts receivable, net	<u>\$ 25,790,695</u>	<u>\$ 1,852</u>	<u>\$ 212,159</u>	<u>\$ 53,640</u>	<u>\$ 8,394</u>	<u>\$ 490,526</u>	<u>\$ 26,557,266</u>
Student loan receivable	\$ 2,020,575	\$ 21,910	\$ 29,877	\$ -	\$ 411,845	\$ 31,181	\$ 2,515,388
Less: reserve	<u>(1,388,481)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,205)</u>	<u>-</u>	<u>(1,431,686)</u>
Student loan receivable, net	<u>\$ 632,094</u>	<u>\$ 21,910</u>	<u>\$ 29,877</u>	<u>\$ -</u>	<u>\$ 368,640</u>	<u>\$ 31,181</u>	<u>\$ 1,083,702</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2012, are as follows:

Funds	Interfund Receivables	Interfund Payables
General Unrestricted	\$ 905,531	\$ -
General Restricted	-	703,304
Student Financial Aid	-	202,227
Total	<u>\$ 905,531</u>	<u>\$ 905,531</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Operating Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2012, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 851,327
The General Unrestricted Fund transferred to the Child Development Fund	100,000
The General Unrestricted Fund transferred to the Capital Outlay Fund	3,023,556
The General Unrestricted Fund transferred to the Associated Students Organization Fund	14,976
The General Unrestricted Fund transferred to the Student Clubs Fund	432
The General Unrestricted Fund transferred to the Other Trust Fund	256,479
The General Unrestricted Fund transferred to the Internal Service Fund	75,000
The General Unrestricted Fund transferred to the Cafeteria Fund (Oxnard)	22,167
The General Restricted Fund transferred to the General Unrestricted Fund	749
The General Restricted Fund transferred to the Capital Outlay Fund	234,098
The General Restricted Fund transferred to the Student Financial Aid Fund	209,908
The General Restricted Fund transferred to the Other Trust Fund	102,747
The Capital Outlay Fund transferred to the Cafeteria Fund (Moorpark)	1,950
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	10,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	26,109
The Associated Students Organization Fund transferred to the Other Trust Fund	7,495
The Student Clubs Fund transferred to the Associated Students Organization Fund	380
The Student Clubs Fund transferred to the Other Trust Fund	5,912
The Other Trust Fund transferred to the General Unrestricted Fund	3,877
The Other Trust Fund transferred to the Child Development Fund	66,872
The Other Trust Fund transferred to the Capital Outlay Fund	4,170
The Other Trust Fund transferred to the Cafeteria Fund (Ventura)	9,610
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	96,000
The Bookstore Fund (Oxnard) transferred to the Student Clubs Fund	210
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 Internal Service Fund transferred to the Capital Outlay Fund	65,533
Total	<u>\$ 5,264,557</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2012, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 2,217,946	\$ -	\$ -	\$ -	\$ -	\$ 2,217,946
Accrued vacation	666,524	-	-	-	59,555	726,079
Construction	-	-	3,520,841	-	-	3,520,841
Student liabilities	2,036,404	-	-	413	123	2,036,940
Load banking	-	-	-	-	930,014	930,014
Other	1,507,697	907	-	62,810	45,099	1,616,513
Total	<u>\$ 6,428,571</u>	<u>\$ 907</u>	<u>\$ 3,520,841</u>	<u>\$ 63,223</u>	<u>\$ 1,034,791</u>	<u>\$ 11,048,333</u>

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2012, consists of the following:

	General	Child Development	Capital Projects	Fiduciary	Total
Federal categorical aid	\$ 4,563	\$ -	\$ -	\$ -	\$ 4,563
Other Federal	24,367	-	-	-	24,367
State categorical aid	1,405,552	-	-	-	1,405,552
State apportionment	917,797	-	-	-	917,797
RDA deferral	152,676	-	-	-	152,676
Schedule maintenance	-	-	231,190	-	231,190
Lottery	1,039,345	-	-	-	1,039,345
Other State	167,067	-	507,740	-	674,807
Enrollment/student fees	1,747,770	-	10,371	13,598	1,771,739
Local	89,673	9,600	-	64,355	163,628
Total	<u>\$ 5,548,810</u>	<u>\$ 9,600</u>	<u>\$ 749,301</u>	<u>\$ 77,953</u>	<u>\$ 6,385,664</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	\$ 239,489	\$ -	\$ 8,500	\$ -
Restricted programs	5,494,167	-	-	-
Total Reserved	<u>5,733,656</u>	<u>-</u>	<u>8,500</u>	<u>-</u>
Unreserved				
Designated				
Capital outlay	-	-	84,669,235	-
Debt repayment	-	-	-	12,767,075
General reserves	6,916,541	559,178	-	-
Budget rollover	2,434,760	-	-	-
Total Designated	<u>9,351,301</u>	<u>559,178</u>	<u>84,669,235</u>	<u>12,767,075</u>
Undesignated	<u>17,182,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unreserved	<u>26,533,497</u>	<u>559,178</u>	<u>84,669,235</u>	<u>12,767,075</u>
Total	<u>\$ 32,267,153</u>	<u>\$ 559,178</u>	<u>\$ 84,677,735</u>	<u>\$ 12,767,075</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, 2012**

Construction Commitments

As of June 30, 2012, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECT</u>	Remaining Construction Commitment	Expected Date of Completion
Moorpark College Planning and Development (indirect)	\$ 459,851	06/30/15
Moorpark College CW Planning and Development (indirect)	5,687	06/30/15
Moorpark College Infrastructure	28,102	12/31/14
Moorpark College Library Renovation	11,679	12/31/14
Moorpark College Data Switch Project	52,637	12/31/14
Moorpark College Parking Structure	256,545	12/31/14
Moorpark College Piped Utility Systems	15,200	12/31/14
Oxnard College Planning and Development (indirect)	502,442	06/30/15
Oxnard College CW P and D (indirect)	5,342	06/30/15
Oxnard College Data Switch Project	12,240	12/31/14
Oxnard College LRC Renovation	349,451	12/31/14
Oxnard College Dental Hygiene Expansion/Renovation	276,081	12/31/14
Ventura College Planning and Development (indirect)	399,524	06/30/15
Ventura College CW Planning and Development (indirect)	4,414	06/30/15
Ventura College Applied Science Building	618,752	06/30/15
Ventura College M and O Renovation	196,808	06/30/15
Ventura College Electrical Systems Upgrade	3,525	12/31/14
Ventura College Renovate Theater Building	863,894	12/31/12
Ventura College Telephone Data Switch	10,550	12/31/14
Ventura College Studio Arts Building	97,570	06/30/15
Ventura College INF Piped Utility Systems	9,883	06/30/15
	<u>\$ 4,180,177</u>	

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

Deferral of State Apportionments

As a result of the State of California economy, certain apportionments owed to the District for funding of FTES and construction reimbursements which are attributable to the 2011-2012 fiscal year have been deferred to the 2012-2013 fiscal year. The total amount of funding deferred into the 2012-2013 fiscal year was \$21,067,169. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years. As of the audit report date, the District had received \$20,852,664 of the deferrals owed to them by the State.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Fiscal Issues Relating to State-Wide Funding Reductions

The State of California economy is continuing through a recessionary economy. The California Community College system is reliant on the State of California to appropriate the funding necessary to provide for the educational services and student support programs that are mandated for the colleges. Current year appropriations have now been deferred to a subsequent period, creating significant cash flow management issues for California community colleges in addition to requiring substantial budget reductions.

The District has implemented budgetary reductions to counter the reductions in apportionment and program funding. However, continued reductions and deferral of cash payments will ultimately impact the District's ability to meet the goals for educational services.