VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT

SPECIAL REPORT
FOR
BOARD OF TRUSTEES
AND
MANAGEMENT ONLY

JUNE 30, 2015

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY

VENTURA, CALIFORNIA

JUNE 30, 2015

BOARD OF TRUSTEES

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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JUNE 30, 2015

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Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

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, 2015, 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.

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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, 2015, 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

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 2, 2015

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
GENERAL FUNDS
JUNE 30, 2015

	General Unrestricted	General Restricted	Total
ASSETS			
Cash and cash equivalents	$ 48,935	$ -	$ 48,935
Investments	52,975,178	16,983,858	69,959,036
Accounts receivable, net	2,593,563	2,021,192	4,614,755
Student receivable, net	500,878	279,539	780,417
Due from other funds	313,184	-	313,184
Prepaid expenditures	517,682	17,010	534,692
Total Assets	$ 56,949,420	$ 19,301,599	$ 76,251,019
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 7,350,361	$ 1,717,520	$ 9,067,881
Due to other funds	-	123,075	123,075
Other current liabilities	4,864	-	4,864
Unearned revenue	5,714,894	11,115,360	16,830,254
Total Liabilities	13,070,119	12,955,955	26,026,074
FUND BALANCES			
Reserved	542,682	6,345,644	6,888,326
Unreserved			
Designated	14,379,828	-	14,379,828
Undesignated	28,956,791	-	28,956,791
Total Fund Balances	43,879,301	6,345,644	50,224,945
Total Liabilities and Fund Balances	$ 56,949,420	$ 19,301,599	$ 76,251,019

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, 2015

	General Unrestricted		
	Budget	**Actual**	**Variance**
REVENUES			
Federal revenues	$ -	$ -	$ -
State revenues	64,216,988	77,341,123	13,124,135
Local revenues	74,818,169	71,693,901	(3,124,268)
Total Revenues	139,035,157	149,035,024	9,999,867
EXPENDITURES			
Current Expenditures			
Academic salaries	59,699,942	59,833,736	(133,794)
Classified salaries	25,426,858	24,856,972	569,886
Employee benefits	36,507,843	39,108,892	(2,601,049)
Books and supplies	3,113,880	2,051,444	1,062,436
Services and operating expenditures	18,681,216	13,353,249	5,327,967
Capital outlay	2,051,219	1,028,229	1,022,990
Total Expenditures	145,480,958	140,232,522	5,248,436
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,445,801)	8,802,502	15,248,303
OTHER FINANCING SOURCES (USES)			
Transfers in	550,039	-	(550,039)
Transfers out	(8,166,431)	(5,018,939)	3,147,492
Other uses	(8,675)	(2,329)	6,346
Total Other Financing Sources (Uses)	(7,625,067)	(5,021,268)	2,603,799
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	$ (14,070,868)	3,781,234	$ 17,852,102
FUND BALANCE, BEGINNING OF YEAR		40,098,067	
FUND BALANCE, END OF YEAR		$ 43,879,301	

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

General Restricted			Total		
Budget	Actual	Variance	Budget	Actual	Variance
$ 6,209,253	$ 4,610,544	$ (1,598,709)	$ 6,209,253	$ 4,610,544	$ (1,598,709)
24,251,868	14,754,341	(9,497,527)	88,468,856	92,095,464	3,626,608
4,299,950	4,299,565	(385)	79,118,119	75,993,466	(3,124,653)
34,761,071	23,664,450	(11,096,621)	173,796,228	172,699,474	(1,096,754)
4,888,754	3,887,919	1,000,835	64,588,696	63,721,655	867,041
9,908,662	8,113,593	1,795,069	35,335,520	32,970,565	2,364,955
4,964,136	4,004,009	960,127	41,471,979	43,112,901	(1,640,922)
3,868,287	1,330,980	2,537,307	6,982,167	3,382,424	3,599,743
8,027,541	4,553,891	3,473,650	26,708,757	17,907,140	8,801,617
3,467,894	2,137,749	1,330,145	5,519,113	3,165,978	2,353,135
35,125,274	24,028,141	11,097,133	180,606,232	164,260,663	16,345,569
(364,203)	(363,691)	512	(6,810,004)	8,438,811	15,248,815
819,554	1,231,768	412,214	1,369,593	1,231,768	(137,825)
(1,029,964)	(1,030,253)	(289)	(9,196,395)	(6,049,192)	3,147,203
(227,549)	(197,562)	29,987	(236,224)	(199,891)	36,333
(437,959)	3,953	441,912	(8,063,026)	(5,017,315)	3,045,711
$ (802,162)	(359,738)	$ 442,424	$(14,873,030)	3,421,496	$ 18,294,526
	6,705,382			46,803,449	
	$ 6,345,644			$ 50,224,945	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Child Development	Other Special Revenue	Total
ASSETS			
Investments	$ 234,548	$ 123,273	$ 357,821
Accounts receivable	10,696	-	10,696
Student receivable	25,389	-	25,389
Total Assets	$ 270,633	$ 123,273	$ 393,906
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 156	$ 441	$ 597
Due to other funds	4,031	-	4,031
Unearned revenue	7,500	-	7,500
Total Liabilities	11,687	441	12,128
FUND BALANCES			
Unreserved			
Designated	258,946	122,832	381,778
Total Liabilities and Fund Balances	$ 270,633	$ 123,273	$ 393,906

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, 2015

	Child Development		
	Budget	**Actual**	**Variance**
REVENUES			
State revenues	$ 91,473	$ 91,473	$ -
Local revenues	702,264	674,946	(27,318)
Total Revenues	793,737	766,419	(27,318)
EXPENDITURES			
Current Expenditures			
Classified salaries	620,669	612,434	8,235
Employee benefits	323,493	305,633	17,860
Books and supplies	37,380	15,130	22,250
Services and operating expenditures	-	8,857	(8,857)
Total Expenditures	981,542	942,054	39,488
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(187,805)	(175,635)	12,170
OTHER FINANCING SOURCES (USES)			
Transfers in	51,000	51,000	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	51,000	51,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	$ (136,805)	(124,635)	$ 12,170
FUND BALANCE, BEGINNING OF YEAR		383,581	
FUND BALANCE, END OF YEAR		$ 258,946	

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

Other Special Revenue			Total		
Budget	Actual	Variance	Budget	Actual	Variance
$ -	$ -	$ -	$ 91,473	$ 91,473	$ -
166,000	166,181	181	868,264	841,127	(27,137)
166,000	166,181	181	959,737	932,600	(27,137)
14,593	13,816	777	635,262	626,250	9,012
7,143	7,200	(57)	330,636	312,833	17,803
1,800	377	1,423	39,180	15,507	23,673
13,920	13,049	871	13,920	21,906	(7,986)
37,456	34,442	3,014	1,018,998	976,496	42,502
128,544	131,739	3,195	(59,261)	(43,896)	15,365
-	-	-	51,000	51,000	-
(110,000)	(110,000)	-	(110,000)	(110,000)	-
(110,000)	(110,000)	-	(59,000)	(59,000)	-
$ 18,544	21,739	$ 3,195	$ (118,261)	(102,896)	$ 15,365
	101,093			484,674	
	$ 122,832			$ 381,778	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
CAPITAL PROJECT FUNDS
JUNE 30, 2015

	Capital Outlay	Bond Construction	Total
ASSETS			
Investments	$ 23,279,579	$ 23,074,289	$ 46,353,868
Accounts receivable	-	23,023	23,023
Student receivable	42,961	-	42,961
Prepaid expenses	17,000	-	17,000
Total Assets	$ 23,339,540	$ 23,097,312	$ 46,436,852
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 2,074,560	$ 2,601,827	$ 4,676,387
Unearned revenue	1,732,049	-	1,732,049
Total Liabilities	3,806,609	2,601,827	6,408,436
FUND BALANCES			
Reserved	19,532,931	20,495,485	40,028,416
Total Liabilities and Fund Balances	$ 23,339,540	$ 23,097,312	$ 46,436,852

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, 2015

	Capital Outlay	Bond Construction	Total
REVENUES			
State revenues	$ 2,369,038	$ -	$ 2,369,038
Local revenues	1,101,197	94,047	1,195,244
Total Revenues	3,470,235	94,047	3,564,282
EXPENDITURES			
Current Expenditures			
Classified salaries	2,930	-	2,930
Employee benefits	226	-	226
Books and supplies	73,135	8,452	81,587
Services and operating expenditures	521,902	83,150	605,052
Capital outlay	5,358,133	13,731,786	19,089,919
Total Expenditures	5,956,326	13,823,388	19,779,714
DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,486,091)	(13,729,341)	(16,215,432)
OTHER FINANCING SOURCES			
Transfers in	3,324,569	-	3,324,569
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	838,478	(13,729,341)	(12,890,863)
FUND BALANCE, BEGINNING OF YEAR	18,694,453	34,224,826	52,919,279
FUND BALANCE, END OF YEAR	$ 19,532,931	$ 20,495,485	$ 40,028,416

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, 2015

	Bond Interest and Redemption
ASSETS	
Investments	$ 18,935,641
Accounts receivable	17,266
Total Assets	$ 18,952,907
FUND BALANCE	
Reserved	$ 18,952,907

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, 2015

	Bond Interest and Redemption
REVENUES	
State revenues	$ 167,136
Local revenues	20,713,624
Total Revenues	20,880,760
EXPENDITURES	
Current Expenditures	
Debt service - principal	6,600,000
Debt service - interest and other	14,796,843
Total Expenditures	21,396,843
DEFICIENCY OF REVENUES OVER EXPENDITURES	(516,083)
OTHER FINANCING SOURCES (USES)	
Other sources - refunding bonds	181,563,768
Other uses - payment to bond escrow agent	(180,538,889)
Total Other Financing Sources (Uses)	1,024,879
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	508,796
FUND BALANCE, BEGINNING OF YEAR	18,444,111
FUND BALANCE, END OF YEAR	$ 18,952,907

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, 2015

	Associated Students Organization	Student Representation Fees	Student Center Fees
ASSETS			
Investments	$ 229,550	$ 154,547	$ 4,812,945
Accounts receivable	209	143	4,513
Student receivable, net	24,467	14,086	83,277
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Fixed Assets	-	-	7,307
Total Assets	$ 254,226	$ 168,776	$ 4,908,042
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 309	$ -	$ 5,054
Due to other funds	-	-	-
Unearned revenue	-	20,361	96,804
Total Liabilities	309	20,361	101,858
FUND BALANCES			
Reserved	-	-	-
Unreserved			
Designated	253,917	148,415	4,806,184
Total Fund Balances	253,917	148,415	4,806,184
Total Liabilities and Fund Balances	$ 254,226	$ 168,776	$ 4,908,042

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
$ 180,673	$ 486,545	$ 135,848	$ 2,060,463	$ 8,060,571
151,715	451	-	109	157,140
14,104	5,646	-	26,236	167,816
9,134	-	-	-	9,134
-	-	25	943	968
-	-	-	-	7,307
$ 355,626	$ 492,642	$ 135,873	$ 2,087,751	$ 8,402,936
$ 156,199	$ 4,937	$ 5,083	$ 31,393	$ 202,975
195,212	-	-	-	195,212
-	-	46	-	117,211
351,411	4,937	5,129	31,393	515,398
4,215	-	-	-	4,215
-	487,705	130,744	2,056,358	7,883,323
4,215	487,705	130,744	2,056,358	7,887,538
$ 355,626	$ 492,642	$ 135,873	$ 2,087,751	$ 8,402,936

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, 2015

	Associated Students Organization	Student Representation Fees	Student Center Fees
REVENUES			
Federal revenues	$ -	$ -	$ -
State revenues	-	-	-
Local revenues	120,979	84,201	392,647
Total Revenues	120,979	84,201	392,647
EXPENDITURES			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	13,032	-	20,180
Employee benefits	515	-	1,024
Books and supplies	38,475	5,500	5,813
Services and operating expenditures	16,446	84,612	-
Capital outlay	575	-	18,689
Total Expenditures	69,043	90,112	45,706
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	51,936	(5,911)	346,941
OTHER FINANCING SOURCES (USES)			
Transfers in	5,850	-	-
Transfers out	(20,675)	-	(23,325)
Other sources	-	-	-
Other uses	-	-	-
Total Other Financing Sources (Uses)	(14,825)	-	(23,325)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	37,111	(5,911)	323,616
FUND BALANCE, BEGINNING OF YEAR	216,806	154,326	4,482,568
FUND BALANCE, END OF YEAR	$ 253,917	$ 148,415	$ 4,806,184

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
$ 40,793,133	$ -	$ -	$ -	$ 40,793,133
2,825,186	-	-	-	2,825,186
163	388,861	75,427	1,131,618	2,193,896
43,618,482	388,861	75,427	1,131,618	45,812,215
-	-	-	11,399	11,399
-	-	-	88,826	122,038
-	-	-	9,767	11,306
-	-	43,477	446,585	539,850
-	-	41,451	559,901	702,410
-	-	-	250,341	269,605
-	-	84,928	1,366,819	1,656,608
43,618,482	388,861	(9,501)	(235,201)	44,155,607
274,253	5,000	32,475	388,077	705,655
-	-	(2,950)	(56,850)	(103,800)
-	-	-	4,220	4,220
(43,892,572)	(380,498)	-	(450)	(44,273,520)
(43,618,319)	(375,498)	29,525	334,997	(43,667,445)
163	13,363	20,024	99,796	488,162
4,052	474,342	110,720	1,956,562	7,399,376
$ 4,215	$ 487,705	$ 130,744	$ 2,056,358	$ 7,887,538

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

COMBINING BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2015

	Enterprise Funds				
	Food Service				Internal Service Fund
	Ventura	Oxnard	Moorpark	Total	
ASSETS					
Cash and cash equivalents	$ 6,000	$ 3,000	$ 2,000	$ 11,000	$ -
Investments	43,433	419,405	216,811	679,649	4,863,663
Accounts receivable	819	1,232	2,521	4,572	14,339
Total Assets	$ 50,252	$ 423,637	$ 221,332	$ 695,221	$ 4,878,002
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 707,516
FUND EQUITY					
Retained earnings	50,252	423,637	221,332	695,221	4,170,486
Total Liabilities and Fund Equity	$ 50,252	$ 423,637	$ 221,332	$ 695,221	$ 4,878,002

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

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, 2015

	Enterprise Funds				
	Food Service				Internal Service Fund
	Ventura	Oxnard	Moorpark	Total	
OPERATING REVENUES					
Sales revenues	$ 42,978	$ 20,512	$ 70,498	$ 133,988	$ -
Other operating	11,667	11,667	11,666	35,000	368,155
Charges to other funds	-	-	-	-	12,280,791
Total Operating Revenues	54,645	32,179	82,164	168,988	12,648,946
OPERATING EXPENSES					
Classified salaries	4,921	-	10,027	14,948	-
Employee benefits	262	-	271	533	11,604,840
Books and supplies	2,978	-	1,192	4,170	-
Services and other operating expenditures	-	1,015	-	1,015	836,486
Capital outlay	-	3,609	-	3,609	-
Total Operating Expenses	8,161	4,624	11,490	24,275	12,441,326
Operating Income	46,484	27,555	70,674	144,713	207,620
NONOPERATING REVENUES (EXPENSES)					
Transfers in	-	-	-	-	1,075,000
Transfers out	(30,000)	(75,000)	(20,000)	(125,000)	-
Total Nonoperating Revenues (Expenses)	(30,000)	(75,000)	(20,000)	(125,000)	1,075,000
NET INCOME (LOSS)	16,484	(47,445)	50,674	19,713	1,282,620
RETAINED EARNINGS, BEGINNING OF YEAR	33,768	471,082	170,658	675,508	2,887,866
RETAINED EARNINGS, END OF YEAR	$ 50,252	$ 423,637	$ 221,332	$ 695,221	$ 4,170,486

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds				
	Food Service				Internal Service Fund
	Ventura	Oxnard	Moorpark	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	$ 46,484	$ 27,555	$ 70,674	$ 144,713	$ 207,620
Adjustments to reconcile operating income to net cash flows from operating activities					
Changes in assets and liabilities					
(Increase) decrease in:					
Accounts receivable	981	(282)	(221)	478	(13,925)
Loss on Disposal of equipment	-	4,625	-	4,625	-
Increase (decrease) in:					
Accounts payable	-	-	-	-	(35,383)
Net Cash Flows From Operating Activities	47,465	31,898	70,453	149,816	158,312
CASH FLOWS FROM INVESTING ACTIVITIES					
Transfers out	(30,000)	(75,000)	(20,000)	(125,000)	-
Transfers in	-	-	-	-	1,075,000
Net Cash Flows From Investing Activities	(30,000)	(75,000)	(20,000)	(125,000)	1,075,000
Net change in cash and cash equivalents	17,465	(43,102)	50,453	24,816	1,233,312
Cash and cash equivalents - Beginning	31,968	465,507	168,358	665,833	3,630,351
Cash and cash equivalents - Ending	$ 49,433	$ 422,405	$ 218,811	$ 690,649	$ 4,863,663

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

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, No. 38, and No. 39. 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, 2015, and have issued our report thereon dated December 2, 2015.

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 <u>not</u> 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.

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, 2015, 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.

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 $7,381,542 for the year ended June 30, 2015.

Prepaid Expenditures

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2015.

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 certain fiduciary funds, 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.

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.

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, 2015, was $20,836,385.

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.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $2,657,795 (5.679 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the years ended June 30, 2015. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

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 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 nonemployer 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.

- Pension plan assets are legally protected from the creditors of employers, nonemployer 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 and 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 nonemployer entity has a legal requirement to make contributions directly to a pension plan.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

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.

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 District has implemented the Provisions of this Statement for the year ended June 30, 2015.

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of State and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of Statements No. 67 and No. 68 with regard to the following issues:

- Information that is required to be presented as notes to the ten-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.

- Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions.

- Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans—defined benefit and defined contribution—administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB 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 all postemployment benefits (pensions and OPEB) 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 Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of State and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to 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 defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.

- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.

- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of State and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier implementation is permitted.

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.

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, 2015, consist of the following:

Cash on hand and in banks	$ 59,935
Investments	149,210,249
Total Deposits and Investments	$ 149,270,184

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:

Investment Type	Fair Value	Weighted Average Maturity in Days
Ventura County Investment Pool	$ 149,354,520	295

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, 2015, 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.

Investment Type	Fair Value	Minimum Legal Rating	Rating June 30, 2015
Ventura County Investment Pool	$ 149,354,520	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, 2015, 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, 2015, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	$ 1,025,406	$ -	$ -	$ -	$ 135,510	$ -	$ 1,160,916
State Government							
Categorical aid	507,553	-	-	-	-	-	507,553
Lottery	2,199,954	-	-	-	-	-	2,199,954
Mandated cost claims	5,547,676	-	-	-	-	-	5,547,676
Other State	-	10,696	-	-	-	-	10,696
Local Sources							
Interest	96,595	-	23,023	17,266	5,316	-	142,200
Oxnard Foundation	242,123	-	-	-	-	-	242,123
Other local	543,124	-	-	-	16,314	18,911	578,349
Accounts receivable	10,162,431	10,696	23,023	17,266	157,140	18,911	10,389,467
Less: reserve	(5,547,676)	-	-	-	-	-	(5,547,676)
Accounts receivable, net	$ 4,614,755	$ 10,696	$ 23,023	$ 17,266	$ 157,140	$ 18,911	$ 4,841,791

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Student receivable	$ 2,137,012	$ 25,389	$ 42,961	$ -	$ 645,087	$ -	$ 2,850,449
Less: reserve	(1,356,595)	-	-	-	(477,271)	-	(1,833,866)
Student receivable, net	$ 780,417	$ 25,389	$ 42,961	$ -	$ 167,816	$ -	$ 1,016,583

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2015, are as follows:

	Interfund Receivables	Interfund Payables
Funds		
General Unrestricted	$ 313,184	$ -
General Restricted	-	123,075
Child Development	-	4,031
Student Financial Aid	9,134	195,212
Total	$ 322,318	$ 322,318

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, 2015, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	$ 1,121,768
The General Unrestricted Fund transferred to the Capital Outlay Fund	2,545,244
The General Unrestricted Fund transferred to the Internal Service Fund	1,075,000
The General Unrestricted Fund transferred to the Student Clubs Fund	20,000
The General Unrestricted Fund transferred to the Other Trust Fund	256,927
The General Restricted Fund to the Capital Outlay Fund	756,000
The General Restricted Fund to the Student Financial Aid Fund	274,253
The Other Special Revenue Fund transferred to General Restricted Fund	110,000
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	5,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	12,475
The Associated Students Organization Fund transferred to the Other Trust Fund	3,200
The Student Center Fee Fund transferred to the Capital Outlay Fund	23,325
The Student Clubs transferred to the Other Trust Fund	2,950
The Other Trust Fund transferred to the Child Development Fund	51,000
The Other Trust Fund transferred to the Associated Students Organization Funds	5,850
The Food Service fund (Ventura) transferred to the Other Trust Fund	30,000
The Food Service Fund (Oxnard) transferred to the Other Trust Fund	75,000
The Food Service (Moorpark) transferred to the Other Trust Fund	20,000
Total	$ 6,387,992

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2015, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	$ 2,612,279	$ 441	$ -	$ -	$ -	$ 2,612,720
Accrued vacation	712,515	-	-	-	-	712,515
Construction	-	-	4,676,387	-	-	4,676,387
Student liabilities	2,885,311	-	-	4,771	-	2,890,082
Load banking	-	-	-	-	707,006	707,006
Other	2,857,776	156	-	198,204	510	3,056,646
Total	$ 9,067,881	$ 597	$ 4,676,387	$ 202,975	$ 707,516	$ 14,655,356

NOTE 7 - UNEARNED REVENUE

Unearned revenue at June 30, 2015, consists of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Total
Federal categorical aid	$ 6,066	$ -	$ -	$ -	$ 6,066
State categorical aid	4,116,420	-	-	-	4,116,420
State apportionment	1,276,187	-	-	-	1,276,187
Other State	5,431,637	-	-	-	5,431,637
RDA deferral	954,209	-	462,236	-	1,416,445
Schedule maintenance	-	-	1,253,244	-	1,253,244
Lottery	1,988,878	-	-	-	1,988,878
Other grants	157,436	-	-	-	157,436
Enrollment/student fees	2,850,589	-	16,569	117,165	2,984,323
Local	48,832	7,500	-	46	56,378
Total	$ 16,830,254	$ 7,500	$ 1,732,049	$ 117,211	$ 18,687,014

NOTE 8 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	$ 534,692	$ -	$ 17,000	$ -
Revolving cash	25,000	-	-	-
Restricted programs	6,328,634	-	-	-
Capital outlay	-	-	40,011,416	-
Debt repayment	-	-	-	18,952,907
Total Reserved	6,888,326	-	40,028,416	18,952,907
Unreserved				
Designated				
General reserves	7,025,449	381,778	-	-
Budget rollover	2,354,379	-	-	-
Revenue shortfall contingency	5,000,000	-	-	-
Total Designated	14,379,828	381,778	-	-
Undesignated	28,956,791	-	-	-
Total Unreserved	43,336,619	381,778	-	-
Total	$ 50,224,945	$ 381,778	$ 40,028,416	$ 18,952,907

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.

Construction Commitments

As of June 30, 2015, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Moorpark College Parking Structure	$48,043	December 31, 2015
Oxnard College Planning and Development (indirect)	324,421	September 30, 2016
Oxnard College CW Planning and Development (indirect)	1,665	September 30, 2016
Oxnard College LRC Renovation	5,295,646	December 31, 2016
Oxnard College Dental Hygiene Expansion/Renovation	2,327,837	December 31, 2015
Ventura College Planning and Development (indirect)	294,683	September 30, 2016
Ventura College CW Planning and Development (indirect)	1,895	September 30, 2016
Ventura College Applied Science Building	3,927,485	December 31, 2015
Ventura College Maintenance and Operation Renovation	103,678	September 30, 2015
Ventura College Electrical Systems Upgrade	13,393	September 30, 2015
Ventura College Studio Arts Building	3,904,314	September 30, 2016
	$ 16,243,060	

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