



**VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT**

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

JUNE 30, 2013

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY

VENTURA, CALIFORNIA

JUNE 30, 2013

BOARD OF TRUSTEES

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

ADMINISTRATION

Dr. Jamillah Moore	Chancellor
Ms. Susan F. Johnson	Vice Chancellor, Business and Administrative Services
Ms. Annette Loria	Interim 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

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting of the governmental fund types, fiduciary fund types, and proprietary fund types described in Notes 1 and 2; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified accrual basis of accounting of the governmental fund types, fiduciary fund types, and proprietary fund types of the District as of June 30, 2013, and the respective changes in financial position—modified accrual basis of accounting and cash flows, thereof for the year then ended in accordance with the basis of accounting as described in Notes 1 and 2.

Emphasis of Matter

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

Purpose of This Report

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

Vaunink, Trine, Day & Co., LLP
Rancho Cucamonga, California
December 5, 2013

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

GENERAL FUNDS

JUNE 30, 2013

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 50,800	\$ -	\$ 50,800
Investments	21,117,732	7,775,785	28,893,517
Accounts receivable, net	17,161,471	1,717,972	18,879,443
Student loan receivable, net	211,505	262,344	473,849
Due from other funds	256,183	-	256,183
Prepaid expenditures	217,940	-	217,940
Total Assets	<u>\$ 39,015,631</u>	<u>\$ 9,756,101</u>	<u>\$ 48,771,732</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 6,384,024	\$ 364,763	\$ 6,748,787
Due to other funds	-	204,579	204,579
Other current liabilities	3,000	-	3,000
Deferred revenue	4,033,360	2,946,726	6,980,086
Total Liabilities	<u>10,420,384</u>	<u>3,516,068</u>	<u>13,936,452</u>
FUND BALANCES			
Reserved	217,940	6,240,033	6,457,973
Unreserved			
Designated	14,442,278	-	14,442,278
Undesignated	13,935,029	-	13,935,029
Total Fund Balances	<u>28,595,247</u>	<u>6,240,033</u>	<u>34,835,280</u>
Total Liabilities and Fund Balances	<u>\$ 39,015,631</u>	<u>\$ 9,756,101</u>	<u>\$ 48,771,732</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, 2013**

	<u>General Unrestricted</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal revenues	\$ 62,500	\$ 2,940	\$ (59,560)
State revenues	55,657,490	58,073,474	2,415,984
Local revenues	70,087,207	72,247,489	2,160,282
Total Revenues	<u>125,807,197</u>	<u>130,323,903</u>	<u>4,516,706</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	54,264,657	53,843,587	421,070
Classified salaries	23,055,985	22,558,956	497,029
Employee benefits	33,479,276	33,207,002	272,274
Books and supplies	2,717,715	1,921,738	795,977
Services and operating expenditures	13,224,294	12,523,116	701,178
Capital outlay	1,274,532	900,780	373,752
Debt service - principal	142,000	139,881	2,119
Debt service - interest and other	-	1,744	(1,744)
Total Expenditures	<u>128,158,459</u>	<u>125,096,804</u>	<u>3,061,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
OTHER FINANCING SOURCES (USES)	<u>(2,351,262)</u>	5,227,099	7,578,361
Operating transfers in	627,999	370,138	(257,861)
Operating transfers out	(5,339,992)	(3,741,111)	1,598,881
Other uses	(54,841)	(30,832)	24,009
Total Other Financing Sources (Uses)	<u>(4,766,834)</u>	<u>(3,401,805)</u>	<u>1,365,029</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (7,118,096)</u>	1,825,294	<u>\$ 8,943,390</u>
FUND BALANCE, BEGINNING OF YEAR		<u>26,769,953</u>	
FUND BALANCE, END OF YEAR		<u>\$ 28,595,247</u>	

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

<u>General Restricted</u>			<u>Total</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ 6,373,605	\$ 4,377,988	\$ (1,995,617)	\$ 6,436,105	\$ 4,380,928	\$ (2,055,177)
10,371,256	8,012,239	(2,359,017)	66,028,746	66,085,713	56,967
3,998,750	3,996,017	(2,733)	74,085,957	76,243,506	2,157,549
<u>20,743,611</u>	<u>16,386,244</u>	<u>(4,357,367)</u>	<u>146,550,808</u>	<u>146,710,147</u>	<u>159,339</u>
3,338,838	2,568,275	770,563	57,603,495	56,411,862	1,191,633
7,315,836	6,475,472	840,364	30,371,821	29,034,428	1,337,393
3,573,959	3,194,099	379,860	37,053,235	36,401,101	652,134
2,650,009	1,009,274	1,640,735	5,367,724	2,931,012	2,436,712
2,744,161	1,753,934	990,227	15,968,455	14,277,050	1,691,405
1,523,389	867,954	655,435	2,797,921	1,768,734	1,029,187
-	-	-	142,000	139,881	2,119
-	-	-	-	1,744	(1,744)
<u>21,146,192</u>	<u>15,869,008</u>	<u>5,277,184</u>	<u>149,304,651</u>	<u>140,965,812</u>	<u>8,338,839</u>
(402,581)	517,236	919,817	(2,753,843)	5,744,335	8,498,178
857,705	860,515	2,810	1,485,704	1,230,653	(255,051)
(478,503)	(447,315)	31,188	(5,818,495)	(4,188,426)	1,630,069
(188,894)	(187,603)	1,291	(243,735)	(218,435)	25,300
<u>190,308</u>	<u>225,597</u>	<u>35,289</u>	<u>(4,576,526)</u>	<u>(3,176,208)</u>	<u>1,400,318</u>
<u>\$ (212,273)</u>	742,833	<u>\$ 955,106</u>	<u>\$ (7,330,369)</u>	2,568,127	<u>\$ 9,898,496</u>
	5,497,200			32,267,153	
	<u>\$ 6,240,033</u>			<u>\$ 34,835,280</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

SPECIAL REVENUE FUNDS

JUNE 30, 2013

	Child Development	Other Special Revenue	Total
ASSETS			
Investments	\$ 394,111	\$ 45,202	\$ 439,313
Student receivable	24,610	-	24,610
Total Assets	<u>\$ 418,721</u>	<u>\$ 45,202</u>	<u>\$ 463,923</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 96	\$ 1,897	\$ 1,993
Deferred revenue	6,100	-	6,100
Total Liabilities	<u>6,196</u>	<u>1,897</u>	<u>8,093</u>
FUND BALANCES			
Unreserved			
Designated	<u>412,525</u>	<u>43,305</u>	<u>455,830</u>
Total Liabilities and Fund Balances	<u>\$ 418,721</u>	<u>\$ 45,202</u>	<u>\$ 463,923</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, 2013**

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State revenues	\$ 91,473	\$ 91,473	\$ -
Local revenues	844,500	701,254	(143,246)
Total Revenues	<u>935,973</u>	<u>792,727</u>	<u>(143,246)</u>
EXPENDITURES			
Current Expenditures			
Classified salaries	720,974	681,768	39,206
Employee benefits	352,540	340,207	12,333
Books and supplies	19,000	15,378	3,622
Services and operating expenditures	6,860	6,538	322
Total Expenditures	<u>1,099,374</u>	<u>1,043,891</u>	<u>55,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
OTHER FINANCING SOURCES (USES)	(163,401)	(251,164)	(87,763)
Operating transfers in	85,000	119,805	34,805
Operating transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>85,000</u>	<u>119,805</u>	<u>34,805</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (78,401)</u>	(131,359)	<u>\$ (52,958)</u>
FUND BALANCE, BEGINNING OF YEAR		543,884	
FUND BALANCE, END OF YEAR		<u><u>\$ 412,525</u></u>	

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

<u>Other Special Revenue</u>			<u>Total</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -	\$ 91,473	\$ 91,473	\$ -
158,000	154,386	(3,614)	1,002,500	855,640	(146,860)
<u>158,000</u>	<u>154,386</u>	<u>(3,614)</u>	<u>1,093,973</u>	<u>947,113</u>	<u>(146,860)</u>
13,982	9,796	4,186	734,956	691,564	43,392
4,663	4,546	117	357,203	344,753	12,450
1,800	1,564	236	20,800	16,942	3,858
14,800	14,469	331	21,660	21,007	653
<u>35,245</u>	<u>30,375</u>	<u>4,870</u>	<u>1,134,619</u>	<u>1,074,266</u>	<u>60,353</u>
122,755	124,011	1,256	(40,646)	(127,153)	(86,507)
-	-	-	85,000	119,805	34,805
(96,000)	(96,000)	-	(96,000)	(96,000)	-
<u>(96,000)</u>	<u>(96,000)</u>	<u>-</u>	<u>(11,000)</u>	<u>23,805</u>	<u>34,805</u>
<u>\$ 26,755</u>	28,011	<u>\$ 1,256</u>	<u>\$ (51,646)</u>	(103,348)	<u>\$ (51,702)</u>
	15,294			559,178	
	<u>\$ 43,305</u>			<u>\$ 455,830</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

CAPITAL PROJECT FUNDS

JUNE 30, 2013

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
ASSETS			
Investments	\$ 20,196,674	\$ 53,101,989	\$ 73,298,663
Accounts receivable	-	82,674	82,674
Student loan receivable	30,157	-	30,157
Prepaid expenses	17,000	-	17,000
Total Assets	<u>\$ 20,243,831</u>	<u>\$ 53,184,663</u>	<u>\$ 73,428,494</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 942,203	\$ 2,567,845	\$ 3,510,048
Deferred revenue	500,868	-	500,868
Total Liabilities	<u>1,443,071</u>	<u>2,567,845</u>	<u>4,010,916</u>
FUND BALANCES			
Reserved	17,000	-	17,000
Unreserved			
Designated	18,783,760	50,616,818	69,400,578
Total Fund Balances	<u>18,800,760</u>	<u>50,616,818</u>	<u>69,417,578</u>
Total Liabilities and Fund Balances	<u>\$ 20,243,831</u>	<u>\$ 53,184,663</u>	<u>\$ 73,428,494</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, 2013**

	Capital Outlay	Bond Construction	Total
REVENUES			
State revenues	\$ 95,002	\$ -	\$ 95,002
Local revenues	1,208,119	288,314	1,496,433
Total Revenues	<u>1,303,121</u>	<u>288,314</u>	<u>1,591,435</u>
EXPENDITURES			
Current Expenditures			
Classified salaries	3,702	-	3,702
Employee benefits	320	-	320
Books and supplies	277,600	37,325	314,925
Services and operating expenditures	522,240	259,265	781,505
Capital outlay	4,640,617	13,810,650	18,451,267
Total Expenditures	<u>5,444,479</u>	<u>14,107,240</u>	<u>19,551,719</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES			
OTHER FINANCING SOURCES (USES)	<u>(4,141,358)</u>	<u>(13,818,926)</u>	<u>(17,960,284)</u>
Operating transfers in	2,985,193	-	2,985,193
Operating transfers out	(285,066)	-	(285,066)
Total Other Financing Sources (Uses)	<u>2,700,127</u>	<u>-</u>	<u>2,700,127</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>(1,441,231)</u>	<u>(13,818,926)</u>	<u>(15,260,157)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>20,241,991</u>	<u>64,435,744</u>	<u>84,677,735</u>
FUND BALANCE, END OF YEAR	<u>\$ 18,800,760</u>	<u>\$ 50,616,818</u>	<u>\$ 69,417,578</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, 2013

	<u>Bond Interest and Redemption</u>
ASSETS	
Investments	\$ 16,629,688
Accounts receivable	13,542
Total Assets	<u>\$ 16,643,230</u>
 FUND BALANCE	
Unreserved	
Designated	\$ 16,643,230
Total Fund Balance	<u>\$ 16,643,230</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, 2013**

	Bond Interest and Redemption
REVENUES	
State revenues	\$ 184,748
Local revenues	20,199,545
Total Revenues	<u>20,384,293</u>
EXPENDITURES	
Current Expenditures	
Debt service - principal	2,280,000
Debt service - interest and other	14,228,138
Total Expenditures	<u>16,508,138</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,876,155
FUND BALANCE, BEGINNING OF YEAR	<u>12,767,075</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 16,643,230</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, 2013

	Associated Students Organization	Student Representation Fees	Student Center Fees
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	212,903	159,983	4,065,375
Accounts receivable	180	130	3,383
Student loan receivable, net	13,248	12,660	77,423
Due from other funds	-	-	-
Total Assets	\$ 226,331	\$ 172,773	\$ 4,146,181
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 7,077	\$ 1,454	\$ -
Due to other funds	-	-	-
Deferred revenue	-	12,941	55,475
Total Liabilities	7,077	14,395	55,475
FUND BALANCES			
Reserved	-	-	-
Unreserved			
Designated	219,254	158,378	4,090,706
Total Fund Balances	219,254	158,378	4,090,706
Total Liabilities and Fund Balances	\$ 226,331	\$ 172,773	\$ 4,146,181

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 13,562	\$ -	\$ -	\$ -	\$ 13,562
-	352,423	93,678	2,178,170	7,062,532
18,414	292	-	124	22,523
15,749	6,597	-	29,438	155,115
5,159	-	-	-	5,159
<u>\$ 52,884</u>	<u>\$ 359,312</u>	<u>\$ 93,678</u>	<u>\$ 2,207,732</u>	<u>\$ 7,258,891</u>
\$ 9,037	\$ 3,633	\$ 3,671	\$ 59,281	\$ 84,153
42,671	-	-	-	42,671
-	-	-	-	68,416
<u>51,708</u>	<u>3,633</u>	<u>3,671</u>	<u>59,281</u>	<u>195,240</u>
1,176	-	-	-	1,176
-	355,679	90,007	2,148,451	7,062,475
<u>1,176</u>	<u>355,679</u>	<u>90,007</u>	<u>2,148,451</u>	<u>7,063,651</u>
<u>\$ 52,884</u>	<u>\$ 359,312</u>	<u>\$ 93,678</u>	<u>\$ 2,207,732</u>	<u>\$ 7,258,891</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, 2013**

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
REVENUES			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	87,629	81,491	394,161
Total Revenues	<u>87,629</u>	<u>81,491</u>	<u>394,161</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	18,746	65	-
Employee benefits	874	7	-
Books and supplies	37,087	547	64
Services and operating expenditures	15,574	70,194	1,088
Capital outlay	3,408	-	17,635
Total Expenditures	<u>75,689</u>	<u>70,813</u>	<u>18,787</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
OTHER FINANCING SOURCES (USES)	11,940	10,678	375,374
Operating transfers in	800	-	29,702
Operating transfers out	(44,181)	(800)	-
Other uses	-	-	-
Total Other Financing Sources (Uses)	<u>(43,381)</u>	<u>(800)</u>	<u>29,702</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(31,441)	9,878	405,076
FUND BALANCE, BEGINNING OF YEAR	250,695	148,500	3,685,630
FUND BALANCE, END OF YEAR	<u>\$ 219,254</u>	<u>\$ 158,378</u>	<u>\$ 4,090,706</u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 42,412,120	\$ -	\$ -	\$ -	\$ 42,412,120
1,931,844	-	-	-	1,931,844
172	318,723	58,074	1,043,100	1,983,350
<u>44,344,136</u>	<u>318,723</u>	<u>58,074</u>	<u>1,043,100</u>	<u>46,327,314</u>
-	-	-	17,524	17,524
-	-	1,975	108,230	129,016
-	-	208	13,133	14,222
-	-	42,116	390,274	470,088
-	1,750	37,248	464,556	590,410
-	-	448	151,830	173,321
<u>-</u>	<u>1,750</u>	<u>81,995</u>	<u>1,145,547</u>	<u>1,394,581</u>
44,344,136	316,973	(23,921)	(102,447)	44,932,733
201,686	9,000	45,831	275,497	562,516
-	-	(19,115)	(138,579)	(202,675)
<u>(44,545,650)</u>	<u>(365,747)</u>	<u>(5,596)</u>	<u>(1,735)</u>	<u>(44,918,728)</u>
<u>(44,343,964)</u>	<u>(356,747)</u>	<u>21,120</u>	<u>135,183</u>	<u>(44,558,887)</u>
172	(39,774)	(2,801)	32,736	373,846
1,004	395,453	92,808	2,115,715	6,689,805
<u>\$ 1,176</u>	<u>\$ 355,679</u>	<u>\$ 90,007</u>	<u>\$ 2,148,451</u>	<u>\$ 7,063,651</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

COMBINING BALANCE SHEET

PROPRIETARY FUNDS

JUNE 30, 2013

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
ASSETS			
Cash and cash equivalents	\$ 22,700	\$ 4,000	\$ 11,323
Investments	693,370	282,114	2,489,938
Accounts receivable	208,254	188,458	375,450
Student loan receivable	19,709	12,452	6,615
Inventories	787,500	244,743	360,423
Furniture and equipment, net	2,205	-	33,193
Total Assets	<u>\$ 1,733,738</u>	<u>\$ 731,767</u>	<u>\$ 3,276,942</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 36,235	\$ 17,862	\$ 36,669
Due to other funds	-	-	-
Total Liabilities	<u>36,235</u>	<u>17,862</u>	<u>36,669</u>
FUND EQUITY			
Retained earnings	<u>1,697,503</u>	<u>713,905</u>	<u>3,240,273</u>
Total Liabilities and Fund Equity	<u>\$ 1,733,738</u>	<u>\$ 731,767</u>	<u>\$ 3,276,942</u>

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

Cafeteria				Internal Service Fund
Ventura	Oxnard	Moorpark	Total	
\$ -	\$ 3,000	\$ 2,000	\$ 43,023	\$ -
28,123	429,022	74,514	3,997,081	3,270,689
1,809	1,001	2,486	777,458	110
-	-	-	38,776	-
-	-	-	1,392,666	-
-	4,625	-	40,023	-
<u>\$ 29,932</u>	<u>\$ 437,648</u>	<u>\$ 79,000</u>	<u>\$ 6,289,027</u>	<u>\$ 3,270,799</u>
\$ -	\$ -	\$ -	\$ 90,766	\$ 793,296
-	-	-	-	14,092
-	-	-	90,766	807,388
29,932	437,648	79,000	6,198,261	2,463,411
<u>\$ 29,932</u>	<u>\$ 437,648</u>	<u>\$ 79,000</u>	<u>\$ 6,289,027</u>	<u>\$ 3,270,799</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, 2013**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
OPERATING REVENUES			
Sales revenues	\$ 2,753,872	\$ 1,530,928	\$ 2,936,642
Charges to other funds	-	-	-
Total Operating Revenues	<u>2,753,872</u>	<u>1,530,928</u>	<u>2,936,642</u>
OPERATING EXPENSES			
Classified salaries	283,826	208,883	298,940
Employee benefits	166,415	100,156	164,835
Books and supplies	2,061,125	1,116,637	2,169,303
Services and other operating expenditures	86,981	62,043	93,142
Capital outlay	-	682	-
Total Operating Expenses	<u>2,598,347</u>	<u>1,488,401</u>	<u>2,726,220</u>
Operating Income	<u>155,525</u>	<u>42,527</u>	<u>210,422</u>
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous revenues	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(96,000)	-	(75,000)
Other uses	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(96,000)</u>	<u>-</u>	<u>(75,000)</u>
NET INCOME	59,525	42,527	135,422
RETAINED EARNINGS, BEGINNING OF YEAR	1,637,978	671,378	3,104,851
RETAINED EARNINGS, END OF YEAR	<u>\$ 1,697,503</u>	<u>\$ 713,905</u>	<u>\$ 3,240,273</u>

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

Cafeteria				Total	Internal Service Fund
Ventura	Oxnard	Moorpark			
\$ 64,616	\$ 24,472	\$ 73,677	\$ 7,384,207	\$ -	
-	-	-	-	10,922,780	
<u>64,616</u>	<u>24,472</u>	<u>73,677</u>	<u>7,384,207</u>	<u>10,922,780</u>	
1,813	-	3,906	797,368	-	
67	-	82	431,555	10,104,870	
3,170	-	2,360	5,352,595	-	
16	-	(5)	242,177	12,093	
11,285	4,766	-	16,733	-	
<u>16,351</u>	<u>4,766</u>	<u>6,343</u>	<u>6,840,428</u>	<u>10,116,963</u>	
<u>48,265</u>	<u>19,706</u>	<u>67,334</u>	<u>543,779</u>	<u>805,817</u>	
11,667	11,667	11,666	35,000	310,576	
-	-	-	-	75,000	
(30,000)	-	-	(201,000)	-	
-	-	-	-	(850,000)	
<u>(18,333)</u>	<u>11,667</u>	<u>11,666</u>	<u>(166,000)</u>	<u>(464,424)</u>	
29,932	31,373	79,000	377,779	341,393	
-	406,275	-	5,820,482	2,122,018	
<u>\$ 29,932</u>	<u>\$ 437,648</u>	<u>\$ 79,000</u>	<u>\$ 6,198,261</u>	<u>\$ 2,463,411</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 155,525	\$ 42,527	\$ 210,422
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation	-	638	2,874
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	60,472	(84,058)	(258,050)
Student loan receivable	(1,712)	(4,592)	(1,291)
Inventory	323,150	(6,423)	117,700
Increase (decrease) in:			
Accounts payable	(9,493)	(761)	8,571
Due to other funds	-	-	-
Net Cash Flows From Operating Activities	<u>527,942</u>	<u>(52,669)</u>	<u>80,226</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Miscellaneous revenues	-	-	-
Transfers out	(96,000)	-	(75,000)
Transfers in	-	-	-
Other uses	-	-	-
Net Cash Flows From Investing Activities	<u>(96,000)</u>	<u>-</u>	<u>(75,000)</u>
Net change in cash and cash equivalents	431,942	(52,669)	5,226
Cash and cash equivalents - Beginning	284,128	338,783	2,496,035
Cash and cash equivalents - Ending	<u>\$ 716,070</u>	<u>\$ 286,114</u>	<u>\$ 2,501,261</u>

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

Cafeteria				Total	Internal Service Fund
Ventura	Oxnard	Moorpark			
\$ 48,265	\$ 19,706	\$ 67,334	\$ 543,779	\$ 805,817	
-	-	-	3,512	-	
(1,809)	(1,001)	(2,486)	(286,932)	(110)	
-	-	-	(7,595)	-	
-	-	-	434,427	-	
(5,694)	-	(6,334)	(13,711)	(137,018)	
-	-	-	-	14,092	
<u>40,762</u>	<u>18,705</u>	<u>58,514</u>	<u>673,480</u>	<u>682,781</u>	
11,667	11,667	11,666	35,000	310,576	
(30,000)	-	-	(201,000)	-	
-	-	-	-	75,000	
-	-	-	-	(850,000)	
<u>(18,333)</u>	<u>11,667</u>	<u>11,666</u>	<u>(166,000)</u>	<u>(464,424)</u>	
22,429	30,372	70,180	507,480	218,357	
5,694	401,650	6,334	3,532,624	3,052,332	
<u>\$ 28,123</u>	<u>\$ 432,022</u>	<u>\$ 76,514</u>	<u>\$ 4,040,104</u>	<u>\$ 3,270,689</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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, 2013, and have issued our report thereon dated December 5, 2013.

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, 2013

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, 2013, 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, 2013

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 \$8,386,621 for the year ended June 30, 2013.

Prepaid Expenditures

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2013.

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, 2013

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, 2013

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, 2013, was \$20,329,593.

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.

Changes in Accounting Principles

In March 2012, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 62 establishes standards of financial accounting and reporting for capitalizing interest cost as a part of the historical cost of acquiring certain assets. For the purposes of applying this Statement, interest cost includes interest recognized on obligations having explicit interest rates and interest imputed on certain types of payables, as well as interest related to capital leases.

The District has implemented the provisions of this Statement for the year ended June 30, 2013.

In June 2011, the 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. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The District has implemented the provisions of this Statement for the year ended June 30, 2013.

New Accounting Pronouncements

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

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

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Early implementation is encouraged.

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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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

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

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

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

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

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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

This Statement is effective for fiscal years beginning after June 15, 2014. Early implementation is encouraged.

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, 2013**

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, 2013, consist of the following:

Cash on hand and in banks	\$ 107,385
Investments	133,591,483
Total Deposits and Investments	<u>\$ 133,698,868</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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 Ventura County investment pool.

Specific Identification

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>
Ventura County Investment Pool	<u>\$ 133,348,441</u>	276*

* 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 Ventura 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, 2013</u>
Ventura County Investment Pool	<u>\$ 133,348,441</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, 2013, 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, 2013**

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2013, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 781,178	\$ -	\$ -	\$ -	\$ 10,727	\$ -	\$ 791,905
State Government							
Apportionment	15,507,490	-	-	-	-	-	15,507,490
Categorical aid	203,124	-	-	-	6,950	-	210,074
Lottery	1,857,939	-	-	-	-	-	1,857,939
Mandated cost claims	6,673,514	-	-	-	-	-	6,673,514
Local Sources							
Interest	87,500	-	82,674	13,542	3,985	-	187,701
Other local	442,212	-	-	-	861	777,568	1,220,641
Accounts receivable	25,552,957	-	82,674	13,542	22,523	777,568	26,449,264
Less: reserve	(6,673,514)	-	-	-	-	-	(6,673,514)
Accounts receivable, net	<u>\$ 18,879,443</u>	<u>\$ -</u>	<u>\$ 82,674</u>	<u>\$ 13,542</u>	<u>\$ 22,523</u>	<u>\$ 777,568</u>	<u>\$ 19,775,750</u>
Student loan receivable	\$ 1,836,047	\$ 24,610	\$ 30,157	\$ -	\$ 506,024	\$ 38,776	\$ 2,435,614
Less: reserve	(1,362,198)	-	-	-	(350,909)	-	(1,713,107)
Student loan receivable, net	<u>\$ 473,849</u>	<u>\$ 24,610</u>	<u>\$ 30,157</u>	<u>\$ -</u>	<u>\$ 155,115</u>	<u>\$ 38,776</u>	<u>\$ 722,507</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2013, are as follows:

Funds	Interfund Receivables	Interfund Payables
General Unrestricted	\$ 256,183	\$ -
General Restricted	-	204,579
Student Financial Aid	5,159	42,671
Internal Service	-	14,092
Total	<u>\$ 261,342</u>	<u>\$ 261,342</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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, 2013, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 860,515
The General Unrestricted Fund transferred to the Capital Outlay Fund	2,739,564
The General Unrestricted Fund transferred to the Other Trust Fund	66,032
The General Unrestricted Fund transferred to the Internal Service Fund	75,000
The General Restricted Fund transferred to the Capital Outlay Fund	245,629
The General Restricted Fund transferred to the Student Financial Aid Fund	201,686
The Other Special Revenue Fund transferred to the General Unrestricted Fund	96,000
The Capital Outlay Fund transferred to the General Unrestricted Fund	255,364
The Capital Outlay Fund transferred to the Student Center Fees Fund	29,702
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	9,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	25,831
The Associated Students Organization Fund transferred to the Other Trust Fund	9,350
The Student Representation Fees Fund transferred to the Associated Students Organization Fund	800
The Student Clubs Fund transferred to the Other Trust Fund	19,115
The Other Trust Fund transferred to the General Unrestricted Fund	18,774
The Other Trust Fund transferred to the Child Development Fund	119,805
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	96,000
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 Cafeteria Fund (Ventura) transferred to the Other Trust Fund	30,000
Total	<u>\$ 4,973,167</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2013, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 2,135,194	\$ -	\$ -	\$ -	\$ -	\$ 2,135,194
Accrued vacation	649,468	-	-	-	52,619	702,087
Construction	-	-	3,510,048	-	-	3,510,048
Student liabilities	2,421,785	-	-	3,633	-	2,425,418
Load banking	-	-	-	-	792,214	792,214
Other	1,542,340	1,993	-	80,520	39,229	1,664,082
Total	<u>\$ 6,748,787</u>	<u>\$ 1,993</u>	<u>\$ 3,510,048</u>	<u>\$ 84,153</u>	<u>\$ 884,062</u>	<u>\$ 11,229,043</u>

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2013, consists of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Total
Federal categorical aid	\$ 7,493	\$ -	\$ -	\$ -	\$ 7,493
Other Federal	24,368	-	-	-	24,368
State categorical aid	1,124,391	-	-	-	1,124,391
State apportionment	2,138,014	-	-	-	2,138,014
RDA deferral	661,897	-	-	-	661,897
Schedule maintenance	-	-	136,188	-	136,188
Lottery	1,338,700	-	-	-	1,338,700
Other State	7,264	-	356,981	-	364,245
Enrollment/student fees	1,525,222	-	7,699	12,941	1,545,862
Local	152,737	6,100	-	55,475	214,312
Total	<u>\$ 6,980,086</u>	<u>\$ 6,100</u>	<u>\$ 500,868</u>	<u>\$ 68,416</u>	<u>\$ 7,555,470</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 8 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	\$ 217,940	\$ -	\$ 17,000	\$ -
Restricted programs	6,240,033	-	-	-
Total Reserved	<u>6,457,973</u>	<u>-</u>	<u>17,000</u>	<u>-</u>
Unreserved				
Designated				
Capital outlay	-	-	69,400,578	-
Debt repayment	-	-	-	16,643,230
General reserves	6,838,130	455,830	-	-
Budget rollover	2,126,148	-	-	-
Revenue shortfall contingency	5,000,000	-	-	-
Other	478,000	-	-	-
Total Designated	<u>14,442,278</u>	<u>455,830</u>	<u>69,400,578</u>	<u>16,643,230</u>
Undesignated	<u>13,935,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unreserved	<u>28,377,307</u>	<u>455,830</u>	<u>69,400,578</u>	<u>16,643,230</u>
Total	<u>\$ 34,835,280</u>	<u>\$ 455,830</u>	<u>\$ 69,417,578</u>	<u>\$ 16,643,230</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, 2013**

Construction Commitments

As of June 30, 2013, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECT</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Moorpark College Planning and Development (indirect)	\$ 77	06/30/17
Moorpark College CW Planning and Development (indirect)	1,721	06/30/17
Moorpark College Infrastructure	5,285	12/31/14
Moorpark College Library Renovation	56,954	12/31/14
Moorpark College Parking Structure	7,668,671	12/31/14
Moorpark College Piped Utility Systems	160,500	12/31/14
Oxnard College Planning and Development (indirect)	5,066,110	06/30/17
Oxnard College CW Planning and Development (indirect)	1,890	06/30/17
Oxnard College LRC Renovation	121,114	06/30/16
OC Dental Hygiene Expansion/Renovation	231,235	12/31/15
VC Planning and Development (indirect)	290,613	06/30/17
VC CW Planning and Development (indirect)	1,813	06/30/17
VC Applied Science Building	221,853	12/30/15
VC Maintenance and Operations Renovation	185,112	06/30/17
VC Electrical Systems Upgrade	91,976	06/30/17
VC Renovate Theater Building	102,671	12/31/13
VC Studio Arts Building	109,393	06/30/16
VC INF Piped Utility Systems	2,816	06/30/17
Fire/Sheriff Planning and Development Costs (indirect)	141,167	06/30/17
	<u>\$ 14,460,971</u>	

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