



**VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT**

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

JUNE 30, 2008

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY

VENTURA, CALIFORNIA

JUNE 30, 2008

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Dr. Larry O. Miller	Chair	2008
Mr. Robert O. Huber	Vice Chair	2008
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Ms. Susan F. Johnson	Vice Chancellor, Business and Administrative Services
Dr. Richard Dawe	Vice Chancellor, Planning and Organizational Development
Ms. Patricia S. Parham	Associate Vice Chancellor, Human Resources
Mr. Dave Fuhrmann	Associate Vice Chancellor, Information Technology

ORGANIZATION

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ventura County Community College District
Ventura, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Ventura County Community College District for the year ended June 30, 2008, as listed in the Table of Contents, and have issued our report thereon dated November 25, 2008. We have also audited the accompanying financial statements of the governmental fund types, fiduciary fund types, and proprietary fund types of the Ventura County Community College District as of and for the year ended June 30, 2008, as listed in the Table of Contents. These basic financial statements are the responsibility of the Ventura County Community College District's management. Our responsibility is to express an opinion on these basic financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made, by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Ventura County Community College District prepares its governmental fund type and fiduciary fund type financial statements on the modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position - modified accrual basis of the governmental fund types, fiduciary fund types, and the financial position of the proprietary fund types of the Ventura County Community College District as of June 30, 2008, and its respective changes in financial position - modified cash basis - and the changes in financial position and cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

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

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
November 25, 2008

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

GENERAL FUNDS

JUNE 30, 2008

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 112,410	\$ -	\$ 112,410
Investments	15,511,825	6,999,039	22,510,864
Accounts receivable	10,128,661	2,804,881	12,933,542
Student loan receivable, net	2,270,662	521,242	2,791,904
Due from other funds	1,460,451	18,039	1,478,490
Prepaid expenditures	175,973	35,823	211,796
Total Assets	<u><u>\$ 29,659,982</u></u>	<u><u>\$ 10,379,024</u></u>	<u><u>\$ 40,039,006</u></u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 7,373,140	\$ 1,123,797	\$ 8,496,937
Due to other funds	4,047	1,059,676	1,063,723
Other current liabilities	3,000	-	3,000
Deferred revenue	4,611,125	3,928,540	8,539,665
Total Liabilities	<u><u>11,991,312</u></u>	<u><u>6,112,013</u></u>	<u><u>18,103,325</u></u>
FUND EQUITY			
Fund Balances			
Reserved	175,973	4,267,011	4,442,984
Unreserved			
Designated	10,177,928	-	10,177,928
Undesignated	7,314,769	-	7,314,769
Total Fund Equity	<u><u>17,668,670</u></u>	<u><u>4,267,011</u></u>	<u><u>21,935,681</u></u>
Total Liabilities and Fund Equity	<u><u>\$ 29,659,982</u></u>	<u><u>\$ 10,379,024</u></u>	<u><u>\$ 40,039,006</u></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, 2008**

	<u>General Unrestricted</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal revenues	\$ 64,000	\$ 63,727	\$ (273)
State revenues	134,386,638	74,725,060	(59,661,578)
Local revenues	6,841,008	63,828,260	56,987,252
Total Revenues	<u>141,291,646</u>	<u>138,617,047</u>	<u>(2,674,599)</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	62,002,368	62,001,135	1,233
Classified salaries	23,348,013	22,908,959	439,054
Employee benefits	27,539,027	27,171,339	367,688
Books and supplies	2,698,560	1,860,529	838,031
Services and operating expenditures	14,709,527	13,640,982	1,068,545
Capital outlay	1,754,759	1,330,774	423,985
Debt service - principal	503,416	503,416	-
Debt service - interest and other	128,217	128,217	-
Total Expenditures	<u>132,683,887</u>	<u>129,545,351</u>	<u>3,138,536</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,607,759</u>	<u>9,071,696</u>	<u>463,937</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	45,732	376,654	330,922
Operating transfers out	(6,954,599)	(7,880,457)	(925,858)
Other sources	15,623	16,123	500
Other uses	(46,928)	(44,377)	2,551
Total Other Financing Sources (Uses)	<u>(6,940,172)</u>	<u>(7,532,057)</u>	<u>(591,885)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 1,667,587</u>	1,539,639	<u>\$ (127,948)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>16,129,031</u>	
FUND BALANCE, END OF YEAR		<u>\$ 17,668,670</u>	

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

General Restricted			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 5,970,873	\$ 4,944,229	\$ (1,026,644)	\$ 6,034,873	\$ 5,007,956	\$ (1,026,917)
18,209,950	14,525,112	(3,684,838)	152,596,588	89,250,172	(63,346,416)
5,292,574	5,137,717	(154,857)	12,133,582	68,965,977	56,832,395
<u>29,473,397</u>	<u>24,607,058</u>	<u>(4,866,339)</u>	<u>170,765,043</u>	<u>163,224,105</u>	<u>(7,540,938)</u>
5,940,688	5,255,818	684,870	67,943,056	67,256,953	686,103
8,312,296	7,546,370	765,926	31,660,309	30,455,329	1,204,980
4,320,161	3,814,260	505,901	31,859,188	30,985,599	873,589
2,474,844	1,500,713	974,131	5,173,404	3,361,242	1,812,162
5,037,352	3,573,636	1,463,716	19,746,879	17,214,618	2,532,261
2,720,856	1,620,936	1,099,920	4,475,615	2,951,710	1,523,905
-	-	-	503,416	503,416	-
-	-	-	128,217	128,217	-
<u>28,806,197</u>	<u>23,311,733</u>	<u>5,494,464</u>	<u>161,490,084</u>	<u>152,857,084</u>	<u>8,633,000</u>
<u>667,200</u>	<u>1,295,325</u>	<u>628,125</u>	<u>9,274,959</u>	<u>10,367,021</u>	<u>1,092,062</u>
1,019,667	1,313,890	294,223	1,065,399	1,690,544	625,145
(1,318,798)	(1,352,900)	(34,102)	(8,273,397)	(9,233,357)	(959,960)
-	-	-	15,623	16,123	500
<u>(892,416)</u>	<u>(763,444)</u>	<u>128,972</u>	<u>(939,344)</u>	<u>(807,821)</u>	<u>131,523</u>
<u>(1,191,547)</u>	<u>(802,454)</u>	<u>389,093</u>	<u>(8,131,719)</u>	<u>(8,334,511)</u>	<u>(202,792)</u>
<u>\$ (524,347)</u>	492,871	<u>\$ 1,017,218</u>	<u>\$ 1,143,240</u>	2,032,510	<u>\$ 889,270</u>
	3,774,140			19,903,171	
	<u>\$ 4,267,011</u>			<u>\$ 21,935,681</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUND
JUNE 30, 2008**

	<u>Child Development</u>
ASSETS	
Investments	\$ 611,919
Accounts receivable	138
Student receivable, net	6,804
Total Assets	<u>\$ 618,861</u>
 LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	\$ 4,379
Deferred revenue	8,861
Total Liabilities	<u>13,240</u>
FUND EQUITY	
Fund Balances	
Unreserved	
Designated	605,621
Total Liabilities and Fund Equity	<u>\$ 618,861</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 FUND
 FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State revenues	\$ 186,669	\$ 186,660	\$ (9)
Local revenues	941,276	970,920	29,644
Total Revenues	<u>1,127,945</u>	<u>1,157,580</u>	<u>29,635</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	4,000	3,535	465
Classified salaries	772,192	764,856	7,336
Employee benefits	326,265	305,909	20,356
Books and supplies	45,905	31,648	14,257
Services and operating expenditures	13,265	10,908	2,357
Capital outlay	19,580	19,505	75
Total Expenditures	<u>1,181,207</u>	<u>1,136,361</u>	<u>44,846</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(53,262)</u>	<u>21,219</u>	<u>74,481</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	25,000	25,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (53,262)</u>	<u>46,219</u>	<u>\$ 99,481</u>
FUND BALANCE, BEGINNING OF YEAR		<u>559,402</u>	
FUND BALANCE, END OF YEAR		<u>\$ 605,621</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

CAPITAL PROJECT FUNDS

JUNE 30, 2008

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
ASSETS			
Investments	\$ 17,893,781	\$ 54,178,646	\$ 72,072,427
Accounts receivable	844,009	516,586	1,360,595
Student loan receivable, net	25,640	-	25,640
Total Assets	<u>\$ 18,763,430</u>	<u>\$ 54,695,232</u>	<u>\$ 73,458,662</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 471,407	\$ 5,362,339	\$ 5,833,746
Due to other funds	362,161	-	362,161
Deferred revenue	2,086,212	-	2,086,212
Total Liabilities	<u>2,919,780</u>	<u>5,362,339</u>	<u>8,282,119</u>
 FUND EQUITY			
Fund Balances			
Unreserved			
Designated	15,843,650	49,332,893	65,176,543
Total Fund Equity	<u>15,843,650</u>	<u>49,332,893</u>	<u>65,176,543</u>
 Total Liabilities and Fund Equity	 <u>\$ 18,763,430</u>	 <u>\$ 54,695,232</u>	 <u>\$ 73,458,662</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, 2008**

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
REVENUES			
State revenues	\$ 1,416,857	\$ -	\$ 1,416,857
Local revenues	402,344	3,072,280	3,474,624
Total Revenues	<u>1,819,201</u>	<u>3,072,280</u>	<u>4,891,481</u>
EXPENDITURES			
Current Expenditures			
Classified salaries	25,670	-	25,670
Employee benefits	2,091	-	2,091
Books and supplies	36,713	50,587	87,300
Services and operating expenditures	164,591	359,797	524,388
Capital outlay	5,103,380	29,505,256	34,608,636
Total Expenditures	<u>5,332,445</u>	<u>29,915,640</u>	<u>35,248,085</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,513,244)</u>	<u>(26,843,360)</u>	<u>(30,356,604)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	6,766,153	-	6,766,153
Operating transfers out	(16,700)	-	(16,700)
Total Other Financing Sources (Uses)	<u>6,749,453</u>	<u>-</u>	<u>6,749,453</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,236,209	(26,843,360)	(23,607,151)
FUND BALANCE, BEGINNING OF YEAR	<u>12,607,441</u>	<u>76,176,253</u>	<u>88,783,694</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,843,650</u>	<u>\$ 49,332,893</u>	<u>\$ 65,176,543</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, 2008

	Bond Interest and Redemption	Other Debt Service	Total
ASSETS			
Investments	\$ 6,855,335	\$ -	\$ 6,855,335
Accounts receivable	55,605	-	55,605
Total Assets	<u>\$ 6,910,940</u>	<u>\$ -</u>	<u>\$ 6,910,940</u>
FUND EQUITY			
Fund Balances			
Unreserved			
Designated	\$ 6,910,940	\$ -	\$ 6,910,940
Total Fund Equity	<u>6,910,940</u>	<u>-</u>	<u>6,910,940</u>
Total Liabilities and Fund Equity	<u>\$ 6,910,940</u>	<u>\$ -</u>	<u>\$ 6,910,940</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, 2008**

	Bond Interest and Redemption	Other Debt Service	Total
REVENUES			
Federal revenues	\$ 41	\$ -	\$ 41
State revenues	50,698	-	50,698
Local revenues	6,404,609	90,607	6,495,216
Total Revenues	<u>6,455,348</u>	<u>90,607</u>	<u>6,545,955</u>
EXPENDITURES			
Current Expenditures			
Debt service - principal	8,800,000	3,115,000	11,915,000
Debt service - interest and other	6,372,256	102,795	6,475,051
Total Expenditures	<u>15,172,256</u>	<u>3,217,795</u>	<u>18,390,051</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,716,908)</u>	<u>(3,127,188)</u>	<u>(11,844,096)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	-	(1,244)	(1,244)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(8,716,908)</u>	<u>(3,128,432)</u>	<u>(11,845,340)</u>
FUND BALANCE, BEGINNING OF YEAR	15,627,848	3,128,432	18,756,280
FUND BALANCE, END OF YEAR	<u>\$ 6,910,940</u>	<u>\$ -</u>	<u>\$ 6,910,940</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, 2008

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	245,019	111,493	2,527,904
Accounts receivable	2,237	895	20,940
Student loan receivable, net	17,514	18,671	158,750
Due from other funds	-	-	-
Prepaid expenses	1,080	-	-
Total Assets	<u><u>\$ 265,850</u></u>	<u><u>\$ 131,059</u></u>	<u><u>\$ 2,707,594</u></u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 5,439	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	25,602	209,552
Total Liabilities	<u><u>5,439</u></u>	<u><u>25,602</u></u>	<u><u>209,552</u></u>
FUND EQUITY			
Fund Balances			
Reserved	-	-	-
Unreserved			
Designated	260,411	105,457	2,498,042
Total Fund Equity	<u><u>260,411</u></u>	<u><u>105,457</u></u>	<u><u>2,498,042</u></u>
Total Liabilities and Fund Equity	<u><u>\$ 265,850</u></u>	<u><u>\$ 131,059</u></u>	<u><u>\$ 2,707,594</u></u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 25,751	\$ -	\$ -	\$ -	\$ 25,751
-	570,010	112,170	2,181,428	5,748,024
190,644	4,354	10	1,343	220,423
19,748	12,016	-	73,977	300,676
8,172	-	-	-	8,172
-	-	-	8,001	9,081
<u>\$ 244,315</u>	<u>\$ 586,380</u>	<u>\$ 112,180</u>	<u>\$ 2,264,749</u>	<u>\$ 6,312,127</u>
\$ 171,465	\$ 57,257	\$ 4,612	\$ 71,286	\$ 310,059
60,778	-	-	-	60,778
-	-	-	-	235,154
<u>232,243</u>	<u>57,257</u>	<u>4,612</u>	<u>71,286</u>	<u>605,991</u>
12,072	-	-	-	12,072
-	529,123	107,568	2,193,463	5,694,064
<u>12,072</u>	<u>529,123</u>	<u>107,568</u>	<u>2,193,463</u>	<u>5,706,136</u>
<u>\$ 244,315</u>	<u>\$ 586,380</u>	<u>\$ 112,180</u>	<u>\$ 2,264,749</u>	<u>\$ 6,312,127</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, 2008

	Associated Students Organization	Student Representation Fees	Student Center Fees
REVENUES			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	137,006	62,960	509,476
Total Revenues	<u>137,006</u>	<u>62,960</u>	<u>509,476</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	10,879	-	13,380
Employee benefits	463	-	271
Books and supplies	25,206	806	-
Services and operating expenditures	39,413	54,643	2,796
Capital outlay	6,129	-	-
Total Expenditures	<u>82,090</u>	<u>55,449</u>	<u>16,447</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>54,916</u>	<u>7,511</u>	<u>493,029</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,457	620	-
Operating transfers out	(36,511)	-	(180)
Other uses	(1,750)	-	-
Total Other Financing Sources (Uses)	<u>(34,804)</u>	<u>620</u>	<u>(180)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	20,112	8,131	492,849
FUND BALANCE, BEGINNING OF YEAR	<u>240,299</u>	<u>97,326</u>	<u>2,005,193</u>
FUND BALANCE, END OF YEAR	<u>\$ 260,411</u>	<u>\$ 105,457</u>	<u>\$ 2,498,042</u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 11,453,702	\$ -	\$ -	\$ -	\$ 11,453,702
1,230,072	-	-	-	1,230,072
1,097	437,617	60,915	1,785,689	2,994,760
<u>12,684,871</u>	<u>437,617</u>	<u>60,915</u>	<u>1,785,689</u>	<u>15,678,534</u>
-	-	-	4,199	4,199
-	-	2,528	212,141	238,928
-	-	174	25,842	26,750
-	(165)	34,896	763,988	824,731
-	12,395	48,708	679,911	837,866
-	-	236	217,431	223,796
<u>-</u>	<u>12,230</u>	<u>86,542</u>	<u>1,903,512</u>	<u>2,156,270</u>
<u>12,684,871</u>	<u>425,387</u>	<u>(25,627)</u>	<u>(117,823)</u>	<u>13,522,264</u>
421,968	13,000	51,663	288,221	778,929
-	-	(11,310)	(73,949)	(121,950)
<u>(13,110,291)</u>	<u>(394,426)</u>	<u>(1,654)</u>	<u>(5,025)</u>	<u>(13,513,146)</u>
<u>(12,688,323)</u>	<u>(381,426)</u>	<u>38,699</u>	<u>209,247</u>	<u>(12,856,167)</u>
(3,452)	43,961	13,072	91,424	666,097
15,524	485,162	94,496	2,102,039	5,040,039
<u>\$ 12,072</u>	<u>\$ 529,123</u>	<u>\$ 107,568</u>	<u>\$ 2,193,463</u>	<u>\$ 5,706,136</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2008**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
ASSETS			
Cash and cash equivalents	\$ 7,700	\$ 7,200	\$ 8,200
Investments	915,222	258,163	1,400,919
Accounts receivable	32,812	1,120	65,779
Student loan receivable, net	20,200	29,579	6,371
Stores inventories	842,131	419,369	949,065
Furniture and equipment, net	30,401	22,476	33,180
Total Assets	<u>\$ 1,848,466</u>	<u>\$ 737,907</u>	<u>\$ 2,463,514</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	<u>\$ 50,583</u>	<u>\$ 63,132</u>	<u>\$ 68,118</u>
FUND EQUITY			
Retained earnings	<u>1,797,883</u>	<u>674,775</u>	<u>2,395,396</u>
Total Liabilities and Fund Equity	<u>\$ 1,848,466</u>	<u>\$ 737,907</u>	<u>\$ 2,463,514</u>

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

Cafeteria				Internal
Ventura	Oxnard	Moorpark	Total	Service Fund
\$ 3,500	\$ 2,000	\$ 2,900	\$ 31,500	\$ -
20,590	188,806	47,545	2,831,245	8,960,038
-	-	1,024	100,735	58,215
-	-	-	56,150	-
17,421	12,365	13,783	2,254,134	-
945	10,711	3,062	100,775	-
<u>\$ 42,456</u>	<u>\$ 213,882</u>	<u>\$ 68,314</u>	<u>\$ 5,374,539</u>	<u>\$ 9,018,253</u>
<u>\$ 41,963</u>	<u>\$ 29,212</u>	<u>\$ 36,908</u>	<u>\$ 289,916</u>	<u>\$ 1,363,982</u>
<u>493</u>	<u>184,670</u>	<u>31,406</u>	<u>5,084,623</u>	<u>7,654,271</u>
<u>\$ 42,456</u>	<u>\$ 213,882</u>	<u>\$ 68,314</u>	<u>\$ 5,374,539</u>	<u>\$ 9,018,253</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, 2008**

	Enterprise Funds		
	Bookstore		
	Ventura	Oxnard	Moorpark
OPERATING REVENUES			
Sales revenues	\$ 3,821,753	\$ 1,969,908	\$ 5,673,969
Charges to other funds	-	-	-
Total Operating Revenues	3,821,753	1,969,908	5,673,969
OPERATING EXPENSES			
Classified salaries	413,810	270,841	428,749
Employee benefits	182,665	122,919	215,727
Books and supplies	2,776,860	1,387,622	4,177,764
Services and other operating expenditures	145,720	81,222	178,985
Capital outlay	10,188	1,086	-
Total Operating Expenses	3,529,243	1,863,690	5,001,225
Operating Income (Loss)	292,510	106,218	672,744
NONOPERATING REVENUES (EXPENSES)			
Interest income	-	-	-
Miscellaneous revenues	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(228,744)	-	(125,000)
Other sources	-	-	-
Total Nonoperating Revenues (Expenses)	(228,744)	-	(125,000)
NET INCOME (LOSS)	63,766	106,218	547,744
RETAINED EARNINGS, BEGINNING OF YEAR	1,734,117	568,557	1,847,652
RETAINED EARNINGS, END OF YEAR	\$ 1,797,883	\$ 674,775	\$ 2,395,396

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

Cafeteria				Internal Service Fund
Ventura	Oxnard	Moorpark	Total	
\$ 569,859	\$ 383,507	\$ 756,717	\$ 13,175,713	\$ -
-	-	-	-	7,848,564
<u>569,859</u>	<u>383,507</u>	<u>756,717</u>	<u>13,175,713</u>	<u>7,848,564</u>
201,656	111,396	221,285	1,647,737	-
64,555	36,465	83,662	705,993	6,131,273
305,546	226,682	378,404	9,252,878	614
108,773	81,929	118,055	714,684	32,945
5,698	13,606	1,614	32,192	23,117
<u>686,228</u>	<u>470,078</u>	<u>803,020</u>	<u>12,353,484</u>	<u>6,187,949</u>
<u>(116,369)</u>	<u>(86,571)</u>	<u>(46,303)</u>	<u>822,229</u>	<u>1,660,615</u>
-	-	-	-	264,922
-	-	-	-	119,298
116,369	200,000	50,000	366,369	100,000
-	-	-	(353,744)	-
-	-	-	-	1,687
<u>116,369</u>	<u>200,000</u>	<u>50,000</u>	<u>12,625</u>	<u>485,907</u>
-	113,429	3,697	834,854	2,146,522
493	71,241	27,709	4,249,769	5,507,749
<u>\$ 493</u>	<u>\$ 184,670</u>	<u>\$ 31,406</u>	<u>\$ 5,084,623</u>	<u>\$ 7,654,271</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 292,510	\$ 106,218	\$ 672,744
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	16,137	10,443	19,970
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(34,035)	49,146	(64,357)
Inventory	(37,532)	(30,589)	(49,203)
Increase (decrease) in:			
Accounts payable	(2,936)	39,415	(88,875)
Net Cash Provided (Used) for Operating Activities	<u>234,144</u>	<u>174,633</u>	<u>490,279</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfers out	(228,744)	-	(125,000)
Transfers in	-	-	-
Interest income	-	-	-
Other income	-	-	-
Acquisition of fixed assets	-	(9,720)	(14,790)
Net Cash Provided (Used) from Investing Activities	<u>(228,744)</u>	<u>(9,720)</u>	<u>(139,790)</u>
Net increase (decrease) in cash and cash equivalents	5,400	164,913	350,489
Cash and cash equivalents - Beginning	917,522	100,450	1,058,630
Cash and cash equivalents - Ending	<u>\$ 922,922</u>	<u>\$ 265,363</u>	<u>\$ 1,409,119</u>

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

Cafeteria				Internal Service Fund
Ventura	Oxnard	Moorpark	Total	
\$ (116,369)	\$ (86,571)	\$ (46,303)	\$ 822,229	\$ 1,660,615
1,260	5,010	2,967	55,787	-
-	222	585	(48,439)	213
(10,528)	(3,127)	(4,213)	(135,192)	-
6,318	(3,025)	9,376	(39,727)	183,709
(119,319)	(87,491)	(37,588)	654,658	1,844,537
-	-	-	(353,744)	-
116,369	200,000	50,000	366,369	100,000
-	-	-	-	264,922
-	-	-	-	120,985
-	-	-	(24,510)	-
116,369	200,000	50,000	(11,885)	485,907
(2,950)	112,509	12,412	642,773	2,330,444
27,040	78,297	38,033	2,219,972	6,629,594
\$ 24,090	\$ 190,806	\$ 50,445	\$ 2,862,745	\$ 8,960,038

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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 provides 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 not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

In June 1999, the 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*. 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, 2008, and have issued our report thereon dated November 25, 2008.

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.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because their purpose is to be used for the direct benefit of the District. The District is entitled to, or has the ability to, otherwise access a majority of the economic resources received or held by the separate organization; and the economic resources received from or held by an individual organization are significant to the District.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

The District, along with the Santa Paula Redevelopment Agency (the Agency) and the City of Santa Paula, formed the Santa Paula Redevelopment/Community College Joint Powers Improvement Authority (the Authority). The Authority was formed under an agreement dated November 2, 1992, under The Joint Powers Act. The purpose of the Authority is to carry out the intent of the agreement to finance Public Capital Improvements which benefit the District. The Authority is governed by a five member commission. The commission is composed of three members appointed by the District and two members appointed by the Agency. The activity of the Authority is reported in the financial statements of the District using the blended presentation method and is included as part of the capital outlay fund. Below is a breakout of the financial reporting activity of the Authority:

	<u>2008</u>
Revenues	
Distribution from Santa Paula Redevelopment Agency	\$ 57,991
Interest	<u>8,618</u>
Total Revenues	66,609
Expenses	
Santa Paula Center Leasehold Improvements	50,000
Santa Paula Center Building Lease Payments	<u>24,535</u>
Total Expenses	74,535
Net Change	(7,926)
Beginning Balance	<u>243,625</u>
Ending Balance	<u><u>\$ 235,699</u></u>

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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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.

Capital Assets

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

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 (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.

Stores Inventories

Stores inventories consists primarily of bookstore merchandise and cafeteria food 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.

Prepaid Expenditures

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2008.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The amount of the liability expected to be paid from current resources is recognized at year-end in the governmental fund that will pay the benefit.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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. The District recognizes this liability in the same manner as vacation benefits.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. 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, therefore, 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, 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.

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 and are recorded in the District's financial records when received.

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.

Deferred Revenue

Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or 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 are recorded as deferred revenue.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition. Cash equivalents also include 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and for External Investment Pools*, investments are stated at fair value. Fair value is estimated based on published market prices at year-end. Investments for which there are no quoted market prices are not material.

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 \$1,262,984 for the year ended June 30, 2008.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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 July 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This Statement requires local governmental employers who provide other postemployment benefits (OPEB) as part of the total compensation offered to employees to recognize the expense and related liabilities (assets) on an accrual basis. This Statement established standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of State and local government employers.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

In July 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The standards in the Statement apply for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. This Statement also provides requirements for reporting of OPEB funds by administrators of multiple-employer OPEB plans when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. The District has implemented the provisions of this Statement for the fiscal year ended June 30, 2008.

In June 2005, GASB issued GASB Statement No. 47, *Accounting for Termination Benefits*. GASB Statement No. 47 addresses accounting for both voluntary and involuntary termination benefits. For termination benefits that affect an employer's obligations for defined benefit OPEB, the provisions of GASB Statement No. 47 should be applied simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, including those that affect an employer's obligations for defined benefit pension benefits, GASB Statement No. 47 is effective for financial statements for periods beginning after June 15, 2005. Earlier application of GASB Statement No. 47 is encouraged.

New Accounting Pronouncements

In May 2007, GASB issued Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for OPEB and, in doing so, enhances information disclosed in notes to financial statements or presented as RSI by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to conform with requirements of Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This Statement is effective for periods beginning after June 15, 2007, except for requirements related to the use of the entry age actuarial cost method for the purpose of reporting a surrogate funded status and funding progress of plans that use the aggregate actuarial cost method, which are effective for periods for which the financial statements and RSI contain information resulting from actuarial valuations as of June 15, 2007, or later. Early implementation is encouraged.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to those intangible assets, as applicable. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. The requirements of this Statement are effective for financial statements beginning after June 15, 2009. The provisions of this Statement generally are required to be applied retroactively. For governments that were classified as Phase 1 or Phase 2 governments for the purpose of implementing Statement No 34, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value and other information that they currently present for other investments reported at fair value. The guidance in this Statement is effective for financial statements for reporting periods beginning after June 15, 2008, with earlier application encouraged.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement is intended to improve how State and local governments report information about derivative instruments, financial arrangements used by governments to manage specific risks or make investments, in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application 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, 2008

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, 2008, consist of the following:

Cash on hand and in banks	\$ 169,661
Investments	119,589,852
Total Deposits and Investments	<u>\$ 119,759,513</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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 primarily investing in U.S. Treasury notes and the County investment pool.

Specific Identification

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>
County Pool	<u>\$ 120,639,117</u>	248*

* Weighted average days to maturity

Credit Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Rating June 30, 2008</u>
County Pool	<u>\$ 120,639,117</u>	N/A	AAAf

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008, the District's bank balance of \$222,247 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2008, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 1,387,363	\$ -	\$ -	\$ -	\$ 161,154	\$ -	\$ 1,548,517
State Government							
Apportionment	4,275,010	-	-	-	-	-	4,275,010
Categorical aid	613,061	-	-	-	29,490	-	642,551
Lottery	1,360,399	-	-	-	-	-	1,360,399
Other State	19,854	-	841,077	-	-	-	860,931
Local Sources							
Interest	403,532	-	518,299	55,605	28,211	57,037	1,062,684
Other local	4,874,323	138	1,219	-	1,568	101,913	4,979,161
Total	<u>\$ 12,933,542</u>	<u>\$ 138</u>	<u>\$ 1,360,595</u>	<u>\$ 55,605</u>	<u>\$ 220,423</u>	<u>\$ 158,950</u>	<u>\$ 14,729,253</u>
Student loan receivable	\$ 4,004,081	\$ 6,804	\$ 25,640	\$ -	\$ 351,483	\$ 56,150	\$ 4,444,158
Less: reserve	(1,212,177)	-	-	-	(50,807)	-	(1,262,984)
Student loan receivable, net	<u>\$ 2,791,904</u>	<u>\$ 6,804</u>	<u>\$ 25,640</u>	<u>\$ -</u>	<u>\$ 300,676</u>	<u>\$ 56,150</u>	<u>\$ 3,181,174</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2008, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds		
General Unrestricted	\$ 1,460,451	\$ 4,047
General Restricted	18,039	1,059,676
Capital Outlay	-	362,161
Student Financial Aid	8,172	60,778
Total	<u>\$ 1,486,662</u>	<u>\$ 1,486,662</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 1,297,190
The General Unrestricted Fund transferred to the Child Development Fund	25,000
The General Unrestricted Fund transferred to the Capital Outlay Fund	6,133,256
The General Unrestricted Fund transferred to the Other Trust Fund	88,511
The General Unrestricted Fund transferred to the Cafeteria Fund (Ventura)	36,500
The General Unrestricted Fund transferred to the Cafeteria Fund (Oxnard)	200,000
The General Unrestricted Fund transferred to the Internal Service Fund	100,000
The General Restricted Fund transferred to the General Unrestricted Fund	375,410
The General Restricted Fund transferred to the Capital Outlay Fund	555,522
The General Restricted Fund transferred to the Student Financial Aid	421,968
The Capital Outlay Fund transferred to the General Restricted Fund	16,700
The Other Debt Service Fund transferred to the General Unrestricted Fund	1,244
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	12,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	19,011
The Associated Students Organization Fund transferred to the Other Trust Fund	5,500
The Student Center Fees transferred to the Student Representation Fees Fund	180
The Student Clubs Fund transferred to the Associated Students Organization Fund	100
The Student Clubs Fund transferred to the Scholarship and Loan Fund	1,000
The Student Clubs Fund transferred to the Other Trust Fund	10,210
The Other Trust Fund transferred to the Capital Outlay Fund	62,500
The Other Trust Fund transferred to the Associated Students Organization Fund	3,357
The Other Trust Fund transferred to the Student Representation Fees Fund	440
The Other Trust Fund transferred to the Student Clubs Fund	7,652
The Bookstore Fund (Ventura) transferred to the Capital Outlay Fund	14,875
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	134,000
The Bookstore Fund (Ventura) transferred to the Cafeteria Fund (Ventura)	79,869
The Bookstore Fund (Moorpark) transferred to the Student Clubs Fund	25,000
The Bookstore Fund (Moorpark) transferred to the Other Trust Fund	50,000
The Bookstore Fund (Moorpark) transferred to the Cafeteria Fund (Moorpark)	50,000
Total	<u>\$ 9,726,995</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2008, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 3,947,421	\$ -	\$ -	\$ -	\$ -	\$ 3,947,421
Accrued vacation	729,089	-	-	-	93,951	823,040
Construction	-	-	5,833,746	-	-	5,833,746
Student liabilities	1,021,416	-	-	55,907	-	1,077,323
Load banking	-	-	-	-	1,199,379	1,199,379
Other	2,799,011	4,379	-	254,152	360,568	3,418,110
Total	<u>\$ 8,496,937</u>	<u>\$ 4,379</u>	<u>\$ 5,833,746</u>	<u>\$ 310,059</u>	<u>\$ 1,653,898</u>	<u>\$ 16,299,019</u>

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2008, consists of the following:

	General	Special Revenue	Capital Project	Fiduciary	Total
Federal financial aid	\$ 38,663	\$ -	\$ -	\$ -	\$ 38,663
State categorical aid	2,185,202	-	-	-	2,185,202
Apportionment	215,678	-	-	-	215,678
Schedule maintenance	-	-	2,061,870	-	2,061,870
Lottery	396,678	-	-	-	396,678
Other State	258,613	-	-	-	258,613
Enrollment fees	4,923,587	-	24,342	235,154	5,183,083
Local	521,244	8,861	-	-	530,105
Total	<u>\$ 8,539,665</u>	<u>\$ 8,861</u>	<u>\$ 2,086,212</u>	<u>\$ 235,154</u>	<u>\$ 10,869,892</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 8 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	\$ 211,796	\$ -	\$ -	\$ -
Restricted programs	4,231,188	-	-	-
Total Reserved	<u>4,442,984</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved				
Designated				
Capital outlay	-	-	65,176,543	-
Debt repayment	-	-	-	6,910,940
General reserves (State required minimum)	6,945,834	605,621	-	-
Budget rollover	1,232,094	-	-	-
Revenue shortfall contingency	2,000,000	-	-	-
Total Designated	<u>10,177,928</u>	<u>605,621</u>	<u>65,176,543</u>	<u>6,910,940</u>
Undesignated	<u>7,314,769</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unreserved	<u>17,492,697</u>	<u>605,621</u>	<u>65,176,543</u>	<u>6,910,940</u>
Total	<u>\$ 21,935,681</u>	<u>\$ 605,621</u>	<u>\$ 65,176,543</u>	<u>\$ 6,910,940</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, 2008

Construction Commitments

As of June 30, 2008, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Moorpark College PE Renovation	\$ 204,568	07/01/09
Moorpark College EATM Building	196,811	07/01/10
Moorpark College Academy Center	15,746,511	07/01/10
Moorpark College Health/Science Complex	733,486	07/01/10
Moorpark College Planning and Development (indirect costs)	595,681	07/01/10
Moorpark College CW Planning and Development (indirect costs)	11,195	07/01/10
Moorpark College Infrastructure	332,587	07/01/10
Moorpark College Data Switch Project	46,084	07/01/09
Moorpark College Piped Utility Systems	4,694	07/01/10
Moorpark College Master Plan	3,913	07/01/10
Oxnard College Auto Technology	588,980	07/01/10
Oxnard College Student Services Center	11,682,097	12/31/09
Oxnard College Learning Resources Center Renovation	667,348	07/01/11
Oxnard College Planning and Development Cost	517,690	07/01/11
Oxnard College CW Planning and Development Cost	123,966	07/01/11
Oxnard College PA/Classroom and Auditorium	259,617	07/01/10
Oxnard College Data Switch Project	43,587	07/01/09
Oxnard College Special Repairs	16,133	07/01/11
Oxnard College Master Plan	25,613	07/01/11
Oxnard College - INF Improvements Campus Site Finishes	8,038	07/01/11
Ventura College - Secondary and Tertiary	59,646	07/01/09
Ventura College Electrical Systems Upgrade	29,649	07/01/11
Ventura College Modernization	93,562	07/01/11
Ventura College Master Plan	17,934	07/01/11
Ventura College Renovate Athletic Facilities	860,853	07/01/11
Ventura College GP and High Tech Project	1,285,228	07/01/11
Ventura College Planning and Development Cost	744,323	07/01/11
Ventura College Piped Utility System	11,426	07/01/11
Ventura College Renovate Theater Building	481,593	07/01/11
Ventura College Telephone Data Switch	61,243	07/01/09
Fire/Sheriff Planning and Development Cost	161,753	07/01/10
Fire/Sheriff Data Switch Project	37,035	07/01/09
Fire/Sheriff Master Plan	56,727	07/01/10
Fire/Sheriff Academy	1,738,437	07/01/10
	<u>\$ 37,448,008</u>	

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