



**VENTURA COUNTY  
COMMUNITY COLLEGE DISTRICT**

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

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**JUNE 30, 2011**

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY  
VENTURA, CALIFORNIA

JUNE 30, 2011

BOARD OF TRUSTEES

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

ADMINISTRATION

Dr. James M. Meznik	Chancellor
Ms. Susan F. Johnson	Vice Chancellor, Business and Administrative Services
Ms. Patricia S. Parham	Vice Chancellor, Human Resources
Mr. Dave Fuhrmann	Associate Vice Chancellor, Information Technology

ORGANIZATION

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

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Ventura County Community College District  
Ventura, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Ventura County Community College District for the year ended June 30, 2011, and have issued our report thereon dated December 6, 2011. 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, 2011, as listed in the Table of Contents. These basic financial statements are the responsibility of the Ventura County Community College District's management. Our responsibility is to express an opinion on these basic financial statements based upon our audit.

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

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position - modified accrual basis of the governmental fund types, fiduciary fund types, and the financial position of the proprietary fund types of the Ventura County Community College District as of June 30, 2011, and its respective changes in financial position - modified cash basis - and the changes in financial position and cash flows for the year then ended in conformity with the basis of accounting described in Note 1.

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

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

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California  
December 6, 2011

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**GENERAL FUNDS**

**JUNE 30, 2011**

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 75,140	\$ -	\$ 75,140
Investments	22,133,768	7,639,036	29,772,804
Accounts receivable, net	19,474,367	2,186,740	21,661,107
Student loan receivable, net	1,666,285	439,787	2,106,072
Due from other funds	678,158	49,123	727,281
Prepaid expenditures	222,391	7,647	230,038
<b>Total Assets</b>	<u>\$ 44,250,109</u>	<u>\$ 10,322,333</u>	<u>\$ 54,572,442</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 5,367,779	\$ 668,840	\$ 6,036,619
Due to other funds	14,227	630,045	644,272
Other current liabilities	3,000	-	3,000
Deferred revenue	8,362,199	3,679,681	12,041,880
<b>Total Liabilities</b>	<u>13,747,205</u>	<u>4,978,566</u>	<u>18,725,771</u>
<b>FUND BALANCES</b>			
Reserved	222,391	5,343,767	5,566,158
Unreserved			
Designated	13,946,821	-	13,946,821
Undesignated	16,333,692	-	16,333,692
<b>Total Fund Balances</b>	<u>30,502,904</u>	<u>5,343,767</u>	<u>35,846,671</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 44,250,109</u>	<u>\$ 10,322,333</u>	<u>\$ 54,572,442</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, 2011**

	<u>General Unrestricted</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Federal revenues	\$ 5,018	\$ 7,305	\$ 2,287
State revenues	76,479,921	76,906,727	426,806
Local revenues	64,711,841	64,588,147	(123,694)
<b>Total Revenues</b>	<u>141,196,780</u>	<u>141,502,179</u>	<u>305,399</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Academic salaries	59,456,194	59,051,662	404,532
Classified salaries	25,715,212	24,937,762	777,450
Employee benefits	29,875,150	29,846,617	28,533
Books and supplies	2,657,605	2,086,525	571,080
Services and operating expenditures	15,481,591	12,761,868	2,719,723
Capital outlay	1,496,474	936,342	560,132
Debt service - principal	524,388	524,388	-
Debt service - interest and other	50,726	50,726	-
<b>Total Expenditures</b>	<u>135,257,340</u>	<u>130,195,890</u>	<u>5,061,450</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>5,939,440</u>	<u>11,306,289</u>	<u>5,366,849</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	1,171,857	646,562	(525,295)
Operating transfers out	(7,557,501)	(7,179,625)	377,876
Other sources	-	3,251	3,251
Other uses	(71,603)	(39,703)	31,900
<b>Total Other Financing Sources (Uses)</b>	<u>(6,457,247)</u>	<u>(6,569,515)</u>	<u>(112,268)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (517,807)</u>	4,736,774	<u>\$ 5,254,581</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		25,766,130	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 30,502,904</u>	

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

<b>General Restricted</b>			<b>Total</b>		
<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
\$ 7,587,974	\$ 5,972,965	\$ (1,615,009)	\$ 7,592,992	\$ 5,980,270	\$ (1,612,722)
10,779,495	10,022,998	(756,497)	87,259,416	86,929,725	(329,691)
4,413,372	3,982,301	(431,071)	69,125,213	68,570,448	(554,765)
<u>22,780,841</u>	<u>19,978,264</u>	<u>(2,802,577)</u>	<u>163,977,621</u>	<u>161,480,443</u>	<u>(2,497,178)</u>
4,105,105	3,469,346	635,759	63,561,299	62,521,008	1,040,291
7,891,304	7,111,606	779,698	33,606,516	32,049,368	1,557,148
3,552,513	3,205,629	346,884	33,427,663	33,052,246	375,417
1,829,691	1,007,304	822,387	4,487,296	3,093,829	1,393,467
3,473,834	2,406,973	1,066,861	18,955,425	15,168,841	3,786,584
1,709,621	1,209,923	499,698	3,206,095	2,146,265	1,059,830
-	-	-	524,388	524,388	-
-	-	-	50,726	50,726	-
<u>22,562,068</u>	<u>18,410,781</u>	<u>4,151,287</u>	<u>157,819,408</u>	<u>148,606,671</u>	<u>9,212,737</u>
<u>218,773</u>	<u>1,567,483</u>	<u>1,348,710</u>	<u>6,158,213</u>	<u>12,873,772</u>	<u>6,715,559</u>
818,507	799,987	(18,520)	1,990,364	1,446,549	(543,815)
(2,189,414)	(606,761)	1,582,653	(9,746,915)	(7,786,386)	1,960,529
-	-	-	-	3,251	3,251
(394,518)	(426,934)	(32,416)	(466,121)	(466,637)	(516)
<u>(1,765,425)</u>	<u>(233,708)</u>	<u>1,531,717</u>	<u>(8,222,672)</u>	<u>(6,803,223)</u>	<u>1,419,449</u>
<u>\$ (1,546,652)</u>	1,333,775	<u>\$ 2,880,427</u>	<u>\$ (2,064,459)</u>	6,070,549	<u>\$ 8,135,008</u>
	4,009,992			29,776,122	
	<u>\$ 5,343,767</u>			<u>\$ 35,846,671</u>	

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS  
SPECIAL REVENUE FUND  
JUNE 30, 2011**

	<u>Child Development</u>
<b>ASSETS</b>	
Investments	\$ 458,828
Accounts receivable	3,493
Student receivable	12,117
<b>Total Assets</b>	<u><u>\$ 474,438</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 221</u>
<b>FUND BALANCE</b>	
Unreserved	
Designated	474,217
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 474,438</u></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, 2011**

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
State revenues	\$ 91,476	\$ 91,473	\$ (3)
Local revenues	946,120	849,333	(96,787)
<b>Total Revenues</b>	<u>1,037,596</u>	<u>940,806</u>	<u>(96,790)</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Classified salaries	706,212	706,189	23
Employee benefits	331,167	322,064	9,103
Books and supplies	23,703	19,924	3,779
Services and operating expenditures	7,382	4,241	3,141
Capital outlay	300	270	30
<b>Total Expenditures</b>	<u>1,068,764</u>	<u>1,052,688</u>	<u>16,076</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<u>(31,168)</u>	<u>(111,882)</u>	<u>(80,714)</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	55,000	55,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>55,000</u>	<u>55,000</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES</b>	<u>\$ (31,168)</u>	<u>(56,882)</u>	<u>\$ (25,714)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		531,099	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 474,217</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, 2011**

	<b>Capital Outlay</b>	<b>Bond Construction</b>	<b>Total</b>
<b>ASSETS</b>			
Investments	\$ 20,440,766	\$ 95,237,475	\$ 115,678,241
Accounts receivable	725,164	338,719	1,063,883
Student loan receivable	53,839	-	53,839
Prepaid expenses	16,600	66,550	83,150
<b>Total Assets</b>	<b>\$ 21,236,369</b>	<b>\$ 95,642,744</b>	<b>\$ 116,879,113</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 886,045	\$ 6,646,885	\$ 7,532,930
Due to other funds	49,761	-	49,761
Deferred revenue	309,939	-	309,939
<b>Total Liabilities</b>	<b>1,245,745</b>	<b>6,646,885</b>	<b>7,892,630</b>
<b>FUND BALANCES</b>			
Reserved	16,600	66,550	83,150
Unreserved			
Designated	19,974,024	88,929,309	108,903,333
<b>Total Fund Balances</b>	<b>19,990,624</b>	<b>88,995,859</b>	<b>108,986,483</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,236,369</b>	<b>\$ 95,642,744</b>	<b>\$ 116,879,113</b>

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, 2011**

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
<b>REVENUES</b>			
State revenues	\$ 1,792,392	\$ -	\$ 1,792,392
Local revenues	1,479,534	1,257,897	2,737,431
<b>Total Revenues</b>	<u>3,271,926</u>	<u>1,257,897</u>	<u>4,529,823</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Books and supplies	78,960	404,993	483,953
Services and operating expenditures	489,729	52,662	542,391
Capital outlay	5,182,072	58,792,467	63,974,539
<b>Total Expenditures</b>	<u>5,750,761</u>	<u>59,250,122</u>	<u>65,000,883</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<u>(2,478,835)</u>	<u>(57,992,225)</u>	<u>(60,471,060)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	7,015,813	-	7,015,813
Operating transfers out	(201)	-	(201)
<b>Total Other Financing Sources (Uses)</b>	<u>7,015,612</u>	<u>-</u>	<u>7,015,612</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	4,536,777	(57,992,225)	(53,455,448)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>15,453,847</u>	<u>146,988,084</u>	<u>162,441,931</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 19,990,624</u>	<u>\$ 88,995,859</u>	<u>\$ 108,986,483</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, 2011**

	<b><u>Bond Interest and Redemption</u></b>
<b>ASSETS</b>	
Investments	\$ 14,127,125
Accounts receivable	<u>27,824</u>
<b>Total Assets</b>	<b><u>\$ 14,154,949</u></b>
<b>FUND BALANCE</b>	
Unreserved	
Designated	<u>\$ 14,154,949</u>
<b>Total Fund Balance</b>	<b><u>\$ 14,154,949</u></b>

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, 2011**

	<b><u>Bond Interest and Redemption</u></b>
<b>REVENUES</b>	
Federal revenues	\$          50
State revenues	154,428
Local revenues	<u>         16,148,739</u>
<b>Total Revenues</b>	<u>         16,303,217</u>
<b>EXPENDITURES</b>	
Current Expenditures	
Debt service - principal	1,425,000
Debt service - interest and other	<u>         14,767,941</u>
<b>Total Expenditures</b>	<u>         16,192,941</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	110,276
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>         14,044,673</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>         \$  14,154,949</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, 2011**

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	274,678	148,245	3,412,573
Accounts receivable	536	274	6,758
Student loan receivable, net	15,506	22,616	141,168
Due from other funds	-	-	-
<b>Total Assets</b>	<u>\$ 290,720</u>	<u>\$ 171,135</u>	<u>\$ 3,560,499</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,447	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	44,067	257,012
<b>Total Liabilities</b>	<u>1,447</u>	<u>44,067</u>	<u>257,012</u>
<b>FUND BALANCES</b>			
Reserved	-	-	-
Unreserved			
Designated	289,273	127,068	3,303,487
<b>Total Fund Balances</b>	<u>289,273</u>	<u>127,068</u>	<u>3,303,487</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 290,720</u>	<u>\$ 171,135</u>	<u>\$ 3,560,499</u>

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

<b>Student Financial Aid</b>	<b>Scholarship and Loan</b>	<b>Student Clubs</b>	<b>Other Trust</b>	<b>Total</b>
\$ 73,123	\$ -	\$ -	\$ -	\$ 73,123
-	472,991	72,481	1,793,722	6,174,690
979,806	970	-	488	988,832
21,708	9,950	-	62,183	273,131
15,874	-	-	-	15,874
<u>\$ 1,090,511</u>	<u>\$ 483,911</u>	<u>\$ 72,481</u>	<u>\$ 1,856,393</u>	<u>\$ 7,525,650</u>
\$ 1,040,209	\$ 11,583	\$ 2,463	\$ 31,747	\$ 1,087,449
49,122	-	-	-	49,122
-	-	-	24,545	325,624
<u>1,089,331</u>	<u>11,583</u>	<u>2,463</u>	<u>56,292</u>	<u>1,462,195</u>
1,180	-	-	-	1,180
-	472,328	70,018	1,800,101	6,062,275
<u>1,180</u>	<u>472,328</u>	<u>70,018</u>	<u>1,800,101</u>	<u>6,063,455</u>
<u>\$ 1,090,511</u>	<u>\$ 483,911</u>	<u>\$ 72,481</u>	<u>\$ 1,856,393</u>	<u>\$ 7,525,650</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, 2011**

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
<b>REVENUES</b>			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	101,492	87,590	450,830
<b>Total Revenues</b>	<u>101,492</u>	<u>87,590</u>	<u>450,830</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	23,781	-	44,601
Employee benefits	668	-	1,121
Books and supplies	43,011	136	-
Services and operating expenditures	18,480	64,390	3,552
Capital outlay	2,737	-	-
<b>Total Expenditures</b>	<u>88,677</u>	<u>64,526</u>	<u>49,274</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>12,815</u>	<u>23,064</u>	<u>401,556</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	63,806	-	-
Operating transfers out	(37,173)	-	(450,000)
Other uses	(8,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>18,133</u>	<u>-</u>	<u>(450,000)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	30,948	23,064	(48,444)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	258,325	104,004	3,351,931
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 289,273</u>	<u>\$ 127,068</u>	<u>\$3,303,487</u>

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



<b>Student Financial Aid</b>	<b>Scholarship and Loan</b>	<b>Student Clubs</b>	<b>Other Trust</b>	<b>Total</b>
\$ 37,213,378	\$ -	\$ -	\$ -	\$ 37,213,378
1,470,410	-	-	-	1,470,410
396	296,159	47,226	1,086,541	2,070,234
<u>38,684,184</u>	<u>296,159</u>	<u>47,226</u>	<u>1,086,541</u>	<u>40,754,022</u>
-	-	-	1,783	1,783
-	-	690	77,432	146,504
-	-	62	6,770	8,621
-	-	43,221	576,596	662,964
371	2,291	44,058	475,204	608,346
-	-	1,872	160,410	165,019
<u>371</u>	<u>2,291</u>	<u>89,903</u>	<u>1,298,195</u>	<u>1,593,237</u>
<u>38,683,813</u>	<u>293,868</u>	<u>(42,677)</u>	<u>(211,654)</u>	<u>39,160,785</u>
166,143	10,500	40,508	411,246	692,203
-	(25,769)	(43,710)	(697,367)	(1,254,019)
<u>(38,850,085)</u>	<u>(328,057)</u>	<u>(750)</u>	<u>(8,806)</u>	<u>(39,196,198)</u>
<u>(38,683,942)</u>	<u>(343,326)</u>	<u>(3,952)</u>	<u>(294,927)</u>	<u>(39,758,014)</u>
(129)	(49,458)	(46,629)	(506,581)	(597,229)
1,309	521,786	116,647	2,306,682	6,660,684
<u>\$ 1,180</u>	<u>\$ 472,328</u>	<u>\$ 70,018</u>	<u>\$ 1,800,101</u>	<u>\$ 6,063,455</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING BALANCE SHEET  
PROPRIETARY FUNDS  
JUNE 30, 2011**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,701	\$ 9,000	\$ 15,000
Investments	313,659	246,294	2,551,078
Accounts receivable	496,552	132,152	8,281
Student loan receivable	19,266	15,606	7,662
Inventories	726,048	262,862	671,799
Furniture and equipment, net	2,205	2,074	51,555
<b>Total Assets</b>	<u>\$ 1,580,431</u>	<u>\$ 667,988</u>	<u>\$ 3,305,375</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 50,889	\$ 22,208	\$ 241,694
<b>FUND EQUITY</b>			
Retained earnings	1,529,542	645,780	3,063,681
<b>Total Liabilities and Fund Equity</b>	<u>\$ 1,580,431</u>	<u>\$ 667,988</u>	<u>\$ 3,305,375</u>

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

<b>Cafeteria</b>				<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>	<b>Total</b>	
\$ 3,000	\$ -	\$ 2,900	\$ 52,601	\$ -
56,746	368,154	8,005	3,543,936	2,880,658
-	-	-	636,985	1,256
-	-	-	42,534	-
14,827	6,417	13,072	1,695,025	-
-	4,963	-	60,797	-
<u>\$ 74,573</u>	<u>\$ 379,534</u>	<u>\$ 23,977</u>	<u>\$ 6,031,878</u>	<u>\$ 2,881,914</u>
<u>\$ 34,056</u>	<u>\$ 3,935</u>	<u>\$ 20,137</u>	<u>\$ 372,919</u>	<u>\$ 1,020,292</u>
<u>40,517</u>	<u>375,599</u>	<u>3,840</u>	<u>5,658,959</u>	<u>1,861,622</u>
<u>\$ 74,573</u>	<u>\$ 379,534</u>	<u>\$ 23,977</u>	<u>\$ 6,031,878</u>	<u>\$ 2,881,914</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, 2011**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>OPERATING REVENUES</b>			
Sales revenues	\$ 2,991,470	\$ 1,608,554	\$ 3,887,894
Charges to other funds	-	-	-
<b>Total Operating Revenues</b>	<u>2,991,470</u>	<u>1,608,554</u>	<u>3,887,894</u>
<b>OPERATING EXPENSES</b>			
Classified salaries	382,391	272,028	474,289
Employee benefits	198,476	130,708	253,970
Books and supplies	2,223,266	1,151,007	2,871,500
Services and other operating expenditures	119,291	117,575	144,309
Capital outlay	1,620	609	902
<b>Total Operating Expenses</b>	<u>2,925,044</u>	<u>1,671,927</u>	<u>3,744,970</u>
<b>Operating Income (Loss)</b>	<u>66,426</u>	<u>(63,373)</u>	<u>142,924</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	-	-	-
Miscellaneous revenues	-	-	-
Operating transfers in	-	-	201
Operating transfers out	(168,160)	-	(75,000)
Other sources	-	-	-
Other uses	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(168,160)</u>	<u>-</u>	<u>(74,799)</u>
<b>NET INCOME (LOSS)</b>	(101,734)	(63,373)	68,125
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	1,631,276	709,153	2,995,556
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$ 1,529,542</u>	<u>\$ 645,780</u>	<u>\$ 3,063,681</u>

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

<b>Cafeteria</b>				<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>	<b>Total</b>	
\$ 653,984	\$ 357,259	\$ 742,949	\$ 10,242,110	\$ -
-	-	-	-	8,295,911
<u>653,984</u>	<u>357,259</u>	<u>742,949</u>	<u>10,242,110</u>	<u>8,295,911</u>
198,902	102,995	181,628	1,612,233	-
62,224	53,885	103,543	802,806	7,743,048
290,952	172,243	351,765	7,060,733	-
98,561	87,201	121,721	688,658	38,294
6,551	-	-	9,682	-
<u>657,190</u>	<u>416,324</u>	<u>758,657</u>	<u>10,174,112</u>	<u>7,781,342</u>
<u>(3,206)</u>	<u>(59,065)</u>	<u>(15,708)</u>	<u>67,998</u>	<u>514,569</u>
-	-	-	-	71,458
-	49,440	-	49,440	291,773
-	-	-	201	75,000
-	-	(1,000)	(244,160)	-
-	-	-	-	65,533
-	-	-	-	<u>(9,650,000)</u>
<u>-</u>	<u>49,440</u>	<u>(1,000)</u>	<u>(194,519)</u>	<u>(9,146,236)</u>
(3,206)	(9,625)	(16,708)	(126,521)	(8,631,667)
43,723	385,224	20,548	5,785,480	10,493,289
<u>\$ 40,517</u>	<u>\$ 375,599</u>	<u>\$ 3,840</u>	<u>\$ 5,658,959</u>	<u>\$ 1,861,622</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 66,426	\$ (63,373)	\$ 142,924
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	-	1,914	3,273
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(68,565)	(60,632)	(6,191)
Student loan receivable	3,431	(2,872)	5,091
Prepaid expenses	-	3,002	-
Inventory	59,596	85,981	134,073
Increase (decrease) in:			
Accounts payable	(22,609)	4,422	160,512
Other current liabilities	-	(145)	-
Net Cash Flows from Operating Activities	<u>38,279</u>	<u>(31,703)</u>	<u>439,682</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	-	-	-
Miscellaneous revenues	-	-	-
Transfers out	(168,160)	-	(75,000)
Transfers in	-	-	201
Other sources	-	-	-
Other uses	-	-	-
Acquisition of fixed assets	-	-	(6,901)
Net Cash Flows from Investing Activities	<u>(168,160)</u>	<u>-</u>	<u>(81,700)</u>
Net change in cash and cash equivalents	(129,881)	(31,703)	357,982
Cash and cash equivalents - Beginning	466,241	286,997	2,208,096
Cash and cash equivalents - Ending	<u>\$ 336,360</u>	<u>\$ 255,294</u>	<u>\$ 2,566,078</u>

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

<b>Cafeteria</b>				<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>	<b>Total</b>	
\$ (3,206)	\$ (59,065)	\$ (15,708)	\$ 67,998	\$ 514,569
-	996	181	6,364	-
645	267	630	(133,846)	30,959
-	-	-	5,650	-
-	-	-	3,002	-
4,358	7,914	1,567	293,489	-
9,365	(14,787)	501	137,404	10,555
-	-	-	(145)	-
<u>11,162</u>	<u>(64,675)</u>	<u>(12,829)</u>	<u>379,916</u>	<u>556,083</u>
-	-	-	-	71,458
-	49,440	-	49,440	291,773
-	-	(1,000)	(244,160)	-
-	-	-	201	75,000
-	-	-	-	65,533
-	-	-	-	(9,650,000)
-	-	-	(6,901)	-
<u>-</u>	<u>49,440</u>	<u>(1,000)</u>	<u>(201,420)</u>	<u>(9,146,236)</u>
11,162	(15,235)	(13,829)	178,496	(8,590,153)
48,584	383,389	24,734	3,418,041	11,470,811
<u>\$ 59,746</u>	<u>\$ 368,154</u>	<u>\$ 10,905</u>	<u>\$ 3,596,537</u>	<u>\$ 2,880,658</u>

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

### **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 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, 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*, 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, 2011, and have issued our report thereon dated December 6, 2011.

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. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component unit.



# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

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>2011</u>
Revenues	
Distribution from Santa Paula Redevelopment Agency	\$ 71,791
Interest	2,869
Total Revenues	<u>74,660</u>
Expenses	
Santa Paula Center Building Lease Payments	<u>96,752</u>
Net Change	(22,092)
Beginning Balance	268,847
Ending Balance	<u><u>\$ 246,755</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, 2011**

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**

Investments held at June 30, 2011, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in County and State investment pools are determined by the program sponsor.

### **Accounts Receivable**

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$7,757,762 for the year ended June 30, 2011.

### **Prepaid Expenditures**

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2011.

### **Inventories**

Inventories consist 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.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

### 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.

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 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.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

### **State Apportionments**

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

### **Estimates**

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

### **Property Taxes**

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

The voters of the District passed a General Obligation Bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the Bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected. The property tax revenue received for the repayment of the bonds for the year ended June 30, 2011, was \$16,161,819.

### **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.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

### Financial Presentation

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

### New Accounting Pronouncements

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Early implementation is encouraged.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

### ***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, 2011**

### 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, 2011, consist of the following:

Cash on hand and in banks	\$ 200,864
Investments	<u>172,636,282</u>
Total Deposits and Investments	<u><u>\$ 172,837,146</u></u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County investment pool.

**Specific Identification**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>
County Pool	<u>\$ 173,245,138</u>	353*

\* 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, 2011</u>
County Pool	<u>\$ 173,245,138</u>	N/A	AAAf



# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2011**

### 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, 2011, the District did not have any deposits exposed to custodial credit risk because all balances were Federal Deposit Insurance Corporation (FDIC) insured.

### NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2011, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 1,401,016	\$ -	\$ -	\$ -	\$ 978,356	\$ -	\$ 2,379,372
State Government							
Apportionment	17,487,950	-	-	-	-	-	17,487,950
Categorical aid	221,119	-	-	-	576	-	221,695
Lottery	1,778,044	-	-	-	-	-	1,778,044
Mandated cost claims	6,326,968	-	-	-	-	-	6,326,968
State construction claims	-	-	49,761	-	-	-	49,761
Local Sources							
Interest	121,760	-	205,463	27,824	8,538	1,256	364,841
RDA	-	-	674,199	-	-	-	674,199
Other local	651,218	3,493	134,460	-	1,362	636,985	1,427,518
Accounts receivable	<u>27,988,075</u>	<u>3,493</u>	<u>1,063,883</u>	<u>27,824</u>	<u>988,832</u>	<u>638,241</u>	<u>30,710,348</u>
Less: reserve	<u>(6,326,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,326,968)</u>
Accounts receivable, net	<u>\$ 21,661,107</u>	<u>\$ 3,493</u>	<u>\$ 1,063,883</u>	<u>\$ 27,824</u>	<u>\$ 988,832</u>	<u>\$ 638,241</u>	<u>\$ 24,383,380</u>
Student loan receivable	\$ 3,536,866	\$ 12,117	\$ 53,839	\$ -	\$ 316,336	\$ 42,534	\$ 3,961,692
Less: reserve	<u>(1,430,794)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,205)</u>	<u>-</u>	<u>(1,473,999)</u>
Student loan receivable, net	<u>\$ 2,106,072</u>	<u>\$ 12,117</u>	<u>\$ 53,839</u>	<u>\$ -</u>	<u>\$ 273,131</u>	<u>\$ 42,534</u>	<u>\$ 2,487,693</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

***NOTE 5 - INTERFUND TRANSACTIONS***

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

Individual fund interfund receivable and payable balances at June 30, 2011, are as follows:

Funds	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Unrestricted	\$ 678,158	\$ 14,227
General Restricted	49,123	630,045
Capital Outlay	-	49,761
Student Financial Aid	15,874	49,122
Total	<u>\$ 743,155</u>	<u>\$ 743,155</u>

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

### 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, 2011, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 799,987
The General Unrestricted Fund transferred to the Capital Outlay Fund	6,147,104
The General Unrestricted Fund transferred to the Associated Students Organization Fund	13,617
The General Unrestricted Fund transferred to the Student Financial Aid Fund	2,247
The General Unrestricted Fund transferred to the Student Clubs Fund	53
The General Unrestricted Fund transferred to the Other Trust Fund	141,617
The General Unrestricted Fund transferred to the Internal Service Fund	75,000
The General Restricted Fund transferred to the General Unrestricted Fund	9,161
The General Restricted Fund transferred to the Capital Outlay Fund	417,709
The General Restricted Fund transferred to the Student Financial Aid Fund	163,896
The General Restricted Fund transferred to the Other Trust Fund	15,995
The Capital Outlay Fund transferred to the Bookstore Fund (Moorpark)	201
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	10,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	20,403
The Associated Students Organization Fund transferred to the Other Trust Fund	6,770
The Student Center Fees Fund transferred to the Capital Outlay Fund	450,000
The Scholarship and Loan Fund transferred to the Associated Students Organization Fund	25,769
The Student Clubs Fund transferred to the Associated Students Organization Fund	21,006
The Student Clubs Fund transferred to the Other Trust Fund	22,704
The Other Trust Fund transferred to the General Unrestricted Fund	637,401
The Other Trust Fund transferred to the Child Development Fund	55,000
The Other Trust Fund transferred to the Capital Outlay Fund	1,000
The Other Trust Fund transferred to the Associated Students Organization Fund	3,414
The Other Trust Fund transferred to the Scholarship and Loan Fund	500
The Other Trust Fund transferred to the Student Clubs Fund	52
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	168,160
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 (Moorpark) transferred to the Other Trust Fund	1,000
Total	<u>\$ 9,284,766</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2011, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 2,086,313	\$ -	\$ -	\$ -	\$ -	\$ 2,086,313
Accrued vacation	723,896	-	-	-	99,235	823,131
Construction	-	-	7,532,930	-	-	7,532,930
Student liabilities	1,746,744	-	-	105	65	1,746,914
Load banking	-	-	-	-	1,019,838	1,019,838
Other	1,479,666	221	-	1,087,344	274,073	2,841,304
Total	<u>\$ 6,036,619</u>	<u>\$ 221</u>	<u>\$ 7,532,930</u>	<u>\$ 1,087,449</u>	<u>\$ 1,393,211</u>	<u>\$ 16,050,430</u>

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue at June 30, 2011, consist of the following:

	General	Capital Projects	Fiduciary	Total
Federal categorical aid	\$ 8,040	\$ -	\$ -	\$ 8,040
Other Federal	36,275	-	-	36,275
State categorical aid	1,836,800	-	-	1,836,800
Apportionment	1,749,591	-	-	1,749,591
Schedule maintenance	-	255,682	-	255,682
Lottery	664,644	-	-	664,644
Other State	125,839	-	-	125,839
Enrollment/student fees	7,247,299	54,257	44,067	7,345,623
Local	373,392	-	281,557	654,949
Total	<u>\$ 12,041,880</u>	<u>\$ 309,939</u>	<u>\$ 325,624</u>	<u>\$ 12,677,443</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

**NOTE 8 - FUND BALANCES**

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	\$ 230,038	\$ -	\$ -	\$ -
Restricted programs	5,336,120	-	83,150	-
Total Reserved	<u>5,566,158</u>	<u>-</u>	<u>83,150</u>	<u>-</u>
Unreserved				
Designated				
Capital outlay	-	-	108,903,333	-
Debt repayment	-	-	-	14,154,949
General reserves	7,093,005	474,217	-	-
Budget rollover	2,550,067	-	-	-
Revenue shortfall contingency	4,303,749	-	-	-
Total Designated	<u>13,946,821</u>	<u>474,217</u>	<u>108,903,333</u>	<u>14,154,949</u>
Undesignated	<u>16,333,692</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Unreserved	<u>30,280,513</u>	<u>474,217</u>	<u>108,903,333</u>	<u>14,154,949</u>
Total	<u>\$ 35,846,671</u>	<u>\$ 474,217</u>	<u>\$ 108,986,483</u>	<u>\$ 14,154,949</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, 2011**

**Construction Commitments**

As of June 30, 2011, the District had the following commitments with respect to the unfinished capital projects:

<u>CAPITAL PROJECT</u>	Remaining Construction Commitment	Expected Date of Completion
Moorpark College PE Renovation	\$ 19,290	12/31/14
Moorpark College EATM Building	3,823,304	12/31/12
Moorpark College Academic Center	105,112	12/31/11
Moorpark College Health/Science Complex	608,035	12/31/11
Moorpark College Planning and Development	476,288	12/31/14
Moorpark College CW Planning and Development	1,528	12/31/14
Moorpark College Infrastructure	45,247	12/31/14
Moorpark College Data Switch Project	43,900	12/31/14
Moorpark College Piped Utility Systems	4,694	12/31/14
Moorpark College Parking Structure	607,216	12/31/14
Moorpark College Roofing Projects	361,565	12/31/11
Oxnard College Planning and Development Cost	554,390	12/31/14
Oxnard College CW Planning and Development Cost	1,551	12/31/14
Oxnard College PA/Classroom and Auditorium	101,894	12/31/11
Oxnard College Data Switch Project	19,083	03/31/14
Oxnard College INF Improvements Campus Site Finishes	7,446	12/31/14
Oxnard College Dental Hygiene Expansion and Renovation	592,811	12/31/14
Oxnard College Fire and Sheriff Academy	241,521	12/31/11
Oxnard College Learning Resources Center	4,470,721	12/31/13
Oxnard College Learning Resources Center Renovation	362,280	12/31/13
Ventura College Secondary and Tertiary	1,157	12/31/11
Ventura College Electrical Systems Upgrade	3,425	12/31/14
Ventura College Modernization	410,554	12/31/12
Ventura College Swimming Pool Demolition	71,974	12/31/11
Ventura College Renovate Athletic Facilities	35,402	12/31/11
Ventura College GP and High Tech Project	2,141,866	12/31/11
Ventura College Planning and Development Cost	480,908	12/31/14
Ventura College CW Planning and Development Cost	4,303	12/31/14
Ventura College Renovate Theater Building	5,639,084	12/31/12
Ventura College Telephone Data Switch	1,717	12/31/14
Ventura College Maintenance Projects	14,459	12/31/11
Ventura College Fire and Sheriff Academy	617,054	12/31/11
Ventura College Applied Science Building	778,938	12/31/14
Ventura College Maintenance and Operations Renovation	196,808	12/31/13
Ventura College Studio Arts Building	196,889	12/31/14
Fire/Sheriff Planning and Development Cost	30,737	12/31/11
Fire/Sheriff Data Switch Project	572	12/31/11
Fire/Sheriff Academy	1,031,356	12/31/11
	<u>\$ 24,105,079</u>	

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

# **VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011**

### **Deferral of State Apportionments**

As a result of the State of California economy, certain apportionments owed to the District for funding of FTES and construction reimbursements which are attributable to the 2010-2011 fiscal year have been deferred to the 2011-2012 fiscal year. The total amount of funding deferred into the 2011-2012 fiscal year was \$17,487,950. These deferrals of apportionment are considered permanent with future funding also being subject to deferral into future years. As of the audit report date, the District had received all of the deferrals owed to them by the State.

### **Fiscal Issues Relating to State-Wide Funding Reductions**

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

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