

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE S
FINANCIAL AUDIT**

Fiscal Year Ended June 30, 2004

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE S
FINANCIAL AUDIT**

June 30, 2004

CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Balance Sheet – Bond Construction Fund	2
Statement of Revenues, Expenditures and Change in Fund Balance – Bond Construction Fund.....	3
Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Bond Construction Fund.....	4
Notes to Financial Statements.....	5-7
Schedule of Findings and Questioned Costs.....	8



Chairman

ROYCE A. STUTZMAN

Partners

PETER F. GAUTREAU

RENÉE S. GRAVES

WADE N. McMULLEN

KARIN HECKMAN NELSON

CARL PON

MARY ANN QUAY

LINDA M. SADDLEMIRE

INDEPENDENT AUDITOR'S REPORT

Principal

JERI A. WENGER

Senior Managers

TIMOTHY D. EVANS

PHEBE M. McCUTCHEON

GEMA M. PTASINSKI

COLLEEN K. TAYLOR

DEAN WEST

The Board of Trustees
The Citizens' Oversight Committee
Ventura County Community College District
333 Skyway Drive
Camarillo, CA 93010

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the Bond Construction Fund – Measure S Bond Program of the Ventura County Community College District as of June 30, 2004. These statements are the responsibility of the District's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit of the Bond Construction Fund in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements for the Bond Construction Fund are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Bond Construction Fund 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the Bond Construction Fund of the Ventura County Community College District as of June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP

July 22, 2004



VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**BALANCE SHEET
BOND CONSTRUCTION FUND**

June 30, 2004

ASSETS

Cash in County Treasury	\$ 63,776,676
Interest Receivable	<u>250,711</u>
TOTAL ASSETS	<u>\$ 64,027,387</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ <u>1,687,989</u>
TOTAL LIABILITIES	<u>1,687,989</u>

FUND BALANCE

Designated	<u>62,339,398</u>
TOTAL FUND BALANCE	<u>62,339,398</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 64,027,387</u>

See the accompanying notes to the financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BOND CONSTRUCTION FUND**

For the Fiscal Year Ended June 30, 2004

REVENUES

Interest Income \$ 1,124,505

TOTAL REVENUES 1,124,505

EXPENDITURES

Supplies and Materials 951

Other Expenses and Services 268,829

Capital Outlay 10,279,563

TOTAL EXPENDITURES 10,549,343

Deficiency of revenues over expenditures (9,424,838)

Fund Balance at Beginning of Year 71,764,236

Fund Balance at End of Year \$ 62,339,398

See the accompanying notes to the financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - BOND CONSTRUCTION FUND
For the Fiscal Year Ended June 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Proceeds from the Sale of Bonds	\$ 237,537,790	\$	\$ (237,537,790)
Interest Income	<u> </u>	1,124,505	<u>1,124,505</u>
TOTAL REVENUES	<u>237,537,790</u>	<u>1,124,505</u>	<u>(236,413,285)</u>
EXPENDITURES			
Supplies and Materials	2,360	951	1,409
Other Expenses and Services	277,224	268,829	8,395
Capital Outlay	<u>237,258,206</u>	<u>10,279,563</u>	<u>226,978,643</u>
TOTAL EXPENDITURES	<u>237,537,790</u>	<u>10,549,343</u>	<u>226,988,447</u>
Deficiency of revenues over expenditures	<u>\$ -</u>	(9,424,838)	<u>\$ (9,424,838)</u>
Fund Balance at Beginning of Year		<u>71,764,236</u>	
Fund Balance at End of Year		<u>\$ 62,339,398</u>	

See the accompanying notes to the financial statements.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants.

FUND STRUCTURE

The Statement of Revenues, Expenditures and Change in Fund Balance is a statement of financial activities of the Bond Construction Fund related to the current reporting period. Expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, this statement does not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

BASIS OF ACCOUNTING

The Bond Construction Fund of the Ventura County Community College District is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

BUDGET

The Statement of Revenues, Expenditures and Change in Fund Balances – Budget and Actual includes a column titled “Budget”. The amounts in this column represent the budget adopted by the Board and all amendments throughout the year.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

CAPITAL ASSETS AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Bond Construction Fund are determined by its measurement focus. The Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Bond Construction Fund are accounted for in the basic financial statements of the Ventura County Community College District.

NOTE 2 – PURCHASE COMMITMENTS:

As of June 30, 2004, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$17,660,000. Projects will be funded through bond proceeds.

NOTE 3 – BONDED DEBT:

On March 5, 2002, the voters authorized the issuance and sale of general obligation bonds totaling \$356,347,814. In August 2002, \$85,000,000 of general obligation bonds were sold under Proposition 39/Measure S which provides that proceeds of the bonds will generally be used to construct, acquire, modernize and equip district facilities, classrooms and sites, including campus, facility and classroom replacement, modernization and seismic retrofit, parking construction and improvements and that bond proceeds will not be used for salaries of school administrators or other operating expenses of the District.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
BOND CONSTRUCTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004**

NOTE 3 – BONDED DEBT: (continued)

The outstanding related bonded debt for the Ventura County Community College District at June 30, 2004 is:

<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2003</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2004</u>
8/1/2002	3.00-5.00%	8/1/2027	\$85,000,000	\$85,000,000	\$0	\$7,300,000	\$77,700,000

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2004, are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 8,500,000	\$ 3,473,250	\$ 11,973,250
2006	2,500,000	3,308,250	5,808,250
2007	2,200,000	3,237,750	5,437,750
2008	1,000,000	3,189,750	4,189,750
2009	1,000,000	3,158,500	4,158,500
2010-2014	6,600,000	15,211,875	21,811,875
2015-2019	15,600,000	12,432,500	28,032,500
2020-2024	20,300,000	7,846,250	28,146,250
2025-2028	<u>20,000,000</u>	<u>2,075,000</u>	<u>22,075,000</u>
Totals	<u>\$ 77,700,000</u>	<u>\$ 53,933,125</u>	<u>\$131,633,125</u>

The repayment of the debt related to the Measure S General Obligation Bonds is accounted for in the District's Bond Interest and Redemption Fund which is part of the Ventura County Community College District's basic financial statements.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
BOND CONSTRUCTION FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2004**

There were no findings and questioned costs related to the financial audit of the Bond Construction Fund for the fiscal year ended June 30, 2004.