



**VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT**

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

JUNE 30, 2006

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY

VENTURA, CALIFORNIA

JUNE 30, 2006

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Ms. Mary Anne Rooney	President	2006
Dr. Larry O. Miller	Vice President	2008
Ms. Cheryl Heitmann	Member	2006
Mr. Arturo D. Hernandez	Member	2006
Mr. Robert O. Huber	Member	2008

ADMINISTRATION

Dr. James M. Meznik	Chancellor
Mr. William Studt	Vice Chancellor, Human Resources
Ms. Susan F. Johnson	Vice Chancellor, Business and Administrative Services

ORGANIZATION

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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JUNE 30, 2006

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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, 2006, as listed in the Table of Contents, and have issued our report thereon dated September 8, 2006. 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, 2006, 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, 2006, 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
September 8, 2006

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VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS

GENERAL FUNDS

JUNE 30, 2006

	<u>General Unrestricted</u>	<u>General Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 105,985	\$ -	\$ 105,985
Investments	14,063,079	3,394,100	17,457,179
Accounts receivable	5,196,496	2,919,765	8,116,261
Student loan receivable, net	2,057,595	341,964	2,399,559
Due from other funds	2,393,493	-	2,393,493
Prepaid expenditures	207,554	80	207,634
Total Assets	<u>\$ 24,024,202</u>	<u>\$ 6,655,909</u>	<u>\$ 30,680,111</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	5,741,071	856,336	6,597,407
Due to other funds	1,612	1,422,541	1,424,153
Deferred revenue	6,521,865	3,176,555	9,698,420
Total Liabilities	<u>12,264,548</u>	<u>5,455,432</u>	<u>17,719,980</u>
FUND EQUITY			
Fund Balances			
Reserved	207,554	1,200,477	1,408,031
Unreserved			
Designated	11,552,100	-	11,552,100
Total Fund Equity	<u>11,759,654</u>	<u>1,200,477</u>	<u>12,960,131</u>
Total Liabilities and Fund Equity	<u>\$ 24,024,202</u>	<u>\$ 6,655,909</u>	<u>\$ 30,680,111</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, 2006

	<u>General Unrestricted</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Federal revenues	\$ 60,000	\$ 78,545	\$ 18,545
State revenues	115,179,440	61,499,333	(53,680,107)
Local revenues	5,465,809	59,850,780	54,384,971
Total Revenues	<u>120,705,249</u>	<u>121,428,658</u>	<u>723,409</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	54,210,951	54,051,625	159,326
Classified salaries	19,981,751	19,687,519	294,232
Employee benefits	24,157,464	24,137,316	20,148
Books and supplies	1,637,033	1,304,854	332,179
Services and operating expenditures	11,710,102	10,328,531	1,381,571
Capital outlay	1,608,458	1,297,546	310,912
Debt service - principal	431,001	431,001	-
Debt service - interest and other	418,834	417,495	1,339
Total Expenditures	<u>114,155,594</u>	<u>111,655,887</u>	<u>2,499,707</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,549,655</u>	<u>9,772,771</u>	<u>3,223,116</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	104,263	270,436	166,173
Operating transfers out	(7,461,686)	(6,754,285)	707,401
Other uses	(58,591)	(13,398)	45,193
Total Other Financing Sources (Uses)	<u>(7,416,014)</u>	<u>(6,497,247)</u>	<u>918,767</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (866,359)</u>	<u>3,275,524</u>	<u>\$ 4,141,883</u>
FUND BALANCE, BEGINNING OF YEAR		8,484,130	
FUND BALANCE, END OF YEAR		<u>\$ 11,759,654</u>	

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

General Restricted			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 6,512,199	\$ 4,992,638	\$ (1,519,561)	\$ 6,572,199	\$ 5,071,183	\$ (1,501,016)
12,844,345	11,437,383	(1,406,962)	128,023,785	72,936,716	(55,087,069)
4,326,423	3,790,573	(535,850)	9,792,232	63,641,353	53,849,121
<u>23,682,967</u>	<u>20,220,594</u>	<u>(3,462,373)</u>	<u>144,388,216</u>	<u>141,649,252</u>	<u>(2,738,964)</u>
4,965,405	4,375,930	589,475	59,176,356	58,427,555	748,801
6,687,393	6,309,944	377,449	26,669,144	25,997,463	671,681
3,998,088	3,681,904	316,184	28,155,552	27,819,220	336,332
2,278,766	1,037,773	1,240,993	3,915,799	2,342,627	1,573,172
3,105,692	2,424,414	681,278	14,815,794	12,752,945	2,062,849
2,330,349	1,552,853	777,496	3,938,807	2,850,399	1,088,408
-	-	-	431,001	431,001	-
-	-	-	418,834	417,495	1,339
<u>23,365,693</u>	<u>19,382,818</u>	<u>3,982,875</u>	<u>137,521,287</u>	<u>131,038,705</u>	<u>6,482,582</u>
<u>317,274</u>	<u>837,776</u>	<u>520,502</u>	<u>6,866,929</u>	<u>10,610,547</u>	<u>3,743,618</u>
926,684	854,045	(72,639)	1,030,947	1,124,481	93,534
(1,098,584)	(1,172,509)	(73,925)	(8,560,270)	(7,926,794)	633,476
(720,059)	(539,036)	181,023	(778,650)	(552,434)	226,216
<u>(891,959)</u>	<u>(857,500)</u>	<u>34,459</u>	<u>(8,307,973)</u>	<u>(7,354,747)</u>	<u>953,226</u>
<u>\$ (574,685)</u>	(19,724)	<u>\$ 554,961</u>	<u>\$ (1,441,044)</u>	3,255,800	<u>\$ 4,696,844</u>
	<u>1,220,201</u>			<u>9,704,331</u>	
	<u>\$ 1,200,477</u>			<u>\$ 12,960,131</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUND
JUNE 30, 2006**

	<u>Child Development</u>
ASSETS	
Investments	\$ 282,094
Student receivable, net	16,113
Total Assets	<u>\$ 298,207</u>
 LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	1,523
Total Liabilities	<u>1,523</u>
FUND EQUITY	
Fund Balances	
Unreserved	
Designated	296,684
Total Fund Equity	<u>296,684</u>
Total Liabilities and Fund Equity	<u>\$ 298,207</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, 2006

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State revenues	\$ 161,730	\$ 168,584	\$ 6,854
Local revenues	744,541	823,837	79,296
Total Revenues	<u>906,271</u>	<u>992,421</u>	<u>86,150</u>
EXPENDITURES			
Current Expenditures			
Classified salaries	595,680	595,607	73
Employee benefits	251,024	250,994	30
Books and supplies	12,528	12,109	419
Services and operating expenditures	7,303	7,020	283
Capital outlay	5,325	431	4,894
Total Expenditures	<u>871,860</u>	<u>866,161</u>	<u>5,699</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>34,411</u>	<u>126,260</u>	<u>91,849</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(27,314)	(27,314)	-
Total Other Financing Sources (Uses)	<u>(27,314)</u>	<u>(27,314)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 7,097</u>	98,946	<u>\$ 91,849</u>
FUND BALANCE, BEGINNING OF YEAR		<u>197,738</u>	
FUND BALANCE, END OF YEAR		<u>\$ 296,684</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, 2006**

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
ASSETS			
Investments	\$ 9,608,065	\$101,537,042	\$111,145,107
Accounts receivable	1,984,467	1,065,196	3,049,663
Student loan receivable, net	18,173	-	18,173
Total Assets	<u><u>\$ 11,610,705</u></u>	<u><u>\$102,602,238</u></u>	<u><u>\$114,212,943</u></u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	1,181,643	4,866,724	6,048,367
Due to other funds	939,487	-	939,487
Deferred revenue	907,897	-	907,897
Total Liabilities	<u><u>3,029,027</u></u>	<u><u>4,866,724</u></u>	<u><u>7,895,751</u></u>
 FUND EQUITY			
Fund Balances			
Unreserved			
Designated	8,581,678	97,735,514	106,317,192
Total Fund Equity	<u><u>8,581,678</u></u>	<u><u>97,735,514</u></u>	<u><u>106,317,192</u></u>
Total Liabilities and Fund Equity	<u><u>\$ 11,610,705</u></u>	<u><u>\$102,602,238</u></u>	<u><u>\$114,212,943</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 – MODIFIED ACCRUAL BASIS
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	Capital Outlay	Bond Construction	Total
REVENUES			
State revenues	\$ 5,044,685	\$ -	\$ 5,044,685
Local revenues	1,625,451	3,134,263	4,759,714
Total Revenues	<u>6,670,136</u>	<u>3,134,263</u>	<u>9,804,399</u>
EXPENDITURES			
Current Expenditures			
Books and supplies	45,585	6,857	52,442
Services and operating expenditures	322,535	195,321	517,856
Capital outlay	6,410,625	30,342,513	36,753,138
Total Expenditures	<u>6,778,745</u>	<u>30,544,691</u>	<u>37,323,436</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(108,609)</u>	<u>(27,410,428)</u>	<u>(27,519,037)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	6,002,483	-	6,002,483
Operating transfers out	(20,206)	-	(20,206)
Other financing sources	-	80,000,000	80,000,000
Total Other Financing Sources (Uses)	<u>5,982,277</u>	<u>80,000,000</u>	<u>85,982,277</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,873,668	52,589,572	58,463,240
FUND BALANCE, BEGINNING OF YEAR	<u>2,708,010</u>	<u>45,145,942</u>	<u>47,853,952</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,581,678</u>	<u>\$ 97,735,514</u>	<u>\$ 106,317,192</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, 2006

	Bond Interest and Redemption	Other Debt Service	Total
ASSETS			
Investments	\$ 19,230,796	\$ 4,880,307	\$ 24,111,103
Accounts receivable	192,046	-	192,046
Total Assets	<u>\$ 19,422,842</u>	<u>\$ 4,880,307</u>	<u>\$ 24,303,149</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
	-	-	-
 FUND EQUITY			
Fund Balances			
Unreserved			
Designated	19,422,842	4,880,307	24,303,149
Total Fund Equity	<u>19,422,842</u>	<u>4,880,307</u>	<u>24,303,149</u>
Total Liabilities and Fund Equity	<u>\$ 19,422,842</u>	<u>\$ 4,880,307</u>	<u>\$ 24,303,149</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, 2006**

	Bond Interest and Redemption	Other Debt Service	Total
REVENUES			
Federal revenues	\$ 41	\$ -	\$ 41
State revenues	128,467	-	128,467
Local revenues	12,464,508	219,535	12,684,043
Total Revenues	<u>12,593,016</u>	<u>219,535</u>	<u>12,812,551</u>
EXPENDITURES			
Current Expenditures			
Services and operating expenditures	984,300	-	984,300
Debt service - principal	2,500,000	1,650,000	4,150,000
Debt service - interest and other	4,119,391	264,124	4,383,515
Total Expenditures	<u>7,603,691</u>	<u>1,914,124</u>	<u>9,517,815</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,989,325</u>	<u>(1,694,589)</u>	<u>3,294,736</u>
OTHER FINANCING SOURCES/(USES)			
Other sources	2,411,154	-	2,411,154
Total Other Financing Sources/(Uses)	<u>2,411,154</u>	<u>-</u>	<u>2,411,154</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	7,400,479	(1,694,589)	5,705,890
FUND BALANCE, BEGINNING OF YEAR	<u>12,022,363</u>	<u>6,574,896</u>	<u>18,597,259</u>
FUND BALANCE, END OF YEAR	<u>\$ 19,422,842</u>	<u>\$ 4,880,307</u>	<u>\$ 24,303,149</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, 2006

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	238,137	102,713	1,532,520
Accounts receivable	2,431	1,013	15,346
Student loan receivable, net	13,325	14,337	118,369
Due from other funds	-	-	-
Total Assets	<u>\$ 253,893</u>	<u>\$ 118,063</u>	<u>\$ 1,666,235</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	22	19	87
Due to other funds	-	-	-
Deferred revenue	-	21,063	177,153
Total Liabilities	<u>22</u>	<u>21,082</u>	<u>177,240</u>
FUND EQUITY			
Fund Balances			
Reserved	-	-	-
Unreserved			
Designated	253,871	96,981	1,488,995
Total Fund Equity	<u>253,871</u>	<u>96,981</u>	<u>1,488,995</u>
Total Liabilities and Fund Equity	<u>\$ 253,893</u>	<u>\$ 118,063</u>	<u>\$ 1,666,235</u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 32,724	\$ -	\$ -	\$ -	\$ 32,724
-	414,685	89,638	1,768,999	4,146,692
354,604	4,369	-	30,055	407,818
28,788	13,878	-	65,125	253,822
18,027	-	-	-	18,027
<u>\$ 434,143</u>	<u>\$ 432,932</u>	<u>\$ 89,638</u>	<u>\$ 1,864,179</u>	<u>\$ 4,859,083</u>
359,576	47,202	7,681	67,238	481,825
47,880	-	-	-	47,880
-	-	-	-	198,216
<u>407,456</u>	<u>47,202</u>	<u>7,681</u>	<u>67,238</u>	<u>727,921</u>
26,687	-	-	-	26,687
-	385,730	81,957	1,796,941	4,104,475
<u>26,687</u>	<u>385,730</u>	<u>81,957</u>	<u>1,796,941</u>	<u>4,131,162</u>
<u>\$ 434,143</u>	<u>\$ 432,932</u>	<u>\$ 89,638</u>	<u>\$ 1,864,179</u>	<u>\$ 4,859,083</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, 2006

	Associated Students Organization	Student Representation Fees	Student Center Fees
REVENUES			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	131,526	54,875	395,188
Total Revenues	<u>131,526</u>	<u>54,875</u>	<u>395,188</u>
EXPENDITURES			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	9,107	-	28,811
Employee benefits	470	-	1,357
Books and supplies	15,440	2,633	20,415
Services and operating expenditures	38,536	25,561	11,008
Capital outlay	3,700	-	5,584
Total Expenditures	<u>67,253</u>	<u>28,194</u>	<u>67,175</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>64,273</u>	<u>26,681</u>	<u>328,013</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	5,891	-	-
Operating transfers out	(34,457)	-	(9,560)
Other uses	-	-	-
Total Other Financing Sources (Uses)	<u>(28,566)</u>	<u>-</u>	<u>(9,560)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	35,707	26,681	318,453
FUND BALANCE, BEGINNING OF YEAR	218,164	70,300	1,170,542
FUND BALANCE, END OF YEAR	<u>\$ 253,871</u>	<u>\$ 96,981</u>	<u>\$ 1,488,995</u>

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 9,955,985	\$ -	\$ -	\$ -	\$ 9,955,985
1,198,621	-	-	-	1,198,621
949	315,998	73,165	1,675,429	2,647,130
<u>11,155,555</u>	<u>315,998</u>	<u>73,165</u>	<u>1,675,429</u>	<u>13,801,736</u>
-	-	-	209	209
-	-	331	160,609	198,858
-	-	51	18,490	20,368
-	-	41,905	647,804	728,197
-	12,207	39,632	545,796	672,740
-	-	3,767	190,074	203,125
-	<u>12,207</u>	<u>85,686</u>	<u>1,562,982</u>	<u>1,823,497</u>
<u>11,155,555</u>	<u>303,791</u>	<u>(12,521)</u>	<u>112,447</u>	<u>11,978,239</u>
500,754	17,600	34,072	269,998	828,315
-	-	(14,725)	(25,691)	(84,433)
<u>(11,674,755)</u>	<u>(378,752)</u>	<u>(1,087)</u>	<u>(4,839)</u>	<u>(12,059,433)</u>
<u>(11,174,001)</u>	<u>(361,152)</u>	<u>18,260</u>	<u>239,468</u>	<u>(11,315,551)</u>
(18,446)	(57,361)	5,739	351,915	662,688
45,133	443,091	76,218	1,445,026	3,468,474
<u>\$ 26,687</u>	<u>\$ 385,730</u>	<u>\$ 81,957</u>	<u>\$ 1,796,941</u>	<u>\$ 4,131,162</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

COMBINING BALANCE SHEET

PROPRIETARY FUNDS

JUNE 30, 2006

	<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	814,813	2,850	505,331
Accounts receivable	67,135	42,619	43,906
Student loan receivable, net	18,256	42,531	9,897
Stores inventories	680,436	385,160	808,597
Furniture and equipment, net	62,961	31,867	78,061
Total Assets	<u>\$ 1,651,301</u>	<u>\$ 512,227</u>	<u>\$ 1,453,992</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	53,300	26,242	73,302
Total Liabilities	<u>53,300</u>	<u>26,242</u>	<u>73,302</u>
FUND EQUITY			
Retained earnings	<u>1,598,001</u>	<u>485,985</u>	<u>1,380,690</u>
Total Liabilities and Fund Equity	<u>\$ 1,651,301</u>	<u>\$ 512,227</u>	<u>\$ 1,453,992</u>

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

Cafeteria				Internal
Ventura	Oxnard	Moorpark	Total	Service Fund
\$ 3,000	\$ 2,350	\$ 3,400	\$ 31,850	\$ -
94,109	78,282	98,558	1,593,943	4,445,355
-	-	1,772	155,432	28,647
-	-	-	70,684	-
7,498	4,661	6,425	1,892,777	-
3,465	21,996	9,625	207,975	-
<u>\$ 108,072</u>	<u>\$ 107,289</u>	<u>\$ 119,780</u>	<u>\$ 3,952,661</u>	<u>\$ 4,474,002</u>
50,400	36,543	46,363	286,150	1,179,204
<u>50,400</u>	<u>36,543</u>	<u>46,363</u>	<u>286,150</u>	<u>1,179,204</u>
57,672	70,746	73,417	3,666,511	3,294,798
<u>\$ 108,072</u>	<u>\$ 107,289</u>	<u>\$ 119,780</u>	<u>\$ 3,952,661</u>	<u>\$ 4,474,002</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, 2006**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
OPERATING REVENUES			
Sales revenues	\$ 3,486,119	\$ 1,764,266	\$ 5,169,284
Charges to other funds	-	-	-
Total Operating Revenues	<u>3,486,119</u>	<u>1,764,266</u>	<u>5,169,284</u>
OPERATING EXPENSES			
Classified salaries	374,975	250,994	454,616
Employee benefits	157,860	109,486	209,359
Books and supplies	2,582,237	1,328,130	3,863,153
Services and other operating expenditures	100,533	78,827	231,398
Capital outlay	230	1,922	7,796
Total Operating Expenses	<u>3,215,835</u>	<u>1,769,359</u>	<u>4,766,322</u>
Operating Income (Loss)	<u>270,284</u>	<u>(5,093)</u>	<u>402,962</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(128,000)	-	(75,000)
Total Nonoperating Revenues (Expenses)	<u>(128,000)</u>	<u>-</u>	<u>(75,000)</u>
NET INCOME (LOSS)	142,284	(5,093)	327,962
RETAINED EARNINGS, BEGINNING OF YEAR	1,455,717	491,078	1,052,728
RETAINED EARNINGS, END OF YEAR	<u>\$ 1,598,001</u>	<u>\$ 485,985</u>	<u>\$ 1,380,690</u>

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

Cafeteria				Internal Service Fund
Ventura	Oxnard	Moorpark	Total	
\$ 432,124	\$ 300,059	\$ 580,991	\$ 11,732,843	\$ -
-	-	-	-	6,447,927
<u>432,124</u>	<u>300,059</u>	<u>580,991</u>	<u>11,732,843</u>	<u>6,447,927</u>
125,327	119,536	130,715	1,456,163	-
55,592	34,894	58,137	625,328	5,304,992
226,694	174,032	284,881	8,459,127	-
49,184	43,936	73,647	577,525	24,802
-	350	5,571	15,869	9,903
<u>456,797</u>	<u>372,748</u>	<u>552,951</u>	<u>11,134,012</u>	<u>5,339,697</u>
<u>(24,673)</u>	<u>(72,689)</u>	<u>28,040</u>	<u>598,831</u>	<u>1,108,230</u>
-	-	-	-	81,919
40,000	80,000	50,000	170,000	150,000
-	-	(5,000)	(208,000)	(8,532)
<u>40,000</u>	<u>80,000</u>	<u>45,000</u>	<u>(38,000)</u>	<u>223,387</u>
15,327	7,311	73,040	560,831	1,331,617
42,345	63,435	377	3,105,680	1,963,181
<u>\$ 57,672</u>	<u>\$ 70,746</u>	<u>\$ 73,417</u>	<u>\$ 3,666,511</u>	<u>\$ 3,294,798</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 270,284	\$ (5,093)	\$ 402,962
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	17,052	8,668	62,676
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(56,532)	(29,709)	11,046
Inventory	27,184	(28,556)	(250,691)
Increase (decrease) in:			
Accounts payable	(5,215)	(5,215)	(6,928)
Due to other funds	-	-	-
Net Cash Provided (Used) for Operating Activities	<u>252,773</u>	<u>(59,905)</u>	<u>219,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfers out	(128,000)	-	(75,000)
Transfers in	-	-	-
Interest income	-	-	-
Acquisition of fixed assets	(7,855)	-	-
Net Cash Provided (Used) from Investing Activities	<u>(135,855)</u>	<u>-</u>	<u>(75,000)</u>
Net increase (decrease) in cash and cash equivalents	116,918	(59,905)	144,065
Cash and cash equivalents - Beginning	705,595	69,955	369,466
Cash and cash equivalents - Ending	<u>\$ 822,513</u>	<u>\$ 10,050</u>	<u>\$ 513,531</u>

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

Cafeteria				Internal Service Fund
Ventura	Oxnard	Moorpark	Total	
\$ (24,673)	\$ (72,689)	\$ 28,040	\$ 598,831	\$ 1,108,230
1,260	6,892	3,415	99,963	-
359	445	(1,772)	(76,163)	(16,915)
(3,920)	(1,751)	(3,680)	(261,414)	-
29,015	22,192	36,347	70,196	407,403
-	-	(3,851)	(3,851)	-
2,041	(44,911)	58,499	427,562	1,498,718
-	-	(5,000)	(208,000)	(8,532)
40,000	80,000	50,000	170,000	150,000
-	-	-	-	81,919
-	-	(5,441)	(13,296)	-
40,000	80,000	39,559	(51,296)	223,387
42,041	35,089	98,058	376,266	1,722,105
55,068	45,543	3,900	1,249,527	2,723,250
\$ 97,109	\$ 80,632	\$ 101,958	\$ 1,625,793	\$ 4,445,355

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 the residents of Ventura County. The District accounts for its financial transactions in accordance with the policies and procedures of the California State Chancellor's Office Budget and Accounting Manual. 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 Governmental Accounting Standards Board (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, 2006, and have issued our report thereon dated September 8, 2006.

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 35. Fund financial statements are included in this report to present the operations of the individual funds used by the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund type and fiduciary fund types are reported using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

Proprietary fund types are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

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.

Inventory

Inventory in the District's bookstore and cafeteria funds consists of books, instructional materials, sundry items, and food held for resale to students and staff of the Colleges. Inventory is valued at cost. Inventory remaining on hand at year-end is valued and an adjustment to the supplies expense account is made.

Prepaid Expenditures/Expenses

Prepaid expenditures or expenses represent payments made to vendors for services that will benefit periods beyond June 30.

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.

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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

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 Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes for the District. The District recognizes tax revenues 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.

Cash and Cash Equivalents

The District has defined cash and cash equivalents to include 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 held in the county treasury for the purposes of the statement of cash flows.

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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

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

- **GASB Statement No. 42:** In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement establishes accounting and financial reporting standards for impairment of capital assets. The provisions of this statement are effective for periods beginning after December 2004 and have been implemented by the District in fiscal year 2005-2006.
- **GASB Statement No. 43:** In April 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefits Other than Pension Plans*. The standards in this statement apply for trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirements systems, or other third parties that administer them. The provisions of this statement are effective for periods beginning after December 15, 2005. The District is not a plan sponsor of an OPEB Plan.
- **GASB Statement No. 45:** In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The pronouncement will require employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. The implementation date for this pronouncement will be staggered in three phases based upon the entity's revenues, similar to the implementation for GASB Statements No. 34 and 35. GASB Statement No. 45 will be effective for the Ventura County Community College District on July 1, 2007. The effect of this pronouncement on the financial condition of the District has not been determined. The Board and the District has begun the study and evaluation of the effects of the pronouncement and has begun to set aside funds that will meet the funding requirements. It is anticipated that the District will be in full compliance with this standard by the required implementation date.
- **GASB Statement No. 46:** In December 2004, GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB No. 34. This statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government can compel a government to honor. Accordingly, it clarifies the determination of restricted net assets within the statement of net assets. The District has implemented this statement.
- **GASB Statement No. 47:** In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. The District has implemented this statement.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

NOTE 2 - 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, 2006

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, 2006, consist of the following:

Cash on hand and in banks	\$ 170,559
Investments	163,181,473
Total Deposits and Investments	<u><u>\$ 163,352,032</u></u>

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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

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>
U.S. Treasury Notes	\$ 4,880,307	12/06-06/08
County Pool	157,523,064	286*
Total	<u>\$ 162,403,371</u>	

* 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, nor has it been rated as of June 30, 2006. 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, 2006</u>
U.S. Treasury Notes	\$ 4,880,307	AAA	AAA
County Pool	157,523,064	N/A	N/A
Total	<u>\$ 162,403,371</u>		

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, 2006, the District's bank balance of \$334,326 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 3 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2006, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 1,135,708	\$ -	\$ 314,735	\$ -	\$ 352,085	\$ -	\$ 1,802,528
State Government							
Apportionment	4,370,767	-	-	-	-	-	4,370,767
Categorical aid	1,072,820	-	-	-	2,519	-	1,075,339
Lottery	714,860	-	-	-	-	-	714,860
Other State	-	-	1,231,883	-	-	-	1,231,883
Local Sources							
Interest	409,170	-	1,065,196	192,046	23,140	28,586	1,718,138
Other local	412,936	-	437,849	-	30,074	155,493	1,036,352
Total	<u>\$ 8,116,261</u>	<u>\$ -</u>	<u>\$ 3,049,663</u>	<u>\$ 192,046</u>	<u>\$ 407,818</u>	<u>\$ 184,079</u>	<u>\$ 11,949,867</u>
Student loan receivable	3,338,540	16,113	18,173	-	302,002	70,684	3,745,512
Less: reserve	(938,981)	-	-	-	(48,180)	-	(987,161)
Student loan receivable, net	<u>\$ 2,399,559</u>	<u>\$ 16,113</u>	<u>\$ 18,173</u>	<u>\$ -</u>	<u>\$ 253,822</u>	<u>\$ 70,684</u>	<u>\$ 2,758,351</u>

NOTE 4 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2006, are as follows:

Funds	Interfund Receivables	Interfund Payables
General Unrestricted	\$ 2,393,493	\$ 1,612
General Restricted	-	1,422,541
Capital Outlay	-	939,487
Student Financial Aid	18,027	47,880
Total	<u>\$ 2,411,520</u>	<u>\$ 2,411,520</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

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, 2006, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 834,978
The General Unrestricted Fund transferred to the Capital Outlay Fund	5,551,209
The General Unrestricted Fund transferred to the Associated Students Organization	4,450
The General Unrestricted Fund transferred to the Other Trust Fund	43,648
The General Unrestricted Fund transferred to the Cafeteria Fund (Ventura)	40,000
The General Unrestricted Fund transferred to the Cafeteria Fund (Oxnard)	80,000
The General Unrestricted Fund transferred to the Cafeteria Fund (Moorpark)	50,000
The General Unrestricted Fund transferred to the Internal Service Fund	150,000
The General Restricted Fund transferred to the General Unrestricted Fund	251,880
The General Restricted Fund transferred to the Capital Outlay Fund	419,875
The General Restricted Fund transferred to the Student Financial Aid	500,754
The Child Development Fund transferred to the Capital Outlay Fund	27,314
The Capital Outlay Fund transferred to the General Unrestricted Fund	591
The Capital Outlay Fund transferred to the General Restricted Fund	19,067
The Capital Outlay Fund transferred to the Other Trust Fund	548
The Associated Students Organization transferred to the Scholarship and Loan Fund	10,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	8,072
The Associated Students Organization Fund transferred to the Other Trust Fund	16,385
The Student Center Fees Fund transferred to the Scholarship and Loan Fund	4,500
The Student Center Fees Fund transferred to the Student Clubs Fund	1,000
The Student Center Fees Fund transferred to the Other Trust Fund	4,060
The Student Clubs Fund transferred to the Scholarship and Loan Fund	900
The Student Clubs Fund transferred to the Other Trust Fund	13,825
The Other Trust Fund transferred to the General Unrestricted Fund	17,965
The Other Trust Fund transferred to the Capital Outlay Fund	4,085
The Other Trust Fund transferred to the Associated Students Organization Fund	1,441
The Other Trust Fund transferred to the Scholarship and Loan Fund	2,200
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	128,000
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 Cafeteria Fund (Moorpark) transferred to the Other Trust Fund	5,000
The Internal Service Fund transferred to the Other Trust Fund	8,532
Total	<u>\$ 8,275,279</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2006, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 3,182,712	\$ -	\$ -	\$ -	\$ -	\$ 3,182,712
Accrued vacation	637,806	-	-	-	93,445	731,251
Construction	-	-	6,048,367	-	-	6,048,367
Student liabilities	799,017	-	-	45,344	-	844,361
Load banking	-	-	-	-	1,177,768	1,177,768
Other	1,977,872	1,523	-	436,481	194,141	2,610,017
Total	<u>\$ 6,597,407</u>	<u>\$ 1,523</u>	<u>\$ 6,048,367</u>	<u>\$ 481,825</u>	<u>\$ 1,465,354</u>	<u>\$ 14,594,476</u>

NOTE 6 - DEFERRED REVENUE

Deferred revenue at June 30, 2006, consists of the following:

	General	Capital Project	Fiduciary	Total
Federal categorical aid	\$ 63,336	\$ -	\$ -	\$ 63,336
State categorical aid	902,994	-	-	902,994
Apportionment	1,306,314	-	-	1,306,314
Schedule maintenance	-	885,282	-	885,282
Lottery	820,208	-	-	820,208
Other State	1,013,706	-	-	1,013,706
Enrollment fees	5,080,122	21,504	177,153	5,278,779
Local	511,740	1,111	21,063	533,914
Total	<u>\$ 9,698,420</u>	<u>\$ 907,897</u>	<u>\$ 198,216</u>	<u>\$ 10,804,533</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 7 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	\$ 207,554	\$ -	\$ -	\$ -
Restricted programs	1,200,477	-	-	-
Total Reserved	<u>1,408,031</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved				
Designated				
Capital outlay	-	-	106,317,192	-
Debt repayment	-	-	-	24,303,149
General reserves	9,278,259	296,684	-	-
Other	2,273,841	-	-	-
Total Unreserved	<u>11,552,100</u>	<u>296,684</u>	<u>106,317,192</u>	<u>24,303,149</u>
Total	<u>\$ 12,960,131</u>	<u>\$ 296,684</u>	<u>\$ 106,317,192</u>	<u>\$ 24,303,149</u>

NOTE 8 - 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, 2006

Construction Commitments

As of June 30, 2006, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Moorpark College Maintenance Warehouse	\$ 62,537	09/01/06
Moorpark College Track and Field	47,174	07/01/06
Moorpark College Child Development Center	2,642,747	12/31/06
Moorpark College Library Renovation	4,019,010	12/31/07
Moorpark College PE Renovation	560,690	12/31/07
Moorpark College EATM Building	611,281	12/01/09
Moorpark College Academy Center	835,153	03/30/09
Moorpark College Health/Science Complex	867,439	12/31/10
Moorpark College Planning and Development Cost	484,504	12/31/10
Moorpark College Infrastructure	131,925	12/31/10
Moorpark College Data Switch Project	139,632	12/31/07
Moorpark College Piped Utility Systems	8,202	12/31/10
Oxnard College CSSC	1,000	12/31/07
Oxnard College Gym Remodel	103,327	12/30/06
Oxnard College Track and Field	1,215,874	12/31/06
Oxnard College Auto Technology	669,304	12/31/07
Oxnard College North Campus Parking Lot	38,992	07/01/06
Oxnard College Electrical Systems Upgrade	92,540	12/31/06
Oxnard College Student Services Center	529,181	12/31/08
Oxnard College Learning Resources Center MDF Renovation	1,493,070	12/31/06
Oxnard College Warehouse	1,738,751	06/30/07
Oxnard College Planning and Development Cost	707,472	12/31/11
Oxnard College Child Development Center	10,340	12/30/06
Oxnard College PA/Classroom & Auditorium	1,393,546	12/31/11
Oxnard College Data Switch Project	105,874	12/31/07
Oxnard College Special Repairs	48,562	12/31/11
Oxnard College Piped Utility Systems	7,942	12/31/08
Ventura College Learning Resources Telecommunications Center	1,778,031	07/01/06
Ventura College Modernization	1,493,343	12/31/08
Ventura College Master Plan	82,027	07/01/06
Ventura College Renovate Athletic Facilities	4,239,376	10/30/06
Ventura College Health/Science Complex	336,135	08/30/09
Ventura College GP and High Tech Project	846,516	08/30/09
Ventura College Food Service	53,990	06/30/07
Ventura College Planning and Development Cost	650,176	06/30/11
Ventura College East/West Parking Lot Renovation	7,137	12/31/06
Ventura College Piped Utility System	11,595	12/31/09
Fire/Sheriff Planning and Development Cost	195,189	12/31/09
Fire/Sheriff Data Switch Project	217,765	12/31/07
Fire/Sheriff Master Plan	74,183	12/31/09
Fire/Sheriff Academy	1,468,563	12/31/09
	<u>\$ 30,020,095</u>	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006

NOTE 9 - TAX AND REVENUE ANTICIPATION NOTES

On July 1, 2005, the District issued \$8,105,000 Tax and Revenue Anticipation Notes bearing interest at 4.0 percent, with a yield of 2.62 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on June 30, 2006. By April 30, 2006, the District had placed 100 percent of principal and interest in an irrevocable trust for the sole purpose of satisfying the notes. The District was not required to make any additional payments on the notes. As the District has in substance defeased the debt, the tax anticipation notes of \$8,105,000 and related accrued interest and cash held in trust are not included in these financial statements.

Changes in the outstanding liabilities for the Tax and Revenue Anticipation Notes are as follows:

<u>Issue Date</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Outstanding July 1, 2005</u>	<u>Additions</u>	<u>Payments</u>	<u>Outstanding June 30, 2006</u>
07/01/05	4.0%	06/30/06	\$ 8,105,000	\$ -	\$ 8,105,000	\$ -