

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ending June 30, 2003

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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

June 30, 2003

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Principal

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Senior Managers

TIMOTHY D. EVANS

PHEBE M. McCUTCHEON

GEMA M. PTASINSKI

COLLEEN K. TAYLOR

DEAN WEST

INDEPENDENT AUDITOR'S REPORT

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 and for the fiscal year ended June 30, 2003. 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 Building 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, 2003, in conformity with accounting principles generally accepted in the United States of America.

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

January 22, 2004



VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**BALANCE SHEET
BOND CONSTRUCTION FUND
June 30, 2003**

ASSETS

Cash in County Treasury	\$ 72,624,679
Accounts Receivable:	
Miscellaneous	<u>356,545</u>
TOTAL ASSETS	<u>\$ 72,981,224</u>

LIABILITIES AND FUND EQUITY

Liabilities

Accounts Payable	<u>\$ 1,216,988</u>
TOTAL LIABILITIES	<u>1,216,988</u>

FUND BALANCE

Designated	<u>71,764,236</u>
TOTAL FUND EQUITY	<u>71,764,236</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 72,981,224</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, 2003

REVENUES

Revenue from Local Sources

Interest and Investment Income \$ 1,480,380

Total Revenue from Local Sources 1,480,380

TOTAL REVENUES 1,480,380

EXPENDITURES

Other Expenses and Services 274,395

Capital Outlay 4,008,807

TOTAL EXPENDITURES 4,283,202

Deficiency of revenues over expenditures (2,802,822)

OTHER FINANCING SOURCES (USES)

Proceeds from Sale of Bonds 85,000,000

Interfund Transfers Out (10,432,942)

TOTAL OTHER FINANCING SOURCES (USES) 74,567,058

Excess of revenues over expenditures
and other sources (uses) 71,764,236

Fund Balance at Beginning of Year -

Fund Balance at End of Year \$ 71,764,236

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, 2003

REVENUES	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue from Local Sources			
Interest and Investment Income	\$ -	\$ 1,480,380	\$ 1,480,380
Total Revenue from Local Sources	<u>-</u>	<u>1,480,380</u>	<u>1,480,380</u>
TOTAL REVENUES	<u>-</u>	<u>1,480,380</u>	<u>1,480,380</u>
EXPENDITURES			
Other Expenses and Services	282,971	274,395	8,576
Capital Outlay	<u>74,284,087</u>	<u>4,008,807</u>	<u>70,275,280</u>
TOTAL EXPENDITURES	<u>74,567,058</u>	<u>4,283,202</u>	<u>70,283,856</u>
Deficiency of revenues over expenditures	<u>(74,567,058)</u>	<u>(2,802,822)</u>	<u>71,764,236</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Bonds	85,000,000	85,000,000	-
Interfund Transfers Out	<u>(10,432,942)</u>	<u>(10,432,942)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>74,567,058</u>	<u>74,567,058</u>	<u>-</u>
Excess of revenues over expenditures and other sources (uses)	<u>\$ -</u>	<u>71,764,236</u>	<u>\$ 71,764,236</u>
Fund Balance at Beginning of Year		<u>-</u>	
Fund Balance at End of Year		<u>\$ 71,764,236</u>	

See the accompanying notes to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

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 of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do 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 Balance – Budget and Actual includes a column entitled “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, 2003

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 bond construction funds are 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 – BONDED DEBT:

In March 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 or administrative expenses.

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

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003**

NOTE 2 – BONDED DEBT: (continued)

The outstanding related bonded debt for the Ventura County Community College District at June 30, 2003 is:

<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2002</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2003</u>
8/1/02	3.00-5.00%	8/1/2027	\$85,000,000	\$ 0	\$ 85,000,000	\$ 0	\$85,000,000

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2003, are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 7,300,000	\$ 3,710,250	\$ 11,010,250
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
2009-2013	5,000,000	15,446,875	20,446,875
2014-2018	14,700,000	13,190,000	27,890,000
2019-2023	19,400,000	8,891,250	28,291,250
2024-2028	<u>24,400,000</u>	<u>3,196,000</u>	<u>27,596,000</u>
Totals	<u>\$85,000,000</u>	<u>\$57,643,375</u>	<u>\$142,643,375</u>

NOTE 3 – PURCHASE COMMITMENTS:

As of June 30, 2003, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$10,692,000. Projects will be funded through bond proceeds.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2003**

There were no findings and questioned costs related to the financial audit of the Bond Construction Fund for the fiscal year ended June 30, 2003.