



**VENTURA COUNTY  
COMMUNITY COLLEGE DISTRICT**

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

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**JUNE 30, 2005**



VENTURA COUNTY COMMUNITY COLLEGE DISTRICT  
OF VENTURA COUNTY  
CAMARILLO, CALIFORNIA

JUNE 30, 2005

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Ms. Cheryl Heitmann	President	2006
Ms. Mary Anne Rooney	Vice President	2006
Mr. Robert O. Huber	Member	2008
Mr. Arturo D. Hernandez	Member	2006
Dr. Larry O. Miller	Member	2008
Vacant	Student Trustee	2005

ADMINISTRATION

Dr. James M. Meznek	Chancellor
Mr. Michael D. Gregoryk	Deputy Chancellor
Mr. William Studt	Vice Chancellor, Human Resources
Ms. Susan F. Johnson	Associate Vice Chancellor, Business Services and Financial Management (CBO)

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  
Camarillo, 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, 2005, and have issued our report thereon dated September 8, 2005. 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, 2005, as listed in the table of contents. These financial statements are the responsibility of the Ventura County Community College District's management. Our responsibility is to express an opinion on these 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 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, 2005, 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, 2005

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**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS**

**GENERAL FUNDS**

**JUNE 30, 2005**

	<b>General Unrestricted</b>	<b>General Restricted</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 106,185	\$ -	\$ 106,185
Investments	7,678,160	3,069,638	10,747,798
Accounts receivable	5,204,130	3,033,673	8,237,803
Student loan receivable, net	339,312	116,871	456,183
Due from other funds	3,089,677	33,805	3,123,482
Prepaid expenditures	153,731	-	153,731
<b>Total Assets</b>	<u>\$ 16,571,195</u>	<u>\$ 6,253,987</u>	<u>\$ 22,825,182</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	5,721,681	432,180	6,153,861
Due to other funds	-	1,702,887	1,702,887
Deferred revenue	2,365,384	2,898,719	5,264,103
<b>Total Liabilities</b>	<u>8,087,065</u>	<u>5,033,786</u>	<u>13,120,851</u>
<b>FUND EQUITY</b>			
Fund Balances			
Reserved	153,731	1,220,201	1,373,932
Unreserved			
Designated	6,410,596	-	6,410,596
Undesignated	1,919,803	-	1,919,803
<b>Total Fund Equity</b>	<u>8,484,130</u>	<u>1,220,201</u>	<u>9,704,331</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 16,571,195</u>	<u>\$ 6,253,987</u>	<u>\$ 22,825,182</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, 2005**

	<u>General Unrestricted</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Federal revenues	\$ 60,000	\$ 67,681	\$ 7,681
State revenues	108,578,669	55,725,566	(52,853,103)
Local revenues	4,896,923	58,835,185	53,938,262
<b>Total Revenues</b>	<u>113,535,592</u>	<u>114,628,432</u>	<u>1,092,840</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Academic salaries	55,945,683	55,871,859	73,824
Classified salaries	20,082,819	19,981,517	101,302
Employee benefits	24,002,632	23,936,253	66,379
Books and supplies	1,142,434	1,074,120	68,314
Services and operating expenditures	10,996,446	9,953,627	1,042,819
Capital outlay	650,885	615,976	34,909
Debt service - principal	427,779	427,779	-
Debt service - interest and other	412,704	412,704	-
<b>Total Expenditures</b>	<u>113,661,382</u>	<u>112,273,835</u>	<u>1,387,547</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(125,790)</u>	<u>2,354,597</u>	<u>2,480,387</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	504,028	660,369	156,341
Operating transfers out	(1,486,809)	(1,219,355)	267,454
Other sources	-	440	440
Other uses	(5,400)	(2,927)	2,473
<b>Total Other Financing Sources (Uses)</b>	<u>(988,181)</u>	<u>(561,473)</u>	<u>426,708</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (1,113,971)</u>	1,793,124	<u>\$ 2,907,095</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		6,691,006	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 8,484,130</u>	

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

General Restricted			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 6,160,999	\$ 4,145,523	\$ (2,015,476)	\$ 6,220,999	\$ 4,213,204	\$ (2,007,795)
13,847,972	11,987,446	(1,860,526)	122,426,641	67,713,012	(54,713,629)
5,582,039	3,968,088	(1,613,951)	10,478,962	62,803,273	52,324,311
<u>25,591,010</u>	<u>20,101,057</u>	<u>(5,489,953)</u>	<u>139,126,602</u>	<u>134,729,489</u>	<u>(4,397,113)</u>
5,563,239	4,468,456	1,094,783	61,508,922	60,340,315	1,168,607
7,192,801	6,429,485	763,316	27,275,620	26,411,002	864,618
3,555,083	2,969,856	585,227	27,557,715	26,906,109	651,606
1,752,711	1,052,435	700,276	2,895,145	2,126,555	768,590
5,056,934	3,220,320	1,836,614	16,053,380	13,173,947	2,879,433
2,125,594	1,262,266	863,328	2,776,479	1,878,242	898,237
-	-	-	427,779	427,779	-
-	-	-	412,704	412,704	-
<u>25,246,362</u>	<u>19,402,818</u>	<u>5,843,544</u>	<u>138,907,744</u>	<u>131,676,653</u>	<u>7,231,091</u>
<u>344,648</u>	<u>698,239</u>	<u>353,591</u>	<u>218,858</u>	<u>3,052,836</u>	<u>2,833,978</u>
681,613	740,709	59,096	1,185,641	1,401,078	215,437
(745,135)	(861,946)	(116,811)	(2,231,944)	(2,081,301)	150,643
-	-	-	-	440	440
<u>(744,941)</u>	<u>(624,916)</u>	<u>120,025</u>	<u>(750,341)</u>	<u>(627,843)</u>	<u>122,498</u>
<u>(808,463)</u>	<u>(746,153)</u>	<u>62,310</u>	<u>(1,796,644)</u>	<u>(1,307,626)</u>	<u>489,018</u>
<u>\$ (463,815)</u>	<u>(47,914)</u>	<u>\$ 415,901</u>	<u>\$ (1,577,786)</u>	1,745,210	<u>\$ 3,322,996</u>
	1,268,115			7,959,121	
	<u>\$ 1,220,201</u>			<u>\$ 9,704,331</u>	

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**GOVERNMENTAL FUND TYPES**

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS  
SPECIAL REVENUE FUND  
JUNE 30, 2005**

	<u>Child Development</u>
<b>ASSETS</b>	
Investments	\$ 192,807
Student receivable	7,288
<b>Total Assets</b>	<u>\$ 200,095</u>
 <b>LIABILITIES AND FUND EQUITY</b>	
<b>LIABILITIES</b>	
Accounts payable	565
Due to other funds	1,792
<b>Total Liabilities</b>	<u>2,357</u>
<b>FUND EQUITY</b>	
Fund Balances	
Unreserved	
Designated	197,738
<b>Total Fund Equity</b>	<u>197,738</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 200,095</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, 2005**

	<u>Child Development</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
State revenues	\$ 157,935	\$ 161,730	\$ 3,795
Local revenues	851,440	738,086	(113,354)
<b>Total Revenues</b>	<u>1,009,375</u>	<u>899,816</u>	<u>(109,559)</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Classified salaries	695,784	654,973	40,811
Employee benefits	239,720	226,754	12,966
Books and supplies	36,504	26,552	9,952
Services and operating expenditures	14,815	7,793	7,022
Capital outlay	1,000	897	103
<b>Total Expenditures</b>	<u>987,823</u>	<u>916,969</u>	<u>70,854</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>21,552</u>	<u>(17,153)</u>	<u>(38,705)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	14,150	14,150
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>14,150</u>	<u>14,150</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ 21,552</u>	<u>(3,003)</u>	<u>\$ (24,555)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>200,741</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 197,738</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, 2005**

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
<b>ASSETS</b>			
Investments	\$ 3,472,165	\$ 46,299,648	\$ 49,771,813
Accounts receivable	3,761,363	327,900	4,089,263
Student loan receivable, net	8,964	-	8,964
Prepaid expenditures	59,778	-	59,778
<b>Total Assets</b>	<u>\$ 7,302,270</u>	<u>\$ 46,627,548</u>	<u>\$ 53,929,818</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	1,525,950	1,481,606	3,007,556
Due to other funds	1,379,740	-	1,379,740
Deferred revenue	1,688,570	-	1,688,570
<b>Total Liabilities</b>	<u>4,594,260</u>	<u>1,481,606</u>	<u>6,075,866</u>
<b>FUND EQUITY</b>			
Fund Balances			
Unreserved			
Designated	2,708,010	45,145,942	47,853,952
<b>Total Fund Equity</b>	<u>2,708,010</u>	<u>45,145,942</u>	<u>47,853,952</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 7,302,270</u>	<u>\$ 46,627,548</u>	<u>\$ 53,929,818</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, 2005**

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
<b>REVENUES</b>			
State revenues	\$ 6,797,925	\$ -	\$ 6,797,925
Local revenues	559,222	1,186,070	1,745,292
<b>Total Revenues</b>	<u>7,357,147</u>	<u>1,186,070</u>	<u>8,543,217</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Classified salaries	-	100	100
Employee benefits	-	4	4
Books and supplies	221,777	47,434	269,211
Services and operating expenditures	169,825	194,059	363,884
Capital outlay	6,783,111	18,137,927	24,921,038
<b>Total Expenditures</b>	<u>7,174,713</u>	<u>18,379,524</u>	<u>25,554,237</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>182,434</u>	<u>(17,193,454)</u>	<u>(17,011,020)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	610,581	-	610,581
Operating transfers out	(4,406)	-	(4,406)
<b>Total Other Financing Sources (Uses)</b>	<u>606,175</u>	<u>-</u>	<u>606,175</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	788,609	(17,193,454)	(16,404,845)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,919,401</u>	<u>62,339,396</u>	<u>64,258,797</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,708,010</u>	<u>\$ 45,145,942</u>	<u>\$ 47,853,952</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, 2005**

	<u>Bond Interest and Redemption</u>	<u>Other Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Investments	\$ 11,934,208	\$ 6,574,896	\$ 18,509,104
Accounts receivable	88,155	-	88,155
<b>Total Assets</b>	<u>\$ 12,022,363</u>	<u>\$ 6,574,896</u>	<u>\$ 18,597,259</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
	-	-	-
 <b>FUND EQUITY</b>			
Fund Balances			
Unreserved			
Designated	12,022,363	6,574,896	18,597,259
<b>Total Fund Equity</b>	<u>12,022,363</u>	<u>6,574,896</u>	<u>18,597,259</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 12,022,363</u>	<u>\$ 6,574,896</u>	<u>\$ 18,597,259</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, 2005**

	<b>Bond Interest and Redemption</b>	<b>Other Debt Service</b>	<b>Total</b>
<b>REVENUES</b>			
Federal revenues	\$ 59	\$ -	\$ 59
State revenues	127,170	-	127,170
Local revenues	11,274,816	264,740	11,539,556
<b>Total Revenues</b>	<b>11,402,045</b>	<b>264,740</b>	<b>11,666,785</b>
<b>EXPENDITURES</b>			
Debt service - principal	8,500,000	1,585,000	10,085,000
Debt service - interest and other	3,473,250	331,927	3,805,177
<b>Total Expenditures</b>	<b>11,973,250</b>	<b>1,916,927</b>	<b>13,890,177</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(571,205)</b>	<b>(1,652,187)</b>	<b>(2,223,392)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>12,593,568</b>	<b>8,227,083</b>	<b>20,820,651</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 12,022,363</b>	<b>\$ 6,574,896</b>	<b>\$ 18,597,259</b>

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, 2005**

	<u>Associated Students Organization</u>	<u>Student Representation Fees</u>	<u>Student Center Fees</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	214,850	74,711	1,175,898
Accounts receivable	-	821	-
Student loan receivable, net	5,892	8,168	51,929
Due from other funds	-	-	-
<b>Total Assets</b>	<u>\$ 220,742</u>	<u>\$ 83,700</u>	<u>\$ 1,227,827</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	2,578	1,862	172
Due to other funds	-	-	-
Deferred revenue	-	11,538	57,113
<b>Total Liabilities</b>	<u>2,578</u>	<u>13,400</u>	<u>57,285</u>
<b>FUND EQUITY</b>			
Fund Balances			
Reserved	-	-	-
Unreserved			
Designated	218,164	70,300	1,170,542
<b>Total Fund Equity</b>	<u>218,164</u>	<u>70,300</u>	<u>1,170,542</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 220,742</u>	<u>\$ 83,700</u>	<u>\$ 1,227,827</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>
\$ 20,861	\$ -	\$ -	\$ -	\$ 20,861
484	462,028	77,057	1,480,725	3,485,753
361,280	-	-	750	362,851
41,908	14,243	-	33,054	155,194
1,507	-	-	-	1,507
<u>\$ 426,040</u>	<u>\$ 476,271</u>	<u>\$ 77,057</u>	<u>\$ 1,514,529</u>	<u>\$ 4,026,166</u>
344,188	33,180	839	69,503	452,322
36,719	-	-	-	36,719
-	-	-	-	68,651
<u>380,907</u>	<u>33,180</u>	<u>839</u>	<u>69,503</u>	<u>557,692</u>
45,133	-	-	-	45,133
-	443,091	76,218	1,445,026	3,423,341
<u>45,133</u>	<u>443,091</u>	<u>76,218</u>	<u>1,445,026</u>	<u>3,468,474</u>
<u>\$ 426,040</u>	<u>\$ 476,271</u>	<u>\$ 77,057</u>	<u>\$ 1,514,529</u>	<u>\$ 4,026,166</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, 2005**

	<b>Associated Students Organization</b>	<b>Student Representation Fees</b>	<b>Student Center Fees</b>
<b>REVENUES</b>			
Federal revenues	\$ -	\$ -	\$ -
State revenues	-	-	-
Local revenues	115,627	53,872	409,186
<b>Total Revenues</b>	<u>115,627</u>	<u>53,872</u>	<u>409,186</u>
<b>EXPENDITURES</b>			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	8,244	-	11,500
Employee benefits	289	-	585
Books and supplies	16,331	2,187	27,059
Services and operating expenditures	25,943	28,017	13,648
Capital outlay	4,110	11,003	24,188
<b>Total Expenditures</b>	<u>54,917</u>	<u>41,207</u>	<u>76,980</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>60,710</u>	<u>12,665</u>	<u>332,206</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	6,772	-	-
Operating transfers out	(37,219)	(905)	(3,702)
Other sources	-	-	-
Other uses	(2,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(32,947)</u>	<u>(905)</u>	<u>(3,702)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	27,763	11,760	328,504
<b>FUND BALANCE, BEGINNING OF YEAR</b>	190,401	58,540	842,038
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 218,164</u>	<u>\$ 70,300</u>	<u>\$ 1,170,542</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>
\$ 9,775,023	\$ -	\$ -	\$ -	\$ 9,775,023
1,132,325	-	-	-	1,132,325
1,674	401,463	63,749	1,903,449	2,949,020
<u>10,909,022</u>	<u>401,463</u>	<u>63,749</u>	<u>1,903,449</u>	<u>13,856,368</u>
-	-	-	98	98
-	-	641	214,151	234,536
-	-	89	39,783	40,746
-	792	30,172	702,171	778,712
-	25,099	45,427	527,801	665,935
-	-	567	179,015	218,883
<u>-</u>	<u>25,891</u>	<u>76,896</u>	<u>1,663,019</u>	<u>1,938,910</u>
<u>10,909,022</u>	<u>375,572</u>	<u>(13,147)</u>	<u>240,430</u>	<u>11,917,458</u>
347,346	10,340	43,820	272,687	680,965
-	-	(22,586)	(142,932)	(207,344)
-	-	-	753	753
<u>(11,259,651)</u>	<u>(312,679)</u>	<u>-</u>	<u>(1,832)</u>	<u>(11,576,662)</u>
<u>(10,912,305)</u>	<u>(302,339)</u>	<u>21,234</u>	<u>128,676</u>	<u>(11,102,288)</u>
(3,283)	73,233	8,087	369,106	815,170
48,416	369,858	68,131	1,075,920	2,653,304
<u>\$ 45,133</u>	<u>\$ 443,091</u>	<u>\$ 76,218</u>	<u>\$ 1,445,026</u>	<u>\$ 3,468,474</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING BALANCE SHEET**

**PROPRIETARY FUNDS**

**JUNE 30, 2005**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,700	\$ 7,200	\$ 8,200
Investments	697,895	62,755	361,266
Accounts receivable	7,008	21,023	57,572
Student loan receivable, net	21,851	34,418	7,277
Stores inventories	707,620	356,604	557,906
Furniture and equipment, net	72,158	40,535	140,737
<b>Total Assets</b>	<u>\$ 1,514,232</u>	<u>\$ 522,535</u>	<u>\$ 1,132,958</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	58,515	31,457	80,230
Due to other funds	-	-	-
<b>Total Liabilities</b>	<u>58,515</u>	<u>31,457</u>	<u>80,230</u>
<b>FUND EQUITY</b>			
Retained earnings	<u>1,455,717</u>	<u>491,078</u>	<u>1,052,728</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 1,514,232</u>	<u>\$ 522,535</u>	<u>\$ 1,132,958</u>

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

<b>Cafeteria</b>				
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>	<b>Total</b>	<b>Internal Service Fund</b>
\$ 3,000	\$ 2,350	\$ 2,900	\$ 31,350	\$ -
52,068	43,193	1,000	1,218,177	2,723,250
359	445	-	86,407	11,732
-	-	-	63,546	-
3,578	2,910	2,745	1,631,363	-
4,725	28,888	7,599	294,642	-
<u>\$ 63,730</u>	<u>\$ 77,786</u>	<u>\$ 14,244</u>	<u>\$ 3,325,485</u>	<u>\$ 2,734,982</u>
21,385	14,351	10,016	215,954	771,801
-	-	3,851	3,851	-
<u>21,385</u>	<u>14,351</u>	<u>13,867</u>	<u>219,805</u>	<u>771,801</u>
<u>42,345</u>	<u>63,435</u>	<u>377</u>	<u>3,105,680</u>	<u>1,963,181</u>
<u>\$ 63,730</u>	<u>\$ 77,786</u>	<u>\$ 14,244</u>	<u>\$ 3,325,485</u>	<u>\$ 2,734,982</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, 2005**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
<b>OPERATING REVENUES</b>			
Sales revenues	\$ 3,457,806	\$ 1,870,639	\$ 5,216,071
<b>OPERATING EXPENSES</b>			
Classified salaries	341,183	301,964	465,361
Employee benefits	111,418	97,195	173,587
Books and supplies	2,519,314	1,402,115	3,908,115
Services and other operating expenditures	117,228	82,915	278,340
Capital outlay	5,826	5,452	33,927
<b>Total Operating Expenses</b>	<u>3,094,969</u>	<u>1,889,641</u>	<u>4,859,330</u>
<b>Operating Income (Loss)</b>	<u>362,837</u>	<u>(19,002)</u>	<u>356,741</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	-	-	-
Miscellaneous revenues	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(128,000)	-	(665,111)
Other sources	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(128,000)</u>	<u>-</u>	<u>(665,111)</u>
<b>NET INCOME (LOSS)</b>	234,837	(19,002)	(308,370)
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	1,220,880	510,080	1,361,098
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$ 1,455,717</u>	<u>\$ 491,078</u>	<u>\$ 1,052,728</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>	
\$ 528,528	\$ 405,198	\$ 610,982	\$ 12,089,224	\$ -
211,815	163,129	291,905	1,775,357	9,818
78,223	38,021	110,653	609,097	1,361
251,709	200,503	267,051	8,548,807	-
9,362	17,117	17,514	522,476	427,662
-	3,007	4,847	53,059	1,089
551,109	421,777	691,970	11,508,796	439,930
(22,581)	(16,579)	(80,988)	580,428	(439,930)
-	-	-	-	41,421
-	-	-	-	8,443
25,000	-	79,388	104,388	275,000
-	-	-	(793,111)	-
-	-	-	-	1,513,786
25,000	-	79,388	(688,723)	1,838,650
2,419	(16,579)	(1,600)	(108,295)	1,398,720
39,926	80,014	1,977	3,213,975	564,461
\$ 42,345	\$ 63,435	\$ 377	\$ 3,105,680	\$ 1,963,181

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROPRIETARY FUND TYPES**

**COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2005**

	<b>Enterprise Funds</b>		
	<b>Bookstore</b>		
	<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 362,837	\$ (19,002)	\$ 356,741
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	22,896	10,100	71,891
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	69,848	(37,384)	(54,158)
Inventory	(22,871)	37,496	193,851
Increase (decrease) in:			
Accounts payable	6,864	(31,776)	(104,734)
Due to other funds	-	-	-
Net Cash Provided (Used) for Operating Activities	<u>439,574</u>	<u>(40,566)</u>	<u>463,591</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Transfers out	(128,000)	-	(665,111)
Transfers in	-	-	-
Interest income	-	-	-
Other income	-	-	-
Acquisition of fixed assets	(58,526)	(43,340)	(26,672)
Net Cash Provided (Used) from Investing Activities	<u>(186,526)</u>	<u>(43,340)</u>	<u>(691,783)</u>
Net increase (decrease) in cash and cash equivalents	253,048	(83,906)	(228,192)
Cash and cash equivalents - Beginning	452,547	153,861	597,658
Cash and cash equivalents - Ending	<u>\$ 705,595</u>	<u>\$ 69,955</u>	<u>\$ 369,466</u>

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

<b>Cafeteria</b>				<b>Total</b>	<b>Internal Service Fund</b>
<b>Ventura</b>	<b>Oxnard</b>	<b>Moorpark</b>			
\$ (22,581)	\$ (16,579)	\$ (80,988)	\$ 580,428	\$ (439,930)	
1,356	8,909	11,721	126,873	-	
(359)	(445)	-	(22,498)	(11,732)	
2,219	1,706	2,019	214,420	-	
(8,654)	(5,914)	(8,262)	(152,476)	278,895	
-	-	(2,878)	(2,878)	-	
<u>(28,019)</u>	<u>(12,323)</u>	<u>(78,388)</u>	<u>743,869</u>	<u>(172,767)</u>	
-	-	-	(793,111)	-	
25,000	-	79,388	104,388	275,000	
-	-	-	-	41,421	
-	-	-	-	1,522,229	
-	-	-	(128,538)	-	
<u>25,000</u>	<u>-</u>	<u>79,388</u>	<u>(817,261)</u>	<u>1,838,650</u>	
<u>(3,019)</u>	<u>(12,323)</u>	<u>1,000</u>	<u>(73,392)</u>	<u>1,665,883</u>	
<u>58,087</u>	<u>57,866</u>	<u>2,900</u>	<u>1,322,919</u>	<u>1,057,367</u>	
<u>\$ 55,068</u>	<u>\$ 45,543</u>	<u>\$ 3,900</u>	<u>\$ 1,249,527</u>	<u>\$ 2,723,250</u>	

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

### *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.

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, 2005, and have issued our report thereon dated September 8, 2005.

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, 2005

### 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:

Machinery and equipment	5 - 10 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, 2005

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.

### **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.

### **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.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

### Newly Issued Accounting Pronouncements

- **GASB Statement No. 40:** In March 2003, GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures*, which amends Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and addresses additional risks to which governments are exposed. Under Statement No. 40, State and local governments are required to disclose information covering four principal areas:
  - Investment credit risk disclosures, including credit quality information issued by rating agencies;
  - Interest rate disclosures that include investment maturity information, such as weighted average maturities or specification identification of securities;
  - Interest rate sensitivity for investments that are highly sensitive to changes in interest rates (ex: inverse floaters, enhanced variable-rate investments, and certain asset-backed securities; and
  - Foreign exchange exposures that would indicate the foreign investment's denomination.

The GASB Statement No. 40 provisions are effective for financial statements for periods beginning after June 30, 2005, and are included in *NOTE 2 - CASH AND INVESTMENTS*.

- **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 will be 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.

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

- **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. This statement is not effective until June 30, 2006.
- **GASB Statement No. 47:** In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. This statement is not effective until 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, 2005**

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 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, 2005, consist of the following:

Cash on hand and in banks	\$ 158,396
Investments	86,648,702
Total Deposits and Investments	<u>\$ 86,807,098</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 purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**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	\$ 6,574,896	12/05-06/08
County Pool	79,794,080	07/01/05
Total	<u>\$ 86,368,976</u>	

**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. 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, 2005</u>
U.S. Treasury Notes	\$ 6,574,896	AAA	AAA
County Pool	79,794,080	N/A	N/A
Total	<u>\$ 86,368,976</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 have a policy for custodial credit risk. The District shall attempt to limit its investments outside of the County Treasury in any one bank or corporation or instrument to no more than ten percent of total investments at the time of purchase. As of June 30, 2005, \$8,223 of the District's bank balance of \$135,145 was exposed to custodial credit risk.

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 3 - ACCOUNTS RECEIVABLE**

Receivables at June 30, 2005, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
<b>Federal Government</b>							
Categorical aid	\$ 750,750	\$ -	\$ 550,338	\$ -	\$ 357,370	\$ -	\$ 1,658,458
<b>State Government</b>							
Apportionment	3,500,504	-	-	-	-	-	3,500,504
Categorical aid	1,449,263	-	-	-	3,910	-	1,453,173
Lottery	1,780,817	-	-	-	-	-	1,780,817
Other State	-	-	3,211,025	-	-	-	3,211,025
<b>Local Sources</b>							
Interest	259,489	-	327,900	88,155	-	11,732	687,276
Other local	496,980	-	-	-	1,571	86,407	584,958
Total	<u>\$ 8,237,803</u>	<u>\$ -</u>	<u>\$ 4,089,263</u>	<u>\$ 88,155</u>	<u>\$ 362,851</u>	<u>\$ 98,139</u>	<u>\$ 12,876,211</u>
Student loan receivable	1,087,497	7,288	8,964	-	203,455	63,546	1,370,750
Less: reserve	(631,314)	-	-	-	(48,261)	-	(679,575)
Student loan receivable, net	<u>\$ 456,183</u>	<u>\$ 7,288</u>	<u>\$ 8,964</u>	<u>\$ -</u>	<u>\$ 155,194</u>	<u>\$ 63,546</u>	<u>\$ 691,175</u>

**NOTE 4 - INTERFUND TRANSACTIONS**

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

Individual fund interfund receivable and payable balances at June 30, 2005, are as follows:

Funds	Interfund Receivables	Interfund Payables
General Unrestricted	\$ 3,089,677	\$ -
General Restricted	33,805	1,702,887
Child Development	-	1,792
Capital Outlay	-	1,379,740
Student Financial Aid	1,507	36,719
Enterprise (Moorpark Cafeteria)	-	3,851
Total	<u>\$ 3,124,989</u>	<u>\$ 3,124,989</u>

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

### 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, 2005, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 720,943
The General Unrestricted Fund transferred to the Child Development Fund	12,150
The General Unrestricted Fund transferred to the Capital Outlay Fund	128,235
The General Unrestricted Fund transferred to the Other Trust Fund	58,027
The General Unrestricted Fund transferred to the Cafeteria Fund (Ventura)	25,000
The General Unrestricted Fund transferred to the Internal Service Fund	275,000
The General Restricted Fund transferred to the General Unrestricted Fund	155,961
The General Restricted Fund transferred to the Capital Outlay Fund	358,639
The General Restricted Fund transferred to the Student Financial Aid	347,346
The Capital Outlay Fund transferred to the General Restricted Fund	4,406
The Associated Students Organization transferred to the Child Development Fund	2,000
The Associated Students Organization transferred to the Scholarship and Loan Fund	10,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	17,270
The Associated Students Organization Fund transferred to the Other Trust Fund	7,949
The Student Representation Fees Fund transferred to the Associated Student Organization Fund	755
The Student Representation Fees Fund transferred to the Other Trust Fund	150
The Student Center Fees Fund transferred to the Associated Student Organization Fund	3,702
The Student Clubs Fund transferred to the General Unrestricted Fund	650
The Student Clubs Fund transferred to the Scholarship and Loan Fund	340
The Student Clubs Fund transferred to the Other Trust Fund	21,596
The Other Trust Fund transferred to the General Restricted Fund	15,360
The Other Trust Fund transferred to the Capital Outlay Fund	123,707
The Other Trust Fund transferred to the Associated Students Organization Fund	2,315
The Other Trust Fund transferred to the Student Clubs Fund	1,550
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	128,000
The Bookstore Fund (Moorpark) transferred to the General Unrestricted Fund	503,758
The Bookstore Fund (Moorpark) transferred to the Cafeteria Fund (Moorpark)	79,388
The Bookstore Fund (Moorpark) transferred to the Student Clubs Fund	25,000
The Bookstore Fund (Moorpark) transferred to the Other Trust Fund	56,965
Total	<u>\$ 3,086,162</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

***NOTE 5 - ACCOUNTS PAYABLE***

Accounts payable at June 30, 2005, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 3,298,767	\$ -	\$ -	\$ -	\$ -	\$ 3,298,767
Accrued vacation	697,951	-	-	-	116,154	814,105
Construction	-	-	3,007,556	-	-	3,007,556
Student liabilities	741,420	-	-	32,952	-	774,372
Load banking	-	-	-	-	771,801	771,801
Other	1,415,723	565	-	419,370	99,800	1,935,458
Total	<u>\$ 6,153,861</u>	<u>\$ 565</u>	<u>\$ 3,007,556</u>	<u>\$ 452,322</u>	<u>\$ 987,755</u>	<u>\$ 10,602,059</u>

***NOTE 6 - DEFERRED REVENUE***

Deferred revenue at June 30, 2005, consists of the following:

	General	Capital Project	Fiduciary	Total
Federal categorical aid	\$ 331,469	\$ -	\$ -	\$ 331,469
State categorical aid	1,302,876	-	-	1,302,876
Apportionment	1,016,810	-	-	1,016,810
Schedule maintenance	-	415,838	-	415,838
Lottery	542,861	-	-	542,861
Other State	590,988	-	-	590,988
Enrollment fees	1,368,132	6,643	11,538	1,386,313
Local	110,967	1,266,089	57,113	1,434,169
Total	<u>\$ 5,264,103</u>	<u>\$ 1,688,570</u>	<u>\$ 68,651</u>	<u>\$ 7,021,324</u>

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 7 - FUND BALANCES**

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
<b>Reserved</b>				
Prepaid expenditures	\$ 153,731	\$ -	\$ -	\$ -
Restricted programs	1,220,201	-	-	-
<b>Total Reserved</b>	<u>1,373,932</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unreserved</b>				
<b>Designated</b>				
Capital outlay	-	-	47,853,952	-
Debt repayment	-	-	-	18,597,259
General reserves	5,660,596	197,738	-	-
Other	750,000	-	-	-
<b>Total Designated</b>	<u>6,410,596</u>	<u>197,738</u>	<u>47,853,952</u>	<u>18,597,259</u>
<b>Undesignated</b>	1,919,803	-	-	-
<b>Total Unreserved</b>	<u>8,330,399</u>	<u>197,738</u>	<u>47,853,952</u>	<u>18,597,259</u>
<b>Total</b>	<u>\$ 9,704,331</u>	<u>\$ 197,738</u>	<u>\$ 47,853,952</u>	<u>\$ 18,597,259</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, 2005**

**Construction Commitments**

As of June 30, 2005, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Moorpark College Learning Resources Telecommunications Center	\$ 338,786	12/31/05
Moorpark College Maintenance Warehouse	674,393	06/30/06
Moorpark College Track and Field	131,243	06/30/06
Moorpark College Child Development Center	6,408,713	09/30/06
Moorpark College Library Renovation	151,752	05/30/07
Moorpark College PE Renovation	272,305	03/30/08
Moorpark College EATM Building	443,756	07/30/08
Moorpark College Academy Center	1,263,111	03/30/09
Moorpark College Health/Science Complex	867,439	03/30/10
Moorpark Planning and Development Cost	359,283	03/30/10
Oxnard College Gym Remodel	499,097	12/30/05
Oxnard College Track and Field	5,380,817	05/30/06
Oxnard College Auto Technology	757,546	05/30/06
Oxnard College North Campus Parking Lot	181,844	06/30/06
Oxnard College Electrical Systems Upgrade	667,132	06/30/06
Oxnard College Student Services Center	878,825	10/30/08
Oxnard College Learning Resources Telecommunications Center	1,138,205	11/30/09
Oxnard College Warehouse	89,090	06/30/06
Oxnard College Planning and Development Cost	899,209	12/30/10
Ventura College Learning Resources Telecommunications Center	190,735	06/30/06
Ventura College Master Plan	92,527	06/30/06
Ventura College Renovate Athletic Facilities	1,130,188	10/30/06
Ventura College Health/Science Complex	599,767	08/30/09
Ventura College GP and High Tech Project	1,499,122	08/30/09
Ventura College Planning and Development Cost	625,843	06/30/11
Fire/Sheriff Planning and Development Cost	238,168	03/30/09
Fire/Sheriff Master Plan	96,126	06/30/06
Fire/Sheriff Academy	1,431,051	03/30/09
	<u>\$ 27,306,073</u>	

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE 9 - TAX AND REVENUE ANTICIPATION NOTES**

On July 1, 2004, the District issued \$11,600,000 Tax and Revenue Anticipation Notes bearing interest at 3.0 percent, with a yield of 1.59 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on June 30, 2005. By April 30, 2005, 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 \$11,600,000 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, 2004</u>	<u>Additions</u>	<u>Payments</u>	<u>Outstanding June 30, 2005</u>
07/01/04	3.0%	06/30/05	\$ 11,600,000	\$ -	\$ 11,600,000	\$ -

**NOTE 10 - SUBSEQUENT EVENTS**

**Tax and Revenue Anticipation Notes**

The District issued \$8,105,000 of Tax and Revenue Anticipation Notes dated July 1, 2005. The notes mature on June 30, 2006, and bear interest at 4.0 percent with a yield of 2.62 percent. The notes were sold to supplement cash flow. Repayment requirements are that 50 percent of principal and interest be deposited with the Fiscal Agent on January 31, 2006, and the remaining 50 percent of principal and interest be deposited with the Fiscal Agent on April 30, 2006.