VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT

SPECIAL REPORT
FOR
BOARD OF TRUSTEES
AND
MANAGEMENT ONLY

JUNE 30, 2016

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY

VENTURA, CALIFORNIA

JUNE 30, 2016

BOARD OF TRUSTEES

ADMINISTRATION

Dr. Bernard Luskin	Interim Chancellor
Dr. David El Fattal	Vice Chancellor, Business and Administrative Services
Mr. Rick Post	Interim Vice Chancellor, Educational Services and Institutional Effectiveness
Mr. Michael Shanahan	Vice Chancellor, Human Resources
Mr. Dave Fuhrmann	Associate Vice Chancellor, Information Technology

ORGANIZATION

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ventura County Community College District
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Ventura County Community College District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting of the governmental fund types, fiduciary fund types, and proprietary fund types described in Notes 1 and 2; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified accrual basis of accounting of the governmental fund types, fiduciary fund types, and proprietary fund types of the District as of June 30, 2016, and the respective changes in financial position—modified accrual basis of accounting and cash flows, thereof for the year then ended in accordance with the basis of accounting as described in Notes 1 and 2.

Emphasis of Matter

We draw attention to Notes 1 and 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting for the governmental fund types, fiduciary fund types, and proprietary fund types, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Purpose of This Report

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

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 2, 2016

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
GENERAL FUNDS
JUNE 30, 2016

	General Unrestricted	General Restricted	Total
ASSETS			
Cash and cash equivalents	$ 49,600	$ -	$ 49,600
Investments	73,815,260	22,545,621	96,360,881
Accounts receivable	3,019,320	2,613,677	5,632,997
Student receivable, net	790,381	293,408	1,083,789
Due from other funds	176,733	-	176,733
Prepaid expenditures	816,035	15,600	831,635
Total Assets	$ 78,667,329	$ 25,468,306	$ 104,135,635
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 7,924,426	$ 1,711,849	$ 9,636,275
Due to other funds	-	91,564	91,564
Other current liabilities	2,608	-	2,608
Unearned revenue	9,741,510	17,754,052	27,495,562
Total Liabilities	17,668,544	19,557,465	37,226,009
FUND BALANCES			
Reserved	841,035	5,910,841	6,751,876
Unreserved			
Designated	19,521,970	-	19,521,970
Undesignated	40,635,780	-	40,635,780
Total Fund Balances	60,998,785	5,910,841	66,909,626
Total Liabilities and Fund Balances	$ 78,667,329	$ 25,468,306	$ 104,135,635

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, 2016

	General Unrestricted		
	Budget	**Actual**	**Variance**
REVENUES			
Federal revenues	$ -	$ -	$ -
State revenues	162,635,313	95,476,844	(67,158,469)
Local revenues	7,014,875	80,090,796	73,075,921
Total Revenues	169,650,188	175,567,640	5,917,452
EXPENDITURES			
Current Expenditures			
Academic salaries	62,527,206	62,749,746	(222,540)
Classified salaries	27,072,848	26,823,935	248,913
Employee benefits	42,139,742	41,987,593	152,149
Books and supplies	3,818,195	2,281,047	1,537,148
Services and operating expenditures	19,924,752	13,924,675	6,000,077
Capital outlay	3,274,863	1,572,505	1,702,358
Total Expenditures	158,757,606	149,339,501	9,418,105
EXCESS OF REVENUES OVER EXPENDITURES	10,892,582	26,228,139	15,335,557
OTHER FINANCING SOURCES (USES)			
Transfers in	326,529	231,927	(94,602)
Transfers out	(31,319,470)	(9,340,230)	21,979,240
Other uses	(9,025)	(352)	8,673
Total Other Financing Sources (Uses)	(31,001,966)	(9,108,655)	21,893,311
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	$ (20,109,384)	17,119,484	$ 37,228,868
FUND BALANCE, BEGINNING OF YEAR		43,879,301	
FUND BALANCE, END OF YEAR		$ 60,998,785	

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

General Restricted			Total		
Budget	Actual	Variance	Budget	Actual	Variance
$ 6,095,918	$ 4,426,788	$ (1,669,130)	$ 6,095,918	$ 4,426,788	$ (1,669,130)
37,674,217	22,719,491	(14,954,726)	200,309,530	118,196,335	(82,113,195)
4,396,581	4,187,309	(209,272)	11,411,456	84,278,105	72,866,649
48,166,716	31,333,588	(16,833,128)	217,816,904	206,901,228	(10,915,676)
6,895,458	5,608,501	1,286,957	69,422,664	68,358,247	1,064,417
11,785,396	9,323,579	2,461,817	38,858,244	36,147,514	2,710,730
6,441,908	5,254,059	1,187,849	48,581,650	47,241,652	1,339,998
4,858,728	1,802,861	3,055,867	8,676,923	4,083,908	4,593,015
12,900,702	6,332,180	6,568,522	32,825,454	20,256,855	12,568,599
4,414,246	2,402,727	2,011,519	7,689,109	3,975,232	3,713,877
47,296,438	30,723,907	16,572,531	206,054,044	180,063,408	25,990,636
870,278	609,681	(260,597)	11,762,860	26,837,820	15,074,960
909,768	1,047,363	137,595	1,236,297	1,279,290	42,993
(1,885,483)	(1,684,681)	200,802	(33,204,953)	(11,024,911)	22,180,042
(430,814)	(407,166)	23,648	(439,839)	(407,518)	32,321
(1,406,529)	(1,044,484)	362,045	(32,408,495)	(10,153,139)	22,255,356
$ (536,251)	(434,803)	$ 101,448	$ (20,645,635)	16,684,681	$ 37,330,316
	6,345,644			50,224,945	
	$ 5,910,841			$ 66,909,626	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Child Development	Other Special Revenue	Total
ASSETS			
Investments	$ 217,331	$ 122,167	$ 339,498
Accounts receivable	8,190	-	8,190
Student receivable	26,938	-	26,938
Total Assets	$ 252,459	$ 122,167	$ 374,626
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 60	$ 874	$ 934
Due to other funds	10	-	10
Unearned revenue	7,700	-	7,700
Total Liabilities	7,770	874	8,644
FUND BALANCES			
Unreserved			
Designated	244,689	121,293	365,982
Total Liabilities and Fund Balances	$ 252,459	$ 122,167	$ 374,626

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 FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Child Development		
	Budget	**Actual**	**Variance**
REVENUES			
State revenues	$ 60,982	$ 71,902	$ 10,920
Local revenues	625,699	568,947	(56,752)
Total Revenues	686,681	640,849	(45,832)
EXPENDITURES			
Current Expenditures			
Classified salaries	440,159	439,284	875
Employee benefits	171,543	153,878	17,665
Books and supplies	19,000	14,674	4,326
Services and operating expenditures	30,522	14,506	16,016
Total Expenditures	661,224	622,342	38,882
EXCESS OF REVENUES OVER EXPENDITURES	25,457	18,507	(6,950)
OTHER FINANCING SOURCES (USES)			
Transfers in	51,000	51,000	-
Transfers out	-	(83,764)	(83,764)
Total Other Financing Sources (Uses)	51,000	(32,764)	(83,764)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	$ 76,457	(14,257)	$ (90,714)
FUND BALANCE, BEGINNING OF YEAR		258,946	
FUND BALANCE, END OF YEAR		$ 244,689	

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

Other Special Revenue			Total		
Budget	Actual	Variance	Budget	Actual	Variance
$ -	$ -	$ -	$ 60,982	$ 71,902	$ 10,920
166,000	185,490	19,490	791,699	754,437	(37,262)
166,000	185,490	19,490	852,681	826,339	(26,342)
17,944	17,869	75	458,103	457,153	950
7,530	7,477	53	179,073	161,355	17,718
1,000	547	453	20,000	15,221	4,779
13,220	13,136	84	43,742	27,642	16,100
39,694	39,029	665	700,918	661,371	39,547
126,306	146,461	20,155	151,763	164,968	13,205
-	-	-	51,000	51,000	-
(125,000)	(148,000)	(23,000)	(125,000)	(231,764)	(106,764)
(125,000)	(148,000)	(23,000)	(74,000)	(180,764)	(106,764)
$ 1,306	(1,539)	$ (2,845)	$ 77,763	(15,796)	$ (93,559)
	122,832			381,778	
	$ 121,293			$ 365,982	

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
CAPITAL PROJECT FUNDS
JUNE 30, 2016

	Capital Outlay	Bond Construction	Total
ASSETS			
Investments	$ 30,006,436	$ 6,739,389	$ 36,745,825
Accounts receivable	-	26,296	26,296
Student receivable	46,146	-	46,146
Prepaid expenses	36,201	-	36,201
Total Assets	$ 30,088,783	$ 6,765,685	$ 36,854,468
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 664,043	$ 2,381,031	$ 3,045,074
Unearned revenue	3,942,094	-	3,942,094
Total Liabilities	4,606,137	2,381,031	6,987,168
FUND BALANCES			
Reserved	25,482,646	4,384,654	29,867,300
Total Liabilities and Fund Balances	$ 30,088,783	$ 6,765,685	$ 36,854,468

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, 2016

	Capital Outlay	Bond Construction	Total
REVENUES			
State revenues	$ 1,303,106	$ -	$ 1,303,106
Local revenues	1,193,485	79,223	1,272,708
Total Revenues	2,496,591	79,223	2,575,814
EXPENDITURES			
Current Expenditures			
Books and supplies	121,208	40,129	161,337
Services and operating expenditures	571,661	130,627	702,288
Capital outlay	4,505,935	16,019,298	20,525,233
Total Expenditures	5,198,804	16,190,054	21,388,858
DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,702,213)	(16,110,831)	(18,813,044)
OTHER FINANCING SOURCES			
Transfers in	8,651,928	-	8,651,928
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	5,949,715	(16,110,831)	(10,161,116)
FUND BALANCE, BEGINNING OF YEAR	19,532,931	20,495,485	40,028,416
FUND BALANCE, END OF YEAR	$ 25,482,646	$ 4,384,654	$ 29,867,300

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, 2016

	Bond Interest and Redemption
ASSETS	
Investments	$ 17,538,867
Accounts receivable	28,688
Total Assets	$ 17,567,555
FUND BALANCE	
Reserved	$ 17,567,555

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, 2016

	Bond Interest and Redemption
REVENUES	
State revenues	$ 128,462
Local revenues	16,437,209
Total Revenues	16,565,671
EXPENDITURES	
Current Expenditures	
Debt service - principal	7,610,000
Debt service - interest and other	10,341,023
Total Expenditures	17,951,023
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,385,352)
FUND BALANCE, BEGINNING OF YEAR	18,952,907
FUND BALANCE, END OF YEAR	$ 17,567,555

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, 2016

	Associated Students Organization	Student Representation Fees	Student Center Fees
ASSETS			
Investments	$ 625,379	$ 149,174	$ 4,499,427
Accounts receivable	986	244	7,730
Student receivable, net	49,407	15,063	86,999
Due from other funds	-	-	-
Fixed Assets	-	-	5,795
Total Assets	$ 675,772	$ 164,481	$ 4,599,951
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 2,818	$ 339	$ -
Due to other funds	-	-	-
Unearned revenue	143,416	23,368	114,292
Total Liabilities	146,234	23,707	114,292
FUND BALANCES			
Reserved	-	-	-
Unreserved			
Designated	529,538	140,774	4,485,659
Total Fund Balances	529,538	140,774	4,485,659
Total Liabilities and Fund Balances	$ 675,772	$ 164,481	$ 4,599,951

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
$ 114,835	$ 613,060	$ 130,982	$ 2,063,414	$ 8,196,271
41,979	925	-	88	51,952
13,726	5,714	-	23,579	194,488
3,631	-	-	-	3,631
-	-	4,208	-	10,003
$ 174,171	$ 619,699	$ 135,190	$ 2,087,081	$ 8,456,345
$ 80,172	$ 6,032	$ 522	$ 44,926	$ 134,809
88,790	-	-	-	88,790
-	-	-	-	281,076
168,962	6,032	522	44,926	504,675
5,209	-	-	-	5,209
-	613,667	134,668	2,042,155	7,946,461
5,209	613,667	134,668	2,042,155	7,951,670
$ 174,171	$ 619,699	$ 135,190	$ 2,087,081	$ 8,456,345

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, 2016

	Associated Students Organization	Student Representation Fees	Student Center Fees
REVENUES			
Federal revenues	$ -	$ -	$ -
State revenues	-	-	-
Local revenues	448,203	86,943	412,304
Total Revenues	448,203	86,943	412,304
EXPENDITURES			
Current Expenditures			
Academic salaries	-	-	-
Classified salaries	16,702	-	29,540
Employee benefits	524	-	1,506
Books and supplies	79,229	35	1,010
Services and operating expenditures	33,219	91,397	-
Capital outlay	1,111	-	1,512
Total Expenditures	130,785	91,432	33,568
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	317,418	(4,489)	378,736
OTHER FINANCING SOURCES (USES)			
Transfers in	3,152	-	-
Transfers out	(44,949)	(3,152)	(699,261)
Other uses	-	-	-
Total Other Financing Sources (Uses)	(41,797)	(3,152)	(699,261)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	275,621	(7,641)	(320,525)
FUND BALANCE, BEGINNING OF YEAR	253,917	148,415	4,806,184
FUND BALANCE, END OF YEAR	$ 529,538	$ 140,774	$ 4,485,659

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

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
$ 38,540,032	$ -	$ -	$ -	$ 38,540,032
3,047,910	-	-	635	3,048,545
157	579,074	65,483	1,247,600	2,839,764
41,588,099	579,074	65,483	1,248,235	44,428,341
-	-	-	12,105	12,105
-	-	-	93,341	139,583
-	-	-	10,804	12,834
-	-	47,970	660,612	788,856
(1,000)	70	33,028	644,698	801,412
-	-	1,456	292,432	296,511
(1,000)	70	82,454	1,713,992	2,051,301
41,589,099	579,004	(16,971)	(465,757)	42,377,040
1,491,681	1,500	49,699	509,304	2,055,336
(163)	-	(28,604)	(54,750)	(830,879)
(43,079,623)	(454,542)	(200)	(3,000)	(43,537,365)
(41,588,105)	(453,042)	20,895	451,554	(42,312,908)
994	125,962	3,924	(14,203)	64,132
4,215	487,705	130,744	2,056,358	7,887,538
$ 5,209	$ 613,667	$ 134,668	$ 2,042,155	$ 7,951,670

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

COMBINING BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2016

	Enterprise Funds				
	Food Service				Internal Service Fund
	Moorpark	Oxnard	Ventura	Total	
ASSETS					
Cash and cash equivalents	$ 2,000	$ 3,000	$ 4,950	$ 9,950	$ -
Investments	271,365	415,645	80,489	767,499	4,519,674
Accounts receivable	788	412	857	2,057	11,328
Total Assets	$ 274,153	$ 419,057	$ 86,296	$ 779,506	$ 4,531,002
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 736,522
FUND EQUITY					
Retained earnings	274,153	419,057	86,296	779,506	3,794,480
Total Liabilities and Fund Equity	$ 274,153	$ 419,057	$ 86,296	$ 779,506	$ 4,531,002

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

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, 2016

	Enterprise Funds				
	Food Service				Internal
	Moorpark	Oxnard	Ventura	Total	Service Fund
OPERATING REVENUES					
Sales revenues	$ 61,075	$ 20,420	$ 40,710	$ 122,205	$ -
Other operating	-	-	-	-	389,453
Charges to other funds	-	-	-	-	12,287,596
Total Operating Revenues	61,075	20,420	40,710	122,205	12,677,049
OPERATING EXPENSES					
Classified salaries	7,584	-	4,241	11,825	-
Employee benefits	149	-	214	363	12,572,766
Books and supplies	521	-	-	521	1,003
Services and other operating expenditures	-	-	211	211	549,947
Capital outlay	-	-	-	-	4,339
Total Operating Expenses	8,254	-	4,666	12,920	13,128,055
Operating Income (Loss)	52,821	20,420	36,044	109,285	(451,006)
NONOPERATING REVENUES (EXPENSES)					
Transfers in	-	-	-	-	75,000
Transfers out	-	(25,000)	-	(25,000)	-
Total Nonoperating Revenues (Expenses)	-	(25,000)	-	(25,000)	75,000
NET INCOME (LOSS)	52,821	(4,580)	36,044	84,285	(376,006)
RETAINED EARNINGS, BEGINNING OF YEAR	221,332	423,637	50,252	695,221	4,170,486
RETAINED EARNINGS, END OF YEAR	$ 274,153	$ 419,057	$ 86,296	$ 779,506	$ 3,794,480

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Funds				
	Food Service				Internal Service Fund
	Moorpark	Oxnard	Ventura	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 52,821	$ 20,420	$ 36,044	$ 109,285	$ (451,006)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Changes in assets and liabilities					
(Increase) decrease in:					
Accounts receivable	1,733	820	(38)	2,515	3,011
Increase in:					
Accounts payable	-	-	-	-	29,006
Net Cash Flows From Operating Activities	54,554	21,240	36,006	111,800	(418,989)
CASH FLOWS FROM INVESTING ACTIVITIES					
Transfers out	-	(25,000)	-	(25,000)	-
Transfers in	-	-	-	-	75,000
Net Cash Flows From Investing Activities	-	(25,000)	-	(25,000)	75,000
Net change in cash and cash equivalents	54,554	(3,760)	36,006	86,800	(343,989)
Cash and cash equivalents - Beginning	218,811	422,405	49,433	690,649	4,863,663
Cash and cash equivalents - Ending	$ 273,365	$ 418,645	$ 85,439	$ 777,449	$ 4,519,674

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

NOTE 1 - ORGANIZATION

The Ventura County Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Ventura County. The District operates under a locally elected five-member Board of Trustees form of government which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within Ventura County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

In June 1999, GASB approved Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, followed by Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public College and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 39. 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, 2016, and have issued our report thereon dated December 2, 2016.

These financial statements have been prepared specifically for the Board of Trustees and management of the Ventura County Community College District to provide an analysis of the financial position and results of operations had the District not implemented GASB Statements No. 34 and No. 35. Fund financial statements are included in this report to present the operations of the individual funds used by the District. These fund financial statements do not include the adoption of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

Financial Reporting Entity

The District has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units.* This Statement amends GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. The District has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the statement of cash flows. Restricted cash and cash equivalents represented balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2016, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at $1,854,190 for the year ended June 30, 2016.

Prepaid Expenditures

Prepaid expenditures represent payments made to vendors and others for services that will benefit periods beyond June 30, 2016.

Capital Assets and Depreciation

The District's capital expenditures have been accounted for as expenditures within the governmental and fiduciary fund types incurring the cost. These assets have not been capitalized within the individual funds and depreciation expense is not recorded. Capital assets are capitalized within the proprietary fund types and certain fiduciary funds, depreciations expense is recorded within the individual fund incurring the expense. Depreciation on capitalized assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles and equipment	2 - 15 years
Improvements	5 - 20 years

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the entity-wide financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period and 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 unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

State Apportionments

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

Estimates

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

Property Taxes

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

The voters of the District passed a general obligation bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected. The property tax revenue received for the repayment of the bonds for the year ended June 30, 2016, was $16,492,811.

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 (e.g. 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.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $3,473,849 (7.12589 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2016. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

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.

Change in Accounting Principles

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District has implemented the provisions of this Statement as of June 30, 2016.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of State and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of GASB Statement No. 68. It also amends certain provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment to GASB Statement No. 25,* and GASB Statement No. 68 for pension plans and pensions that are within their respective scopes.

The provisions in this Statement, effective as of June 30, 2016, include the provisions for assets accumulated for purposes of providing pensions through defined benefit plans and the amended provisions of GASB Statements No. 67 and No. 68. The District has implemented these provisions as of June 30, 2016. The provisions in this Statement related to defined benefit pensions that are not within the scope of GASB Statement No. 68 are effective for periods beginning after June 15, 2016.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of State and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The District has implemented the provisions of this Statement as of June 30, 2016.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants.* This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of GASB Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures, for both the qualifying external investment pools and their participants, include information about any limitations or restrictions on participant withdrawals.

The District has implemented the provisions of this Statement as of June 30, 2016.

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, No. 43, and No. 50, *Pension Disclosures*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The requirements of this Statement are effective for financial statements for periods beginning after June 30, 2017. Early implementation is encouraged.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures.* This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Early implementation is encouraged.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to State or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of GASB Statement No. 68 applied to the financial statements of all State and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of State or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a State or local governmental pension plan; (2) is used to provide defined benefit pensions both to employees of State or local governmental employers and to employees of employers that are not State or local governmental employers; and (3) has no predominant State or local governmental employer (either individually or collectively with other State or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Early implementation is encouraged.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment to GASB Statement No. 14.* The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of GASB Statement No. 14, *The Financial Reporting Entity*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment to GASB Statement No. 14*.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Early implementation is encouraged.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements.* The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Early implementation is encouraged.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.* The objective of this Statement is to address certain issues that have been raised with respect to GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment to GASB Statement No. 25,* GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment to GASB Statement No. 27,* and GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Early implementation is encouraged.

NOTE 3 - CASH AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

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, 2016, consist of the following:

Cash on hand and in banks	$ 59,550
Investments	164,468,515
Total Deposits and Investments	$ 164,528,065

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County Investment Pool. The Ventura County Investment Pool purchases shorter term investments and attempts to time cash flows from maturities so that a 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. The District maintains an investment of $164,468,515 with the Ventura County Investment Pool with an average weighted maturity of 328 days.

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 Ventura County pool is not required to be rated. However, as of June 30, 2016, the County portfolio was rated AAAf by Standard and Poor's.

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, 2016, the District did not have any deposits exposed to custodial credit risk because all balances were Federal Deposit Insurance Corporation (FDIC) insured.

NOTE 4 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Ventura County Treasury Investment are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2016:

Investment Type	Fair Value	Uncategorized
Ventura County Treasury Investment Pool	$ 164,179,817	$ 164,179,817

All assets have been valued using a market approach, with quoted market prices.

NOTE 5 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2016, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	$ 970,187	$ -	$ -	$ -	$ 41,149	$ -	$ 1,011,336
State Government							
Categorical aid	259,279	-	-	-	-	-	259,279
Lottery	3,006,556	-	-	-	-	-	3,006,556
Local Sources							
Interest	344,313	-	26,296	28,688	9,885	-	409,182
Oxnard Foundation	204,207	-	-	-	-	-	204,207
Other local	848,455	8,190	-	-	918	13,385	870,948
Accounts receivable	$ 5,632,997	$ 8,190	$ 26,296	$ 28,688	$ 51,952	$ 13,385	$ 5,761,508
Student receivable	$ 2,432,279	$ 26,938	$ 46,146	$ -	$ 700,188	$ -	$ 3,205,551
Less: reserve	(1,348,490)	-	-	-	(505,700)	-	(1,854,190)
Student receivable, net	$ 1,083,789	$ 26,938	$ 46,146	$ -	$ 194,488	$ -	$ 1,351,361

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2016, are as follows:

	Interfund Receivables	Interfund Payables
Funds		
General Unrestricted	$ 176,733	$ -
General Restricted	-	91,564
Child Development	-	10
Student Financial Aid	3,631	88,790
Total	$ 180,364	$ 180,364

Transfers

Interfund transfers consist of operating and equity transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2016, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	$ 1,047,363
The General Unrestricted Fund transferred to the Capital Outlay Fund	7,754,667
The General Unrestricted Fund transferred to the Student Clubs Fund	20,000
The General Unrestricted Fund transferred to the Other Trust Fund	443,200
The General Unrestricted Fund transferred to the Internal Service Fund	75,000
The General Restricted Fund transferred to the Capital Outlay Fund	193,000
The General Restricted Fund transferred to the Student Financial Aid Fund	1,491,681
The Child Development Fund transferred to the General Unrestricted Fund	83,764
The Other Special Revenue Fund transferred to General Unrestricted Fund	148,000
The Associated Students Organization Fund transferred to the Capital Outlay Fund	5,000
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	1,500
The Associated Students Organization Fund transferred to the Student Clubs Fund	25,949
The Associated Students Organization Fund transferred to the Other Trust Fund	12,500
The Student Representation Fees transferred to the Associated Students Organization Fund	3,152
The Student Center Fee Fund transferred to the Capital Outlay Fund	699,261
The Student Financial Aid Fund transferred to the General Unrestricted Fund	163
The Student Clubs transferred to the Other Trust Fund	28,604
The Other Trust Fund transferred to the Child Development Fund	51,000
The Other Trust Fund transferred to the Student Clubs Fund	3,750
The Food Service Fund (Oxnard) transferred to the Other Trust Fund	25,000
Total	$ 12,112,554

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2016, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	$ 2,751,931	$ -	$ -	$ -	$ -	$ 2,751,931
Accrued vacation	727,759	-	-	-	-	727,759
Construction	-	-	3,045,074	-	-	3,045,074
Student liabilities	3,174,523	-	-	5,673	-	3,180,196
Load banking	-	-	-	-	734,991	734,991
Other	2,982,062	934	-	129,136	1,531	3,113,663
Total	$ 9,636,275	$ 934	$ 3,045,074	$ 134,809	$ 736,522	$ 13,553,614

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2016, consists of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Total
Federal categorical aid	$ 7,411	$ -	$ -	$ -	$ 7,411
State categorical aid	12,400,605	-	-	-	12,400,605
State apportionment	2,555,909	-	-	-	2,555,909
Other State	2,167,122	-	722,632	-	2,889,754
RDA deferral	2,678,010	-	690,003	-	3,368,013
Schedule maintenance	-	-	2,508,795	-	2,508,795
Lottery	2,664,761	-	-	-	2,664,761
Enrollment/student fees	4,953,173	-	20,664	281,076	5,254,913
Local	68,571	7,700	-	-	76,271
Total	$ 27,495,562	$ 7,700	$ 3,942,094	$ 281,076	$ 31,726,432

NOTE 9 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				
Prepaid expenditures	$ 831,635	$ -	$ 36,201	$ -
Revolving cash	25,000	-	-	-
Restricted programs	5,895,241	-	-	-
Capital outlay	-	-	29,831,099	-
Debt repayment	-	-	-	17,567,555
Total Reserved	6,751,876	-	29,867,300	17,567,555
Unreserved				
Designated				
General reserves	9,215,676	365,982	-	-
Budget rollover	2,706,294	-	-	-
Revenue shortfall contingency	5,000,000	-	-	-
STRS	1,000,000	-	-	-
Energy Efficiency	1,400,000	-	-	-
Other	200,000	-	-	-
Total Designated	19,521,970	365,982	-	-
Undesignated	40,635,780	-	-	-
Total Unreserved	60,157,750	365,982	-	-
Total	$ 66,909,626	$ 365,982	$ 29,867,300	$ 17,567,555

NOTE 10 - 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.

Construction Commitments

As of June 30, 2016, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Moorpark College Parking Structure	$ 48,043	December 31, 2016
Oxnard College Planning and Development (indirect)	95,734	December 31, 2016
Oxnard College LRC Renovation	917,191	December 31, 2016
Oxnard College Dental Hygiene Renovation	622,476	August 31, 2016
Ventura College Planning and Development (indirect)	126,225	December 31, 2016
Ventura College Applied Science Building	492,917	August 31, 2016
Ventura College Studio Arts Building	562,013	August 31, 2016
	$ 2,864,599	

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