

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended June 30, 2006

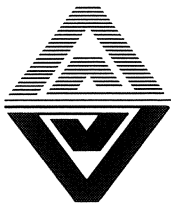
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June 30, 2006

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Oversight Committee
Ventura County Community College District
255 W. Stanley Avenue, Suite 150
Ventura, CA 93001

We have examined the Ventura County Community College District's compliance with the performance requirements for the Proposition 39/Measure S General Obligation Bonds for the fiscal year ended June 30, 2006, under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the Bonds and the net proceeds thereof. Management is responsible for the Ventura County Community College District's compliance with those requirements. Our responsibility is to express an opinion on the Ventura County Community College District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Ventura County Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Ventura County Community College District's compliance with specified requirements.

In our opinion, the Ventura County Community College District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2006.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

August 24, 2006

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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OBJECTIVES

The objectives of our performance audit were to:

- determine the expenditures charged to the Ventura County Community College District Bond Construction Fund
- determine whether expenditures charged to the Bond Construction Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure S in March 2002
- note any incongruities or system weaknesses and provide recommendations for improvement
- provide the District Board and the Citizens' Oversight Committee with a performance audit as required under the guidelines of the California Constitution and Proposition 39

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal year from July 1, 2005 to June 30, 2006. The expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2006 were not reviewed or included within the scope of our audit or within this report.

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BACKGROUND INFORMATION

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. In March 2002, a general obligation bond proposition (Measure S) of the Ventura County Community College District was approved by the voters of that District. Measure S authorized the District to issue up to \$356,347,814 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

Pursuant to the requirements of Proposition 39 and related State legislation, the Board of Trustees of the District has appropriately established a Citizens' Oversight Committee. The principal purpose of the Citizens' Oversight Committee, as set out in State law, is to inform the public as to the expenditures made using the proceeds of the bonds issued pursuant to the Measure S bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Bond Construction Fund have been expended only for the authorized bond projects.

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PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2006 for the Bond Construction Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure S with regards to the approved bond projects list. We performed the following procedures:

- reviewed the projects listed to be funded with general obligation bond proceeds as set out in the Measure S election documents
- selected a sample of expenditures for the fiscal year ended June 30, 2006 and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects
- verified that funds from the Bond Construction Fund were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects. Furthermore, we verified that funds expended from the Bond Construction Fund were not used for salaries of school administrators or other operating expenses of the District.

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CONCLUSION

Based upon our procedures performed, we found that, for the items tested, the Ventura County Community College District has properly accounted for the expenditures in the Bond Construction Fund and that such expenditures were made on authorized bond projects. Furthermore, it was noted that the funds held in the Bond Construction Fund, and expended by the District, were not expended for salaries of school administrators or other operating expenses.