

**VENTURA COUNTY
COMMUNITY COLLEGE DISTRICT**



**SPECIAL REPORT
FOR
BOARD OF TRUSTEES**



VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

OF VENTURA COUNTY

VENTURA, CALIFORNIA

JUNE 30, 2008

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Dr. Larry O. Miller	Chair	2008
Mr. Robert O. Huber	Vice Chair	2008
Mr. Stephen P. Blum	Member	2010
Ms. Cheryl Heitmann	Member	2010
Mr. Arturo D. Hernández	Member	2010

ADMINISTRATION

Dr. James M. Meznec	Chancellor
Ms. Susan F. Johnson	Vice Chancellor, Business and Administrative Services
Dr. Richard Dawe	Vice Chancellor, Planning and Organizational Development
Ms. Patricia S. Parham	Associate 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

TABLE OF CONTENTS JUNE 30, 2008

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT	1
GOVERNMENTAL FUND TYPES	
General Funds	
Combining Balance Sheet – Modified Accrual Basis	2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Modified Accrual Basis	3
Special Revenue Fund	
Combining Balance Sheet – Modified Accrual Basis	4
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Modified Accrual Basis	5
Capital Project Funds	
Combining Balance Sheet – Modified Accrual Basis	6
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Accrual Basis	7
Debt Service Funds	
Combining Balance Sheet – Modified Accrual Basis	8
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Accrual Basis	9
MULTI-FUND TYPES	
Combining Balance Sheet –	



INDEPENDENT AUDITORS' REPORT

Board of Trustees

[REDACTED]

We have audited in accordance with auditing standards generally accepted in the United States of America, the

[REDACTED]

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

The

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
GOVERNMENTAL FUND TYPES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND

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

Budget	Actual	Variance	Budget	Actual	Variance
\$ 5,970,873	\$ 4,944,229	\$ (1,026,644)	\$ 6,034,873	\$ 5,007,956	\$ (1,026,917)
18,209,950	14,525,112	(3,684,838)	152,596,588	89,250,172	(63,346,416)
5,292,574	5,137,717	(154,857)	12,133,582	68,965,977	56,832,395
29,473,397	24,607,058	(4,866,339)	170,765,043	163,224,105	(7,540,938)
5,940,688	5,255,818	684,870	67,943,056	67,256,953	686,103
8,312,296	7,546,370	765,926	31,660,309		

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

GOVERNMENTAL FUND TYPES

**COMBINING BALANCE SHEET – MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUND
JUNE 30, 2008**

	Child Development
ASSETS	
Investments	\$ 611,919
Accounts receivable	138
Student receivable, net	6,804
Total Assets	\$ 618,861
 LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	\$ 4,379
Deferred revenue	8,861
Total Liabilities	13,240
FUND EQUITY	
Fund Balances	
Unreserved	

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, 2008**

	Budget	Actual	Variance
REVENUES			
State revenues	\$ 186,669	\$ 186,660	\$ (9)
Local revenues	941,276	970,920	29,644
Total Revenues	1,127,945	1,157,580	29,635
EXPENDITURES			
Current Expenditures			
Academic salaries	4,000	3,535	465
Classified salaries	772,192	764,856	7,336
Employee benefits	326,265	305,909	20,356
Books and supplies	45,905	31,648	14,257
Services and operating expenditures	13,265	10,908	2,357
Capital outlay	19,580	19,505	75
Total Expenditures	1,181,207	1,136,361	44,846
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(53,262)	21,219	74,481
OTHER FINANCING SOURCES (USES)			
Operating transfers			

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, 2008

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
ASSETS			
Investments	\$ 17,893,781	\$ 54,178,646	\$ 72,072,427
Accounts receivable	844,009	516,586	1,360,595
Student loan receivable, net	25,640	-	25,640
Total Assets	<u>\$ 18,763,430</u>	<u>\$ 54,695,232</u>	<u>\$ 73,458,662</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 471,407	\$ 5,362,339	\$ 5,833,746
Due to other funds	362,161	-	362,161
Deferred revenue	2,086,212	-	2,086,212
Total Liabilities	<u>2,919,780</u>	<u>5,362,339</u>	<u>8,282,119</u>
 FUND EQUITY			
Fund Balances			
Unreserved			
Designated	15,843,650	49,332,893	65,176,543
Total Fund Equity	<u>15,843,650</u>	<u>49,332,893</u>	<u>65,176,543</u>
 Total Liabilities and Fund Equity	 <u>\$ 18,763,430</u>	 <u>\$ 54,695,232</u>	 <u>\$ 73,458,662</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, 2008**

	Capital Outlay	Bond Construction	Total
REVENUES			
State revenues	\$ 1,416,857	\$ -	\$ 1,416,857
Local revenues	402,344		

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, 2008

	Bond Interest and Redemption	Other Debt Service	Total
ASSETS			
Investments	\$ 6,855,335	\$ -	\$ 6,855,335
Accounts receivable	55,605	-	55,605
Total Assets	\$ 6,910,940	\$ -	\$ 6,910,940
 FUND EQUITY			
Fund Balances			
Unreserved			
Designated	\$ 6,910,940	\$ -	\$ 6,910,940
Total Fund Equity	6,910,940	-	6,910,940
Total Liabilities and Fund Equity	\$ 6,910,940	\$ -	\$ 6,910,940

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, 2008**

	Bond Interest and Redemption	Other Debt Service	Total
REVENUES			
Federal revenues	\$ 41	\$ -	\$ 41
State revenues	50,698	-	50,698
Local revenues	6,404,609	90,607	6,495,216
Total Revenues	6,455,348	90,607	6,545,955
EXPENDITURES			
Current Expenditures			
Debt service - principal	8,800,000	3,115,000	11,915,000

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

	Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$	25,751	\$ -	\$ -	\$ -	\$ 25,751
	-	570,010	112,170	2,181,428	5,748,024
	190,644	4,354	10	1,343	220,423

19 6 S g(,GBB S g(,G23 S g(,GBB S g(,G23 S g(,GBB S g(,G23BS3 S S FGSS3 JSFG2B 0JJG,B ,21m SC

Student Financial Aid	Scholarship and Loan	Student Clubs	Other Trust	Total
\$ 11,453,702	\$ -	\$ -	\$ -	\$ 11,453,702
1,230,072	-	-	-	1,230,072
1,097	437,617	60,915	1,785,689	2,994,760
<u>12,684,871</u>	<u>437,617</u>	<u>60,915</u>	<u>1,785,689</u>	15,678,534
-	-	-	4,199	4,199
-	-	2,528	212,141	238,928
-	-	174	25,842	26,750
-	(165)	34,896	763,988	824,731
-	12,395	48,708	679,911	837,866
-	-	236	217,431	223,796
<u>-</u>	<u>12,230</u>	<u>86,542</u>	<u>1,903,512</u>	2,156,270
<u>12,684,871</u>	<u>425,387</u>	<u>(25,627)</u>	<u>(117,823)</u>	13,522,264
421,968	13,000	51,663	288,221	778,929
-	-	(11,310)	(73,949)	(121,950)
<u>(13,110,291)</u>	<u>(394,426)</u>	<u>(1,654)</u>	<u>(5,025)</u>	<u>(13,513,146)</u>
<u>(12,688,323)</u>	<u>(381,426)</u>	<u>38,699</u>	<u>209,247</u>	<u>(12,856,167)</u>
(3,452)	43,961	13,072	91,424	666,097
<u>15,524</u>	<u>485,162</u>	<u>94,496</u>	<u>2,102,039</u>	<u>5,040,039</u>
\$ 12,072	\$ 529,123	\$ 107,568	\$ 2,193,463	\$ 5,706,136

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING BALANCE SHEET
PROPRIETARY FUNDS**

Cafeteria					Internal
Ventura	Oxnard	Moorpark	Total		Service Fund
\$ 3,500	\$ 2,000	\$ 2,900	\$ 31,500	\$	-
20,590	188,806	47,545	2,831,245		8,960,038
-	-	1,024	100,735		58,215
-	-	-	56,150		-
17,421	12,365	13,783	2,254,134		-
945	10,711	3,062	100,775		-
<u>\$ 42,456</u>	<u>\$ 213,882</u>	<u>\$ 68,314</u>	<u>\$ 5,374,539</u>	<u>\$</u>	<u>9,018,253</u>
<u>\$ 41,963</u>	<u>\$ 29,212</u>	<u>\$ 36,908</u>	<u>\$ 289,916</u>	<u>\$</u>	<u>1,363,982</u>
<u>493</u>	<u>184,670</u>	<u>31,406</u>	<u>5,084,623</u>		<u>7,654,271</u>
<u>\$ 42,456</u>	<u>\$ 213,882</u>	<u>\$ 68,314</u>	<u>\$ 5,374,539</u>	<u>\$</u>	<u>9,018,253</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINE**

Ventura	Oxnard	Moorpark	Total	Internal Service Fund
\$ 569,859	\$ 383,507	\$ 756,717	\$ 13,175,713	\$ -
-	-	-	-	7,848,564
569,859	383,507	756,717	13,175,713	7,848,564
201,656	111,396	221,285	1,647,737	-
64,555	36,465	83,662	705,993	6,131,273
305,546	226,682	378,404	9,252,878	614
108,773	81,929	118,055	714,684	32,945
5,698	13,606	1,614	32,192	23,117
686,228	470,078	803,020	12,353,484	6,187,949
(116,369)	(86,571)	(46,303)	822,229	1,660,615
-	-	-	-	264,922
-	-	-	-	119,298
116,369	200,000	50,000	366,369	100,000
-	-	-	(353,744)	-
-	-	-	-	1,687
116,369	200,000	50,000	12,625	485,907
-	113,429	113,429		

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPRIETARY FUND TYPES

**COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Enterprise Funds</u>		
	<u>Bookstore</u>		
	<u>Ventura</u>	<u>Oxnard</u>	<u>Moorpark</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 292,510	\$ 106,218	\$ 672,744
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	16,137	10,443	19,970
Changes in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(34,035)	49,146	(64,357)
Inventory	(37,532)	(30,589)	(49,203)
Increase (decrease) in:			
Accounts payable	(2,936)	39,415	(88,875)
Net Cash Provided (Used) for Operating Activities	<u>234,144</u>	<u>174,633</u>	<u>490,279</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfers out	(228,744)	-	(125,000)
Transfers in	-	-	-
Interest income	-	-	-
Other income	-	-	-
Acquisition of fixed assets	-	(9,720)	(14,790)
Net Cash Provided (Used) from Investing Activities	<u>(228,744)</u>	<u>(9,720)</u>	<u>(139,790)</u>
Net increase (decrease) in cash and cash equivalents	5,400	164,913	350,489
Cash and cash equivalents - Beginning	917,522	100,450	1,058,630
Cash and cash equivalents - Ending	<u>\$ 922,922</u>	<u>\$ 265,363</u>	<u>\$ 1,409,119</u>

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

Ventura	Oxnard	Moorpark	Total	Internal Service Fund
\$ (116,369)	\$ (86,571)	\$ (46,303)	\$ 822,229	\$ 1,660,615
1,260	5,010	2,967	55,787	-
-	222	585	(48,439)	213
(10,528)	(3,127)	(4,213)	(135,192)	-
6,318				

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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 provides 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 not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

In June 1999, the 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, 2008, and have issued our report thereon dated November 25, 2008.

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.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because their purpose is to be used for the direct benefit of the District. The District is entitled to, or has the ability to, otherwise access a majority of the economic resources received or held by the separate organization; and the economic resources received from or held by an individual organization are significant to the District.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

The District, along with the Santa Paula Redevelopment Agency (the Agency) and the City of Santa Paula, formed the Santa Paula Redevelopment/Community College Joint Powers Improvement Authority (the Authority). The Authority was formed under an agreement dated November 2, 1992, under The Joint Powers Act. The purpose of the Authority is to carry out the intent of the agreement to finance Public Capital Improvements which benefit the District. The Authority is governed by a five member commission. The commission is composed of three members appointed by the District and two members appointed by the Agency. The activity of the Authority is reported in the financial statements of the District using the blended presentation method and is included as part of the capital outlay fund. Below is a breakout of the financial reporting activity of the Authority:

2008

Revenues

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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.

Capital Assets

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

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

Budgets and Budgetary Accounting

Annual budgets are adopted on a modified accrual basis for the District's General Funds and Special Revenue Fund. The District's Board of Trustees adopts a tentative operat

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave.

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year and are recorded in the District's financial records when received.

Property 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.

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. Deferred revenues include (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 are recorded as deferred revenue.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be 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 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and for External Investment Pools*, investments are stated at fair value. Fair value is estimated based on published market prices at year-end. Investments for which there are no quoted market prices are not material.

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 \$1,262,984 for the year ended June 30, 2008.

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.

Changes in Accounting Principles

In July 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This Statement requires local governmental employers who provide other postemployment benefits (OPEB) as part of the total compensation offered to employees to recognize the expense and related liabilities (assets) on an accrual basis. This Statement established standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of State and local government employers.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

In July 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The standards in the Statement apply for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. This Statement also provides requirements for reporting of OPEB funds by administrators of multiple-employer OPEB plans when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. The District has implemented the provisions of this Statement for the fiscal year ended June 30, 2008.

In June 2005, GASB issued GASB Statement No. 47, *Accounting for Termination Benefits*. GASB Statement No. 47 addresses accounting for both voluntary and involuntary termination benefits. For termination benefits that affect an employer's obligations for defined benefit OPEB, the provisions of GASB Statement No. 47 should be applied simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, including those that affect an employer's obligations for defined benefit pension benefits, GASB Statement No. 47 is effective for financial statements for periods beginning after June 15, 2005. Earlier application of GASB Statement No. 47 is encouraged.

New Accounting Pronouncements

In May 2007, GASB issued Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for OPEB and, in doing so, enhances information disclosed in notes to financial statements or presented as RSI by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to conform with requirements of Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This Statement is effective for periods beginning after June 15, 2007, except for requirements related to the use of the entry age actuarial cost method for the purpose of reporting a surrogate funded status and funding progress of plans that use the aggregate actuarial cost method, which are effective for periods for which the financial statements and RSI contain information resulting from actuarial valuations as of June 15, 2007, or later. Early implementation is encouraged.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to those intangible assets, as applicable. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. The requirements of this Statement are effective for financial statements beginning after June 15, 2009. The provisions of this Statement generally are required to be applied retroactively. For governments that were classified as Phase 1 or Phase 2 governments for the purpose of implementing Statement No 34, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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, 2008, consist of the following:

Cash on hand and in banks	\$ 169,661
Investments	119,589,852
Total Deposits and Investments	<u>\$ 119,759,513</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Interest Rate Risk

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008, the District's bank balance of \$222,247 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2008, consist of the following:

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Individual fund interfund receivable and payable balances at June 30, 2008, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds		
General Unrestricted	\$ 1,460,451	\$ 4,047
General Restricted	18,039	1,059,676
Capital Outlay	-	362,161
Student Financial Aid	8,172	60,778
Total	<u>\$ 1,486,662</u>	<u>\$ 1,486,662</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 1,297,190
The General Unrestricted Fund transferred to the Child Development Fund	25,000
The General Unrestricted Fund transferred to the Capital Outlay Fund	6,133,256
The General Unrestricted Fund transferred to the Other Trust Fund	88,511
The General Unrestricted Fund transferred to the Cafeteria Fund (Ventura)	36,500
The General Unrestricted Fund transferred to the Cafeteria Fund (Oxnard)	200,000
The General Unrestricted Fund transferred to the Internal Service Fund	100,000
The General Restricted Fund transferred to the General Unrestricted Fund	375,410
The General Restricted Fund transferred to the Capital Outlay Fund	555,522
The General Restricted Fund transferred to the Student Financial Aid	421,968
The Capital Outlay Fund transferred to the General Restricted Fund	16,700
The Other Debt Service Fund transferred to the General Unrestricted Fund	1,244
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	12,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	19,011
The Associated Students Organization Fund transferred to the Other Trust Fund	5,500
The Student Center Fees transferred to the Student Representation Fees Fund	180
The Student Clubs Fund transferred to the Associated Students Organization Fund	100
The Student Clubs Fund transferred to the Scholarship and Loan Fund	1,000
The Student Clubs Fund transferred to the Other Trust Fund	10,210
The Other Trust Fund transferred to the Capital Outlay Fund	62,500
The Other Trust Fund transferred to the Associated Students Organization Fund	3,357
The Other Trust Fund transferred to the Student Representation Fees Fund	440
The Other Trust Fund transferred to the Student Clubs Fund	7,652
The Bookstore Fund (Ventura) transferred to the Capital Outlay Fund	14,875
The Bookstore Fund (Ventura) transferred to the Other Trust Fund	134,000
The Bookstore Fund (Ventura) transferred to the Cafeteria Fund (Ventura)	79,869
The Bookstore Fund (Moorpark) transferred to the Student Clubs Fund	25,000
The Bookstore Fund (Moorpark) transferred to the Other Trust Fund	50,000
The Bookstore Fund (Moorpark) transferred to the Cafeteria Fund (Moorpark)	50,000
Total	<u>\$ 9,726,995</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2008, consist of the following:

General	Special Revenue	Capital Projects	Fiduciary	Proprietary
---------	--------------------	---------------------	-----------	-------------

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 8 - FUND BALANCES

Fund balances are composed of the following elements:

	General	Special Revenue	Capital Projects	Debt Service
Reserved				

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008