



**VENTURA COUNTY
COMMUNITY COLLEGE
DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS

JUNE 30, 2015

FINANCIAL SECTION

Independent Auditor's Report	2
Management's Discussions and Analysis	5
Basic Financial Statements - Primary Government	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Net Position	15
Statement of Cash Flows	16
Fiduciary Funds	
Statement of Net Position	18
Statement of Changes in Net Position	19
Notes to Financial Statements	20

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Other Postemployment Benefits (OPEB) Funding Progress	57
Schedule of the District's Proportionate Share of the Net Pension Liability	58
Schedule of District Contributions	59

SUPPLEMENTARY INFORMATION

District Organization	61
Schedule of Expenditures of Federal Awards	62
Schedule of Expenditures of State Awards	64
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance	65
Reconciliation of <i>Education Code</i> Section 84362 (50 Percent Law) Calculation	66
Reconciliation of Annual Financial and Budget Report (CCFS-311) With	
Fund Financial Statements	69
Proposition 30 Education Protection Act (EPA) Expenditure Report	70
Reconciliation of Governmental Funds to the Statement of Net Position	71
Note to Supplementary Information	73

INDEPENDENT AUDITOR'S REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and	
Other Matters Based on an Audit of Financial Statements Performed in Accordance	
With <i>Government Auditing Standards</i>	76
Report on Compliance for Each Major Program and Report on	
Internal Control Over Compliance Required by OMB Circular A-133	78
Report on State Compliance	80

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results	83
Financial Statement Findings and Recommendations	84
Federal Awards Findings and Questioned Costs	85
State Awards Findings and Questioned Costs	86
Summary Schedule of Prior Audit Findings	87

FINANCIAL SECTION



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 business-type activities and the aggregate remaining fund information of Ventura County Community College District (the District) as of and for the year ended June 30, 2015, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Notes 2 and 15 to the financial statements, in 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 13, the Schedule of Other Postemployment Benefits (OPEB) Funding Progress on page 57, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 58, and the Schedule of District Contributions on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Varrinck, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 2, 2015



Ventura County Community College District

255 W STANLEY AVE., SUITE 150, VENTURA, CA 93001
PH: 805-652-5500 FAX: 805-652-7700
WWW.VCCCD.EDU

DR. BERNARD LUSKIN
CHANCELLOR

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Ventura County Community College District (the District) as of June 30, 2015. The report consists of three basic financial statements: the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows and provides information about the District's Primary Government and its Fiduciary Funds. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities*. These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The entity-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The District follows the Business-Type Activity (BTA) model for financial statement reporting purposes as recommended by the California Community Colleges Systems Office for all State community colleges.

FINANCIAL HIGHLIGHTS

- The District's primary funding source is based upon apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2014-2015 fiscal year, the reported FTES were 26,025 as compared to 25,311 in the 2013-2014 fiscal year. The fully funded cap for fiscal year 2014-2015 is 26,025 as compared to 25,311 for 2013-2014.
- The District is continuing several construction and modernization projects at our three college campuses resulting in completed building and improvements to sites of approximately \$19.1 million in the 2014-2015 fiscal year. These projects are funded from local resources and from our voter approved general obligation bond.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

- Costs for employee salaries increased by 6.1 percent or \$5.6 million in the 2014-2015 fiscal year and costs associated with employee benefits increased by 10.4 percent or \$3.9 million. Benefits increased at a faster rate due to the STRS and PERS employer contributions increasing from the prior year along with healthcare rates.
- During the 2014-2015 fiscal year, the District provided \$62 million in financial aid to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding.

The District issued \$85 million in general obligation bonds on August 12, 2002, with an additional \$80 million on October 26, 2005, and \$191.3 million on October 28, 2008, which represents the last issuance of the \$356.3 million approved by the voters in the March 2002 local election for construction and renovation projects and equipment throughout the District. These projects were approved by the voters within the District's boundaries and will be completed over the next two years.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

THE DISTRICT AS A WHOLE

Net Position

Table 1

(Amounts in thousands)

	2015	2014 (as restated)
ASSETS		
Current Assets		
Cash and investments	\$ 141,390	\$ 119,988
Accounts receivable (net)	5,699	21,529
Other current assets	552	257
Total Current Assets	147,641	141,774
OPEB asset	6,251	3,745
Capital assets (net)	565,781	558,958
Total Assets	719,673	704,477
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	28,472	4,092
Current year pension contribution	7,943	7,009
Total Deferred Outflows of Resources	36,415	11,101
Total Assets and Deferred Outflows	\$ 756,088	\$ 715,578
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 35,523	\$ 23,913
Current portion of long-term obligations	8,323	7,299
Total Current Liabilities	43,846	31,212
Long-Term Obligations	436,116	441,572
Total Liabilities	479,962	472,784
DEFERRED INFLOWS OF RESOURCES		
Net change in proportionate share of net pension liability	384	-
Difference between projected and actual earnings on pension plan investments	25,339	-
Total	505,685	472,784
NET POSITION		
Net investment in capital assets	216,015	229,681
Restricted	61,830	72,663
Unrestricted	(27,442)	(59,550)
Total Net Position	250,403	242,794
Total Liabilities, Deferred Inflows and Net Position	\$ 756,088	\$ 715,578

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

Cash and investments consist primarily of funds held in the Ventura County Treasury. Funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and return on investment. The Statement of Cash Flows contained with these financial statements provides greater detail regarding the sources and uses of cash, and the net change in cash during fiscal years 2014-2015 and 2013-2014.

The majority of the accounts receivable balance is from State sources for lottery, which totaled approximately \$2.2 million at June 30, 2015.

Capital assets had a net increase of \$6.8 million. The District had additions of \$20.1 million related to construction in progress. Depreciation expense of \$14.1 million was recognized during 2014-2015. The capital asset section of this discussion and analysis provides greater detail.

In 2015, the District issued a refunding bond to partially retire Series C. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, which totaled \$28.5 million at June 30, 2015, is deferred and amortized to interest expense.

Accounts payable and accrued liabilities consist of amounts due as of the fiscal year end for received goods and services, incurred interest, and unearned revenue. The current portion of long-term obligations is the amount due on the outstanding general obligation bonds within one year.

The majority of long-term obligations consist of bonds payable related to the issuance of the District's general obligations bonds, which totaled \$349.8 million at June 30, 2015.

Much of the unrestricted net position has been designated by the Board or by contracts for such purposes as the required general reserve for ongoing financial health, budget rollover, and revenue shortfall contingency.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 15.

Table 2

(Amounts in thousands)

	2015	2014
Operating Revenues		
Tuition and fees	\$ 18,757	\$ 18,711
Auxiliary sales and charges/Other operating	502	6,597
Total Operating Revenues	<u>19,259</u>	<u>25,308</u>
Operating Expenses		
Salaries and benefits	138,543	129,098
Supplies and maintenance	23,812	28,353
Student financial aid	43,893	41,406
Depreciation	14,138	14,442
Total Operating Expenses	<u>220,386</u>	<u>213,299</u>
Loss on Operations	<u>(201,127)</u>	<u>(187,991)</u>
Nonoperating Revenues (Expenses)		
State apportionments	68,936	67,350
Property taxes	73,676	69,527
Grants and contracts	65,679	54,607
State revenues	6,367	5,066
Net interest expense	(13,994)	(17,082)
Other nonoperating revenues	4,724	6,745
Total Nonoperating Revenue	<u>205,388</u>	<u>186,213</u>
Other Revenues		
State and local capital income	<u>3,349</u>	<u>1,771</u>
Change in Net Position	<u>\$ 7,610</u>	<u>\$ (7)</u>

The primary components of tuition and fees are the \$46 per unit enrollment fee that is charged to students registering for classes and the additional \$230 per unit fee that is charged to non-resident students.

Auxiliary revenue consists of bookstore and foods service sales. After years of declining sales, the Board took action in January 2014 to contract with Barnes and Nobles College Bookstores, Inc. for bookstore services at all campuses. This transition occurred April 1, 2014. The District will receive a percentage of net sales. After many years of operating losses, the Board took action in March 2012 to close the cafeterias. The colleges have expanded vending operations and, at Oxnard College, the Culinary and Restaurant Management (CRM) program provides food service during lunch periods as an outlet of their CRM instruction labs.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

The principal components of the District's nonoperating revenue are State apportionment, property taxes, and grants and contracts. The amount of State general apportionment received by the District is dependent upon the number of FTES generated and reported to the State, less amounts received from enrollment fees and local property taxes. We noted an increase in State apportionment due to Cost of Living Adjustment (COLA) included in the 2014 State enacted budget and meeting FTES growth targets. Property tax revenue increased \$2.0 million or 3.8 percent from the prior year.

Grant and contract revenues relate primarily to student financial aid, as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Interest income of \$0.5 million was offset by interest expense of \$14.4 million. The interest income is primarily the result of cash held in the Ventura County Treasury. Interest income remains steady. Interest expense decreased \$3.2 million, which followed the District's debt service schedule.

Expenses are reported by their functional categories as follows:

Table 3

(Amounts in thousands)

	Salaries	Employee Benefits	Supplies and Materials	Student Financial Aid	Equipment and Repairs	Depreciation	Total
Academic support	\$ 13,349	\$ 4,844	\$ 541	\$ -	\$ 7	\$ -	\$ 18,741
Administrative support	12,708	9,640	10,153	-	67	-	32,568
Ancillary and auxiliary	1,517	556	1,377	-	1	-	3,451
Community services	508	165	119	-	1	-	793
Instructional	52,373	19,314	2,321	-	100	-	74,108
Instructional support	1,928	697	401	-	5	-	3,031
Plant operations	5,126	2,653	5,699	-	101	-	13,579
Student aid	-	-	-	43,893	-	-	43,893
Student services	9,866	3,296	1,722	-	17	-	14,901
Physical property	3	-	185	-	995	-	1,183
Depreciation	-	-	-	-	-	14,138	14,138
Other	-	-	-	-	-	-	-
Total	<u>\$ 97,378</u>	<u>\$ 41,165</u>	<u>\$ 22,518</u>	<u>\$ 43,893</u>	<u>\$ 1,294</u>	<u>\$ 14,138</u>	<u>\$ 220,386</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

Changes in Cash Position

Table 4

(Amounts in thousands)

	2015	2014
Cash Provided by (Used in)		
Operating activities	\$ (184,552)	\$ (178,168)
Noncapital financing activities	220,610	184,310
Capital financing activities	(15,034)	(13,293)
Investing activities	378	503
Net Increase (Decrease) in Cash	21,402	(6,648)
Cash, Beginning of Year	119,988	126,636
Cash, End of Year	<u>\$ 141,390</u>	<u>\$ 119,988</u>

The Statement of Cash Flows on pages 16 and 17 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. Our primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services – our students. The District depends upon this funding to continue the current level of operations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had \$565.8 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2014, our net capital assets were \$559.0 million. The District is currently in the middle of a major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought in to the depreciable Buildings and Improvements category.

Capital projects are continuing through the 2015-2016 fiscal year with primary funding through our general obligation bond.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

Table 5

(Amounts in millions)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and construction in progress	\$ 169.9	\$ 20.1	\$ (16.3)	\$ 173.7
Buildings and improvements	493.2	16.3	-	509.5
Equipment and vehicles	24.7	0.8	(1.0)	24.5
Subtotal	687.8	37.2	(17.3)	707.7
Accumulated depreciation	(128.8)	(14.1)	1.0	(141.9)
	<u>\$ 559.0</u>	<u>\$ 23.1</u>	<u>\$ (16.3)</u>	<u>\$ 565.8</u>

We present more detailed information regarding our capital assets in Note 5 of the financial statements.

Obligations

At the end of the 2014-2015 fiscal year, the District had \$349.8 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Ventura County Community College District boundaries.

In addition to the above obligations, the District is obligated to employees of the District for vacation, load banking, and postemployment benefits.

Table 6

(Amounts in millions)

	Balance Beginning of Year (as restated)	Additions	Deletions	Balance End of Year
General obligation bonds	\$ 329.3	\$ 185.0	\$ (164.5)	\$ 349.8
Aggregate net pension obligation	116.0	-	(24.9)	91.1
Other liabilities	3.5	0.1	(0.1)	3.5
Total Long-Term Obligations	<u>\$ 448.8</u>	<u>\$ 185.1</u>	<u>\$ (189.5)</u>	<u>\$ 444.4</u>
Amount due within one year				<u>\$ 8.3</u>

We present more detailed information regarding our long-term obligations in Note 9 of the financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2014-2015 fiscal year on September 8, 2015.

Within the Unrestricted General Fund, operating costs have continually increased. The State Budget has not kept pace with the increased operating costs, primarily in health and welfare benefits, especially in regards to the need to recognize postretirement benefits.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

The economic position of the District is closely tied to the State of California as State apportionments and property taxes allocated to the District represent approximately 85 percent of the total unrestricted sources of revenue received within the General Fund.

In fiscal year 2014-2015, the District served 26,025 FTES. There were no unfunded FTES. The District continues to emphasize enrollment management to help reduce the risks associated with unfunded FTES while continuing to meet our primary mission.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Ventura County Community College District, 255 West Stanley Avenue, Suite 150, Ventura, CA 93001.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT JUNE 30, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 59,935
Investments - unrestricted	58,641,763
Investments - restricted	82,688,588
Accounts receivable, net	4,836,366
Student receivable, net	862,871
Prepaid expenses	551,692
Total Current Assets	147,641,215

NONCURRENT ASSETS

Net OPEB assets	6,250,938
Nondepreciable capital assets	173,690,030
Capital assets, net of depreciation	392,091,026
Total Noncurrent Assets	572,031,994

TOTAL ASSETS

719,673,209

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding	28,471,929
Current year pension contribution	7,942,607
Total Deferred Outflows of Resources	36,414,536

LIABILITIES

CURRENT LIABILITIES

Accounts payable	13,189,059
Accrued interest payable	3,759,457
Unearned revenue	18,569,803
Other current liabilities	4,864
Accrued compensated absences	712,515
Bonds and notes payable	7,610,000
Total Current Liabilities	43,845,698

NONCURRENT LIABILITIES

Accrued compensated absences payable	2,137,543
Bonds and notes payable	342,156,500
Other long-term obligations	707,006
Aggregate net pension obligation	91,115,004
Total Noncurrent Liabilities	436,116,053

TOTAL LIABILITIES

479,961,751

DEFERRED INFLOWS OF RESOURCES

Net change in proportionate share of net pension liability	383,513
Difference between projected and actual earnings on pension plan investments	25,339,304
Total Deferred Inflows of Resources	25,722,817

NET POSITION

Net investment in capital assets	216,014,556
Restricted for:	
Debt service	15,193,450
Capital projects	40,028,416
Educational programs	6,349,859
Other activities	258,946
Unrestricted	(27,442,050)
Total Net Position	\$ 250,403,177

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEARS ENDED JUNE 30, 2015

OPERATING REVENUES	
Student Tuition and Fees	\$ 36,997,579
Less: Scholarship discount and allowance	(18,240,725)
Net tuition and fees	<u>18,756,854</u>
Auxiliary Enterprise Sales and Charges	
Food service	133,988
Other Operating Revenues	368,155
TOTAL OPERATING REVENUES	<u>19,258,997</u>
OPERATING EXPENSES	
Salaries	97,377,594
Employee benefits	41,165,579
Supplies, materials, and other operating expenses and services	22,517,743
Student financial aid	43,892,572
Equipment, maintenance, and repairs	1,294,129
Depreciation	14,138,318
TOTAL OPERATING EXPENSES	<u>220,385,935</u>
OPERATING LOSS	<u>(201,126,938)</u>
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	68,936,016
Local property taxes, levied for general purposes	52,867,173
Taxes levied for other specific purposes	20,808,384
Federal grants	45,403,677
State grants	20,274,834
State taxes and other revenues	6,367,373
Investment income	409,743
Interest expense on capital related debt	(14,447,718)
Investment income on capital asset-related debt, net	44,375
Transfer from fiduciary funds	74,325
Transfer to fiduciary funds	(401,927)
Other nonoperating revenue	5,051,262
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>205,387,517</u>
INCOME BEFORE OTHER REVENUES	<u>4,260,579</u>
OTHER REVENUES	
State revenues, capital	2,369,038
Local revenues, capital	979,968
TOTAL OTHER REVENUES	<u>3,349,006</u>
CHANGE IN NET POSITION	<u>7,609,585</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>242,793,592</u>
NET POSITION, END OF YEAR	<u><u>\$ 250,403,177</u></u>

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT FOR THE YEARS ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 19,358,865
Payments to vendors for supplies and services	(19,843,525)
Payments to or on behalf of employees	(140,677,216)
Payments for scholarships and grants	(43,892,572)
Auxiliary enterprise sales and charges	502,143
Net Cash Flows From Operating Activities	(184,552,305)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State apportionments	85,498,218
Grants and contracts	71,099,831
Property taxes - nondebt related	52,867,173
State taxes and other apportionments	6,045,274
Other nonoperating	5,099,324
Net Cash Flows From Noncapital Financing Activities	220,609,820

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of capital assets	(17,883,474)
State revenue - capital projects	2,369,038
Property taxes - related to capital debt	20,808,384
Proceeds from capital debt	185,021,439
Principal paid on capital debt	(164,531,209)
Interest paid on capital debt	44,375
Interest received on capital asset-related debt	(40,862,194)
Net Cash Flows From Capital Financing Activities	(15,033,641)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received from investments	378,230
------------------------------------	---------

NET CHANGE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS, END OF YEAR

21,402,104

119,988,182

\$ 141,390,286

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED FOR THE YEARS ENDED JUNE 30, 2015

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating Loss	<u>\$ (201,126,938)</u>
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities:	
Depreciation expense	14,138,318
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows:	
Receivables, net	(173,132)
Prepaid expenses	(294,664)
Accounts payable and accrued liabilities	2,207,701
Unearned revenue	3,336,791
OPEB asset	(2,506,070)
Deferred outflows	(1,485,533)
Deferred inflows	25,722,817
Pension obligation	(24,390,696)
Compensated absences/Load banking	19,101
Total Adjustments	<u>16,574,633</u>
Net Cash Used By Operating Activities	<u>\$ (184,552,305)</u>

CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:

Cash in banks	\$ 59,935
Cash in county treasury	141,330,351
Total Cash and Cash Equivalents	<u>\$ 141,390,286</u>

NONCASH TRANSACTIONS

On behalf payments for benefits	<u>\$ 2,657,795</u>
---------------------------------	---------------------

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2015

	<u>Trust</u>
ASSETS	
Investments	\$ 7,879,898
Accounts receivable	5,425
Student receivable	153,712
Prepaid expenses	968
Fixed assets	7,307
Total Assets	<u>8,047,310</u>
LIABILITIES	
Accounts payable	46,776
Unearned revenue	117,211
Total Liabilities	<u>163,987</u>
NET POSITION	
Unreserved	7,883,323
Total Net Position	<u>\$ 7,883,323</u>

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED JUNE 30, 2015

	Trust
ADDITIONS	
Local revenues	\$ 2,193,733
DEDUCTIONS	
Academic salaries	11,399
Classified salaries	122,038
Employee benefits	11,306
Books and supplies	539,850
Services and operating expenditures	702,410
Capital outlay	269,605
Total Deductions	1,656,608
OTHER FINANCING SOURCES (USES)	
Transfers from primary government	401,927
Transfers to primary government	(74,325)
Other sources	4,220
Other uses	(380,948)
Total Other Financing Sources (Uses)	(49,126)
Change in Net Position	487,999
Net Position - Beginning	7,395,324
Net Position - Ending	\$ 7,883,323

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

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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. 61.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, *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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive entity-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees and auxiliary activities through the food service.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, certain Federal and State grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State grants and entitlements are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The District reports are based on all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has not elected to apply FASB pronouncements after that date.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussions and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 39. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
 - Statement of Net Position - Primary Government
 - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
 - Statement of Cash Flows - Primary Government
 - Financial Statements for the Fiduciary Funds including:
 - Statement of Fiduciary Net Position
 - Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

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 represent 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, 2015

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2015, 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.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

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 \$7,381,542 for the years ended June 30, 2015.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30, 2015.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 20 years; and equipment and vehicles, 2 to 15 years.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the financial statements.

Debt Issuance Costs, Premiums, and Discounts

Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for the deferred charges on refunding of general obligation bonds and for current year pension contributions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for the difference between projected and actual earnings on pension plan investments specific to the net pension liability and for the unamortized amount on net changes in proportionate share of net pension liability.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

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 amounts have been recorded in 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 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 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.

Noncurrent Liabilities

Noncurrent liabilities include bonds and notes payable, compensated absences, claims payable, capital lease obligations, and OPEB obligations with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets – net of related debt.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The financial statements report \$61,830,671 of restricted net position.

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 the FTES are generated.

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 assessed, billed, and collected as noted above.

Board of Governors Grants (BOGG) and Fee Waivers

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through BOGG fee waivers in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, FSEOG Grants, Federal Work-Study programs, and Direct Student Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget's revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related *Compliance Supplement*.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for pensions. It also improves information provided by State and local governmental employers about financial support for pensions 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 pensions 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 Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of State and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Employers are classified in one of the following categories for purposes of this Statement:

- Single employers are those whose employees are provided with defined benefit pensions through single-employer pension plans—pension plans in which pensions are provided to the employees of only one employer (as defined in this Statement).
- Agent employers are those whose employees are provided with defined benefit pensions through agent multiple-employer pension plans—pension plans in which plan assets are pooled for investment purposes, but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
- Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled, and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a State or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a State or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a State or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a State or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of *all* deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The restatement does not include deferred inflows of resources, as this information is not available.

The District has implemented the Provisions of this Statement for the year ended June 30, 2015.

As the result of implementing GASB Statement No. 68, the District has restated the beginning net position in the Statement of Net Position, effectively decreasing net position as of July 1, 2014, by \$109,048,626. The decrease results from recognizing the net pension liability, net of related deferred outflows of resources. The restatement does not include deferred inflows of resources, as the information was not available.

New Accounting Pronouncements

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

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 No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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 Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of Statements No. 67 and No. 68 with regard to the following issues:

- Information that is required to be presented as notes to the ten-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
- Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions.
- Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

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. 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 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 Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans—defined benefit and defined contribution—administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

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 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. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of State and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Early implementation is encouraged.

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

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier implementation is permitted.

NOTE 3 - DEPOSITS 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 (ECS) 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 schedule 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.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Summary of Deposits and Investments

Deposits and investments as of June 30, 2015, consist of the following:

Primary government	\$ 141,390,286
Fiduciary funds	7,879,898
Total Deposits and Investments	<u>\$ 149,270,184</u>
Cash on hand and in banks	\$ 34,935
Cash in revolving	25,000
Investments	149,210,249
Total Deposits and Investments	<u>\$ 149,270,184</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District 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 pools.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Fair Value	Weighted Average Maturity in Days
Ventura County Investment Pool	<u>\$ 149,354,520</u>	295

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015, the County portfolio was rated by Standard and Poor's. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Rating June 30, 2015</u>
Ventura County Investment Pool	<u>\$ 149,354,520</u>	N/A	AAAf

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, 2015, the District did not have any deposits exposed to custodial credit risk because all balances were insured by the Federal Deposit Insurance Corporation (FDIC).

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 4 - ACCOUNTS RECEIVABLES

Accounts receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

	Primary Government
Federal Government	
Categorical aid	\$ 1,160,916
State Government	
Categorical aid	507,553
Lottery	2,199,954
Mandated cost claims	5,547,676
Other State	10,696
Local Sources	
Interest	136,884
Oxnard Foundation	242,123
Other local sources	578,240
Accounts receivable	10,384,042
Less reserve	(5,547,676)
Accounts receivable, net	\$ 4,836,366
Student receivables	\$ 2,696,737
Less reserve	(1,833,866)
Student receivables, net	\$ 862,871
	Fiduciary Funds
Local Sources	
Interest	\$ 5,316
Other local sources	109
Total	\$ 5,425
Student receivables	\$ 153,712

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2015, was as follows:

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Nondepreciable Capital Assets				
Land	\$ 120,475,827	\$ -	\$ -	\$ 120,475,827
Construction in progress	49,381,862	20,071,034	16,238,693	53,214,203
Total Nondepreciable Capital Assets	169,857,689	20,071,034	16,238,693	173,690,030
Depreciable Capital Assets				
Buildings and improvements	433,649,616	15,409,996	-	449,059,612
Site improvements	59,587,985	833,314	-	60,421,299
Furniture and equipment	21,723,601	776,774	934,171	21,566,204
Vehicles	2,885,236	109,342	38,141	2,956,437
Total Depreciable Capital Assets	517,846,438	17,129,426	972,312	534,003,552
Total Capital Assets	687,704,127	37,200,460	17,211,005	707,693,582
Less Accumulated Depreciation				
Buildings and improvements	85,436,993	9,933,946	-	95,370,939
Site improvements	21,775,757	2,998,070	-	24,773,827
Furniture and equipment	19,111,340	1,038,021	934,171	19,215,190
Vehicles	2,422,430	168,281	38,141	2,552,570
Total Accumulated Depreciation	128,746,520	14,138,318	972,312	141,912,526
Net Capital Assets	\$ 558,957,607	\$ 23,062,142	\$ 16,238,693	\$ 565,781,056

Depreciation expense for the year was \$14,138,318.

Interest expense on capital related debt for the year ended June 30, 2015, was \$15,166,935. Of this amount, \$719,217 was capitalized.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable for the District consisted of the following:

		Primary Government
Accrued payroll and benefits		\$ 2,612,720
Construction		4,676,387
Student liability		2,885,311
Other		3,014,641
Total		<u>\$ 13,189,059</u>
		Fiduciary Funds
Student liability		\$ 4,771
Other		42,005
Total		<u>\$ 46,776</u>

NOTE 7 - UNEARNED REVENUE

Unearned revenue for the District consisted of the following:

		Primary Government
Federal categorical aid		\$ 6,066
State categorical aid		4,116,420
Lottery		1,988,878
Apportionment		1,276,187
RDA		1,416,445
Schedule maintenance		1,253,244
Other State		5,431,637
Other grants		157,436
Enrollment fees/student fees		2,867,158
Other local		56,332
Total		<u>\$ 18,569,803</u>
		Fiduciary Funds
Enrollment fees/student fees		\$ 117,165
Other local		46
Total		<u>\$ 117,211</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 8 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2015, there were no interfund receivable and payable balances between the primary government and the fiduciary funds.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2015 fiscal year, the amount transferred to the primary government from the fiduciary fund amounted to \$74,325. The amount transferred to the fiduciary funds from the primary government amounted to \$401,927.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 9 - LONG-TERM OBLIGATIONS

Long-Term Obligations Summary

The changes in the District's long-term obligations during the 2015 fiscal year consisted of the following:

	Balance Beginning of Year (as restated)	Additions	Deductions	Balance End of Year	Due in One Year
Bonds and Notes Payable					
General obligation bonds, 2002 Series B	\$ 2,600,000	\$ -	\$ 1,185,000	\$ 1,415,000	\$ 1,415,000
General obligation bonds, 2002 Series C	204,688,604	3,457,671	157,825,000	50,321,275	980,000
2011 Refunding Bonds	47,525,000	-	2,540,000	44,985,000	2,605,000
2014 Refunding Bonds	61,860,000	-	1,975,000	59,885,000	300,000
2015 Refunding Bonds	-	166,100,000	-	166,100,000	2,310,000
Premium on refunding bonds	12,602,666	15,463,768	1,006,209	27,060,225	-
Total Bonds and Notes Payable	<u>329,276,270</u>	<u>185,021,439</u>	<u>164,531,209</u>	<u>349,766,500</u>	<u>7,610,000</u>
Other Liabilities					
Compensated absences	2,795,063	54,995	-	2,850,058	712,515
Load banking	742,900	-	35,894	707,006	-
Aggregate net pension obligation	116,057,543	-	24,942,539	91,115,004	-
Total Other Liabilities	<u>119,595,506</u>	<u>54,995</u>	<u>24,978,433</u>	<u>94,672,068</u>	<u>712,515</u>
Total Long-Term Obligations	<u>\$ 448,871,776</u>	<u>\$ 185,076,434</u>	<u>\$ 189,509,642</u>	<u>\$ 444,438,568</u>	<u>\$ 8,322,515</u>

Description of Debt

Payments on the general obligation bonds are to be made by the Bond Interest and Redemption Fund with local property tax collections. The compensated absences, load banking, and aggregate net pension obligation will be paid by the fund for which the employee worked.

General obligation bonds were approved by a local election in March 2002. The total amount approved by the voters was \$356,347,814. At June 30, 2015, \$356,347,814 had been issued and \$322,706,275 was outstanding. Interest rates on the bonds range from 2.0 percent to 7.5 percent.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2014	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2015
10/26/2005	2002 B	8/1/2016	3.00 - 5.00%	\$ 80,000,000	\$ 2,600,000	\$ -	\$ -	\$ 1,185,000	\$ 1,415,000
10/28/2008	2002 C	8/1/2028	3.77 - 7.50%	191,347,814	204,688,604	-	3,457,671	157,825,000	50,321,275
7/14/2011	2011 Refunding	8/1/2028	2.50 - 5.00%	49,905,000	47,525,000	-	-	2,540,000	44,985,000
1/16/2014	2014 Refunding	8/1/2030	3.00 - 5.00%	61,860,000	61,860,000	-	-	1,975,000	59,885,000
3/18/2015	2015 Refunding	8/1/2034	2.00 - 5.00%	166,100,000	-	166,100,000	-	-	166,100,000
					<u>\$316,673,604</u>	<u>\$166,100,000</u>	<u>\$3,457,671</u>	<u>\$163,525,000</u>	<u>\$322,706,275</u>

The general obligation bonds mature through 2016 as follows:

2002 Series B

Fiscal Year	Principal	Interest to Maturity	Total
2016	<u>\$ 1,415,000</u>	<u>\$ 28,300</u>	<u>\$ 1,443,300</u>

The general obligation bonds mature through 2029 as follows:

2002 Series C

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Total
2016	\$ 956,470	\$ 23,530	\$ 980,000
2017	1,500,152	119,848	1,620,000
2018	2,025,764	289,236	2,315,000
2019	2,498,109	536,891	3,035,000
2020	2,728,286	1,071,714	3,800,000
2021-2025	18,530,692	14,214,308	32,745,000
2026-2029	22,081,802	32,463,198	54,545,000
Total	<u>\$ 50,321,275</u>	<u>\$ 48,718,725</u>	<u>\$ 99,040,000</u>

In July 2011, the District issued \$49,905,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the partial refunding of \$51,675,000 of the 2002 Series A bonds.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

As of June 30, 2015, the principal balance outstanding is \$44,985,000. The general obligation refunding bonds mature through 2028 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2016	\$ 2,605,000	\$ 1,973,963	\$ 4,578,963
2017	2,760,000	1,865,363	4,625,363
2018	2,910,000	1,758,163	4,668,163
2019	3,045,000	1,651,563	4,696,563
2020	3,180,000	1,527,063	4,707,063
2021-2025	17,780,000	5,341,119	23,121,119
2026-2028	12,705,000	982,372	13,687,372
Total	<u>\$ 44,985,000</u>	<u>\$ 15,099,606</u>	<u>\$ 60,084,606</u>

In January 2014, the District issued \$61,860,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the refunding of the remaining 2002 Series A bonds in the amount of \$6,825,000 and the partial refunding of \$57,725,000 of the 2002 Series B bonds.

This was an advance refunding of the 2002 Series B bonds resulting in a legal defeasance of the previously issued bonds. An Escrow Fund was established to fund continued payment of the principal and interest as it becomes due. The Escrow Agreement provided for the redemption of the remaining outstanding principal of the Series B bonds on August 1, 2015.

Because the transaction qualifies as a legal defeasance, the obligation for the defeased bonds has been removed from the District's financial statements. The economic gain calculated as the sum of the project funds proceeds and the net present value savings was approximately \$5,308,000.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

As of June 30, 2015, the principal balance outstanding is \$59,885,000. The general obligation refunding bonds mature through 2031 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2016	\$ 300,000	\$ 2,927,650	\$ 3,227,650
2017	1,855,000	2,875,275	4,730,275
2018	2,145,000	2,775,275	4,920,275
2019	2,445,000	2,660,525	5,105,525
2020	2,770,000	2,530,150	5,300,150
2021-2025	19,535,000	10,066,125	29,601,125
2026-2030	25,075,000	4,209,875	29,284,875
2031	5,760,000	115,200	5,875,200
Total	<u>\$ 59,885,000</u>	<u>\$ 28,160,075</u>	<u>\$ 88,045,075</u>

In March 2015, the District issued \$166,100,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the partial refunding of \$156,925,000 of the 2002 Series C bonds.

This was an advance refunding of the 2002 Series C bonds resulting in a legal defeasance of the previously issued bonds. An Escrow Fund was established to fund continued payment of the principal and interest as it becomes due. The Escrow Agreement provided for the redemption of the partial outstanding principal of the 2002 Series C bonds on August 1, 2018.

Because the transaction qualifies as a legal defeasance, the obligation for the defeased bonds has been removed from the District's financial statements. The economic gain calculated as the sum of the project funds proceeds and the net present value savings was approximately \$20,629,000.

As of June 30, 2015, the principal balance outstanding is \$166,100,000. The general obligation refunding bonds mature through 2034 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2016	\$ 2,310,000	\$ 5,414,136	\$ 7,724,136
2017	940,000	6,807,787	7,747,787
2018	970,000	6,774,287	7,744,287
2019	1,010,000	6,734,687	7,744,687
2020	1,050,000	6,688,237	7,738,237
2021-2025	6,085,000	32,579,313	38,664,313
2026-2030	27,295,000	30,398,283	57,693,283
2031-2034	126,440,000	10,696,300	137,136,300
Total	<u>\$ 166,100,000</u>	<u>\$ 106,093,030</u>	<u>\$ 272,193,030</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Compensated Absences

Compensated absences for the District at June 30, 2015, amounted to \$2,850,058 of which \$712,515 is considered current.

Load Banking

The load banking obligation for the District at June 30, 2015, amounted to \$707,006.

Aggregate Net Pension Liability

As of June 30, 2015, the aggregate net pension liability was \$91,115,004. See Note 12 for additional information regarding the net pension liability and retirement plans.

NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) ASSET

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District. The District has entered into an agreement with Benefit Trust Company to form the Futuris Public Entity Investment Trust to be used for the funding and payment of the District's obligations under the employee benefit plans that provide retiree health and other postemployment benefits.

Plan Description

The Ventura County Community College District Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Ventura County Community College District. The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 693 retirees and beneficiaries currently receiving benefits, three terminated Plan members entitled to but not receiving benefits, and 852 active full-time Plan members.

Contribution Information

The contribution requirements of Plan members and the District are established and may be amended by the District and the District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and the bargaining units. For the fiscal year 2014-2015, the District contributed \$12,379,607 to the Plan of which \$11,579,607 was used for current premiums, and \$800,000 was contributed to an irrevocable trust.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Annual OPEB Cost and Net OPEB Asset

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB asset to the Plan:

Annual required contribution	\$ 9,792,401
Contributions made by District	(11,579,607)
Contributions made to Irrevocable Trust	(800,000)
Change in value of Irrevocable Trust	81,136
Increase in net OPEB asset	(2,506,070)
Net OPEB asset, beginning of year	(3,744,868)
Net OPEB asset, end of year	<u><u>\$ (6,250,938)</u></u>

Trend Information

Trend information for the annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset for the past three years is as follows:

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Asset
2013	\$ 10,420,614	\$ 10,949,220	105%	\$ (377,487)
2014	10,420,614	11,985,009	115%	(3,744,868)
2015	9,792,401	12,379,607	126%	(6,250,938)

Funding Status and Funding Progress

Actuarial Accrued Liability (AAL)	\$ 138,323,887
Actuarial Value of Plan Assets *	17,052,574
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 121,271,313</u></u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	12.3%
Covered Payroll	<u><u>\$ 90,423,833</u></u>
UAAL as Percentage of Covered Payroll	<u><u>134%</u></u>

* Asset Valuation as of June 30, 2015

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

The above noted actuarial accrued liability was based on the November 18, 2014, actuarial valuation. Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Other Postemployment Benefits Funding Progress, presented as required supplementary information, follows the notes to the financial statements and presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial values of assets, consistent with the long-term perspective of the calculations.

In the November 18, 2014, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a seven percent investment rate of return, based on the assumed long-term return on Plan assets or employer assets. The cost trend rate used for the Medical, Dental, and Vision Programs was four percent. The UAAL is being amortized at a level dollar method. The remaining amortization period is 22 years. The actuarial value of assets was not determined in this actuarial valuation. At June 30, 2015, the irrevocable trust held assets in the amount of \$17,052,574.

NOTE 11 - RISK MANAGEMENT

Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of \$250,000,000, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to \$25,000,000 per occurrence, all subject to various deductibles. Employee health coverage benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees, their families, and retired employees of the District.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2015, the District contracted with the Statewide Association of Community Colleges Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Workers' Compensation

For fiscal year 2015, the District participated in the JPA, an insurance purchasing pool. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers' compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to community college districts that can meet the JPA's selection criteria.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of CalSTRS and classified employees are members of CalPERS.

The District implemented GASB Statements No. 68 and No. 71 for the fiscal year ended June 30, 2015. As a result, the District reported its proportionate share of the net pension liabilities, pension expense, and deferred inflow of resources for each of the above plans and a deferred outflow of resources for each of the above plans as follows:

Pension Plan	Proportionate Share of Net Pension Liability	Deferred Outflow of Resources	Proportionate Share of Deferred Inflow of Resources	Proportionate Share of Pension Expense
CalSTRS	\$ 61,304,866	\$ 4,575,609	\$ 15,096,206	\$ 5,292,589
CalPERS	29,810,138	3,366,998	10,626,611	2,649,512
Total	<u>\$ 91,115,004</u>	<u>\$ 7,942,607</u>	<u>\$ 25,722,817</u>	<u>\$ 7,942,101</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2013, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2015, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	8.15%	8.15%
Required employer contribution rate	8.88%	8.88%
Required State contribution rate	5.95%	5.95%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2015, are presented above, and the District's total contributions were \$4,575,609.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	\$ 61,304,866
State's proportionate share of net pension liability associated with the District	37,018,525
Total	<u>\$ 98,323,391</u>

The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. At June 30, 2015, the District's proportion was 0.1049 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$5,292,589. In addition, the District recognized revenue and pension expense of \$3,195,894 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,575,609	\$ -
Difference between projected and actual earnings on pension plan investments	-	15,096,206
Total	<u>\$ 4,575,609</u>	<u>\$ 15,096,206</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The deferred inflows of resources related to the difference between projected and actual earnings on investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2016	\$ 3,774,052
2017	3,774,052
2018	3,774,052
2019	3,774,050
Total	<u>\$ 15,096,206</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 2006 through June 30, 2010
Actuarial cost method	Entry age normal
Discount rate	7.60%
Investment rate of return	7.60%
Consumer price inflation	3.00%
Wage growth	3.75%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary investment practice, a best estimate range was determined assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentile for the long-term distribution of annualized returns. The assumed asset allocation is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.50%
Private equity	12%	6.20%
Real estate	15%	4.35%
Inflation sensitive	5%	3.20%
Fixed income	20%	0.20%
Cash/liquidity	1%	0.00%

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.60%)	\$ 95,558,253
Current discount rate (7.60%)	61,304,866
1% increase (8.60%)	32,743,766

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2013, annual actuarial valuation report, Schools Pool Actuarial Valuation, 2013. This report and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

The CalPERS provisions and benefits in effect at June 30, 2015, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	6.000%
Required employer contribution rate	11.771%	11.771%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2015, are presented above, and the total District contributions were \$3,366,998.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$29,810,138. The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. At June 30, 2015, the District's proportion was 0.2626 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$2,649,512. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,366,998	\$ -
Net change in proportionate share of net pension liability	-	383,513
Difference between projected and actual earnings on pension plan investments	-	10,243,098
Total	<u>\$ 3,366,998</u>	<u>\$ 10,626,611</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The deferred inflows of resources related to the net change in proportionate share of net pension liability will be amortized over the Expected Average Remaining Service Lives (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the 2013-2014 measurement period is 3.9 years and the pension expense will be recognized as follows:

Year Ended June 30,	Amortization
2016	\$ 127,838
2017	127,838
2018	127,837
Total	<u>\$ 383,513</u>

The deferred inflows of resources related to the differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2016	\$ 2,560,774
2017	2,560,774
2018	2,560,774
2019	2,560,776
Total	<u>\$ 10,243,098</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.50%
Investment rate of return	7.50%
Consumer price inflation	2.75%
Wage growth	3.00%

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47%	5.25%
Global fixed income	19%	0.99%
Private equity	12%	6.83%
Real estate	11%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	3%	4.50%
Liquidity	2%	-0.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.50%)	\$ 52,293,787
Current discount rate (7.50%)	29,810,138
1% increase (8.50%)	11,022,783

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 \$2,657,795 (5.679 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, 2015. 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.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Statewide Association of Community Colleges Joint Powers Authority (JPA). The District pays annual premiums for its property liability health and worker's compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPA and the District are included in these statements. Audited financial statements are available from the entity.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2015.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2015.

Construction Commitments

As of June 30, 2015, 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, 2015
Oxnard College Planning and Development (indirect)	324,421	September 30, 2016
Oxnard College CW P and D (indirect)	1,665	September 30, 2016
Oxnard College LRC Renovation	5,295,646	December 31, 2016
Oxnard College Dental Hygiene Expansion/Renovation	2,327,837	December 31, 2015
Ventura College Planning and Development (indirect)	294,683	September 30, 2016
Ventura College CW Planning and Development (indirect)	1,895	September 30, 2016
Ventura College Applied Science Building	3,927,485	December 31, 2015
Ventura College M and O Renovation	103,678	September 30, 2015
Ventura College Electrical Systems Upgrade	13,393	September 30, 2015
Ventura College Studio Arts Building	3,904,314	September 30, 2016
	<u>\$ 16,243,060</u>	

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

NOTE 15 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	\$ 351,842,218
Inclusion of net pension liability from the adoption of GASB Statement No. 68	(116,057,543)
Inclusion of deferred outflows of resources from the adoption of GASB Statement No. 68	7,008,917
Net Position - Beginning, as Restated	<u>\$ 242,793,592</u>

REQUIRED SUPPLEMENTARY INFORMATION

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unprojected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
February 16, 2011	\$ 11,286,448 *	\$ 146,646,320	\$ 135,359,872	7.7%	\$ 68,603,076	197%
February 20, 2013	16,171,438 **	147,511,370	131,339,932	11.0%	107,272,617	122%
November 18, 2014	17,052,574 ***	138,323,887	121,271,313	12.3%	90,423,833	134%

* Asset Valuation as of June 30, 2012.

** Asset Valuation as of June 30, 2014.

*** Asset Valuation as of June 30, 2015.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2015

CalSTRS

District's proportion of the net pension liability	<u>0.1049%</u>
District's proportionate share of the net pension liability	\$ 61,304,866
State's proportionate share of the net pension liability associated with the District	<u>37,018,525</u>
Total	<u>\$ 98,323,391</u>
District's covered - employee payroll	<u>\$ 49,030,897</u>
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	<u>125.03%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77%</u>

CalPERS

District's proportion of the net pension liability	<u>0.2626%</u>
District's proportionate share of the net pension liability	<u>\$ 29,810,138</u>
District's covered - employee payroll	<u>\$ 27,545,954</u>
District's proportionate share of the net pension liability as a percentage of its covered - employee payroll	<u>108.22%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83%</u>

Note : In the future, as data become available, ten years of information will be presented.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2015

CalSTRS

Contractually required contribution	\$ 4,575,609
Contributions in relation to the contractually required contribution	<u>4,575,609</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered - employee payroll	<u>\$ 51,527,128</u>
Contributions as a percentage of covered - employee payroll	<u>8.88%</u>

CalPERS

Contractually required contribution	\$ 3,366,998
Contributions in relation to the contractually required contribution	<u>3,366,998</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered - employee payroll	<u>\$ 28,604,180</u>
Contributions as a percentage of covered - employee payroll	<u>11.77%</u>

Note : In the future, as data become available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

DISTRICT ORGANIZATION JUNE 30, 2015

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 current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

BOARD OF TRUSTEES

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Ms. Dianne B. McKay	Chair	2018
Mr. Larry Kennedy	Vice Chair	2016
Mr. Stephen P. Blum	Member	2018
Mr. Arturo D. Hernández	Member	2018
Mr. Bernardo M. Perez	Member	2016

ADMINISTRATION

Dr. Jamillah Moore	Chancellor
Mr. Brian Fahnestock	Vice Chancellor, Business and Administrative Services
Mr. Michael Shanahan	Vice Chancellor, Human Resources
Mr. Dave Fuhrmann	Associate Vice Chancellor, Information Technology

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION			
HIGHER EDUCATION ACT			
Title V, Hispanic Serving Institutions - CCRAA STEM Pathways	84.031C		\$ 1,256,296
Title V, Hispanic Serving Institutions	84.031S		1,402,979
Total Higher Education Act			<u>2,659,275</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007		472,058
Federal Direct Student Loans (Direct Loans)	84.268		4,638,438
Federal College Work Study (FWS)	84.033		485,408
Federal Pell Grant (PELL)	84.063		35,682,638
Student Financial Aid Administrative Costs	84.063		121,607
Total Student Financial Assistance Cluster			<u>41,400,149</u>
CAREER AND TECHNICAL EDUCATION ACT			
Passed through from California Community Colleges Chancellor's Office			
Perkins IV, Title I, Part C	84.048	14-C01-065	654,002
Career Technical Education (CTE) Transitions	84.048A	14-112-681,682,683	116,953
Total Career and Technical Education Act			<u>770,955</u>
VOCATIONAL REHABILITATION ACT CLUSTER			
Passed through from Department of Rehabilitation			
Workability III	84.126A	28827	189,631
Total Vocational Rehabilitation Act Cluster			<u>189,631</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>45,020,010</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through from California Community Colleges Chancellor's Office			
Foster Kinship Care Education	93.658	[1]	159,905
Passed through from California Community Colleges Chancellor's Office			
Temporary Assistance for Needy Families (TANF)	93.558	[1]	147,870
Passed through from Yosemite Community College District			
Child Care and Development Grant	93.575	14-15-609571	62,740
Passed through from Chabot-Las Positas Community College District			
CA Early Childhood Mentor Program-Chabot	93.575	CN130165;CN14009	6,372
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>376,887</u>

[1] Pass-Through Number not available.

** Research and Development Grant

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Number	Total Expenditures
U.S. DEPARTMENT OF LABOR			
Workforce Investment Act			
Veteran's Employment and Training Services	17.804		\$ 9,073
TOTAL U.S. DEPARTMENT OF LABOR			<u>9,073</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Passed through from American Library Association			
NEH: Muslim Journey's: Let's Talk About It	45.164	2060	429
			<u>429</u>
NATIONAL SCIENCE FOUNDATION			
Passed through from Sinclair County Community College District			
NSF (ATE) Guitar Project**	47.076	1454	2,811
TOTAL NATIONAL SCIENCE FOUNDATION			<u>2,811</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$45,409,210</u>

[1] Pass-Through Number not available.

** Research and Development Grant

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2015

Program	Program Entitlements		
	Current Year	Prior Year	Total Entitlement
ADN Enroll. Growth 12-14 Yr 2 of 2	\$ 242,974	\$ -	\$ 242,974
ADN Associate Degree Nursing - Assessment, Remediation, and Retention	228,000	-	228,000
Adult Ed Consortium Planning AB86	-	367,867	367,867
Cal Grant B	2,747,868	42,418	2,790,286
Cal Grant C	34,900	-	34,900
CalWorks 14-15	610,893	-	610,893
Cooperative Agency Resource Education (CARE) 14-15	226,319	-	226,319
Student Success and Support (Credit) 13-14	-	660,604	660,604
Student Success and Support (Credit) 14-15	4,248,154	-	4,248,154
Disabled Students Programs and Services (DSPS) 14-15	2,492,940	-	2,492,940
Prior Year Categorical (DSPS)	-	26,856	26,856
ESL/Basic Skills 12-13	-	86,204	86,204
ESL/Basic Skills 13-14	-	253,725	253,725
ESL/Basic Skills 14-15	302,690	-	302,690
Extended Opportunity Prog and Svc (EOPS) 14-15	1,719,051	-	1,719,051
Foster Kinship Care Education	160,597	-	160,597
FSS Mesa 14-15	50,500	-	50,500
IELM 13-14	-	326,931	326,931
IELM 14-15	836,627	-	836,627
Restricted Lottery	795,147	1,638,313	2,433,460
SB70 CTE Community Collaborative Yr 6 (Phase VI)	-	99,597	99,597
Staff Diversity	9,948	-	9,948
Student Equity 14-15	1,282,613	-	1,282,613
Student Financial Aid Administration Allowance 14-15	1,164,388	-	1,164,388
CTE Enhancement Fund	576,104	-	576,104
DSN Biotech Workshop COC	12,700	-	12,700
DSN-Agriculture, Water, Environ. Tech. AH	15,000	-	15,000
Prop 39 Clean Energy Workforce Program Grant-KCCD	61,693	-	61,693
CDE-CA Career Pathways Trust Yr 1	5,533,432	-	5,533,432
Total	<u>\$ 23,352,538</u>	<u>\$ 3,502,515</u>	<u>\$ 26,855,053</u>

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
\$ 242,974	\$ -	\$ -	\$ 79,861	\$ 163,113	\$ 163,113
228,000	-	-	1	227,999	227,999
327,691	-	-	8,513	319,178	319,178
2,776,141	16,205	2,060	-	2,790,286	2,790,286
34,900	-	-	-	34,900	34,900
651,073	4,317	-	52,957	602,433	602,433
226,319	-	-	30	226,289	226,289
660,604	-	-	36,771	623,833	623,833
4,248,154	-	-	2,041,907	2,206,247	2,206,247
2,492,940	-	-	28,025	2,464,915	2,464,915
26,856	-	-	26,856	-	-
86,204	-	-	-	86,204	86,204
253,726	-	-	-	253,726	253,726
302,690	-	-	268,746	33,944	33,944
1,719,051	-	-	802	1,718,249	1,718,249
93,798	66,107	-	-	159,905	159,905
30,300	20,200	-	-	50,500	50,500
326,931	-	-	145,290	181,641	181,641
836,627	-	-	22,890	813,737	813,737
2,150,794	433,627	-	1,988,878	595,543	595,543
94,590	-	-	-	94,590	94,590
9,948	-	-	-	9,948	9,948
1,282,613	-	-	979,545	303,068	303,068
1,164,388	-	-	2,785	1,161,603	1,161,603
230,441	345,663	-	421,441	154,663	154,663
-	11,660	-	-	11,660	11,660
14,998	-	-	-	14,998	14,998
-	43,401	-	-	43,401	43,401
2,232,957	-	-	-	2,232,957	2,232,957
<u>\$ 22,745,708</u>	<u>\$ 941,180</u>	<u>\$ 2,060</u>	<u>\$ 6,105,298</u>	<u>\$ 17,579,530</u>	<u>\$ 17,579,530</u>

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2015

CATEGORIES	Revised Reported Data	Audit Adjustments	Revised Audited Data
A. Summer Intersession (Summer 2014 only)			
1. Noncredit	2	-	2
2. Credit	2,039	-	2,039
B. Summer Intersession (Summer 2015 - Prior to July 1, 2015)			
1. Noncredit	-	-	-
2. Credit	538	-	538
C. Primary Terms Exclusive of Summer Intersessions			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	19,174	-	19,174
(b) Daily Census Contact Hours	1,107	-	1,107
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	180	-	180
(b) Credit	591	-	591
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	2,100	-	2,100
(b) Daily Census Procedure Courses	294	-	294
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	<u>26,025</u>	<u>-</u>	<u>26,025</u>
Supplemental Information			
E. In-Service Training Courses (FTES)	<u>67</u>	<u>-</u>	<u>67</u>
F. Basic Skills courses and Immigrant Education (FTES)			
1. Noncredit	36	-	36
2. Credit	1,174	-	1,174
	<u>1,210</u>	<u>-</u>	<u>1,210</u>

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION FOR THE YEAR ENDED JUNE 30, 2015

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799			
		Object/TOP Codes	Reported Data	Audit Adjustments	Reported Data	Reported Data	Audit Adjustments	Reported Data
<u>Academic Salaries</u>								
Instructional Salaries								
Contract or Regular	1100	\$ 25,298,939	\$ -	\$ 25,298,939	\$ 27,463,016	\$ -	\$ 27,463,016	
Other	1300	22,983,756	-	22,983,756	23,373,845	-	23,373,845	
Total Instructional Salaries		48,282,695	-	48,282,695	50,836,861	-	50,836,861	
Noninstructional Salaries								
Contract or Regular	1200	-	-	-	8,231,746	-	8,231,746	
Other	1400	-	-	-	612,046	-	612,046	
Total Noninstructional Salaries		-	-	-	8,843,792	-	8,843,792	
Total Academic Salaries		48,282,695	-	48,282,695	59,680,653	-	59,680,653	
<u>Classified Salaries</u>								
Noninstructional Salaries								
Regular Status	2100	-	-	-	20,083,815	-	20,083,815	
Other	2300	-	-	-	1,785,100	-	1,785,100	
Total Noninstructional Salaries		-	-	-	21,868,915	-	21,868,915	
Instructional Aides								
Regular Status	2200	1,808,302	-	1,808,302	1,838,213	-	1,838,213	
Total Instructional Aides		1,808,302	-	1,808,302	1,838,213	-	1,838,213	
Total Classified Salaries		1,808,302	-	1,808,302	23,707,128	-	23,707,128	
Employee Benefits	3000	18,523,445	-	18,523,445	35,849,125	-	35,849,125	
Supplies and Material	4000	-	-	-	1,802,674	-	1,802,674	
Other Operating Expenses	5000	-	-	-	12,172,588	-	12,172,588	
Total Expenditures Prior to Exclusions		68,614,442	-	68,614,442	133,212,168	-	133,212,168	

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Reported Data	Reported Data	Audit Adjustments	Reported Data
<u>Exclusions</u>							
Activities to Exclude							
Objects to Exclude							
Rents and Leases	5060	\$ -	\$ -	\$ -	\$ 567,553	\$ -	\$ 567,553
Lottery Expenditures							
Employee Benefits	3000	3,268,461	-	3,268,461	6,717,593	-	6,717,593

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 3,423,325	\$ -	\$ 3,423,325
Capital Outlay	6000	-	-	-	-	-	-
Library Books		-	-	-	-	-	-
Total Equipment							
Total Capital Outlay							
Total Exclusions		3,268,461	-	3,268,461	10,708,471	-	10,708,471
Total for ECS 84362, 50 Percent Law		\$ 65,345,981	\$ -	\$ 65,345,981	\$ 122,503,697	\$ -	\$ 122,503,697
Percent of CEE (Instructional Salary Cost/Total CEE)		53.34%		53.34%	100.00%		100.00%
50% of Current Expense of Education					\$ 61,251,849		\$ 61,251,849

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT (CCFS-311) WITH FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2015.

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**PROPOSITION 30 EDUCATION PROTECTION ACT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

Activity Classification	Object Code	Unrestricted			
EPA Proceeds:	8630				\$ 22,958,164
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 22,958,164			\$ 22,958,164
Total Expenditures for EPA		\$ 22,958,164	-	-	\$ 22,958,164
Revenues Less Expenditures					\$ -

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance:

General Fund	\$ 50,224,945
Special Revenue Funds	381,778
Capital Project Funds	40,028,416
Debt Service Funds	18,952,907
Enterprise Funds	695,221
Internal Service Funds	4,170,486
Fiduciary Funds	7,887,538

Total Fund Balance - All District Funds

\$ 122,341,291

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

The cost of capital assets is

707,693,582

Accumulated depreciation is

(141,912,526)

565,781,056

Expenditures relating to contributions made to pension plans were recognized on the modified accrual basis, but are not recognized on the accrual basis.

7,942,607

The District has refunded its general obligation bonds. The difference between the amounts that were sent to escrow agents for the payment of the old debt and the actual remaining debt obligations will be amortized as an adjustment to interest expense.

28,471,929

Amounts held in trust on behalf of others (Trust and Agency Funds).

(7,883,323)

In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.

(3,759,457)

The net change in proportionate share of net pension liability as of the measurement date is not recognized as an expenditure under the modified accrual basis, but is recognized on the accrual basis over the expected remaining service life of members receiving pension benefits.

(383,513)

Difference between projected and actual earnings on pension plan investments are not recognized on the modified accrual basis, but are recognized on the accrual basis as an adjustment to pension expense.

(25,339,304)

In governmental funds, postemployment benefit costs are recognized as expenditures in the period they are paid. In the government-wide financial statements postemployment benefit costs are recognized in the period that they are incurred. The other postemployment benefit net position is a result of the accumulated contributions in excess of the annual required contribution (ARC). Recognizing the OPEB asset resulting from the difference between annual OPEB cost on the accrual basis and the OPEB contributions in the governmental funds.

6,250,938

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, CONTINUED FOR THE YEAR ENDED JUNE 30, 2015

Long-term obligations at year-end consist of:

Bonds payable	\$ 322,706,275	
Premium on refunding bonds	27,060,225	
Load banking	707,006	
Compensated absences	2,850,058	
Less load banking already recorded in funds	(707,006)	
Less compensated absences already recorded in funds	(712,515)	
Aggregate net pension obligation	91,115,004	\$ (443,019,047)
Total Net Position		\$ 250,403,177

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Subrecipients

Of the Federal expenditures presented in the schedule, the District provided Federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Amount Provided to Subrecipients
Title V, Hispanic Serving Institutions - CCRAA STEM Pathways	84.031C	
California State University - Channel Islands		\$ 96,885
University of California - Santa Barbara		248,533
		<u>\$ 345,418</u>

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2015

Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Fund Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the audited financial statements.

Proposition 30 Education Protection Act (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the entity-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Reconciliation of Expenditures of Grant Activity With the District's Schedule of Expenditures of Federal Awards

The following is a list of the grants and the differences between the District's accounting records and the Schedule of Expenditures of Federal Awards:

Description	Amount
Total Federal Revenues From the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government:	\$ 45,403,677
Reconciling difference of Expenditures to Revenue	5,533
Total Schedule of Expenditures of Federal Awards	<u>\$ 45,409,210</u>

INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Ventura County Community College District
Ventura, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the business-type activities, and the aggregate remaining fund information of Ventura County Community College District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 2, 2015.

Emphasis of Matter - Change in Accounting Principles

As discussed in Notes 2 and 15 to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated December 2, 2015.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varrinck, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 2, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees
Ventura County Community College District
Ventura, California

Report on Compliance for Each Major Federal Program

We have audited Ventura County Community College District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2015. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Varrin, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 2, 2015



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Ventura County Community College District
Ventura, California

Report on State Compliance

We have audited Ventura County Community College District's (the District) compliance with the types of compliance requirements as identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in August 2014 that could have a direct and material effect on each of the District's programs as noted below for the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements identified in the California Community Colleges Chancellor's Office *District Audit Manual* issued in August 2014.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the California Community Colleges Chancellor's Office *District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion for Each of the Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the programs noted below that were audited for the year ended June 30, 2015.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Concurrent Enrollment of K-12 Students in Community College Credit Courses
Section 430	Schedule Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 438	Student Fees – Health Fees and Use of Health Fee Funds
Section 439	Proposition 39 Clean Energy
Section 440	Intersession Extension Programs
Section 474	Extended Opportunity Programs and Services (EOPS) and Cooperative Agencies Resources for Education (CARE)
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged (TBA) Hours
Section 490	Proposition 1D State Bond Funded Projects
Section 491	Proposition 30 Education Protection Account Funds

The District reports no Instructional Service Agreements/Contracts for Apportionment Funding; therefore, the compliance tests within this section were not applicable.

The District reports no attendance within classes subject to the TBA Hours; therefore, the compliance tests within this section were not applicable.

The District did not have any projects that received State Construction funds for Proposition 1D State Bond funded projects; therefore, the compliance tests within this section were not applicable.

The District did not have any Intersession Extension Programs; therefore, the compliance tests within this section were not applicable.

Varrinck, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 2, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>No</u>

Identification of major Federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007; 84.033; 84.063; 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	<u>Unmodified</u>
---	-------------------

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

None reported.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2015

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

STATE AWARD FINDINGS

2014-001 427 CONCURRENT ENROLLMENT FOR K-12 STUDENTS IN COMMUNITY COLLEGE CREDIT COURSES

Criteria or Specific Requirements

A community college district may claim FTES for the attendance of K-12 pupils who take courses offered by the district under this concurrent enrollment arrangement only if it complies with the following criteria:

- *Education Code* Sections 48800-48802, 76000-76002, and 84752.
- CCR, Title 5, Sections 51004, 51006, 51021, 53410, 55002, 55100, 58100-58108, 58050, 58051(a) (1), 58051.5, 58052, 58056(a), 58058, 58060, and 59300 et seq.
- Legal Opinions M 98-17 and M 02-20 issued by the Chancellor's Office, California Community Colleges.

Legal Advisory 05-01, "Questions and Answers Re. Concurrent Enrollment" - issued January 5, 2005 by the Chancellor's Office, California Community Colleges.

Condition

Significant deficiency: Moorpark College

Out of 10 students tested, two concurrent enrollment forms could not be located at Moorpark College. As a result, we could not verify if the College obtained verification from the K-12 school district that the student can benefit from advanced scholastic or vocational work.

Questioned Costs

There were a total of 820 concurrent enrolled high school students at Moorpark College. The above testing revealed a 20 percent error rate. Thus, 164 students would be the questioned costs at Moorpark College.

Effect

The College has improperly claimed FTES for concurrently enrolled students who do not have the proper documentation on file.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2015

Cause

The College does not have controls in place to ensure that a Concurrent Enrollment application is received from each student for each semester attended.

Recommendation

The College should implement a process within Admissions and Records that will ensure documents supporting the concurrently enrolled students are maintained and stored.

Current Status

Implemented.

2014-002 474 EXTENDED OPPORTUNITY PROGRAMS AND SERVICES (EOPS) AND COOPERATIVE AGENCIES RESOURCES FOR EDUCATION (CARE)

Criteria or Specific Requirements

EOPS was established "to encourage the enrollment of students handicapped by language, social, and economic disadvantages, and to facilitate the successful completion of their education goals and objectives". To ensure that EOPS funds are spent appropriately, the EOPS Program Guidelines was established with guidelines concerning general provisions and requirements of the program. One of those requirements is regarding the need for an advisory committee. The committee shall meet at least once during each academic year.

Condition

Significant deficiency: Moorpark College

The Moorpark College EOPS advisory committee did not meet during the academic year.

Questioned Costs

There are no questioned costs associated with this compliance requirement.

Effect

The advisory committee may not be able to properly oversee the EOPS Program by not meeting as noted in the guidance.

Cause

The College does not have controls in place to ensure that the advisory committee meets as required by the program guidance.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2015

Recommendation

The EOPS coordinator should be familiar with the requirements of the program to ensure that the College is in compliance with all requirements.

Current Status

Implemented.