

**VENTURA UNIFIED SCHOOL DISTRICT**

**VENTURA COUNTY**

**REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
INCLUDING REPORTS ON COMPLIANCE  
June 30, 2011**

VENTURA UNIFIED SCHOOL DISTRICT



# VENTURA UNIFIED SCHOOL DISTRICT

## AUDIT REPORT June 30, 2011

### CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	i-x
<b>FINANCIAL SECTION</b>	
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets .....	1
Statement of Activities .....	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities .....	6
Statement of Fund Net Assets – Fiduciary Funds .....	7
Statement of Changes in Fund Net Assets – Fiduciary Funds .....	8
Notes to Financial Statements.....	9-45
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Budgetary Comparison for the General Fund.....	46
Schedule of Budgetary Comparison for the Special Reserve Fund for Postemployment Benefits .....	47
Schedule of Postemployment Healthcare Benefits Funding Progress .....	48
Notes to Required Supplementary Information .....	49
<b>SUPPLEMENTARY INFORMATION</b>	
History and Organization.....	50
Schedule of Average Daily Attendance (ADA) .....	51
Schedule of Instructional Time.....	52
Schedule of Expenditures of Federal Awards.....	53-54
Reconciliation of Annual Financial and Budget Report With Audited Financial Statements .....	55
Schedule of Financial Trends and Analysis.....	56
Schedule of Charter Schools.....	57
Notes to Supplementary Information.....	58-59

# VENTURA UNIFIED SCHOOL DISTRICT

## AUDIT REPORT

June 30, 2011

## CONTENTS

	<u>Page</u>
<b>OPTIONAL SUPPLEMENTARY INFORMATION</b>	
Individual and Combining Statements by Fund Types:	
Major Building Sub-Funds	
Combining Balance Sheet .....	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	61
Non-Major Debt Service Fund	
Individual Balance Sheet .....	62
Individual Statement of Revenues, Expenditures, and Changes in Fund Balance .....	63
Non-Major Special Revenue Funds	
Combining Balance Sheet .....	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	65
Non-Major Capital Projects Funds	
Combining Balance Sheet .....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	67
Combining Statements – Fiduciary Funds:	
Combining Statement of Fund Net Assets – Private Purpose Trust Funds .....	68
Combining Statement of Changes in Fund Net Assets – Private Purpose Trust Funds .....	69
Combining Statement of Fund Net Assets – Associated Student Body Funds..	70-71
Combining Statement of Changes in Fund Net Assets – Associated Student Body Funds .....	72-73
Notes to Optional Supplementary Information .....	74

# VENTURA UNIFIED SCHOOL DISTRICT

## AUDIT REPORT

June 30, 2011

### CONTENTS

#### Page

#### OTHER 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 Government Auditing Standards.....	75-76
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	77-78
Independent Auditor's Report on State Compliance .....	79-80

#### FINDINGS AND QUESTIONED COSTS

Schedule of Findings and Questioned Costs - Summary of Auditor Results .....	81
Schedule of Findings and Questioned Costs - Related to Financial Statements .....	82
Schedule of Findings and Questioned Costs - Related to Federal Awards .....	83
Status of Prior Year Findings and Questioned Costs.....	84



## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Ventura Unified School District  
255 West Stanley Avenue  
Ventura, California 93001

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ventura Unified School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1.C.9 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011 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 and 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* and should be considered in assessing the results of our audit.

Board of Education  
Ventura Unified School District

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information and schedules of funding progress 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District financial statements as a whole. The supplementary schedules and combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the District. The supplementary section and combining and individual fund financial statements, including the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Vicenti, Lloyd & Stutzman LLP*  
VICENTI, LLOYD & STUTZMAN LLP

December 12, 2011

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

The Management Discussion and Analysis section of Ventura Unified School District's financial report presents an overall review of the District's financial performance during the fiscal year that ended on June 30, 2011. Readers should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- Net assets decreased \$4.9 million, or <2.7> percent over the course of the year.
- Total revenues were \$154.6 million. General Fund revenue accounted for \$135.4 million or 88 percent of total revenues.
- The School District had \$159.5 million in expenses; \$35.9 million of these expenses were offset by program specific charges for services and grants and/or contributions.
- Outlays for capital improvements were \$1.6 million, primarily for Facility modernization and expansion. Although the District has intentionally decided to decrease the scope of its modernization program projects, there was still a need to complete some smaller projects and provide additional program space. Governmental funds report capital outlay as expenditures. However in the statement of activities the cost of these assets is allocated over their useful lives as depreciation expense.
- Among major funds, the General Fund had \$135,457,209 in revenues and \$136,215,783 in expenditures. Revenue Limit was increased by \$4.6 million, primarily due to the elimination of the one-time reduction of \$252.83 per average daily attendance, (ADA), totaling \$4.2 million in the prior year. This helped to offset the reductions in Federal, Other State and Local revenues. Federal revenues decreased by \$1.3 million, as there was less American Recovery and Reinvestment Act (ARRA) funding available. Other State revenues decreased by \$3 million based on timing differences for the State revenue allocations. This change in funding allocation of 2009-10 funding that was announced as a part of the 2010-11 State budget and mentioned in last year's report. Local revenues decreased by \$3.2 million as economic concerns were prevalent throughout the community. Expenditures decreased by 2%, or \$2.9 million due to the uncertainty in funding, particularly from the State. Reductions in salaries and benefits costs were achieved by increasing furlough days and increases to class sizes with proportional reductions in classified and management staff. Capital expenditures were reduced as the prior year had included a grant for bus replacement. Due to the fiscal crisis the board has authorized the transfer of \$10 million from the proceeds recognized from the sale of excess property. The second transfer from the building fund, \$2.5 million, was posted in 2010-11. Subsequent transfers of \$5 million will happen over the course of the subsequent two years dependent on the impact of mid-year cuts in the 2011-12 State budget. As part of the flexibility legislation enacted by the State, Adult Education revenues are reported in the General fund. The transfer out of \$3.2 million was Adult Education revenue. The General Fund ending balance was \$14.8 million dollars.



**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

- In order to maintain the required reserve balance the District implemented reductions in staffing and programs. With the uncertainty of State funding there is concern with regards to additional expenditure reductions that may be necessary, particularly with anticipated mid-year cuts. The District has benefited from increasing reserves by not expending the additional funding that was generated by the elimination of the one-time revenue limit reduction. These funds were held to enable the District to offset potential current and future-year cuts. The District also initiated legislation that allowed proceeds from the sale of excess property to be used to fund one-time general fund expenditures.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts, Management's Discussion and Analysis (this section), the basic financial statements, and the required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail.

The financial statements also include *notes* that explain some of the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with comparison of the District's budget for the year.

### **District-wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net assets* and how they have changed. Net assets—the difference between the District's assets and liabilities—are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District property tax base and the condition of school buildings and other facilities.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

In the District-wide financial statements the District's activities include:

- *Governmental activities*—Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities. Other funds in the District are also included here and are described in the notes to the financial statements.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information that explains the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net assets.** The District's combined net assets from governmental activities were smaller on June 30, 2011 than they were the year before, decreasing by <2.7%> to \$179.4 million. Table 1 provides a summary of the District's combined net assets for 2011.

**Table 1**  
**Ventura Unified School District's Combined Net Assets**  
**(In Millions)**

Summary of Statement of Net Assets	2010	2011	Total Change	Total % Change
Non-capital Assets	\$ 68.3	\$ 68.8	\$ 0.5	0.7%
Capital Assets	195.1	190.3	(4.8)	-2.5%
Total Assets	263.4	259.1	(4.3)	-1.6%
Current Liabilities	8.7	11.9	3.2	36.8%
Long-Term Liabilities	70.4	67.8	(2.6)	-3.7%
Total Liabilities	79.1	79.7	0.6	0.8%
Invested in Capital Assets, Net of Related Debt	122.3	119.9	(2.4)	-2.0%
Net Assets Legally Restricted	45.2	42.4	(2.8)	-6.2%
Net Assets Unrestricted	16.8	17.1	0.3	1.8%
Total Net Assets	\$ 184.3	\$ 179.4	\$ (4.9)	-2.7%

Total combined assets were \$259.1 million, capital assets were 73 percent (\$190.3 million) of total assets and non-capital assets were 27 percent (\$68.8 million) of total assets. Total liabilities were \$79.7 million; 15 percent (\$11.9 million) current and 85 percent (\$67.8 million) long term. Of the District's *Governmental Activities* net assets, 66 percent (\$119.9 million) were capital assets net of related debt, 24 percent (\$42.4 million) were net assets legally restricted and 10 percent (\$17.1 million) were unrestricted net assets.

Significant changes include:

- Due to the additional State deferrals cash receipts have decreased and accounts receivable were increased. Net assets legally restricted have decreased as capital outlay has been reduced. The second allocation of funds were transferred from the building fund to the general fund as allowed by State legislation and authorized by the Board. Funds restricted for educational programs have also decreased as one-time categorical programs, including Federal stimulus, have been expended. Unrestricted net assets have increased in anticipation of future-year State funding reductions.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

<b>Summary of Statement of Activities</b>	<b>2010</b>	<b>2011</b>
Program Revenues	\$ 41.5	\$ 35.9
General Revenues	115.0	118.7
Total Revenues	<u>156.5</u>	<u>154.6</u>
Expenses for:		
Instruction and Instruction Related Services	103.6	102.9
Pupil Services	18.7	18.4
General Administration	7.2	6.8
Plant Services	14.1	14.5
Ancillary, Community and Enterprise Activities	4.3	4.5
Debt Service	3.6	2.8
Other Outgo	2.1	2.5
Depreciation	6.3	7.0
Total Expenses	<u>159.9</u>	<u>159.4</u>
Change in Net Assets	(3.4)	(4.8)
Net Assets, beginning of year	187.7	184.3
Net Assets, end of year	<u>\$ 184.3</u>	<u>\$ 179.5</u>

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

Total cost of all governmental activity programs and services were \$159.5 million. Instruction and pupil services made up 76 percent of total program cost. Plant services were 9 percent and general administration was 4 percent.

Significant changes include:

Revenues:

- Revenue Limit sources increased as there was a one-time reduction of \$252.83 per Average Daily Attendance (ADA) applied by the State in the prior year. The elimination of this reduction added back \$4.2 million in 2010-11. Revenue Limit funding received an inflationary decrease of <\$25> per Average Daily Attendance (ADA) during the 2010-11 year.

This increase in revenue limit helped to offset reductions in all other general fund funding sources. District-wide revenues were down \$1.9 million.

- Additional funds were awarded by the Federal government for a Magnet School Assistance Program grant. This grant was obtained to improve academic achievement at DATA (DeAnza Academy of Technology and the Arts). Laptop computers were purchased for all incoming sixth grade students, with the intent of providing one-on-one technology for all students in three years. This technology helps to support core academic and supplemental language classes.

Expenses:

- Total expenses decreased \$0.4 million dollars. The District worked diligently to maintain the quality of academic programs without increasing cost, resulting from the uncertainty of State funding.

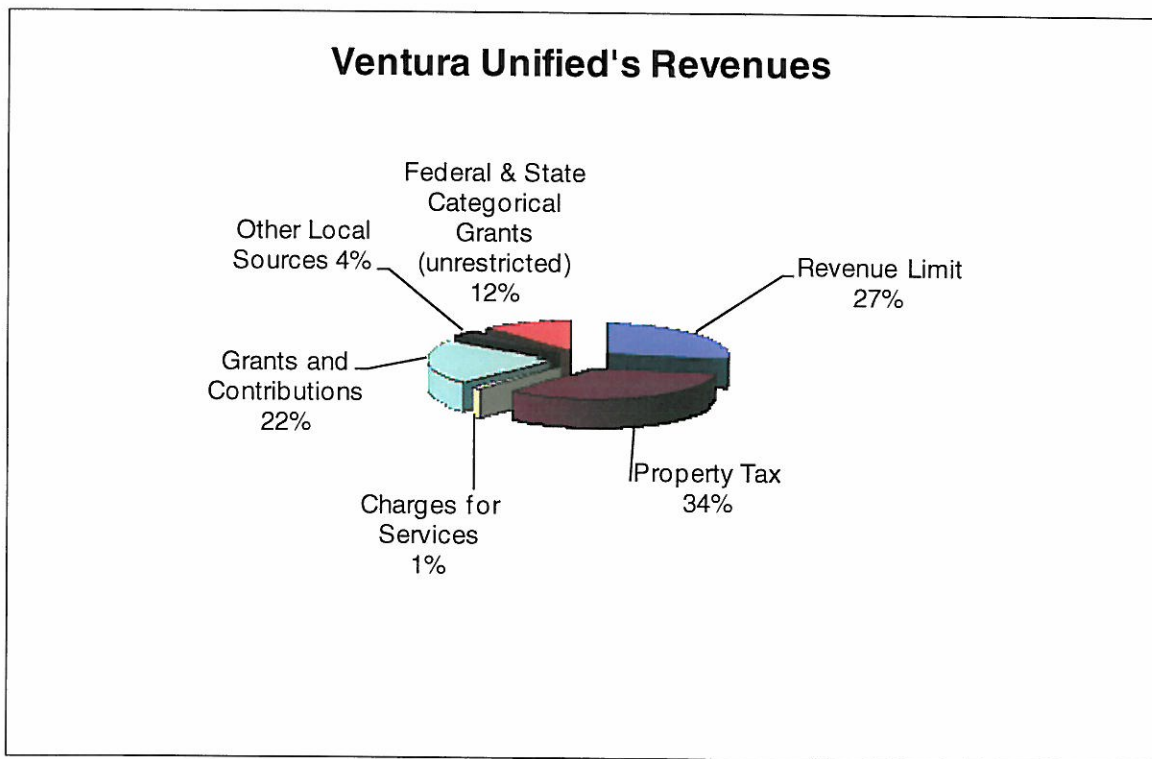


**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

**Governmental Activities**

By the end of the fiscal year the revenue for the District's governmental activities totaled \$154.6 million. Sixty-one percent was from revenue limit and property taxes, twenty-two percent was from federal and state grants and contributions and four percent from local sources. General revenues, revenue limit and the related property taxes were received to provide for the District's basic services.

Figure 1



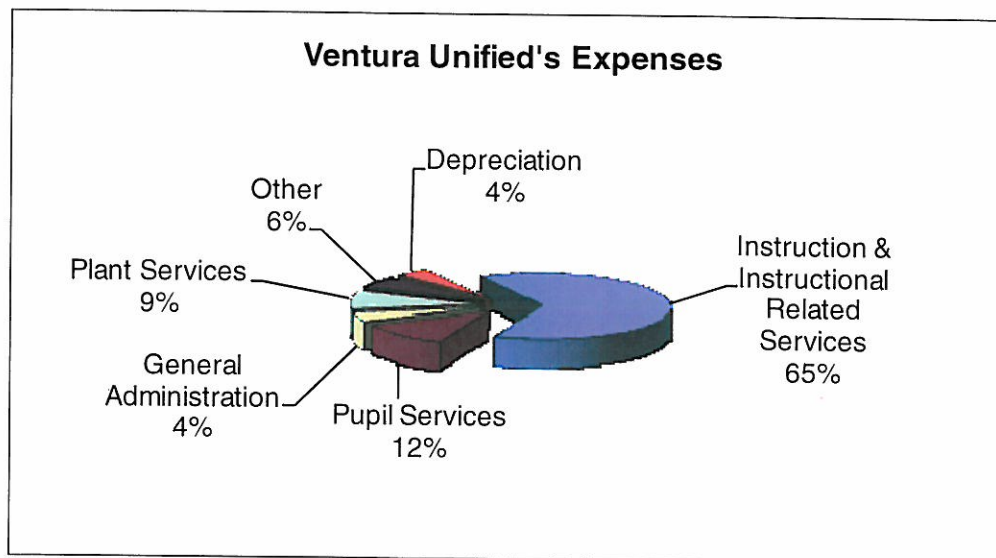
## VENTURA UNIFIED SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2011

The cost of all the District's major activities: Instruction, guidance, counseling, evaluation, school leadership, student transportation, administration and, maintenance and operations was \$159.5 million. Users of the District programs paid \$1.9 million of the cost. The federal and state governments subsidized approximately \$34 million in certain program costs with grants and contributions. Most of the District's expenses (\$113 million) were paid for by District taxpayers and the taxpayers of our state.

Figure 2



**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**General Fund Budgetary Highlights**

Over the course of the year, the District revises its annual operating budget several times. The District is required to adopt its budget by June 30th each year, which is prior to final funding information from the State. After the State budget is adopted the District is required to present the impacts of the State budget to the District budget within 45 days of the Governor's signature. Budget revisions are made to reflect the impacts. The District is also required by law to make two formal presentations each year on its financial condition. Budget revisions are made after the presentations to reflect current information. Budget revisions are also made throughout the year as information regarding funding and expenditures becomes available.

**Actual revenues** were \$3.1 million less than the final budget amount. Federal revenues were decreased as revenues for most programs are deferrals, where revenue is recognized as the expenditures are made. Many of the Federal stimulus programs had expenditure deadlines of September 30, 2011 and these programs were fully earned at that time.

**Actual expenditures** were \$4.1 million less than the final budgeted amounts. The majority of this difference was in books and supplies, \$4.1 million. The school district appropriates categorical programs up to their full allocations. The large variance results from this budget for discretionary items not being expended in total. The unspent funds are deferred or restricted and budgeted to be expended in the subsequent year.

**Capital Assets**

By the end of the school year the District had invested \$2.2 million in capital assets. Overall capital assets decreased from \$195.0 million as of July 1, 2010 to \$190.3 million as of June 30, 2011. The majority of capital outlay expenditures occur in the Building Fund, County School Facilities Fund and General Fund. Additional information on the changes in capital assets can be found at Note 12.

**Debt Administration**

By year-end the District had \$71 million in long-term debt, a 3 percent (\$2.5 million) decrease over last year. Additional information on the changes in long-term debt can be found at Note 11. The District's bonds currently are rated "AAA".

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2011**

**Average Daily Attendance**

Average daily attendance reported on the second period attendance report for the regular education program and excluding adult education increased by 35 to 16,779. The District's enrollment count increased by 32 students, to 17,515, as measured by the California Basic Education System (CBEDS). While there has been a slight decrease in enrollment for the current year the District expects to remain flat over the next two years, with fluctuations of less than one percent.

**Factors bearing on the District's future**

Although the District is financially stable, its financial condition is highly dependent upon the economic condition of the State of California. California and national forecasts continue to show that the economy has stalled. The District continues to maintain a cautious approach, focusing on the maintenance and enhancement of programs for the current year and adjusting plans for the future in light of this uncertainty.

The District currently maintains the required 3% reserve for economic uncertainties and continues to look for ways to optimize revenues while reviewing expenditures for the best value in educating the children of Ventura Unified School District.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact Joseph Richards, Assistant Superintendent of Business at Ventura Unified School District, 255 West Stanley Ave, Ventura California 93001.

## **FINANCIAL SECTION**

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Cash in county treasury	\$ 41,868,688
Cash on hand and in banks	101,147
Cash with fiscal agent	864,539
Investments with fiscal agent	568,658
Accounts receivable:	
Federal and State governments	20,924,928
Miscellaneous	3,454,906
Inventories	346,426
Prepaid expenditures	440
Capitalized fees	684,971
Land	12,426,759
Depreciable assets, net	<u>177,896,184</u>
<b>Total Assets</b>	<b><u>259,137,646</u></b>
<b><u>Liabilities</u></b>	
Accounts payable and other current liabilities	3,279,857
Due to fiduciary funds	224,253
Accrued interest payable	1,306,642
Deferred revenue	3,449,462
Current portion of long-term liabilities:	
Loan payable	11,033
General obligation bonds	2,400,000
Certificates of participation	260,000
Compensated absences	1,001,344
Early retirement incentive	35,000
Non-current portion of long-term liabilities:	
General obligation bonds	67,069,206
Less deferred charges on refunding bonds	(2,893,199)
Certificates of participation	3,580,000
Retiree benefits:	
Post employment healthcare benefits	366,106
Net pension (asset)	<u>(396,886)</u>
<b>Total Liabilities</b>	<b><u>79,692,818</u></b>
<b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	119,895,903
Restricted for:	
Debt service	3,759,515
Capital outlay	37,467,909
Educational programs	851,856
Other programs	321,719
Unrestricted	<u>17,147,926</u>
<b>Total Net Assets</b>	<b><u>\$ 179,444,828</u></b>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2011

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 84,836,514	\$ 393,398	\$ 16,098,704	\$	\$ (68,344,412)
Instruction - related services	18,060,195	14,679	4,791,368		(13,254,148)
Pupil services	18,367,366	1,390,164	10,021,079		(6,956,123)
Ancillary services	816,401		28,092		(788,309)
Community services	335,617		189,515		(146,102)
Enterprise activities	3,333,826				(3,333,826)
General administration	6,842,107	22,049	1,165,446		(5,654,612)
Plant services	14,531,093		581,306	12,538	(13,937,249)
Other outgo	2,453,222	85,757	1,090,997		(1,276,468)
Debt service - interest	2,847,695				(2,847,695)
Depreciation (unallocated)	6,966,923				(6,966,923)
<b>Total Governmental Activities</b>	<u>\$ 159,390,959</u>	<u>\$ 1,906,047</u>	<u>\$ 33,966,507</u>	<u>\$ 12,538</u>	<u>(123,505,867)</u>
<b>General Revenues</b>					
Property taxes levied for:					
General purposes					47,384,092
Debt service					4,968,195
Other specific purposes					153,836
Federal and State aid not restricted to specific purposes					60,719,105
Interest and investment earnings					797,007
Miscellaneous					4,659,745
<b>Total General Revenues</b>					<u>118,681,980</u>
Changes in net assets					(4,823,887)
<b>Net Assets at Beginning of Year</b>					<u>184,268,715</u>
<b>Net Assets at End of Year</b>					<u>\$ 179,444,828</u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2011**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>				
Cash in county treasury	\$ 972,456	\$ 27,452,038	\$ 13,444,194	\$ 41,868,688
Cash on hand and in banks			101,147	101,147
Cash with fiscal agent		864,539		864,539
Investments with fiscal agent		568,658		568,658
Accounts receivable:				
Federal and State governments	19,534,847		1,390,081	20,924,928
Miscellaneous	2,809,212	122,013	523,681	3,454,906
Due from other funds	1,288,398	3,598,404	569,495	5,456,297
Inventories	288,297		58,129	346,426
Prepaid expenditures			440	440
<b>Total Assets</b>	<u>\$ 24,893,210</u>	<u>\$ 32,605,652</u>	<u>\$ 16,087,167</u>	<u>\$ 73,586,029</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b><u>Liabilities</u></b>				
Accounts payable	\$ 2,917,592	\$ 60,257	\$ 302,008	\$ 3,279,857
Due to other funds	3,794,021	796,009	1,090,520	5,680,550
Deferred revenue	3,370,835	35,694	42,933	3,449,462
<b>Total Liabilities</b>	<u>10,082,448</u>	<u>891,960</u>	<u>1,435,461</u>	<u>12,409,869</u>
<b><u>Fund Balances</u></b>				
Nonspendable	288,297		58,569	346,866
Restricted	851,856	31,713,692	11,142,093	43,707,641
Committed	370,016		2,272,530	2,642,546
Assigned	5,767,324		1,178,514	6,945,838
Unassigned	7,533,269			7,533,269
<b>Total Fund Balances</b>	<u>14,810,762</u>	<u>31,713,692</u>	<u>14,651,706</u>	<u>61,176,160</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 24,893,210</u>	<u>\$ 32,605,652</u>	<u>\$ 16,087,167</u>	<u>\$ 73,586,029</u>

See the accompanying notes to the financial statements.



**VENTURA UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**

**STATEMENT OF NET ASSETS**

**June 30, 2011**

Total fund balances – governmental funds	\$ 61,176,160
--	---------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:

Land	\$ 12,426,759	
Depreciable assets, net	<u>177,896,184</u>	
Total capital assets		190,322,943

General obligation bond issuance costs to be amortized over the life of the bond.	684,971
---	---------

Interest expense related to certificates of participations and general obligation bonds payable was incurred but not accrued through June 30, 2011	(1,306,642)
--	-------------

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Compensated absences	(1,001,344)	
General obligation bonds payable and related premium	(69,469,206)	
Deferred charges on refunding bonds	2,893,199	
Certificates of participation	(3,840,000)	
Loan payable	(11,033)	
Postemployment health care benefits	(366,106)	
Net pension asset	396,886	
Early retirement incentive	<u>(35,000)</u>	<u>(71,432,604)</u>

Total net assets - governmental activities	\$ <u>179,444,828</u>
--	-----------------------

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2011**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Revenue limit sources:				
State apportionments	\$ 40,798,551	\$	\$ 1,478,523	\$ 42,277,074
Local sources	<u>47,384,092</u>			<u>47,384,092</u>
Total revenue limit sources	88,182,643	-	1,478,523	89,661,166
Federal sources	12,733,183		6,298,735	19,031,918
Other State sources	23,241,911		1,809,357	25,051,268
Other local sources	<u>11,299,472</u>	<u>1,564,349</u>	<u>7,754,384</u>	<u>20,618,205</u>
<b>Total Revenues</b>	<u>135,457,209</u>	<u>1,564,349</u>	<u>17,340,999</u>	<u>154,362,557</u>
<b>Expenditures</b>				
Instruction	80,591,661		4,318,337	84,909,998
Instruction - related services	17,030,976		1,225,902	18,256,878
Pupil services	11,668,423		7,032,400	18,700,823
Ancillary services	816,648			816,648
Community services	335,523			335,523
Enterprise activities	3,333,826			3,333,826
General administration	6,456,726		560,665	7,017,391
Plant services	13,640,284	1,385,972	1,006,549	16,032,805
Other outgo	2,329,549			2,329,549
Debt service	<u>12,167</u>	<u>446,728</u>	<u>5,206,641</u>	<u>5,665,536</u>
<b>Total Expenditures</b>	<u>136,215,783</u>	<u>1,832,700</u>	<u>19,350,494</u>	<u>157,398,977</u>
Deficiency of revenues over expenditures	<u>(758,574)</u>	<u>(268,351)</u>	<u>(2,009,495)</u>	<u>(3,036,420)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of refunding bonds			14,510,000	14,510,000
Premium on sale of refunding bonds			1,054,962	1,054,962
Payment to refunding bond escrow agent			(15,376,189)	(15,376,189)
Interfund transfers in	2,537,795		3,179,213	5,717,008
Interfund transfers out	<u>(3,179,213)</u>	<u>(2,500,000)</u>	<u>(37,795)</u>	<u>(5,717,008)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(641,418)</u>	<u>(2,500,000)</u>	<u>3,330,191</u>	<u>188,773</u>
Net change in fund balances	<u>(1,399,992)</u>	<u>(2,768,351)</u>	<u>1,320,696</u>	<u>(2,847,647)</u>
<b>Fund Balance - Beginning of Year, as Originally Stated</b>	15,319,670	34,482,043	14,222,094	64,023,807
Adjustment for restatement (See Note 17)	<u>891,084</u>		<u>(891,084)</u>	<u>-</u>
<b>Fund Balance - Beginning of Year, as Restated</b>	<u>16,210,754</u>	<u>34,482,043</u>	<u>13,331,010</u>	<u>64,023,807</u>
<b>Fund Balance - End of Year</b>	<u>\$ 14,810,762</u>	<u>\$ 31,713,692</u>	<u>\$ 14,651,706</u>	<u>\$ 61,176,160</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2011**

Net change in fund balances – total governmental funds \$ (2,847,647)

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in  
the statement of activities, the cost of those assets is allocated over  
their useful lives as depreciation expense.

Capital outlay, net	\$ 2,245,166	
Depreciation expense	<u>(6,966,923)</u>	
Deficiency of capital outlay over depreciation expense		(4,721,757)

The proceeds from the sale of equipment is reported as revenue in the  
governmental funds. However, the net value of the equipment is  
removed from the capital assets balance in the statement of net assets  
and offset against the sale proceeds resulting in a net gain (loss) in  
the statement of activities.

Retirement of equipment (net of accumulated depreciation) - loss	(51)
--	------

Issuance of long-term debt is reported as proceeds in governmental funds,  
but the repayment reduces long-term liabilities in the statement of net  
assets.

Proceeds from refunding bonds	(14,510,000)
-------------------------------	--------------

Repayment of long-term debt is reported as proceeds in governmental  
funds, but the repayment reduces long-term liabilities in the statement  
of net assets.

General obligation bond principal payments	16,880,000	
Certificates of participation principal payments	250,000	
Loan payable principal payments	<u>12,167</u>	
		17,142,167

Some items reported in the statement of activities do not result in current  
financial resources or require the use of current financial resources and  
therefore are not reported as revenues or expenditures in governmental  
funds. These activities consist of:

Net decrease in accrued interest payable	71,575	
Net decrease in compensated absences	31,655	
Net change of premium on general obligation bonds	(963,170)	
Net change of capitalized fees on general obligation bonds	150,747	
Net change of deferred liability on refunded bonds	602,272	
Increase in postemployment health care benefits	(64,464)	
Increase in net pension asset	107,536	
Decrease in early retirement incentive	<u>177,250</u>	<u>113,401</u>

Change in net assets of governmental activities	<u>\$ (4,823,887)</u>
---	-----------------------

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS - FIDUCIARY FUNDS

June 30, 2011

	Foundation Private-Purpose Trust	Associated Student Body Funds
<b><u>Assets</u></b>		
Cash in county treasury	\$ 166,474	\$
Cash on hand and in banks		1,533,482
Accounts receivable:		
Miscellaneous	4,246	
Due from other funds	225,000	
Inventories		41,440
<b>Total Assets</b>	<u>395,720</u>	<u>1,574,922</u>
<b><u>Liabilities</u></b>		
Accounts payable	1,818	12,820
Due to other funds	747	
Funds held in trust		891,731
<b>Total Liabilities</b>	<u>2,565</u>	<u>904,551</u>
<b><u>Net Assets</u></b>		
Restricted	393,155	
Unrestricted		670,371
<b>Total Net Assets</b>	<u>\$ 393,155</u>	<u>\$ 670,371</u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FUND NET ASSETS - FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Foundation Private- Purpose Trust</u>	<u>Associated Student Body Funds</u>
<b>Additions</b>		
Other local sources	\$ 206,978	\$ 1,483,284
<b>Total Additions</b>	<u>206,978</u>	<u>1,483,284</u>
<b>Deductions</b>		
Scholarships	1,500	
Other expenses	<u>229,518</u>	<u>1,380,044</u>
<b>Total Deductions</b>	<u>231,018</u>	<u>1,380,044</u>
Changes in net assets	(24,040)	103,240
<b>Net Assets at Beginning of Year</b>	<u>417,195</u>	<u>567,131</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 393,155</u></u>	<u><u>\$ 670,371</u></u>

See the accompanying notes to the financial statements.

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

The significant accounting policies applicable to the District are described below.

#### **A. BASIS OF PRESENTATION:**

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by the GASB, including Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments and Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants. The financial statement presentation required by GASB No. 34 provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective enhances the fund-group perspective previously required. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

The District's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements.

#### **1. Government-wide Financial Statements:**

The Statement of Net Assets and the Statement of Activities displays information about the District as a whole. These statements include the financial activities of the primary government. The fiduciary funds are excluded.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**A. BASIS OF PRESENTATION: (continued)**

**1. Government-wide Financial Statements: (continued)**

The Statement of Net Assets presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation and interest expense have not been allocated to specific functions.

**2. Fund Financial Statements:**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**A. BASIS OF PRESENTATION: (continued)**

**2. Fund Financial Statements: (continued)**

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction – includes the activities directly dealing with the interaction between teachers and students.

Instruction-related services – includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil services – includes health, counseling, home to school transportation, food services and other pupil services.

Ancillary services – includes activities that are generally designed to provide students with experiences outside the regular school day.

Community services – includes activities that provide services to community participants other than students.

Enterprise activities – includes activities related to the recording of retiree health benefits and deferred compensation plan expenditures.

General administration – includes data processing services and all other general administration services.

Plant services – includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other outgo – includes transfers to other agencies.

Debt service – includes principal and interest payments for long-term debt.

Fiduciary fund expenditures are presented by natural classification.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**B. FUND ACCOUNTING:**

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities.

The Statement of Revenues, Expenditures and Changes in Fund Balance are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization. The modified accrual basis of accounting is used for all governmental funds.

**GOVERNMENTAL FUNDS - MAJOR**

**General Fund** –the general operating fund of the District is used to account for all financial resources except those required to be accounted for in another fund. Due to the reporting requirements of GASB 54, the Deferred Maintenance Fund (Fund #140) the Retiree Benefits Fund (Fund #200) and the Alternative Retiree Benefits Fund (Fund #201) no longer meet the definition of a special revenue fund as they are no longer primarily composed of restricted or committed revenue sources. Therefore, all activities of these funds are reported in the General Fund.

**Building Fund** – the Building Fund is a consolidation of three sub-funds:

1. Building Fund (Fund #210) – used to account for the construction and/or acquisition of major capital facilities. Income is from rental of unused sites.
2. Building Fund Series A (Fund #211) – used to account for the proceeds of Certificates of Participation and for acquisition, retro-fitting and operation of real property.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**B. FUND ACCOUNTING: (continued)**

**GOVERNMENTAL FUNDS – MAJOR (continued)**

3. Bond Building Fund (Fund #213) – used to account for the proceeds of General Obligation Bonds and for construction and repairs of facilities.

**GOVERNMENTAL FUNDS – NON-MAJOR**

**Debt Service Funds** – used to account for the financial resources that are restricted and the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

Bond Interest and Redemption Fund (Fund #510) – used to collect taxes and pay for debt service associated with general obligation bonds.

**Special Revenue Funds** - used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects.

1. Adult Education Fund (Fund #110) – used to account for resources committed to adult education programs maintained by the District. Due to the flexibility provisions enacted by education trailer bill SBX3\_4, this fund no longer meets the definition of a special revenue fund as it is no longer primarily composed of restricted or committed revenue sources. However, because the flexibility is temporary, the restricted revenue source is expected to continue and the District has taken formal action to commit the flexed revenues to these programs for the continued operation of the original program, the fund now meets the requirements to be reported as a Special Revenue fund.
2. Child Development Fund (Fund #120) – used to account for resources committed to child development programs.
3. Cafeteria Fund (Fund #130) – used to account for revenues received and expenditures made to operate the District's cafeterias.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**B. FUND ACCOUNTING: (continued)**

**GOVERNMENTAL FUNDS – NON-MAJOR (continued)**

**Capital Projects Funds** - used to account for the financial resources that are restricted, committed or assigned for the acquisition and/or construction of major governmental general fixed assets.

1. Capital Facilities Fund (Residential) (Fund #250) – used to account for resources received from residential developer impact fees.
2. Capital Facilities Fund (Commercial) (Fund #251) – used to account for resources received from commercial developer impact fees.
3. County School Facilities Fund (Fund #355 and #356) – used to account for the School Facility Program grants awarded for modernization of high school and elementary sites. The County School Facilities Fund is a consolidation of two sub-funds.

**FIDUCIARY FUNDS**

**Foundation Private Purpose Trust Fund** – is a consolidation of two subfunds:

1. David Graham and Stella Brittingham Memorial Scholarship Fund (Fund #736) – used to award scholarships to students and/or graduates of Ventura Unified School District who have participated in aquatic sports.
2. Foundation Fund (Fund #730) - used to account for donations of funds from private individuals and organizations.

**Associated Student Body Funds** - used to account for raising and expending money to promote the general welfare, morale and educational experiences of the student body organizations. The District operated eight organized student body funds and two unorganized student body funds.

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

#### C. BASIS OF ACCOUNTING:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

#### 1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

#### 2. Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible. Per Education Code Section 33128.1, a local education agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year. The District has recognized receivables in accordance with this standard, the most notable being for the final P-2 apportionment.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (continued)

**C. BASIS OF ACCOUNTING:** (continued)

3. Inventories

Inventories are presented at average cost. Inventories consist of expendable supplies held for consumption. At June 30, 2011, total supply inventory is \$288,297, food inventory is \$58,129 and inventories maintained by student body organizations is \$41,440.

4. Capitalized Fees

Amounts paid for fees and underwriting costs associated with long-term debt are capitalized and amortized to interest expense in the government-wide statements over the life of the liability. These costs are amortized using the straight-line method.

5. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. BASIS OF ACCOUNTING: (continued)**

5. Capital Assets (continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-40 years
Furniture and Equipment	3-12 years
Vehicles	5-20 years

Depreciation expense reported on the government-wide statement of activities excludes direct depreciation expense recorded to functions where applicable.

6. Deferred Revenue

Cash received for Federal and State special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

7. Compensated Absences

In accordance with GASB Statement No. 16, accumulated unpaid employee vacation benefits are recognized as a liability of the District. The entire compensated absences liability is accrued when incurred in the government-wide financial statements and is reported as a current liability as amount earned are typically paid within the subsequent year. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (continued)

**C. BASIS OF ACCOUNTING:** (continued)

7. Compensated Absences (continued)

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

8. Long Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements.

9. Fund Balance Classification

During the current fiscal year, the District implemented the reporting model required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Therefore, the governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. BASIS OF ACCOUNTING: (continued)**

9. Fund Balance Classification (continued)

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Education. These amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Education, through a formal action has given authority to the Assistant Superintendent of Business Services to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: The residual fund balance for the General Fund and all other spendable amounts.

The beginning fund balances for the General Fund has been restated to reflect the above classifications. See Note 17 for restatement information.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment functions.



VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. BASIS OF ACCOUNTING: (continued)**

10. Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts which represent the minimum recommended reserve consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education. The minimum recommended reserve for a district this size is 3% of budgeted General Fund expenditures and other financing uses.

11. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are included as a component of invested in capital, net of related debt. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

12. State Apportionments

Certain current year apportionments from the State are based upon various financial and statistical information of the previous year. Second period to annual corrections for revenue limits and other state apportionments (either positive or negative) are accrued at the end of the fiscal year. (See 1 C 2.)

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. BASIS OF ACCOUNTING: (continued)**

13. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31.

Real and personal property tax revenues are reported in the same manner in which the County auditor records and reports actual property tax receipts to the Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the State for revenue limit purposes. Property taxes for debt service purposes cannot be estimated and have therefore not been accrued in the government-wide financial statements.

14. On-Behalf Payments

GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System on behalf of all school districts in California. However, a fiscal advisory was issued by the California Department of Education instructing districts not to record revenue and expenditures for these on-behalf payments. The amount of on-behalf payments made for the District is estimated at \$1,300,000 for STRS.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**C. BASIS OF ACCOUNTING: (continued)**

15. Contributed Services

Generally accepted accounting principles require that contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are to be recorded at fair value in the period received. Although the District receives numerous hours of volunteer time, it is not deemed necessary to record these hours on the books of the District based on the above guidelines. In addition, the District receives donations of immaterial equipment and supplies which are not recorded upon receipt.

16. Estimates

The preparation of the financial statements in conformity with GAAP 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.

**D. REPORTING ENTITY:**

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Education.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB Statement No. 14, *The Financial Reporting Entity*. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and that the dependent unit should be reported as part of the other.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**D. REPORTING ENTITY: (continued)**

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Based upon the requirements of GASB Statement No. 14, and as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the District, including their ongoing financial support of the District or its other component units. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
2. The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed on the previous page, the following potential component unit has been included in the District's reporting entity:

**The Ventura County Schools Public Financing Corporation** – the financial activity has been blended in the District's Building Fund Series A. Individually prepared financial statements are not prepared for the Corporation.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**D. REPORTING ENTITY: (continued)**

Based upon the application of the criteria listed on the previous page, the following potential component units have been excluded from the District's reporting entity:

**Ventura Education Partnership (VEP)** – VEP is a separate not-for-profit corporation. VEP is not included as a Component Unit because the third criterion was not met; the economic resources received and held by VEP are not significant to the District. Separate financial statements for VEP may be obtained through the District.

**Various PTA, PTO and Booster Clubs** – Each of these types of organizations at each of the school sites within the District were evaluated using the three criterion listed above. Each entity has been excluded as a component unit because the third criterion was not met in all cases; the economic resources received and held by the PTA, PTO and the Booster Club individually are not significant to the District.

**NOTE 2 - BUDGETS:**

By State law, the District's Governing Board must adopt a final budget no later than July 1, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted in a basis consistent with GAAP.

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 3 – DEPOSITS AND INVESTMENTS:**

**A. Deposits**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits including those of fiduciary funds, may not be returned to it. The District has established a policy for custodial risk that follows requirements as set forth in Education Code 41002.5. As of June 30, 2011, \$2,378,834 of the District's bank balances of \$2,962,907 were exposed to credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the District's name	\$1,499,358
Uninsured and uncollateralized (1)	<u>879,476</u>
Total	<u>\$2,378,834</u>

(1) Deposits held with the fiscal agent in money market funds are rated AAA or better by Standard and Poor's as required by the district's investment policy.

**Cash in County**

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Ventura County Treasury (the County). The County pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at unamortized cost which approximates fair value. The fair market value of the District's deposits in this pool as of June 30, 2011, as provided by the pool sponsor, was \$42,168,983.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. The County investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 3 – DEPOSITS AND INVESTMENTS: (continued)**

**B. Investments**

**Policies**

Government Code Section 16430 and 53601 allows governmental entities to invest surplus moneys in certain eligible securities. In addition, the District's investment policy limits its investment choices to those allowed by Government Code. The District places no limit on the amount that may be invested in any one issuer. The District did not violate any provisions of the Government Code during the 2010-11 fiscal year, nor were they involved in any reverse repurchase agreements during 2010-11.

Investments with Fiscal Agent at June 30, 2011, held on behalf of the Ventura County Schools Public Financing Corporation, are presented below:

Uncategorized Investments:

Guaranteed Investment Contracts (GIC)	\$ <u>568,658</u>
---------------------------------------	-------------------

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

**NOTE 4 - INTERFUND TRANSACTIONS:**

Interfund activity has been eliminated in the Government-wide statements as required by GASB No. 34. The following balances and transactions are reported in the fund financial statements.

**A. Interfund Receivables/Payables**

Individual interfund receivable and payable balances at June 30, 2011 are temporary loans and are detailed as follows:

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$ 1,288,398	\$ 3,794,021
Building Fund	3,598,404	796,009
Special Revenue Funds:		
Adult Education Fund	431,542	200,877
Child Development Fund		91,897
Cafeteria Fund	116,346	797,746
Capital Projects Funds:		
Capital Facilities Fund (Residential)	21,607	
Fiduciary Funds:		
Foundation Fund	225,000	747
	<u>\$ 5,681,297</u>	<u>\$ 5,681,297</u>



**VENTURA UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 4 - INTERFUND TRANSACTIONS:** (continued)

**B. Interfund Transfers**

Interfund transfers for the 2010-11 fiscal year as follows:

Transfer from the General Fund to the Adult Education Fund for flexible fund transfers	\$ 3,179,213
Transfer from the Building Fund to the General Fund for proceeds from sale of excess property	2,500,000
Transfer from the Capital Facilities Fund (Residential and Commercial) to General Fund to pay for developers' fees administration and technology	<u>37,795</u>
Total	\$ <u>5,717,008</u>

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### NOTE 5 - FUND BALANCES:

The following amounts were nonspendable, restricted, committed, assigned or unassigned as shown below:

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ 288,297	\$	\$ 58,129	\$ 346,426
Prepaid expenditures			440	440
Total nonspendable	<u>288,297</u>	<u>-</u>	<u>58,569</u>	<u>346,866</u>
Restricted				
Legally restricted programs	851,856		321,719	1,173,575
Capital projects		31,713,692	5,754,217	37,467,909
Debt service			5,066,157	5,066,157
Total restricted	<u>851,856</u>	<u>31,713,692</u>	<u>11,142,093</u>	<u>43,707,641</u>
Committed				
Adult education program			2,272,530	2,272,530
Deferred maintenance program	370,016			370,016
Total committed	<u>370,016</u>	<u>-</u>	<u>2,272,530</u>	<u>2,642,546</u>
Assigned				
State budget revenue increases	4,117,300			4,117,300
MAA program	1,226,985			1,226,985
Local donations	412,417			412,417
Retiree benefits	5,142			5,142
Deferred compensation	5,480			5,480
Child development program			61,179	61,179
Cafeteria program			1,117,335	1,117,335
Total assigned	<u>5,767,324</u>	<u>-</u>	<u>1,178,514</u>	<u>6,945,838</u>
Unassigned				
Unassigned	7,533,269			7,533,269
Total unassigned	<u>7,533,269</u>	<u>-</u>	<u>-</u>	<u>7,533,269</u>
Total fund balance	<u>\$ 14,810,762</u>	<u>\$ 31,713,692</u>	<u>\$ 14,651,706</u>	<u>\$ 61,176,160</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 6 – OPERATING LEASES:**

The District has entered into various operating leases for equipment with lease terms in excess of one year. None of these agreements contain bargain purchase options. Future minimum lease payments under these agreements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Lease Payment</u>
2012	\$ 421,880
2013	<u>421,880</u>
	<u>\$ 843,760</u>

Current year expenditures for operating leases is approximately \$489,365. The District will receive no sublease rental revenues nor pay any contingent rentals for these properties.

**NOTE 7 - TAX REVENUE ANTICIPATION NOTES:**

The District issued \$14,885,000 of Tax Revenue Anticipation Notes dated July 1, 2010 through the California School Cash Reserve Program Authority (2010-11, Series G). The notes matured on June 1, 2011 and carried a 2.00% interest rate. The notes were sold by the District to supplement its cash flow.

Repayment requirements were that principal of \$7,442,500 be repaid on January 1, 2011, and that \$7,442,500 plus \$272,892 of interest be repaid from the funds held with the administrator by May 1, 2011.

The payments were transferred to and set aside in a separate fund of the trustee, U.S. Bank National Association in a timely manner.

The monies were required to remain on deposit until the maturity date of the note, June 1, 2011 at which time they were applied to pay the principal and interest on the notes. All deposits were made with the Trustee on a timely basis and, therefore, the liability is defeased and not shown on the financial statements at June 30, 2011.

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### NOTE 8 - GENERAL OBLIGATION BONDS:

In June 1997, the voters approved the issuance of bonds, not to exceed \$81 million, for the purpose of raising money to finance the acquisition, construction and modernization of school facilities and paying related costs.

During March 2004, Series A and D general obligation bonds were re-financed for a total of \$23,180,000. The proceeds associated with the refunding were deposited in an escrow account and as such were considered in-substance defeased. The outstanding balance of the defeased debt has been fully paid by the escrow agent.

During April 2005, Series B and C general obligation bonds were re-financed for a total of \$17,750,000. The proceeds associated with the refunding were deposited in an escrow and as such were considered in-substance defeased. At June 30, 2011, the outstanding balance of the defeased debt had been fully paid by the escrow agent.

During October 2010, Series E and a portion of F general obligation bonds were re-financed for a total of \$14,510,000. The difference in cash flow requirements related to this refunding is a savings of cash outflow of approximately \$1.1 million. The present value of the economic gain to the District amounts to approximately \$850,000. The balance of the in-substance defeased debt as of June 30, 2011 is \$14,825,000 and approximately \$15.3 million was in an escrow account at June 30, 2011 to pay off this debt.

The outstanding bonded debt of the Ventura Unified School District at June 30, 2011 is:

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding June 30, 2010	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2011
6/11/2001 E	4.1%-6.5%	2/1/2032	\$ 12,500,000	\$ 10,740,000	\$	\$ 10,740,000	\$ -
7/11/2002 F	4%-6.75%	8/1/2032	10,000,000	8,800,000		4,595,000	4,205,000
7/21/2003 G	3%-6%	8/1/2033	6,000,000	5,300,000		140,000	5,160,000
3/3/2004	2%-5%	8/1/2030	23,180,000	19,515,000		635,000	18,880,000
7/1/2004 H	4%-7%	8/1/2034	5,000,000	4,610,000		100,000	4,510,000
4/28/2005	3%-4.5%	8/1/2029	17,750,000	16,065,000		565,000	15,500,000
9/7/2005 I	3%-5%	8/1/2034	5,000,000	4,615,000		105,000	4,510,000
11/4/2010	2%-5%	8/1/2031	14,510,000		14,510,000		14,510,000
				<u>\$ 69,645,000</u>	<u>\$ 14,510,000</u>	<u>\$ 16,880,000</u>	<u>\$ 67,275,000</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 8 - BONDED DEBT - GENERAL OBLIGATION BONDS: (continued)**

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2011, are as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 2,400,000	\$ 2,989,547	\$ 5,389,547
2013	2,175,000	2,916,309	5,091,309
2014	2,260,000	2,837,991	5,097,991
2015	2,340,000	2,755,821	5,095,821
2016	2,425,000	2,666,654	5,091,654
2017-2021	13,865,000	11,612,391	25,477,391
2022-2026	17,835,000	7,949,450	25,784,450
2027-2031	18,740,000	3,339,769	22,079,769
2032-2035	<u>5,235,000</u>	<u>371,984</u>	<u>5,606,984</u>
Totals	<u>\$ 67,275,000</u>	<u>\$ 37,439,916</u>	<u>\$ 104,714,916</u>

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The refunding bonds issued in 2005, 2006 and 2010 included a total premium of \$2,631,687. This amount is amortized using the straight-line method. Amortization of \$88,670 was recognized during the 2010-11 year.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by \$1,970,000 for the 2005 refunding, \$982,792 for the 2006 refunding and \$736,840 for the 2010 refunding. Amortization of \$134,568 was recognized during the 2010-11 year.

Associated issuance costs are recorded as capitalized fees on the statement of net assets and are amortized to interest expense over the life of the liability. Issuance costs of \$863,821 are amortized using the straight-line method. Amortization of \$31,789 was recognized during the 2010-11 year.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 9 - CERTIFICATES OF PARTICIPATION:**

The District entered into a certificates of participation agreement dated April 24, 2002. The proceeds of \$5,835,000, after payment of costs and establishment of reserves, were used in part to refund the District's Certificates of Participation Series 1994A and to finance the renovation of school facilities.

The Ventura County Schools Public Facilities Financing Corporation acts as a purchaser and lessor of the property and U.S. Bank acts as trustee and disbursing agent. At June 30, 2011, the District had \$568,658 available with the Trustee for repayment.

**Lease Payments** - Lease payments are required to be made by the District under the lease each April 1 for use and possession of the property for the period commencing April 1, 2003 and terminating April 1, 2022. Lease payments will be funded in part from the proceeds of the certificates.

Principal and interest payments (twice per year) are to be made according to the following schedule:

<b><u>Year Ended</u></b> <b><u>June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2012	\$ 260,000	\$ 186,352	\$ 446,352
2013	270,000	175,302	445,302
2014	285,000	163,558	448,558
2015	300,000	150,732	450,732
2016	310,000	136,782	446,782
2017-2021	1,810,000	440,268	2,250,268
2022	<u>605,000</u>	<u>31,158</u>	<u>636,158</u>
Totals	<u>\$ 3,840,000</u>	<u>\$ 1,284,152</u>	<u>\$ 5,124,152</u>

COPs are long-term debt instruments which are tax exempt and therefore issued at interest rates below current market levels for taxable investments. The interest ranges from 2.00% to 5.18%.

# **VENTURA UNIFIED SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

### **NOTE 10 – LOAN PAYABLE:**

On June 20, 2000 the District entered into a loan agreement in the amount of \$121,673 with the State of California under the Child Care Facilities Revolving Fund Program. The proceeds of which were used for the purchase and installation of a new relocatable building for the preschool program. The outstanding debt and annual repayment requirements at June 30, 2011 are as follows:

<b><u>Year Ended</u></b> <b><u>June 30,</u></b>	<b><u>Payment</u></b>
2012	\$ 11,033
Total	11,033
Less Amount Representing Interest	-
Net Loan Payable	<u>\$ 11,033</u>

### **NOTE 11 – LONG-TERM DEBT – SCHEDULE OF CHANGES:**

A schedule of changes in long-term debt for the year ended June 30, 2011 is shown below.

	<b><u>Balance</u></b> <b><u>July 1, 2010</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2011</u></b>	<b><u>Amount</u></b> <b><u>Due in</u></b> <b><u>One Year</u></b>
General obligation bonds	\$ 69,645,000	\$ 14,510,000	\$ 16,880,000	\$ 67,275,000	\$ 2,400,000
General obligation bonds - premium	1,231,036	1,051,840	88,670	2,194,206	
General obligation bonds - deferred liability	(2,290,927)	(736,840)	(134,568)	(2,893,199)	
Certificates of participation	4,090,000		250,000	3,840,000	260,000
Loan payable	23,200		12,167	11,033	11,033
Compensated absences	1,032,999		31,655	1,001,344	1,001,344
Postemployment healthcare benefits	301,642	64,464		366,106	
Net pension obligation (asset)	(289,350)		107,536	(396,886)	
Early retirement incentive	212,250		177,250	35,000	35,000
Totals	<u>\$ 73,955,850</u>	<u>\$ 14,889,464</u>	<u>\$ 17,412,710</u>	<u>\$ 71,432,604</u>	<u>\$ 3,707,377</u>

The loan payable, postemployment healthcare benefits, net pension obligation (asset) and early retirement incentive are liquidated by the General Fund. The certificates of participation are liquidated by the Building Fund Series A. General obligation debt is liquidated by the tax assessments recorded in the Bond Interest and Redemption Fund. Compensated absences are liquidated by the fund associated with the related salary expense.

# **VENTURA UNIFIED SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

### **NOTE 12 – CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES:**

Capital asset activity for the year ended June 30, 2011 is shown below.

	<b>Balance July 1, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2011</b>
Capital assets not being depreciated:				
Land (1)	\$ 12,371,805	\$ 54,954	\$	\$ 12,426,759
Total capital assets not being depreciated	<u>12,371,805</u>	<u>54,954</u>	<u>-</u>	<u>12,426,759</u>
Capital assets being depreciated:				
Buildings and improvements	249,628,034	1,562,614		251,190,648
Machinery, equipment and vehicles	8,502,644	627,598	16,935	9,113,307
Total capital assets being depreciated	<u>258,130,678</u>	<u>2,190,212</u>	<u>16,935</u>	<u>260,303,955</u>
Less accumulated depreciation for:				
Buildings and improvements	70,521,883	5,892,169		76,414,052
Machinery, equipment and vehicles	4,935,849	1,074,754	16,884	5,993,719
Total accumulated depreciation	<u>75,457,732</u>	<u>6,966,923</u>	<u>16,884</u>	<u>82,407,771</u>
Depreciable assets, net	<u>182,672,946</u>	<u>(4,776,711)</u>	<u>51</u>	<u>177,896,184</u>
 Governmental activities capital assets, net	 <u>\$ 195,044,751</u>	 <u>\$ (4,721,757)</u>	 <u>\$ 51</u>	 <u>\$ 190,322,943</u>

(1) The total Land balance reported above includes \$700,962 of land considered to be idle property as of June 30, 2011.

### **NOTE 13 - EMPLOYEE RETIREMENT PLANS:**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the Public Employees' Retirement System (PERS).

#### **State Teachers' Retirement System (STRS)**

##### **Plan Description**

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)**

**Funding Policy**

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2010-11 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

**Public Employees' Retirement System (PERS)**

**Plan Description**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate report that includes required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

**Funding Policy**

Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2010-11 was 10.707% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)**

**Contributions to STRS and PERS**

The District's contributions to STRS and PERS for each of the last three fiscal years is as follows:

Year Ended June 30,	STRS		PERS	
	Required Contribution	Percent Contributed	Required Contribution	Percent Contributed
2009	\$5,596,930	100%	\$2,363,962	100%
2010	5,525,434	100%	2,430,740	100%
2011	5,400,945	100%	2,635,335	100%

**Deferred Compensation Plan**

**Plan Description**

The District's Deferred Compensation Plan is a single-employer defined benefit pension plan, administered by the Ventura Unified School District, provides retirement benefits in lieu of postretirement health benefits, to plan members and beneficiaries. Benefit eligibility is limited to employees hired prior to April 28, 1993 who retire from the District after June 30, 1993 under either the PERS or STRS pension plan. The benefit provides for \$1,500 per year of service, and is frozen based on completed years of service at June 30, 1993 plus one with a maximum of 30 years of service. Benefits are paid in five equal annual installments. Benefit provisions were established by the governing board and may not be amended. The plan does not issue a separate financial report.

**Funding Policy**

The District currently finances benefits on a pay-as-you-go basis. The District contributes 100 percent of the cost of pension benefits as established by the plan provisions.

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### **NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)**

#### **Annual Pension Cost and Net Pension Obligation**

The District's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 483,082
Interest on net pension asset	(8,210)
Adjustment to annual required contribution	18,525
Annual pension cost	<u>493,397</u>
Contributions made	(600,933)
Change in net pension asset	(107,536)
Net pension asset - Beginning of Year	(289,350)
Net pension asset - End of Year	<u><u>\$ (396,886)</u></u>

#### **Three-Year Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/2009	\$ 585,117	136.7%	\$ (124,989)
6/30/2010	502,702	132.7%	(289,350)
6/30/2011	493,397	121.8%	(396,886)

#### **Funding Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$3,559,944. Although the plan has no segregated assets, the District does maintain the Alternative Retiree Fund to designate resources for pension costs. At June 30, 2011, the fund's balance was \$5,480.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)**

**Funding Status and Funding Progress (continued)**

The schedule of the deferred compensation plan funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions**

The annual required contribution for the current year was determined as part of the July 1, 2009, actuarial valuation using the unit credit actuarial cost method. The actuarial assumptions included a 5% investment rate of return, with no administrative expenses assumed, which is the level of return on the employer's investments. The UAAL is being amortized as a level dollar amount over 14 years on a closed basis. The remaining amortization period at June 30, 2011 was 11 years.

**NOTE 14 – EARLY RETIREMENT INCENTIVE:**

The District adopted an Early Retirement Incentive in June 2010. Eligible employees that retired prior to August 19, 2010 are provided a retirement bonus or incentive and/or ability to purchase benefits through the District based upon earnings and length of service. 32 employees who met the requirements chose to participate in the plan.

Expenditures paid during the 2010-11 year totaled \$177,250. The District's liability for future payments at June 30, 2011 is \$35,000.

**NOTE 15 – POSTEMPLOYMENT HEALTHCARE BENEFITS:**

**Plan Description and Eligibility**

The District administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health, dental and vision benefits to all Certificated and Classified employees who were retired from the District as of June 30, 1993. The plan also provides for benefits to their spouses. The Retiree Health Plan does not issue a separate financial report.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 15 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

**Funding Policy**

The District currently finances benefits on a pay-as-you-go basis. The District contributes 100 percent of the cost of current year premiums for eligible retired plan members and their spouses as applicable. Classified retirees who retired with fewer than 14 years of service must contribute a portion of the cost of their coverage and all classified retirees must contribute the cost of dental and vision coverage for their dependents. For fiscal year ended 2011, the District contributed \$2,632,587 to the plan.

**Annual OPEB Cost and Net OPEB Obligation**

The District's annual other postemployment benefit (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 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 liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

Annual required contribution (ARC)	\$2,715,691
Interest on net OPEB obligation	14,834
Adjustment to annual required contribution	(33,474)
Annual OPEB cost (expense)	<u>2,697,051</u>
Contributions made	<u>(2,632,587)</u>
Change in net OPEB obligation	64,464
Net OPEB obligation - Beginning of Year	301,642
Net OPEB obligation - End of Year	<u><u>\$ 366,106</u></u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 15 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

**Annual OPEB Cost and Net OPEB Obligation (continued)**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 2,578,753	98.9%	\$ 149,728
6/30/2010	2,697,360	94.4%	301,642
6/30/2011	2,697,051	97.6%	366,106

**Funding Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$25,422,773. Because the plan is limited to individuals who retired as of June 30, 1993, there are no active employees covered by the plan. Although the plan has no segregated assets, the District does maintain a retiree benefits fund to designate resources for retiree health care costs. At June 30, 2011, the fund's balance was \$5,142.

Actuarial valuations of an ongoing benefit plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions 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 postemployment healthcare benefits funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## **VENTURA UNIFIED SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

#### **NOTE 15 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

##### **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 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 value of assets, if any, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.8 percent initially, reduced by decrements to an ultimate rate of 5.1 percent after 7 years. The UAAL is being amortized using a level dollar amortization method over a closed fifteen year period. The remaining amortization period at June 30, 2011, was twelve years.

#### **NOTE 16 - JOINT POWERS AGREEMENTS:**

The Ventura Unified School District participates in two joint powers agreement (JPA) entities: the Ventura County Schools Self-Funding Authority (the Authority) and the Gold Coast Joint Benefits Trust (the Trust). The Authority provides workers' compensation, property and liability insurance, boiler and machinery and fidelity bond coverage among other types of insurance. The member districts are subject to various deductible amounts in addition to payment of premiums assessed by the Authority. The Authority pools responsibility for claims up to certain limits and provides high level umbrella type coverage above its retention limits. The Trust arranges for health and welfare benefits for employees and retirees of participating school districts and their eligible dependents. Member districts pay a monthly premium per eligible participant.

Each JPA is independently accountable for its fiscal matters and is governed by a board consisting of representatives from each member District. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPAs. Separate financial statements for each JPA may be obtained from the respective entity.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 16 - JOINT POWERS AGREEMENTS: (continued)**

The relationships between the Ventura Unified School District and the JPAs are such that none of the JPAs is a component unit of the Ventura Unified School District for financial reporting purposes.

Condensed financial information for the most current year ended is as follows:

	The Authority (Audited) June 30, 2011	The Trust (Unaudited) June 30, 2011
Total Assets	<u>\$ 91,479,913</u>	<u>\$ 17,807,553</u>
Total Liabilities	<u>\$ 52,682,583</u>	<u>\$ 70,926</u>
Fund Balance	<u>\$ 38,797,330</u>	<u>\$ 17,736,627</u>
Total Revenues	<u>\$ 21,797,170</u>	<u>\$ 43,401,128</u>
Total Expenditures	<u>\$ 27,926,598</u>	<u>\$ 44,638,241</u>

**NOTE 17 – RESTATEMENT TO FUND BALANCES:**

The beginning fund balance for the General Fund has been restated by \$891,084 to include the beginning fund balance of the Deferred Maintenance Fund of \$725,440 and the Special Reserve Fund for Postemployment Benefits of \$165,644 in accordance with the requirements of GASB Statement No. 54.

**NOTE 18 - COMMITMENTS AND CONTINGENCIES:**

**A. State and Federal Allowances, Awards, and Grants**

The District has received State and Federal funds for specific purposes, including reimbursement of mandated costs, that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 18 - COMMITMENTS AND CONTINGENCIES: (continued)**

**B. County School Facilities Fund**

The District is currently involved in several modernization projects funded through the Office of Public School Construction. These projects are subject to future audits by the State, which may result in other adjustments to the fund.

**C. Construction Commitments**

As of June 30, 2011, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$1.7 million. Projects will be funded through bond proceeds, capital facilities funding, and County School Facilities grants.

**D. Joint Use Project**

In June 2002, the District entered into an agreement with the City of San Buenaventura (the City) and the Redevelopment Agency of the City of San Buenaventura (the Agency) on a joint use project. The terms of the agreement include the commitment of the District to appropriate up to \$3,600,000 in proceeds from the disposition of the Hails site for construction of a City/District community swimming pool and amenities. In addition, the City and Agency agree to share with the District the tax increment generated from the future redevelopment of the Santa Clara site. The City, Agency and District jointly marketed the sale of the property. The City will be reimbursed up to \$100,000 for actual cost of staffing a project development team for the Santa Clara site.

**E. Litigation**

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE 19 - SUBSEQUENT EVENTS:**

**Tax Revenue Anticipation Notes**

The District issued \$19,760,000 of Tax and Revenue Anticipation Notes dated July 1, 2011 through the California School Cash Reserve Program Authority (2011-12, Series F). The notes mature on June 1, 2012 and carry a 2.00% interest rate. The notes were sold by the District to supplement its cash flow.

The funds will be held with the trustee, U.S. Bank National Association, unless and until the District needs to draw funds out. Repayment requirements are that \$9,880,000 in principal and \$9,880,000 in principal and interest due, be set aside within the County Treasury by February 29, 2012 and May 31, 2012, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION**

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND**  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		Final to Actual
<b>Revenues</b>				
Revenue limit sources:				
State apportionments	\$ 35,298,750	\$ 42,967,260	\$ 40,798,551	\$ (2,168,709)
Local sources	48,242,347	45,338,585	47,384,092	2,045,507
Total revenue limit sources	83,541,097	88,305,845	88,182,643	(123,202)
Federal sources	9,700,166	13,992,531	12,733,183	(1,259,348)
Other State sources	22,610,554	23,695,534	23,241,911	(453,623)
Other local sources	11,150,028	12,548,151	11,299,472	(1,248,679)
<b>Total Revenues</b>	<u>127,001,845</u>	<u>138,542,061</u>	<u>135,457,209</u>	<u>(3,084,852)</u>
<b>Expenditures</b>				
Certificated salaries	61,490,021	64,878,615	64,949,252	(70,637)
Classified salaries	21,221,754	22,211,344	22,621,793	(410,449)
Employee benefits	29,908,563	30,054,429	29,802,066	252,363
Books and supplies	5,354,723	8,937,156	4,800,261	4,136,895
Services and other operating expenditures	10,413,811	11,868,632	11,745,523	123,109
Capital outlay	585,723	663,230	515,837	147,393
Tuition and other outgo	2,852,663	2,315,595	2,329,549	(13,954)
Direct support - indirect cost	(575,324)	(578,167)	(560,665)	(17,502)
Debt service			12,167	(12,167)
<b>Total Expenditures</b>	<u>131,251,934</u>	<u>140,350,834</u>	<u>136,215,783</u>	<u>4,135,051</u>
Excess (deficiency) of revenues over expenditures	<u>(4,250,089)</u>	<u>(1,808,773)</u>	<u>(758,574)</u>	<u>1,050,199</u>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in	2,664,381	2,668,345	2,537,795	(130,550)
Interfund transfers out	(3,025,295)	(3,313,953)	(3,179,213)	134,740
<b>Total Other Financing Sources (Uses)</b>	<u>(360,914)</u>	<u>(645,608)</u>	<u>(641,418)</u>	<u>4,190</u>
Net change in fund balance	<u>\$ (4,611,003)</u>	<u>\$ (2,454,381)</u>	<u>(1,399,992)</u>	<u>\$ 1,054,389</u>
<b>Fund Balance - Beginning of Year, as Originally Stated</b>			15,319,670	
Adjustment for restatement (See Note 17)			891,084	
<b>Fund Balance - Beginning of Year, as Restated</b>			<u>16,210,754</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 14,810,762</u>	

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF DEFERRED COMPENSATION PLAN FUNDING PROGRESS**

**For the Fiscal Year Ended June 30, 2011**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (Unit Cost Method) (AAL)</b>	<b>Unfunded AAL</b>	<b>Funding Ratio</b>	<b>Covered Payroll (1)</b>	<b>UAAL as a Percentage of Covered Payroll</b>
7/1/2004	\$	\$ 5,299,487	\$ 5,299,487	0%	\$	0%
7/1/2007		4,486,382	4,486,382	0%		0%
7/1/2009		3,559,944	3,559,944	0%		0%

Note: Although the plan has no segregated assets, the District does maintain the Alternative Retiree Benefit Fund (Fund #201) to designate resources future retiree pension costs. At June 30, 2011, the fund's balance was \$5,480.

(1) The covered payroll data is not readily available.

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS**

**For the Fiscal Year Ended June 30, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (Unit Cost Method) (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funding Ratio</u>	<u>Covered Payroll (1)</u>	<u>UAAL as a Percentage of Covered Payroll (1)</u>
7/1/2007	\$	\$ 26,812,023	\$ 26,812,023	0.0%	\$	0.0%
7/1/2009		25,422,773	25,422,773	0.0%		0.0%

Note: Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the District elected to implement prospectively, therefore, prior year comparative actuarial data is not available. In future years, three year actuarial trend information will be presented.

Although the plan has no segregated assets, the District does maintain the Retiree Benefits Fund (Fund #200) to designate resources for future retiree health care costs. At June 30, 2011, the fund's balance was \$5,142.

(1) Because the plan is limited to individuals who retired as of June 30, 1993, and the actuarial accrued liability is amortized using a level dollar amortization method over a closed fifteen year period there is no applicable covered payroll amount.

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2011**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**A. Schedule of Budgetary Comparison for the General Fund**

GASB Statement No. 34 requires a budgetary comparison be presented for the general fund and for any major special revenue fund that has a legally adopted annual budget. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year end and the variance between the final budget and actual amounts.

**B. Schedule of Deferred Compensation Plan Funding Progress**

This schedule is prepared in accordance with Statement No. 27 of the Governmental Accounting Standards Board, *Accounting for Pensions by State and Local Government Employers* and Statement No. 50 *Pension Disclosures*. The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for its deferred compensation pension plan.

**C. Schedule of Postemployment Healthcare Benefits Funding Progress**

This schedule is prepared to show information for the most recent actuarial valuation and in future years, the information from the three most recent actuarial valuations in accordance with Statement No. 45 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:**

Expense of expenditures over appropriations, by major object accounts, occurred in the General Fund as follows:

Certificated Salaries	\$ 70,637
Classified Salaries	410,449

## **SUPPLEMENTARY INFORMATION**



## **VENTURA UNIFIED SCHOOL DISTRICT**

### **HISTORY AND ORGANIZATION**

**June 30, 2011**

The Ventura Unified School District was formed effective July 1, 1966 as the result of a unification election held March 16, 1966 and action of the Ventura County Board of Supervisors at the meeting held March 30, 1966. The unified district encompasses the former Ventura Union High School District and its former component elementary districts, namely the Avenue, Mill Union, Mound, Buena Ventura School Districts and the Arnaz portion of the Nordhoff Union School District. The District includes an area of approximately 165 square miles, including the City of Ventura and surrounding area, in the western most portion of Ventura County.

The District operates eight pre-schools, seventeen elementary schools, four middle schools, three comprehensive high schools, three continuation high schools, one independent study school, one opportunity school, one adult education school and one community day school.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2011 were as follows:

#### **BOARD OF EDUCATION**

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Mrs. Barbara Fitzgerald	President	December 2011
Mrs. Velma Lomax	Vice President	December 2013
Mrs. Debbie Golden	Member	December 2011
Mrs. Mary Haffner	Member	December 2013
Mr. John Walker	Member	December 2013

#### **DISTRICT ADMINISTRATORS**

Dr. Trudy Tuttle Arriaga	Superintendent
Mr. Joseph Richards, Jr.	Assistant Superintendent, Business Services
Mr. Jeff Chancer	Assistant Superintendent, Educational Services
Mr. Richard Kirby	Assistant Superintendent, Human Resources

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
For the Fiscal Year Ended June 30, 2011**

The requirements governing ADA, admission of pupils, types of schools, recording and reporting of pupil attendance, and similar matters are controlled by provisions of the Education Code and by regulations of the California Department of Education.

ADA statistics reported to the State for the fiscal year ended June 30, 2011 are as follows:

	<b><u>Revised Second Period</u></b>	<b><u>Annual</u></b>
Elementary:		
Kindergarten	1,210	1,210
First through third grade	3,616	3,619
Fourth through eighth grade	6,138	6,139
Home and hospital - temporary physical disabilities	6	7
Special education master plan	257	261
Special education - nonpublic, nonsectarian schools	7	7
Extended year special education-mandated	12	12
Extended year special education - nonpublic, nonsectarian schools	1	1
Opportunity schools and full-day opportunity class	10	12
Total Elementary ADA	<u>11,257</u>	<u>11,268</u>
Secondary:		
Regular classes	5,170	5,118
Continuation education	217	216
Home and hospital - temporary physical disabilities	10	12
Special education master plan	93	93
Special education - nonpublic, nonsectarian schools	10	10
Extended year special education - mandated	6	6
Extended year special education - nonpublic, nonsectarian schools	1	1
Opportunity schools and full-day opportunity class	15	14
Total Secondary ADA	<u>5,522</u>	<u>5,470</u>
Total ADA	<u><u>16,779</u></u>	<u><u>16,738</u></u>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME**

**For the Fiscal Year Ended June 30, 2011**

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1986-87 Minutes Reduced</u>	<u>1982-83 Actual Minutes</u>	<u>1982-83 Minutes Reduced</u>	<u>2010-11 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	35,000	31,500	30,625	35,600	178	In Compliance
Grade 1	50,400	49,000	42,060	40,892	49,785	178	In Compliance
Grade 2	50,400	49,000	42,060	40,892	49,785	178	In Compliance
Grade 3	50,400	49,000	42,060	40,892	49,785	178	In Compliance
Grade 4	54,000	52,500	51,595	50,162	53,165	178	In Compliance
Grade 5	54,000	52,500	51,595	50,162	53,165	178	In Compliance
Grade 6	54,000	52,500	51,595	50,162	53,270	178	In Compliance
Grade 7	54,000	52,500	51,595	50,162	53,270	178	In Compliance
Grade 8	54,000	52,500	51,595	50,162	53,270	178	In Compliance
Grade 9	64,800	63,000	64,642	62,846	64,252	178	In Compliance
Grade 10	64,800	63,000	64,642	62,846	64,252	178	In Compliance
Grade 11	64,800	63,000	64,642	62,846	64,252	178	In Compliance
Grade 12	64,800	63,000	64,642	62,846	64,252	178	In Compliance

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2011**

<b>PROGRAM NAME</b>	<b>Federal Catalog Number</b>	<b>Entity Identifying Number</b>	<b>Total Program Expenditures</b>
Federal Categorical Aid Programs:			
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
<b>Passed-through the California Department of Education:</b>			
Child Nutrition Cluster:			
Child Nutrition Program-Lunch	10.555	13396	\$ 2,771,125
Child Nutrition Program-Basic Breakfast	10.553	13525	79,010
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	1,070,120
Child Nutrition Program-Meal Supplements	10.555	13396	52,299
Child Nutrition Program-Commodities	10.555	13396	265,241
Summer Food Service Program	10.559	13004	305,910
Total Child Nutrition Cluster			4,543,705
Other Programs:			
Fresh Fruit & Vegetables	10.582	14968	10,406
Team Nutrition	10.574	(1)	7,745
Nutrition Network	10.561	(1)	280,370
Total U.S. Department of Agriculture			4,842,226
<b><u>U.S. DEPARTMENT OF LABOR:</u></b>			
<b>Passed-through the County of Ventura:</b>			
Adult Education Workforce Investment Act Cluster:			
Youth Activities	17.259	(1)	203,432
Special Projects for Out-of-School Youth	17.259	(1)	295,546
American Recovery and Reinvestment Act: Adults and Dislocated Workers	17.258	(1)	120,740
Adults and Dislocated Workers	17.258	(1)	245,324
Total U.S. Department of Labor			865,042
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
<b>Direct Programs</b>			
Student Financial Aid Cluster:			
Federal Direct Student Loans	84.268	(1)	91,540
Federal Pell Grant	84.063	(1)	581,948
Total Student Financial Aid Cluster			673,488
Other Programs:			
Indian Education Grants	84.060	(1)	320,179
Magnet Schools Assistance	84.165A	(1)	734,301
Alcohol Abuse Education	84.184A	(1)	447,112
Smaller Learning Community	84.215L	(1)	25,814
Subtotal Direct Programs			2,200,894
<b>Passed-through the California Department of Education:</b>			
Special Education Cluster:			
Grants to States (IDEA, Part B)	84.027	13379	2,864,246
American Recovery and Reinvestment Act: Grants to States (IDEA, Part B)	84.391	15003	113,504
Preschool Local Entitlement	84.027A	13682	55,425
American Recovery and Reinvestment Act: Preschool Local Entitlement	84.391	15002	635,935
Preschool Grant	84.173	13430	147,622
American Recovery and Reinvestment Act: Preschool Grants	84.392	15000	92,970
Total Special Education Cluster			3,909,702
Adult Education:			
Adult Education - Adult Basic Education and ESL	84.002A	14508	74,302
Adult Education - Adult Secondary Education	84.002	13978	48,190
Adult Education - English Literacy and Civics	84.002	14109	29,002
Total Adult Education Cluster			151,494

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2011**

<b>PROGRAM NAME</b>	<b>Federal Catalog Number</b>	<b>Entity Identifying Number</b>	<b>Total Program Expenditures</b>
Title I, Part A Cluster:			
Title I, Part A - Low Income and Neglected	84 010	14329	1,739,800
Title I, Part A - Program Improvement District Intervention	84 010	14581	61,316
American Recovery and Reinvestment Act: Title I, Part A - Low Income and Neglected	84 389	15005	794,115
Total Title I, Part A Cluster			<u>2,595,231</u>
Title I, Part C Migrant Ed Cluster			
Title I, Part C - Migrant Ed (Regular and Summer Program)	84.011	14838	171,030
Title I - Migrant Ed Summer Program	84.011	10005	79,608
Title I, Part C - Even Start Migrant Education (MEES)	84.011	14768	23,000
Total Title I, Part C Migrant Ed Cluster			<u>273,638</u>
Title II, Part D - Enhancing Education Through Technology, Formula Grant Cluster:			
Education Technology State Grants	84 318	14334	8,781
American Recovery and Reinvestment Act: Education Technology State Grants	84.386	15137	134,910
Total Title II, Part D - Enhancing Education Through Technology, Formula Grant Cluster			<u>143,691</u>
Other Programs:			
Title II, Part A - Improving Teacher Quality	84.367	14341	617,781
Title III - Limited English Proficiency	84 365	10084	376,764
Title IV - Part A, Drug-Free Schools	84 186	14347	22,351
Career and Technical Education - Basic Grants to States (Secondary)	84 048	14894	88,820
Career and Technical Education - Basic Grants to States (Adult)	84 048	13923	28,104
Workability II, Transition Partnership	84 158	10006	353,869
Foreign Language Acquisition	84.293B	(1)	23,031
American Recovery and Reinvestment Act: State Fiscal Stabilization Fund	84 394	25008	786,717
Subtotal Passed-through the California Department of Education			<u>9,371,193</u>
Total U.S. Department of Education			<u>11,572,087</u>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
<b>Passed-through the California Department of Education:</b>			
Head Start	93 600	10016	199,249
Child Development Pre-K Quality Curriculum Materials	93.575	24486	18,752
Medi-Cal Administrative Activities	93.778	10600	1,136,489
Medi-Cal Billing Option	93.778	10013	442,490
Total U.S. Department of Health & Human Services			<u>1,796,980</u>
Total Federal Programs			<u>\$ 19,076,335</u>
<b>Reconciliation to Federal Revenue</b>			
Total Federal Program Expenditures			\$ 19,076,335
Expenditures in excess of revenues related to Medi-Cal Billing Option			<u>(44,417)</u>
Total Federal Program Revenue			<u>\$ 19,031,918</u>

(1) Pass-Through Entity Identifying Number not readily available or not applicable.

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET**  
**REPORT WITH AUDITED FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2011**

There were no differences between the fund balances reported on the June 30, 2011 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**

**For the Fiscal Year Ended June 30,**

	<b>2012 (Budgeted)</b>		<b>2011</b>		<b>2010</b>		<b>2009</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b><u>Revenue</u></b>								
Revenue limit sources	\$ 89,077,809	67.1	\$ 88,182,643	63.4	\$ 83,603,021	59.0	\$ 94,411,416	68.0
Federal	12,770,582	9.6	12,733,183	9.2	14,046,010	9.9	16,674,394	12.0
State	19,409,073	14.7	23,241,911	16.8	26,271,369	18.5	16,978,534	12.3
County and local	10,671,821	8.0	11,292,633	8.1	14,470,171	10.2	12,280,296	8.9
Interfund transfers	5,017,400	3.8	2,694,440	1.9	2,510,619	1.8	2,642,682	1.9
Total Revenue	<u>136,946,685</u>	<u>103.2</u>	<u>138,144,810</u>	<u>99.4</u>	<u>140,901,190</u>	<u>99.4</u>	<u>142,987,322</u>	<u>103.1</u>
<b><u>Expenditures</u></b>								
Certificated salaries	61,202,535	46.1	64,949,252	46.7	66,743,529	47.1	67,008,721	48.3
Classified salaries	22,028,875	16.6	22,621,793	16.3	22,945,647	16.2	23,288,092	16.8
Employee benefits	31,470,836	23.8	29,802,065	21.3	29,400,559	20.7	29,700,173	21.4
Books and supplies	5,588,368	4.2	4,796,773	3.5	5,412,450	3.8	4,678,459	3.4
Services and other operating expenditures	10,569,911	8.0	11,690,943	8.4	10,991,182	7.8	11,677,451	8.4
Capital outlay	53,000	0.0	213,266	0.2	2,005,639	1.4	105,304	0.1
Tuition and other outgo	2,452,663	1.8	2,329,549	1.7	2,104,281	1.5	2,823,488	2.0
Direct support/indirect costs	(612,179)	(0.5)	(560,665)	(0.4)	(531,467)	(0.4)	(546,841)	(0.4)
Debt service payments			12,167	0.0	12,167	0.0	12,167	0.0
Interfund transfers out			3,179,213	2.3	2,696,531	1.9		
Total Expenditures	<u>132,754,009</u>	<u>100.0</u>	<u>139,034,356</u>	<u>100.0</u>	<u>141,780,518</u>	<u>100.0</u>	<u>138,747,014</u>	<u>100.0</u>
Change in fund balance	<u>\$ 4,192,676</u>	<u>3.2</u>	<u>\$ (889,546)</u>	<u>(0.6)</u>	<u>\$ (879,328)</u>	<u>(0.6)</u>	<u>\$ 4,240,308</u>	<u>3.1</u>
Ending fund balance	<u>\$ 18,622,800</u>	<u>14.0</u>	<u>\$ 14,430,124</u>	<u>10.4</u>	<u>\$ 15,319,670</u>	<u>10.8</u>	<u>\$ 16,198,998</u>	<u>11.7</u>
Available reserve	<u>\$ 10,725,380</u>	<u>8.1</u>	<u>\$ 7,533,269</u>	<u>5.4</u>	<u>\$ 9,942,576</u>	<u>7.0</u>	<u>\$ 6,490,767</u>	<u>4.7</u>
Recommended reserve percentage		<u>3.0</u>		<u>3.0</u>		<u>3.0</u>		<u>3.0</u>
Average Daily Attendance								
P-2, Excluding Adult Education	<u>16,745</u>		<u>16,779</u>		<u>16,744</u>		<u>16,648</u>	
Total Long-Term Debt	<u>\$ 67,725,227</u>		<u>\$ 71,432,604</u>		<u>\$ 73,955,850</u>		<u>\$ 75,793,759</u>	

**IMPORTANT NOTES:**

All Percentages are of total expenditures.

Amounts above are those reported as General Fund in the State accounting software and do not include Special Revenue funds reported in the General Fund according to GASB 54.

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund.

2012 is the original Budget approved by the Board of Education in June 2011.

Long-term debt is reported for the District as a whole and includes debt related to all funds. Long-term debt includes unamortized premium.

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS  
For the Fiscal Year Ended June 30, 2011**

Ventura Unified School District is not the granting agency for any Charter Schools.

See the accompanying notes to the supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2011**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**A. Schedule of Average Daily Attendance**

Average Daily Attendance 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 are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**B. Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

**C. Schedule of Expenditures of Federal Awards**

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule is presented on the modified accrual basis of accounting.

**D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report Form to the audited financial statements.

**E. Schedule of Financial Trends and Analysis**

The *Standards and Procedures for Audits of California K-12 Local Education Agencies* requires that this report be prepared showing financial trends of the General Fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District has potential fiscal problems and if they have met the recommended available reserve percentages.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2011**

**NOTE 1 - PURPOSE OF SCHEDULES:** (continued)

**F. Schedule of Charter Schools**

The *Standards and Procedures for Audits of California K-12 Local Education Agencies* requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

**OPTIONAL SUPPLEMENTARY INFORMATION**

VENTURA UNIFIED SCHOOL DISTRICT

MAJOR BUILDING SUB-FUNDS  
COMBINING BALANCE SHEET

June 30, 2011

	Building Fund	Building Fund (Series A)	Bond Building Fund	Total (Memorandum Only)
<b>Assets</b>				
Cash in county treasury	\$ 25,365,513	\$ 19,723	\$ 2,066,802	\$ 27,452,038
Cash with fiscal agent		864,539		864,539
Investments with fiscal agent		568,658		568,658
Accounts receivable:				
Miscellaneous	117,857	13	4,143	122,013
Due from other funds	3,497,238	101,166		3,598,404
<b>Total Assets</b>	<u>\$ 28,980,608</u>	<u>\$ 1,554,099</u>	<u>\$ 2,070,945</u>	<u>\$ 32,605,652</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 47,906	\$ 11,260	\$ 1,091	\$ 60,257
Due to other funds	298,124	497,885		796,009
Deferred revenue	35,694			35,694
<b>Total Liabilities</b>	<u>381,724</u>	<u>509,145</u>	<u>1,091</u>	<u>891,960</u>
<b>Fund Balances</b>				
Restricted	28,598,884	1,044,954	2,069,854	31,713,692
<b>Total Fund Balances</b>	<u>28,598,884</u>	<u>1,044,954</u>	<u>2,069,854</u>	<u>31,713,692</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 28,980,608</u>	<u>\$ 1,554,099</u>	<u>\$ 2,070,945</u>	<u>\$ 32,605,652</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MAJOR BUILDING SUB-FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

	<b>Building Fund</b>	<b>Building Fund (Series A)</b>	<b>Bond Building Fund</b>	<b>Total (Memorandum Only)</b>
<b>Revenues</b>				
Other local sources	\$ 1,528,663	\$ 15,336	\$ 20,350	\$ 1,564,349
<b>Total Revenues</b>	<u>1,528,663</u>	<u>15,336</u>	<u>20,350</u>	<u>1,564,349</u>
<b>Expenditures</b>				
Plant services	1,173,993	188,734	23,245	1,385,972
Debt service	<u>103,164</u>	<u>343,564</u>		<u>446,728</u>
<b>Total Expenditures</b>	<u>1,277,157</u>	<u>532,298</u>	<u>23,245</u>	<u>1,832,700</u>
Excess (deficiency) of revenues over expenditures	<u>251,506</u>	<u>(516,962)</u>	<u>(2,895)</u>	<u>(268,351)</u>
<b>Other Financing Uses</b>				
Interfund transfers out	<u>(2,500,000)</u>			<u>(2,500,000)</u>
<b>Total Other Financing Uses</b>	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>
Net change in fund balances	(2,248,494)	(516,962)	(2,895)	(2,768,351)
<b>Fund Balances at Beginning of Year</b>	<u>30,847,378</u>	<u>1,561,916</u>	<u>2,072,749</u>	<u>34,482,043</u>
<b>Fund Balances at End of Year</b>	<u>\$ 28,598,884</u>	<u>\$ 1,044,954</u>	<u>\$ 2,069,854</u>	<u>\$ 31,713,692</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR DEBT SERVICE FUND  
BALANCE SHEET

June 30, 2011

	<u>Bond Interest and Redemption Fund</u>
<u>Assets</u>	
Cash in county treasury	\$    5,057,130
Accounts receivable;	
Miscellaneous	9,027
<b>Total Assets</b>	<u>\$    5,066,157</u>
 <u>Fund Balance</u>	
Restricted	<u>\$    5,066,157</u>
<b>Total Fund Balance</b>	<u><u>\$    5,066,157</u></u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2011**

	<u><b>Bond Interest and Redemption Fund</b></u>
<b>Revenues</b>	
Other State sources	\$ 47,815
Other local sources	<u>4,963,558</u>
<b>Total Revenues</b>	<u>5,011,373</u>
 <b>Expenditures</b>	
Debt service	<u>5,206,641</u>
<b>Total Expenditures</b>	<u>5,206,641</u>
 Deficiency of revenues over expenditures	<u>(195,268)</u>
 <b>Other Financing Sources (Uses)</b>	
Proceeds from refunding bonds	14,510,000
Premium on sale of refunding bonds	1,054,962
Payment to refunding bond escrow agent	<u>(15,376,189)</u>
<b>Total Other Financing Sources</b>	<u>188,773</u>
 Net change in fund balance	(6,495)
 <b>Fund Balance at Beginning of Year</b>	<u>5,072,652</u>
 <b>Fund Balance at End of Year</b>	<u><u>\$ 5,066,157</u></u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2011**

	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Total (Memorandum Only)</b>
<b><u>Assets</u></b>				
Cash in county treasury	\$ 1,195,215	\$ 78,294	\$ 1,334,179	\$ 2,607,688
Cash in bank			101,147	101,147
Accounts receivable:				
Federal and State governments	392,091	142,128	855,862	1,390,081
Miscellaneous	496,846	301	2,429	499,576
Due from other funds	431,542		116,346	547,888
Inventories			58,129	58,129
Prepaid expenditures		440		440
<b>Total Assets</b>	<b><u>\$ 2,515,694</u></b>	<b><u>\$ 221,163</u></b>	<b><u>\$ 2,468,092</u></b>	<b><u>\$ 5,204,949</u></b>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 42,287	\$ 1,741	\$ 196,136	\$ 240,164
Due to other funds	200,877	91,897	797,746	1,090,520
Deferred revenue			42,933	42,933
<b>Total Liabilities</b>	<b><u>243,164</u></b>	<b><u>93,638</u></b>	<b><u>1,036,815</u></b>	<b><u>1,373,617</u></b>
<b>Fund Balances</b>				
Nonspendable		440	58,129	58,569
Restricted		65,906	255,813	321,719
Committed	2,272,530			2,272,530
Assigned		61,179	1,117,335	1,178,514
<b>Total Fund Balances</b>	<b><u>2,272,530</u></b>	<b><u>127,525</u></b>	<b><u>1,431,277</u></b>	<b><u>3,831,332</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,515,694</u></b>	<b><u>\$ 221,163</u></b>	<b><u>\$ 2,468,092</u></b>	<b><u>\$ 5,204,949</u></b>

See the accompanying notes to the optional supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Total (Memorandum Only)
<b>Revenues</b>				
Revenue limit sources:				
State apportionments	\$	\$	\$ 1,478,523	\$ 1,478,523
Total revenue limit sources	-	-	1,478,523	1,478,523
Federal sources	1,718,128	18,752	4,561,855	6,298,735
Other State sources	87,080	1,308,751	365,711	1,761,542
Other local sources	741,878	2,952	1,435,613	2,180,443
<b>Total Revenues</b>	<u>2,547,086</u>	<u>1,330,455</u>	<u>7,841,702</u>	<u>11,719,243</u>
<b>Expenditures</b>				
Instruction	3,240,355	1,077,982		4,318,337
Instruction-related services	1,090,109	135,793		1,225,902
Pupil services	9	16,292	7,016,099	7,032,400
General administration	199,639	62,854	298,172	560,665
Plant services	270,859	46,121		316,980
<b>Total Expenditures</b>	<u>4,800,971</u>	<u>1,339,042</u>	<u>7,314,271</u>	<u>13,454,284</u>
Excess (deficiency) of revenues over expenditures	<u>(2,253,885)</u>	<u>(8,587)</u>	<u>527,431</u>	<u>(1,735,041)</u>
<b>Other Financing Sources</b>				
Interfund transfers in	3,179,213			3,179,213
<b>Total Other Financing Sources</b>	<u>3,179,213</u>	<u>-</u>	<u>-</u>	<u>3,179,213</u>
Net change in fund balances	925,328	(8,587)	527,431	1,444,172
<b>Fund Balances at Beginning of Year</b>	<u>1,347,202</u>	<u>136,112</u>	<u>903,846</u>	<u>2,387,160</u>
<b>Fund Balances at End of Year</b>	<u>\$ 2,272,530</u>	<u>\$ 127,525</u>	<u>\$ 1,431,277</u>	<u>\$ 3,831,332</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2011

	Capital Facilities Fund (Residential)	Capital Facilities Fund (Commercial)	County School Facilities Fund	Total (Memorandum Only)
<b><u>Assets</u></b>				
Cash in county treasury	\$ 4,079,653	\$ 752,311	\$ 947,412	\$ 5,779,376
Accounts receivable:				
Miscellaneous	8,400	1,508	5,170	15,078
Due from other funds	21,607			21,607
<b>Total Assets</b>	<b>\$ 4,109,660</b>	<b>\$ 753,819</b>	<b>\$ 952,582</b>	<b>\$ 5,816,061</b>
<b><u>Liabilities and Fund Balances</u></b>				
<b><u>Liabilities</u></b>				
Accounts payable	\$ 61,844	\$	\$	\$ 61,844
<b>Total Liabilities</b>	<b>61,844</b>	<b>-</b>	<b>-</b>	<b>61,844</b>
<b><u>Fund Balances</u></b>				
Restricted	4,047,816	753,819	952,582	5,754,217
<b>Total Fund Balances</b>	<b>4,047,816</b>	<b>753,819</b>	<b>952,582</b>	<b>5,754,217</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,109,660</b>	<b>\$ 753,819</b>	<b>\$ 952,582</b>	<b>\$ 5,816,061</b>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

	<b>Capital Facilities Fund (Residential)</b>	<b>Capital Facilities Fund (Commercial)</b>	<b>County School Facilities Fund</b>	<b>Total (Memorandum Only)</b>
<b>Revenues</b>				
Other local sources	\$ 572,166	\$ 25,679	\$ 12,538	\$ 610,383
<b>Total Revenues</b>	<u>572,166</u>	<u>25,679</u>	<u>12,538</u>	<u>610,383</u>
<b>Expenditures</b>				
Plant services	689,346		223	689,569
<b>Total Expenditures</b>	<u>689,346</u>	<u>-</u>	<u>223</u>	<u>689,569</u>
Excess (deficiency) of revenues over expenditures	<u>(117,180)</u>	<u>25,679</u>	<u>12,315</u>	<u>(79,186)</u>
<b>Other Financing Uses</b>				
Interfund transfers out	(37,243)	(552)		(37,795)
<b>Total Other Financing Uses</b>	<u>(37,243)</u>	<u>(552)</u>	<u>-</u>	<u>(37,795)</u>
Net change in fund balances	(154,423)	25,127	12,315	(116,981)
<b>Fund Balances at Beginning of Year</b>	<u>4,202,239</u>	<u>728,692</u>	<u>940,267</u>	<u>5,871,198</u>
<b>Fund Balances at End of Year</b>	<u>\$ 4,047,816</u>	<u>\$ 753,819</u>	<u>\$ 952,582</u>	<u>\$ 5,754,217</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS -  
PRIVATE PURPOSE TRUST FUNDS

June 30, 2011

	David Graham Scholarship Fund	Foundation Fund	Total (Memorandum Only)
<b><u>Assets</u></b>			
Cash in county	\$ 59,693	\$ 106,781	\$ 166,474
Accounts receivable:			
Miscellaneous	121	4,125	4,246
Due from other funds		225,000	225,000
<b>Total Assets</b>	<u>59,814</u>	<u>335,906</u>	<u>395,720</u>
<b><u>Liabilities</u></b>			
Accounts payable		1,818	1,818
Due to other funds		747	747
<b>Total Liabilities</b>	<u>-</u>	<u>2,565</u>	<u>2,565</u>
<b><u>Net Assets</u></b>			
Restricted	59,814	333,341	393,155
<b>Total Net Assets</b>	<u>\$ 59,814</u>	<u>\$ 333,341</u>	<u>\$ 393,155</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUND  
NET ASSETS - PRIVATE PURPOSE TRUST FUNDS  
For the Fiscal Year Ended June 30, 2011**

	David Graham Scholarship Fund	Foundation Fund	Total (Memorandum Only)
<b>Additions</b>			
Revenue from local sources	\$ 943	\$ 206,035	\$ 206,978
<b>Total Additions</b>	<u>943</u>	<u>206,035</u>	<u>206,978</u>
<b>Deductions</b>			
Scholarships awarded	1,500		1,500
Other expenses		<u>229,518</u>	<u>229,518</u>
<b>Total Deductions</b>	<u>1,500</u>	<u>229,518</u>	<u>231,018</u>
Changes in net assets	(557)	(23,483)	(24,040)
<b>Net Assets at Beginning of Year</b>	<u>60,371</u>	<u>356,824</u>	<u>417,195</u>
<b>Net Assets at End of Year</b>	<u>\$ 59,814</u>	<u>\$ 333,341</u>	<u>\$ 393,155</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**COMBINING STATEMENT OF FUND NET ASSETS**

**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**

**June 30, 2011**

	<b>Ventura High School</b>	<b>Buena High School</b>	<b>Foothill Technology High School</b>	<b>Anacapa Middle School</b>	<b>DeAnza Middle School</b>	<b>Balboa Middle School</b>
<b><u>Assets</u></b>						
Cash on hand and in banks	\$ 427,621	\$ 657,499	\$ 116,346	\$ 26,612	\$ 17,907	\$ 148,883
Inventories	<u>17,054</u>	<u>18,658</u>	<u>2,500</u>	<u>          </u>	<u>          </u>	<u>336</u>
<b>Total Assets</b>	<u>444,675</u>	<u>676,157</u>	<u>118,846</u>	<u>26,612</u>	<u>17,907</u>	<u>149,219</u>
<b><u>Liabilities</u></b>						
Accounts payable	12,820					
Funds held in trust	<u>285,198</u>	<u>491,786</u>	<u>48,647</u>	<u>11,662</u>	<u>10,317</u>	<u>11,305</u>
<b>Total Liabilities</b>	<u>298,018</u>	<u>491,786</u>	<u>48,647</u>	<u>11,662</u>	<u>10,317</u>	<u>11,305</u>
<b><u>Net Assets</u></b>						
Unrestricted	<u>146,657</u>	<u>184,371</u>	<u>70,199</u>	<u>14,950</u>	<u>7,590</u>	<u>137,914</u>
<b>Total Net Assets</b>	<u>\$ 146,657</u>	<u>\$ 184,371</u>	<u>\$ 70,199</u>	<u>\$ 14,950</u>	<u>\$ 7,590</u>	<u>\$ 137,914</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FUND NET ASSETS**  
**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**  
**June 30, 2011**

	<u>Cabrillo Middle School</u>	<u>Adult Education</u>	<u>Pacific Continuation High School</u>	<u>El Camino Continuation High School</u>	<u>Total (Memorandum Only)</u>
<b><u>Assets</u></b>					
Cash on hand and in banks	\$ 101,424	\$ 17,834	\$ 4,366	\$ 14,990	\$ 1,533,482
Inventories	<u>2,892</u>				<u>41,440</u>
<b>Total Assets</b>	<u>104,316</u>	<u>17,834</u>	<u>4,366</u>	<u>14,990</u>	<u>1,574,922</u>
<b><u>Liabilities</u></b>					
Accounts payable					12,820
Funds held in trust	<u>20,780</u>	<u>12,036</u>			<u>891,731</u>
<b>Total Liabilities</b>	<u>20,780</u>	<u>12,036</u>	<u>-</u>	<u>-</u>	<u>904,551</u>
<b><u>Net Assets</u></b>					
Unrestricted	<u>83,536</u>	<u>5,798</u>	<u>4,366</u>	<u>14,990</u>	<u>670,371</u>
<b>Total Net Assets</b>	<u>\$ 83,536</u>	<u>\$ 5,798</u>	<u>\$ 4,366</u>	<u>\$ 14,990</u>	<u>\$ 670,371</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**COMBINING STATEMENT OF CHANGES IN FUND NET ASSETS**  
**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

	<b>Ventura High School</b>	<b>Buena High School</b>	<b>Foothill Technology High School</b>	<b>Anacapa Middle School</b>	<b>DeAnza Middle School</b>	<b>Balboa Middle School</b>
<b>Additions</b>						
Other local sources	\$ 374,771	\$ 461,355	\$ 212,859	\$ 79,274	\$ 15,129	\$ 167,819
<b>Total Additions</b>	<u>374,771</u>	<u>461,355</u>	<u>212,859</u>	<u>79,274</u>	<u>15,129</u>	<u>167,819</u>
<b>Deductions</b>						
Other expenses	<u>360,689</u>	<u>421,384</u>	<u>182,948</u>	<u>83,775</u>	<u>14,649</u>	<u>154,256</u>
<b>Total Deductions</b>	<u>360,689</u>	<u>421,384</u>	<u>182,948</u>	<u>83,775</u>	<u>14,649</u>	<u>154,256</u>
Change in net assets	14,082	39,971	29,911	(4,501)	480	13,563
<b>Net Assets at Beginning of Year</b>	<u>132,575</u>	<u>144,400</u>	<u>40,288</u>	<u>19,451</u>	<u>7,110</u>	<u>124,351</u>
<b>Net Assets at End of Year</b>	<u>\$ 146,657</u>	<u>\$ 184,371</u>	<u>\$ 70,199</u>	<u>\$ 14,950</u>	<u>\$ 7,590</u>	<u>\$ 137,914</u>

See the accompanying notes to the optional supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**

**COMBINING STATEMENT OF CHANGES IN FUND NET ASSETS**  
**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Cabrillo Middle School</u>	<u>Adult Education</u>	<u>Pacific Continuation High School</u>	<u>El Camino Continuation High School</u>	<u>Total (Memorandum Only)</u>
<b>Additions</b>					
Other local sources	\$ 135,844	\$ 3,871	\$ 5,731	\$ 26,631	\$ 1,483,284
<b>Total Additions</b>	<u>135,844</u>	<u>3,871</u>	<u>5,731</u>	<u>26,631</u>	<u>1,483,284</u>
<b>Deductions</b>					
Other expenses	<u>133,812</u>	<u>2,842</u>	<u>4,182</u>	<u>21,507</u>	<u>1,380,044</u>
<b>Total Deductions</b>	<u>133,812</u>	<u>2,842</u>	<u>4,182</u>	<u>21,507</u>	<u>1,380,044</u>
Change in net assets	2,032	1,029	1,549	5,124	103,240
<b>Net Assets at Beginning of Year</b>	<u>81,504</u>	<u>4,769</u>	<u>2,817</u>	<u>9,866</u>	<u>567,131</u>
<b>Net Assets at End of Year</b>	<u>\$ 83,536</u>	<u>\$ 5,798</u>	<u>\$ 4,366</u>	<u>\$ 14,990</u>	<u>\$ 670,371</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NOTES TO OPTIONAL SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended June 30, 2011**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**Combining and Individual Fund Financial Statements**

Combining and individual fund balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the major sub-funds and non-major funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

**OTHER 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 *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Ventura Unified School District  
255 West Stanley Avenue  
Ventura, California 93001

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ventura Unified School District (the District) as of and for the year ended June 30, 2011 which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board, the Ventura County Office of Education, the California Department of Education, the State Controller's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vicenti, Lloyd & Stutzman LLP*

VICENTI, LLOYD & STUTZMAN LLP

December 12, 2011





**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Ventura Unified School District  
255 West Stanley Avenue  
Ventura, California 93001

Compliance

We have audited the compliance of Ventura Unified School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 States, 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 considered 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.

In our opinion, the District complied, in all material respects, with the 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, 2011.

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board, the Ventura County Office of Education, the California Department of Education, the State Controller's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vicenti, Lloyd & Stutzman LLP*

VICENTI, LLOYD & STUTZMAN LLP

December 12, 2011

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Education  
 Ventura Unified School District  
 255 West Stanley Avenue  
 Ventura, California 93001

We have audited the compliance of the Ventura Unified School District (the District) with the types of compliance requirements described in the *2010-11 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel for the year ended June 30, 2011. The District's State compliance requirements are identified in the table below. Compliance with the State laws and regulations as identified below is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 *2010-11 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has 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 considered 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.

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

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	8	Yes
Kindergarten continuance	3	Yes
Continuation education	10	Yes
Independent study	23	Yes
Instructional time:		
School Districts	6	Yes
County Offices of Education	3	Not applicable



## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Class size reduction program (including charter schools):		
General requirements	7	Yes
Option 1	3	Yes
Option 2	4	Not applicable
One school serving K-3	4	Not applicable
Instructional materials general requirements	8	Yes
Ratios of administrative employees to teachers	1	Yes
Classroom teacher salaries	1	Yes
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Yes
School Accountability Report Card	3	Yes
Public hearing requirement – receipt of funds	1	Yes
After School Education and Safety Program:		
General requirements	4	Yes
After school	4	Yes
Before school	5	Not Applicable
Charter Schools:		
Contemporaneous records of attendance	1	No <sup>1</sup>
Mode of instruction	1	No <sup>1</sup>
Nonclassroom-based instruction/independent study	15	No <sup>1</sup>
Determination of funding for nonclassroom-based instruction	3	No <sup>1</sup>
Annual instructional minutes – classroom based	3	No <sup>1</sup>

In our opinion, we found that, for the items tested, the District complied with the laws and regulations of the state programs referred to above in all material respects. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the District had not complied with the laws and regulations of state programs and requirements.

This report is intended solely for the information and use of management, Board, the Ventura County Office of Education, the California Department of Education, the State Controller's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vicenti, Lloyd & Stutzman LLP*  
VICENTI, LLOYD & STUTZMAN LLP

December 12, 2011

<sup>1</sup> The District is not the granting agency for any Charter Schools.

## **FINDINGS AND QUESTIONED COSTS**

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SUMMARY OF AUDITOR RESULTS**  
**June 30, 2011**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified not considered  
to be material weaknesses?        Yes   X   No

Noncompliance material to financial statements noted?        Yes   X   No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified not considered  
to be material weaknesses?        Yes   X   None reported

Type of auditor's report issued on compliance for  
major programs: Unqualified

Any audit findings disclosed that are required to be  
Reported in accordance with Circular A-133,  
Section .510(a)        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.268, 84.063	Student Financial Aid Cluster
84.010, 84.389	Title I, Part A Cluster
84.027, 84.027A, 84.173,	Special Education Cluster
84.391 and 84.392	
84.165A	Magnet Schools Assistance
84.394	American Reinvestment and Recovery Act: State Fiscal Stabilization Fund
10.553, 10.555, 10.559	Child Nutrition Cluster
17.258, 17.259	Workforce Investment Act: Adults, Youth & Dislocated Workers

Dollar threshold used to distinguish between Type A  
and Type B programs: \$ 572,290

Auditee qualified as low-risk auditee?   X   Yes        No

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FINANCIAL STATEMENTS**  
**June 30, 2011**

All audit findings must be identified as one or more of the following eleven categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
41000	CalSTRS
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no findings or questioned costs related to financial statements for the year ended June 30, 2011.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FEDERAL AWARDS**  
**June 30, 2011**

There were no findings and questioned costs related to federal awards for the fiscal year ended June 30, 2011.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**June 30, 2011**

There were no prior year findings or questioned costs related to financial statements for the year ended June 30, 2010.