

**VENTURA UNIFIED SCHOOL DISTRICT**

**VENTURA COUNTY**

**REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
INCLUDING REPORTS ON COMPLIANCE  
June 30, 2015**



# VENTURA UNIFIED SCHOOL DISTRICT

## AUDIT REPORT

June 30, 2015

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## AUDIT REPORT

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# **VENTURA UNIFIED SCHOOL DISTRICT**

## **AUDIT REPORT**

**June 30, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

## **Opinions**

In our opinion, the financial statements listed 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, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 15 to the basic financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB Statement no. 68*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's proportionate share of the net pension liability (CalSTRS and CalPERS), schedules of District pension contributions (CalSTRS and CalPERS) and schedules of funding progress (deferred compensation and postemployment healthcare benefits) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

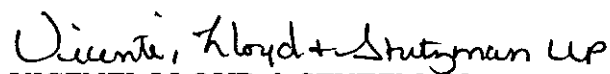
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

Board of Education  
Ventura Unified School District

The supplementary section, including the schedule of expenditures of federal awards, and the combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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* in considering the District's internal control over financial reporting and compliance.

  
VICENTI, LLOYD & STUTZMAN LLP  
Glendora, California  
December 8, 2015

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

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, 2015. Readers should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

- Total net position was \$31,294,908. As a result of new pension accounting changes requiring school districts to report the District's share of their retirement systems' net pension liability there was a significant change in the District's net position. The District's share of net pension liability was \$105,347,080 (See note 12 for additional information). The District's net position decreased by \$132.5 million.
- Total revenues were \$179.1 million. General Fund revenue accounted for \$159.2 million or 89% of total revenues.
- The District had \$187.0 million in expenses; \$41.0 million of these expenses were offset by program specific charges for services and grants and/or contributions.
- Outlays for capital improvements were \$5.3 million, primarily for facility modernization and for the purchase and installation of modular buildings and landscape around these buildings. Other major projects include roofing, installation of new asphalt, shade shelters and flooring. 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 \$159,177,223 in revenues and \$164,395,231 in expenditures. With the implementation of salary increases and spending one-time funds from the previous year, the District intentionally spent down reserves which resulted in deficit spending. The District continues to maintain the required reserve balance and is able to meet all of its financial obligations. On addition, California's economy has been good and school district revenues have been stable with the passage of Proposition 30 in the November 2012 election.
- School Districts in California continue their implementation of the Local Control Funding Formula a comprehensive reform of how funding is allocated for K-12 schools. The (LCFF) was adopted by the state in 2013 to replace the Revenue Limit funding formula and the majority of state categorical programs, a structure that had been in place for 40 years. The LCFF model requires local determination of priorities for the expenditure of funds. Districts developed a Local Control Accountability Plan (LCAP) to explain programs and priorities to the community. Input from the community is required as part of the development of the plan, and it is intended to assist in promoting transparency for the districts.



**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**FINANCIAL HIGHLIGHTS (continued)**

- The LCFF consists of base, supplemental and concentration funding. Base funding provides consistent per student funding rates for all students state-wide using grade level groupings. Additional funding is provided for students identified as higher need: low socio-economic, English learners and foster youth. Supplemental funding provides an additional 20% of the base funds for the unduplicated count of students who are identified in these higher need categories. Concentration funding is provided to districts exceeding 55% of their population identified in the unduplicated pupil count. Concentration grant funding provides an additional 50% of the base funds for the percentage of students that exceed 55%.
- In the November 2012 election the District was successful in passing a parcel tax. The community approved a \$59 per parcel per year tax, generating \$2.1 million for the District. The first receipts for this tax were for the 2013-14 school year and will continue through the 2016-17 school-year.

**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 supplementary information, comprised of required and other supplemental 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 position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred-inflows of resources.. 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 position* and how they have changed. Net position—the difference between the District's assets plus deferred outflow of resources less liabilities and deferred inflows of resources—is one way to measure the District's financial health or *position*.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**District-wide Statements (continued)**

- Over time, increases or decreases in the District's net position 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.

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.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**Fund Financial Statements (continued)**

- *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 position and a statement of changes in fiduciary net position. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

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

**Net position.** The District's combined net position from governmental activities was \$31.3 million. The major reduction was due to a change in accounting practices (See Note 12). Table 1 provides a summary of the District's combined net position for 2015.

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

Summary of Statement of Net Position	2014 *	2015	Total Change	Total % Change
Non-capital Assets	\$ 55.7	\$ 48.0	\$ (7.7)	-13.8%
Capital Assets	181.5	180.0	(1.5)	-0.8%
Total Assets	237.2	228.0	(9.2)	-3.9%
Deferred Charge on Refunding	2.8	1.5	(1.3)	-46.4%
Deferred Outflows of Resources - Pensions		9.4	9.4	-
Total Deferred Outflows of Resources	2.8	10.9	8.1	289.3%
Current Liabilities	11.7	10.5	(1.2)	-10.3%
Long-Term Liabilities	64.5	168.2	103.7	160.8%
Total Liabilities	76.2	178.7	102.5	134.5%
Deferred Inflows of Resources - Pensions		28.9	28.9	-
Total Deferred Inflows of Resources	-	28.9	28.9	-
Invested in Capital Assets, Net of Related Debt	118.5	117.7	(0.8)	-0.7%
Net Position Legally Restricted	32.5	28.7	(3.8)	-11.7%
Net Position Unrestricted	12.8	(115.1)	(127.9)	-999.2%
Total Net Position	\$ 163.8	\$ 31.3	\$ (132.5)	-80.9%

\* Prior year numbers have not been restated due to implementation of GASB No. 68 and 71.

Total combined assets were \$228.0 million, capital assets were 79% (\$180.0 million) of total assets and non-capital assets were 21% (\$48.0 million) of total assets. Total liabilities were \$178.7 million; 6% (\$10.5 million) current and 94% (\$168.2 million) long term. Of the District's *Governmental Activities* net position, (\$117.5 million) were invested in capital assets net of related debt, (\$28.7 million) were net position legally restricted (-\$115.1 million) were unrestricted net position.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)**

Significant changes include:

- Accounts receivable from federal and state governments decreased by \$7.1 million primarily due to the decrease in state deferrals. The District continues to reduce its capital investment, resulting in depreciation expense exceeding asset additions, causing a decrease of \$1.5 million or 1.0%. The non-current liability for GO bonds decreased \$2.6 million or <4%>. Post-employment healthcare benefits increased \$0.5 million or 27%. The net position legally restricted for capital outlay decreased \$1.0 million or <4%>. The net position restricted for educational programs decreased \$2.8 million or <62%> due to the utilization of prior year one-time funding for common core state standards implementation, \$2.3 million. Long term liabilities increased \$103.7 million due to the implementation of Governmental Accounting Standards Board Statements No. 68 and No. 71. As a result the District was required to report its share of the retirement systems net pension liability.

**Table 2**  
**(In Millions)**

Summary of Statement of Activities	2014 *	2015	
Program Revenues	\$ 36.6	\$ 41.0	
General Revenues	127.9	138.6	
Total Revenues	<u>164.5</u>	<u>179.6</u>	
Expenses for:			
Instruction and Instruction Related Services	107.4	122.9	65.8%
Pupil Services	18.5	19.5	10.4%
General Administration	8.1	8.4	4.5%
Plant Services	16.3	17.0	9.1%
Ancillary, Community and Enterprise Activities	4.1	4.5	2.4%
Debt Service	3.2	3.8	2.0%
Other Outgo	3.7	4.0	2.1%
Depreciation	6.7	6.8	3.6%
Total Expenses	<u>168.0</u>	<u>186.9</u>	(18.9)
Change in Net Position	<u>(3.5)</u>	<u>(7.3)</u>	
Net Position, Beginning of Year	167.3	163.8	
Cumulative Effect of Change in Accounting Principle (See Note 15)		<u>(125.2)</u>	
Net Position, Beginning of Year	<u>167.3</u>	<u>38.6</u>	
Net Position, End of Year	<u>\$ 163.8</u>	<u>\$ 31.3</u>	

\* Prior year numbers have not been restated due to implementation of GASB No. 68 and 71.

Total cost of all governmental activity programs and services was \$186.9 million. Instruction and pupil services made up 77% of total program cost, plant services were 9% and general administration was 4%.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)**

With the implementation of the Local Control funding Formula, the funding received from Proposition 30 and an improved California economy, funding received from the state for education increased for the second consecutive year. The parcel tax, \$2.1 million, that was collected for the second year in 2014-15 helped to maintain class sizes, purchase technology, and support the arts in our community.

Significant changes include:

Revenues:

- Local Control Funding Formula increased \$10.1 million, or 8.9% based on the “gap” funding increase for 2014-15.
- Federal revenues increased as in 2013-14 the District was awarded a three year \$10.3 million Magnet Schools Assistance Program grant for six elementary schools, \$2.5 million above the 2013-14 grant allocation was recognized as revenue through June 30, 2015.

Expenses:

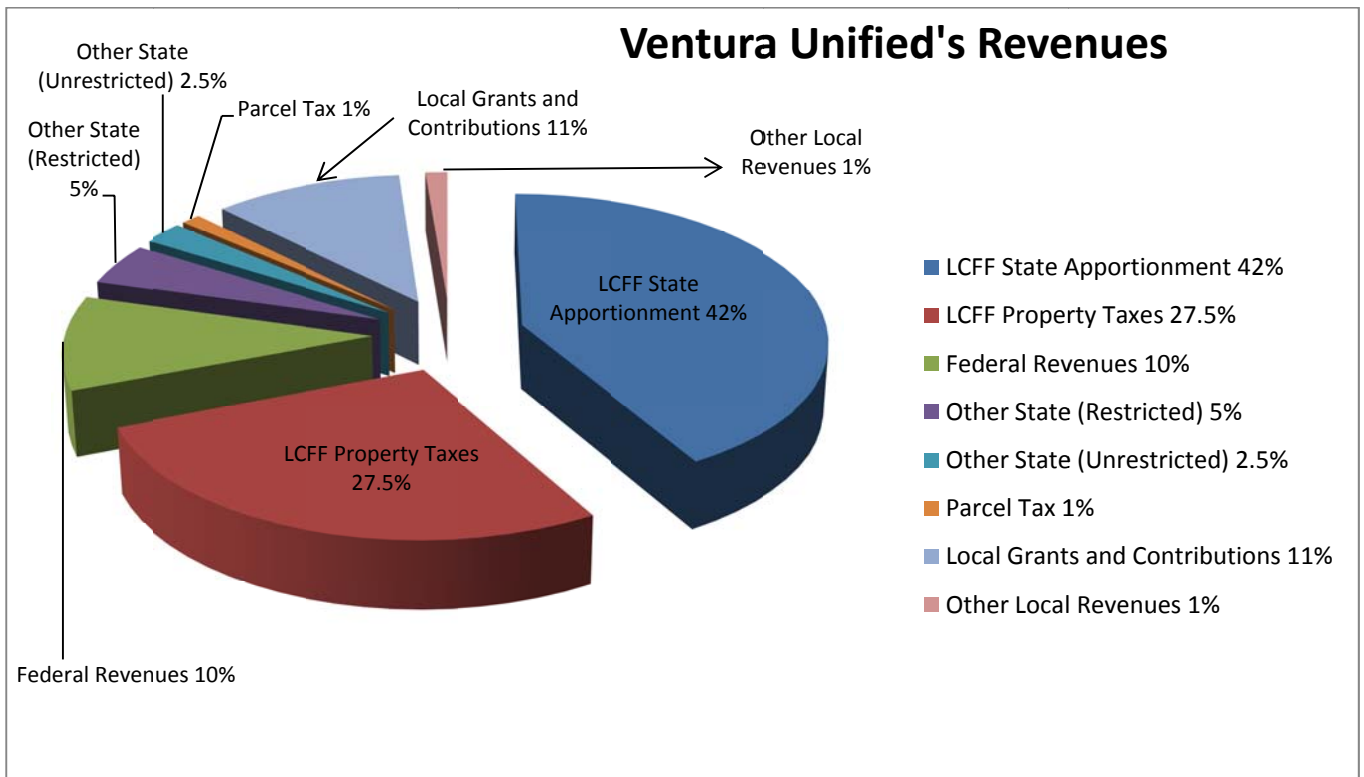
- The District implemented salary increases for all staff. The increase consisted of 2% effective July 1, 2014, a 1% bonus, and an additional 1% salary increase effective April 1, 2015. In addition, the District increased its contribution to the cost of the employee benefit package, from \$13,464 to \$14,220 per full time employee.
- The continued receipts from the parcel tax allowed the District to reduce class size in grades 4 through 12. Fifteen teaching positions, \$0.7 million, were added to allow the following:
  - grades four and five to be staffed at a ratio of 30:1 decreased from 32:1
  - grades six to twelve to be staffed at a ratio of 34:1 decreased from 35:1The funds were also used to support art & music programs, purchase instructional materials and technology, \$0.6 million.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**Governmental Activities**

By the end of the fiscal year the revenue for the District's governmental activities totaled \$179.1 million. Local control funding formula (funded by property taxes and state funds) generated 69.5% of the revenues, 17.5% was from federal and state grants and contributions, 12% from local sources and charges for services, and 1% from the parcel tax. General revenues, local control funding formula and the related property taxes were received to provide for the District's basic services.

Figure 1

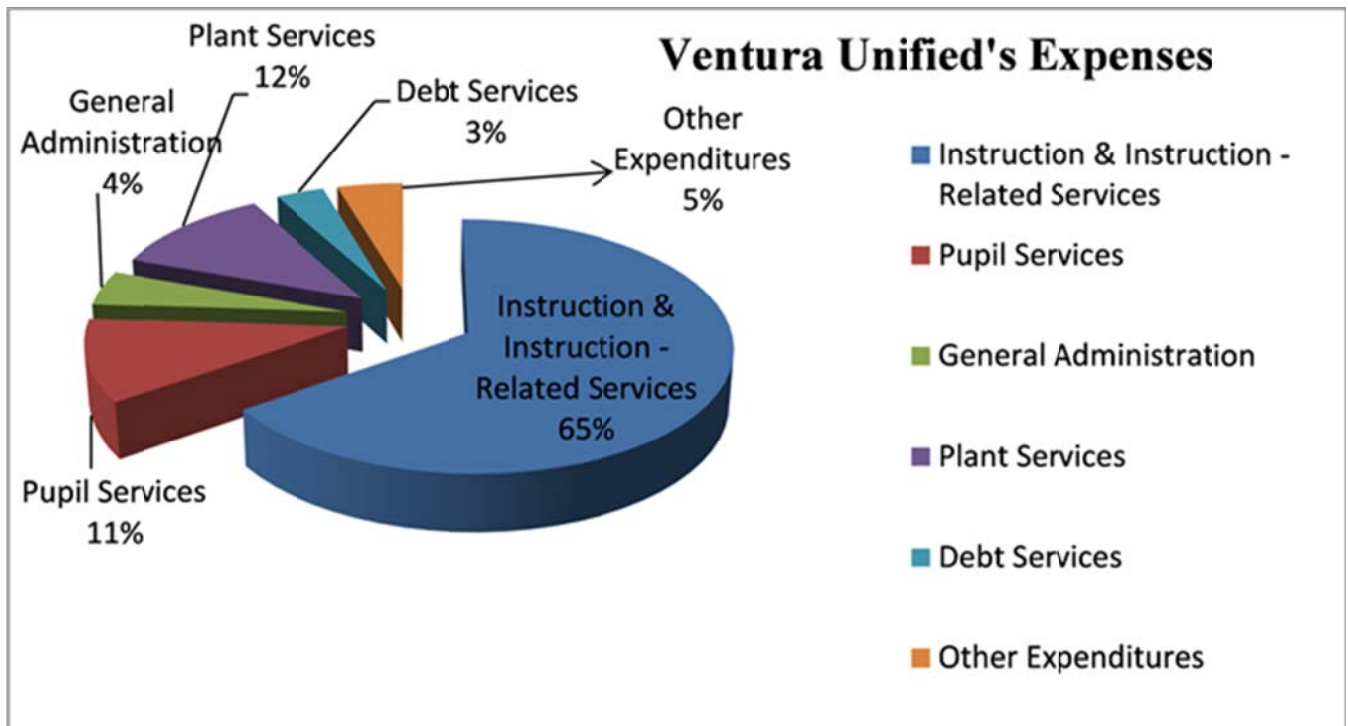


**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**Governmental Activities (continued)**

The cost of all the District's major activities: Instruction, guidance, counseling, evaluation, school leadership, student transportation, administration and, maintenance and operations was \$186.9 million. Instruction and instructional related services was \$122.2 million, 65%, pupil services were \$20.1 million, 11%, general administration 8.4 million, 4%, plant services \$21.5 million, 12%, debt service 6.4 million, 3% and other expenditures were \$8.4 million, 5%. Users of the District programs paid \$3.9 million of the cost. The federal and state governments subsidized approximately \$37.1 million in certain program costs with grants and contributions. Most of the District's expenses (\$135.7 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, 2015**

**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 \$2.5 million less than the final budget amount. Local control funding formula was \$.05 million more than budgeted. Federal revenues were <\$0.2> million less than budgeted as program budgets were not fully expended. Other state revenues were <\$1.0> million less than budgeted. Local revenues were <1.4> less than budgeted.

**Actual expenditures** were <\$3.3> million less than the final budgeted amount.

**Capital Assets**

The District had invested \$5.3 million in capital assets during the 2014-15 school year. Overall total capital assets decreased from \$181.5 million as of July 1, 2014 to \$180.0 million as of June 30, 2015. 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 6.

**Debt Administration**

On June 30, 2015 the District had \$55.9 million in general obligation bond long-term debt, a 6.7% (\$4.0 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 “Aa2”.



**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2015**

**Average Daily Attendance**

Average daily attendance reported on the second period attendance report for the regular education K-12 program increased by 75 to 16,737 while the enrollment count decreased by 64 students, to 17,366, as measured by the California Basic Education System (CBEDS). School sites have been working diligently to reduce absences with twenty of twenty-seven schools achieving 97% attendance.

**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. The opportunity for the State of California to address public education funding and other public policy issues in a positive manner is afforded because of two major factors: an improving California economy and the passage of California's Proposition 30. Economic growth in California is projected to continue. The California Legislative Analyst's Office projects state revenues will increase at an average annual rate of 3.7% from 2015-16 through 2019-20, from \$116.3 billion to \$134.5 billion. At the same time, General Fund expenditures are expected to rise at an average annual rate of 3.2%. The state's operating surplus rises from \$1 billion in the current year to \$3.9 billion by 2019-20. The LAO cautions, however, that the current economic expansion will not last forever and that a sizable reserve is the key to managing the next downturn with minimal disruptions to public services. Thus, the LAO offers that, "Less additional ongoing spending on public programs now probably would mean fewer difficult choices about those programs later."

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 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 the 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, Deputy Superintendent of Business at Ventura Unified School District, 255 West Stanley Ave, Ventura California 93001.

## **FINANCIAL SECTION**

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**June 30, 2015**

	<b>Governmental Activities</b>
<b><u>Assets</u></b>	
Cash in county treasury	\$ 32,225,757
Cash on hand and in banks	50,386
Cash with fiscal agent	445,063
Investments with fiscal agent	568,658
Accounts receivable:	
Federal and state governments	11,811,326
Miscellaneous	2,281,970
Due from fiduciary funds	46,256
Prepaid expenditures	124,203
Inventories	393,631
Land	12,426,759
Depreciable assets, net	167,621,121
<b>Total Assets</b>	<b>227,995,130</b>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred charge on refunding	1,550,911
Deferred outflows - pension contributions	9,391,954
<b>Total Deferred Outflows of Resources</b>	<b>10,942,865</b>
<b><u>Liabilities</u></b>	
Accounts payable	5,068,312
Accrued interest payable	1,077,499
Unearned revenue	595,572
Current portion of long-term liabilities:	
General obligation bonds	2,355,000
Certificates of participation	310,000
Installment loan	211,323
Compensated absences	910,699
Non-current portion of long-term liabilities:	
General obligation bonds	57,917,369
Certificates of participation	2,415,000
Installment loan	658,163
Postemployment healthcare benefits	2,330,504
Net pension liability	104,840,230
<b>Total Liabilities</b>	<b>178,689,671</b>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred inflows - pensions	28,953,416
<b>Total Deferred Inflows of Resources</b>	<b>28,953,416</b>
<b><u>Net Position</u></b>	
Invested in capital assets, net of related debt	117,731,936
Restricted for:	
Debt service	3,741,042
Capital outlay	23,126,970
Educational programs	1,652,528
Other programs	200,173
Unrestricted	(115,157,741)
<b>Total Net Position</b>	<b>\$ 31,294,908</b>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2015**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 100,001,858	\$ 1,485,534	\$ 21,578,457	\$	\$ (76,937,867)
Instruction - related services	22,923,713	39,867	6,078,523		(16,805,323)
Pupil services	19,493,305	1,298,271	7,179,998		(11,015,036)
Ancillary services	1,180,797	2,930	29,597		(1,148,270)
Community services	277,524	113	181,781		(95,630)
Enterprise activities	3,033,919				(3,033,919)
General administration	8,417,093	63,879	1,243,896		(7,109,318)
Plant services	17,000,436	55,452	44,971	73	(16,899,940)
Other outgo	3,986,713	941,582	747,098		(2,298,033)
Debt service - interest	3,746,411				(3,746,411)
Depreciation (unallocated)	6,797,159				(6,797,159)
<b>Total Governmental Activities</b>	<u>\$ 186,858,928</u>	<u>\$ 3,887,628</u>	<u>\$ 37,084,321</u>	<u>\$ 73</u>	<u>(145,886,906)</u>
<b>General Revenues</b>					
Property taxes levied for:					
General purposes					50,457,132
Debt service					4,945,779
Other specific purposes					2,211,495
Federal and state aid not restricted to specific purposes					78,096,799
Interest and investment earnings					81,464
Miscellaneous					2,840,444
<b>Total General Revenues</b>					<u>138,633,113</u>
Change in net position					(7,253,793)
<b>Net Position at Beginning of Year, as Originally Stated</b>					163,782,341
Cumulative effect of change in accounting principle (See Note 15)					<u>(125,233,640)</u>
<b>Net Position at Beginning of Year, after Cumulative Effect</b>					<u>38,548,701</u>
<b>Net Position at End of Year</b>					<u>\$ 31,294,908</u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2015**

	<u>General Fund</u>	<u>Adult Ed Fund</u>	<u>Building Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash in county treasury	\$ 5,024,999	\$ 723,399	\$ 16,285,875	\$ 10,191,484	\$ 32,225,757
Cash on hand and in banks				50,386	50,386
Cash with fiscal agent			445,063		445,063
Investments with fiscal agent			568,658		568,658
Accounts receivable:					
Federal and state governments	10,450,653	300,818		1,059,855	11,811,326
Miscellaneous	1,765,764	328,204	178,017	9,985	2,281,970
Due from other funds	1,821,030	1,109,576	1,721,231	1,131	4,652,968
Prepaid expenditures	124,203				124,203
Inventories	362,465			31,166	393,631
<b>Total Assets</b>	<u>\$ 19,549,114</u>	<u>\$ 2,461,997</u>	<u>\$ 19,198,844</u>	<u>\$ 11,344,007</u>	<u>\$ 52,553,962</u>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 4,818,182	\$ 62,621	\$ 30,492	\$ 157,017	\$ 5,068,312
Due to other funds	1,121,662	1,382,866	574,467	1,527,717	4,606,712
Unearned revenue	519,981		30,790	44,801	595,572
<b>Total Liabilities</b>	<u>6,459,825</u>	<u>1,445,487</u>	<u>635,749</u>	<u>1,729,535</u>	<u>10,270,596</u>
<b>Fund Balance</b>					
Nonspendable	486,668			31,166	517,834
Restricted	1,620,645	9,000	18,563,095	9,583,306	29,776,046
Committed		1,007,510			1,007,510
Assigned	1,159,468				1,159,468
Unassigned	9,822,508				9,822,508
<b>Total Fund Balance</b>	<u>13,089,289</u>	<u>1,016,510</u>	<u>18,563,095</u>	<u>9,614,472</u>	<u>42,283,366</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 19,549,114</u>	<u>\$ 2,461,997</u>	<u>\$ 19,198,844</u>	<u>\$ 11,344,007</u>	<u>\$ 52,553,962</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 POSITION**

**June 30, 2015**

Total fund balance - governmental funds	\$ 42,283,366
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Amounts reported for governmental activities in the statement of net position 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>167,621,121</u>	
Total capital assets		180,047,880

Deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year end consists of:

Deferred charge on refunding	1,550,911	
Deferred outflows - pension contributions	9,391,954	
Deferred inflows - pensions	(28,574,362)	
Deferred inflows - change in proportion	<u>(379,054)</u>	
		(18,010,551)

Interest expense related to certificates of participations and general obligation bonds payable was incurred but not accrued through June 30, 2015	(1,077,499)
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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	(910,699)	
General obligation bonds payable and related premium	(60,272,369)	
Certificates of participation	(2,725,000)	
Installment loan	(869,486)	
Postemployment health care benefits	(2,330,504)	
Net pension liability - STRS/PERS	(105,347,080)	
Net pension asset - deferred comp	<u>506,850</u>	<u>(171,948,288)</u>

Total net position - governmental activities	<u>\$ 31,294,908</u>
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See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**

**For the Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>	<u>Adult Ed Fund</u>	<u>Building Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Local control funding formula sources:					
State apportionments	\$ 71,626,255	\$ 3,015,114	\$	\$	\$ 74,641,369
Local sources	49,175,633				49,175,633
Total local control funding formula sources	120,801,888	3,015,114	-	-	123,817,002
Federal sources	12,686,082	969,410		4,826,456	18,481,948
Other state sources	10,652,540	169,731		1,695,648	12,517,919
Other local sources	15,036,713	555,742	1,185,182	7,505,653	24,283,290
<b>Total Revenues</b>	<u>159,177,223</u>	<u>4,709,997</u>	<u>1,185,182</u>	<u>14,027,757</u>	<u>179,100,159</u>
<b>Expenditures</b>					
Instruction	95,310,893	3,191,923		1,143,977	99,646,793
Instruction - related services	21,243,585	1,158,610		120,185	22,522,380
Pupil services	12,884,833	1,493		7,168,836	20,055,162
Ancillary services	1,173,515				1,173,515
Community services	280,199				280,199
Enterprise activities	3,033,919				3,033,919
General administration	7,922,170	243,982		277,550	8,443,702
Plant services	17,799,983	318,096	2,268,400	1,086,193	21,472,672
Other outgo	3,986,713				3,986,713
Debt service	759,421		450,703	5,208,905	6,419,029
<b>Total Expenditures</b>	<u>164,395,231</u>	<u>4,914,104</u>	<u>2,719,103</u>	<u>15,005,646</u>	<u>187,034,084</u>
Deficiency of revenues over expenditures	<u>(5,218,008)</u>	<u>(204,107)</u>	<u>(1,533,921)</u>	<u>(977,889)</u>	<u>(7,933,925)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds of installment loan	1,297,194				1,297,194
Proceeds of refunding bonds				19,847,114	19,847,114
Payment to refunded bond escrow agent				(19,615,450)	(19,615,450)
Interfund transfers in			460,673	750,000	1,210,673
Interfund transfers out	(759,000)	(451,673)			(1,210,673)
<b>Total Other Financing Sources (Uses)</b>	<u>538,194</u>	<u>(451,673)</u>	<u>460,673</u>	<u>981,664</u>	<u>1,528,858</u>
Net change in fund balance	(4,679,814)	(655,780)	(1,073,248)	3,775	(6,405,067)
<b>Fund Balance - Beginning of Year</b>	<u>17,769,103</u>	<u>1,672,290</u>	<u>19,636,343</u>	<u>9,610,697</u>	<u>48,688,433</u>
<b>Fund Balance - End of Year</b>	<u>\$ 13,089,289</u>	<u>\$ 1,016,510</u>	<u>\$ 18,563,095</u>	<u>\$ 9,614,472</u>	<u>\$ 42,283,366</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, 2015**

Net change in fund balance - total governmental funds \$ (6,405,067)

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	\$ 5,315,293	
Depreciation expense	<u>(6,797,159)</u>	
Deficiency of capital outlay over depreciation expense		(1,481,866)

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

General obligation bond, including premium	19,847,114	
Installment loan	<u>1,297,194</u>	
		(21,144,308)

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

General obligation bond principal payments	21,610,000	
Certificates of participation principal payments	300,000	
Installment loan	<u>427,708</u>	
		22,337,708

In governmental funds, pension costs are recognized when the employer contribution  
is made, but in the statement of activities, pension costs are recognized on the  
accrual basis. The difference between accrual basis pension costs and actual  
employer contributions was:

Increase in deferred outflows of resources - pension contributions	1,594,712	
Decrease in net pension liability	27,683,802	
Increase in deferred inflows of resources - pensions	(28,953,416)	
Increase in net pension asset - deferred comp	<u>3,097</u>	
		328,195

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:

Decrease in accrued interest payable	103,172	
Increase in compensated absences	(12,073)	
Amortization and write off of premium on general obligation bonds	785,578	
Amortization and write off of deferred charges on refunding bonds	(1,273,840)	
Increase in postemployment health care benefits	<u>(491,292)</u>	
		<u>(888,455)</u>

Change in net position of governmental activities \$ (7,253,793)

See the accompanying notes to the financial statements.



**VENTURA UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2015**

	<b>Private-Purpose Trust Funds</b>	<b>Associated Student Body Funds</b>
<b><u>Assets</u></b>		
Cash in county treasury	\$ 716,348	\$
Cash on hand and in banks		1,370,566
Accounts receivable:		
Miscellaneous	2,039	
Inventories		29,689
<b>Total Assets</b>	<u>718,387</u>	<u>1,400,255</u>
<b><u>Liabilities</u></b>		
Accounts payable	52,455	
Due to governmental funds	46,256	
Funds held in trust		973,499
<b>Total Liabilities</b>	<u>98,711</u>	<u>973,499</u>
<b><u>Net Position</u></b>		
Restricted	619,676	
Unrestricted		426,756
<b>Total Net Position</b>	<u><u>\$ 619,676</u></u>	<u><u>\$ 426,756</u></u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**For the Fiscal Year Ended June 30, 2015**

	<u>Private-Purpose Trust Funds</u>	<u>Associated Student Body Funds</u>
<b>Additions</b>		
Revenue from local sources	\$ 196,971	\$ 1,181,647
<b>Total Additions</b>	<u>196,971</u>	<u>1,181,647</u>
 <b>Deductions</b>		
Scholarships	1,500	
Other expenses	<u>130,000</u>	<u>1,232,217</u>
<b>Total Deductions</b>	<u>131,500</u>	<u>1,232,217</u>
 Change in net position	65,471	(50,570)
 <b>Net Position at Beginning of Year</b>	<u>554,205</u>	<u>477,326</u>
 <b>Net Position at End of Year</b>	<u><u>\$ 619,676</u></u>	<u><u>\$ 426,756</u></u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**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).

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 GASB. The financial statement presentation required by GASB 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 Position and a Statement of Activities, and fund financial statements.

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

The Statement of Net Position 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, 2015**

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

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

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

The Statement of Net Position 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, 2015**

**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, 2015**

**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 Balances 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 Statement No. 54, the Deferred Maintenance Fund (Fund #140), the Retiree Benefits Fund (Fund #200) and the Alternative Retiree Benefits Fund (Fund #201) no longer meets the definition of a special revenue fund as it is no longer primarily composed of restricted or committed revenue sources. Therefore, all activities of these funds are reported in the General Fund. The Retiree Benefits Fund (Fund #200) and the Alternative Retiree Benefits Fund (Fund #201) were closed as of June 30, 2015.

**Adult Education Fund** (Fund #110) - used to account for resources restricted or committed to adult education programs maintained by the District.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

**GOVERNMENTAL FUNDS - MAJOR (continued)**

**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.
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**

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

1. Child Development Fund (Fund #120) - used to account for resources restricted to child development programs.
2. Cafeteria Fund (Fund #130) - used to account for revenues received and expenditures made to operate the District's cafeterias.

**Capital Projects Funds** - used to account for the financial resources that are restricted 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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

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

**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.

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

**FIDUCIARY FUNDS**

**Private Purpose Trust Fund** - is a consolidation of two sub-funds:

1. David Graham and Stella Brittingham Memorial Scholarship Fund (Fund #736) - used to award scholarships to students and/or graduates of the 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.

**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.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

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 unearned 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.

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.

3. Inventories

Inventories are presented at average cost. Inventories consist of expendable supplies held for consumption. At June 30, 2015, total supply inventory is \$362,465, food inventory is \$31,166 and inventories maintained by student body organizations totaled \$29,689.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

4. Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Statement of Net Position 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. 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.

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

5. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources until then. These amounts are reported in the government-wide statement of net position.

Deferred charge on refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows - pension contributions: The deferred outflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans. The deferred outflows - pension contributions will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

6. Unearned Revenue

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

7. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. 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.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave, therefore 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 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.

Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

9. Net Pension Liability

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

10. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets by the District that is applicable to a future reporting period. The deferred inflows of resources, results from the difference between the estimated and actual return on pension plan investments and the change in the District's proportionate share of pension contributions. These amounts are deferred and amortized to pension expense over closed periods ranging from 3.9 to 5 years.

11. Net Position

Net position represents the difference between assets, deferred outflow of resources and liabilities. Net position 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. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

**12. Fund Balance Classification**

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.

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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

13. Spending Order Policy

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. 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.

14. 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 General Fund expenditures and other financing uses.

15. 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 local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

16. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. 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 local control funding formula purposes. Property taxes for debt service purposes cannot be estimated and have therefore not been accrued in the government-wide financial statements.

17. On-Behalf Payments

GAAP 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. The amount of on-behalf payments made for the District has been recorded in the fund financial statements.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

18. 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.

19. 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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

**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*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

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 a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

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.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. 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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

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.

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 criteria 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 Clubs individually are not significant to the District.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**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.

**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, 2015, \$1,289,406 of the District's bank balances of \$2,110,006 was exposed to credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the District's name	\$1,109,383
Uninsured and uncollateralized (1)	<u>180,023</u>
Total	<u>\$ 1,289,406</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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

**A. Deposits (continued)**

**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 amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2015 was measured at 99.9% of amortized cost.

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.

**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 nor were they involved in any reverse repurchase agreements during the 2014-15 fiscal year,

Investments with Fiscal Agent at June 30, 2015, held on behalf of the Ventura County Schools Public Financing Corporation, are presented below:

Uncategorized Investments:

Guaranteed Investment Contracts (GIC)

\$ 568,658

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 4 - INTERFUND TRANSACTIONS:**

Interfund activity has been eliminated in the Government-wide statements. 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, 2015 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	\$ 1,821,030	\$ 1,121,662
Adult Education Fund	1,109,576	1,382,866
Building Fund	1,721,231	574,467
Non-major Governmental Funds:		
Child Development Fund		589,114
Cafeteria Fund	1,131	918,316
Capital Facilities Fund (Residential)		20,273
Capital Facilities Fund (Commercial)		14
Fiduciary Funds:		
Foundation Fund		46,256
	<u>\$ 4,652,968</u>	<u>\$ 4,652,968</u>

**B. Interfund Transfers**

Interfund transfers for the 2014-15 fiscal year are as follows:

Transfer from the General Fund to the Cafeteria Fund to support the child nutrition program	\$ 750,000
Transfer from the General Fund to the Building Fund for the Ventura HS tennis court resurfacing project	9,000
Transfer from the Adult Education Fund to the Building Fund for debt service	451,673
Total	<u>\$ 1,210,673</u>

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2015

### **NOTE 5 - FUND BALANCES:**

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

	<u>General Fund</u>	<u>Adult Ed Fund</u>	<u>Building Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable					
Inventories	\$ 362,464	\$	\$	\$ 31,166	\$ 393,630
Prepaid expenditures	<u>124,203</u>	<u></u>	<u></u>	<u></u>	<u>124,203</u>
Total nonspendable	<u>486,667</u>	<u>-</u>	<u>-</u>	<u>31,166</u>	<u>517,833</u>
Restricted					
Legally restricted programs	1,620,645	9,000		200,890	1,830,535
Capital projects			18,563,095	4,563,875	23,126,970
Debt service				<u>4,818,541</u>	<u>4,818,541</u>
Total restricted	<u>1,620,645</u>	<u>9,000</u>	<u>18,563,095</u>	<u>9,583,306</u>	<u>29,776,046</u>
Committed					
Adult education program		1,007,510			1,007,510
Total committed	<u>-</u>	<u>1,007,510</u>	<u>-</u>	<u>-</u>	<u>1,007,510</u>
Assigned					
Site based allocations	683,475				683,475
Deferred maintenance program	<u>475,993</u>	<u></u>	<u></u>	<u></u>	<u>475,993</u>
Total assigned	<u>1,159,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,159,468</u>
Unassigned					
Economic uncertainties	4,874,164				4,874,164
Unassigned	<u>4,948,345</u>	<u></u>	<u></u>	<u></u>	<u>4,948,345</u>
Total unassigned	<u>9,822,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,822,509</u>
Total fund balance	<u>\$ 13,089,289</u>	<u>\$ 1,016,510</u>	<u>\$ 18,563,095</u>	<u>\$ 9,614,472</u>	<u>\$ 42,283,366</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 6 - CAPITAL ASSETS AND DEPRECIATION - SCHEDULE OF CHANGES:**

Capital asset activity for the year ended June 30, 2015 is shown below.

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>
Capital assets not being depreciated:				
Land (1)	\$ 12,426,759	\$	\$	\$ 12,426,759
Total capital assets not being depreciated	<u>12,426,759</u>	<u>-</u>	<u>-</u>	<u>12,426,759</u>
Capital assets being depreciated:				
Buildings and improvements	261,362,730	3,339,276		264,702,006
Machinery, equipment and vehicles	9,599,799	1,976,017	3,767	11,572,049
Total capital assets being depreciated	<u>270,962,529</u>	<u>5,315,293</u>	<u>3,767</u>	<u>276,274,055</u>
Less accumulated depreciation for:				
Buildings and improvements	94,583,830	6,204,053		100,787,883
Machinery, equipment and vehicles	7,275,712	593,106	3,767	7,865,051
Total accumulated depreciation	<u>101,859,542</u>	<u>6,797,159</u>	<u>3,767</u>	<u>108,652,934</u>
Depreciable assets, net	<u>169,102,987</u>	<u>(1,481,866)</u>	<u>-</u>	<u>167,621,121</u>
 Governmental activities capital assets, net	 <u>\$ 181,529,746</u>	 <u>\$ (1,481,866)</u>	 <u>\$ -</u>	 <u>\$ 180,047,880</u>

(1) The total land balance reported above includes \$678,019 of land considered to be idle property as of June 30, 2015.

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

The District issued \$16,725,000 of Tax Revenue Anticipation Notes dated July 3, 2014 through the California School Cash Reserve Program Authority (2014-15, Series E). The notes matured on June 30, 2015 and carried a 2.0% interest rate. The notes were sold by the District to supplement its cash flow.

Repayment requirements were that principal of \$8,362,500 be set aside on January 31, 2015, and that \$8,362,500 plus \$331,713 of interest be set aside with the U.S. Bank National Association (the Trustee) on April 30, 2015.

The payments were transferred to and set aside in a separate fund of the Trustee in a timely manner. The monies were required to remain on deposit until the maturity date of the note, June 30, 2015, at which time they were applied to pay the principal and interest on the notes.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 8 - GENERAL OBLIGATION BONDS:**

In 1997, the voters approved the issuance of bonds, not to exceed \$81, for the purpose of raising money to finance the acquisition, construction and modernization of school facilities and paying related costs. Between 1997 and 2005, the District issued bonds, Series A through Series I, totaling \$81 million.

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 the bonds are 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 account and as such the bonds are considered in-substance defeased. The outstanding balance of the defeased debt has 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 proceeds associated with the refunding were deposited in an escrow account and as such the applicable bonds are considered in-substance defeased. The outstanding balance of the defeased debt has been fully paid by the escrow agent.

During April 2012, the remaining portion of Series F, and portions of G, H & I general obligation bonds were re-financed for a total of \$13,760,000. The proceeds associated with the refunding were deposited in an escrow account and as such the applicable bonds are considered in-substance defeased. The outstanding balance of the defeased debt has been fully paid by the escrow agent.

During July 2014, the remaining portion of Series G, I and the 2004 Refunding general obligation bonds were re-financed for a total of \$17,570,000. The difference in cash flow requirements related to this refunding is a savings of cash outflow of approximately \$2.5 million. The present value of the economic gain to the District amounts to approximately \$2.0 million. The proceeds associated with the refunding were deposited in an escrow account and as such the applicable refunded bonds are considered in-substance defeased. The outstanding balance of the defeased debt has been fully paid by the escrow agent.

# VENTURA UNIFIED SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2015

### **NOTE 8 - GENERAL OBLIGATION BONDS: (continued)**

The outstanding bonded debt of the District at June 30, 2015 is:

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding June 30, 2014	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2015
7/21/2003 G	3%-6%	8/1/2033	6,000,000	\$ 1,830,000	\$	\$ 1,830,000	\$ -
3/3/2004 *	2%-5%	8/1/2030	23,180,000	16,820,000		16,820,000	-
4/28/2005 *	3%-4.5%	8/1/2029	17,750,000	13,675,000		655,000	13,020,000
9/7/2005 I	3%-5%	8/1/2034	5,000,000	1,480,000		1,480,000	-
11/4/2010 *	2%-5%	8/1/2031	14,510,000	12,665,000		555,000	12,110,000
4/11/2012 *	3%-5%	8/1/2034	13,760,000	13,470,000		270,000	13,200,000
7/29/2014 *	2%-5%	8/1/2034	17,570,000		17,570,000		17,570,000
				<u>\$ 59,940,000</u>	<u>\$ 17,570,000</u>	<u>\$ 21,610,000</u>	<u>\$ 55,900,000</u>

(\*) Refunding bonds

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 2,355,000	\$ 2,503,928	\$ 4,858,928
2017	2,465,000	2,420,256	4,885,256
2018	2,555,000	2,320,985	4,875,985
2019	2,660,000	2,210,310	4,870,310
2020	2,775,000	2,090,368	4,865,368
2021-2025	16,245,000	8,272,087	24,517,087
2026-2030	18,970,000	3,899,186	22,869,186
2031-2035	7,875,000	564,528	8,439,528
Totals	<u>\$ 55,900,000</u>	<u>\$ 24,281,648</u>	<u>\$ 80,181,648</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 outstanding refunding bonds included total premiums of \$5,177,313. This amount is amortized using the straight-line method. Amortization of \$245,933 was recognized during the 2014-15 year. In addition \$539,645 in unamortized premiums were written off as a result of the 2014 refunding.

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 \$2,138,130 in total for all outstanding refunding bonds. Amortization of \$91,840 was recognized during the 2014-15 year. In addition, \$1,182,000 in deferred amounts were written off as a result of the 2014 refunding.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 9 - CERTIFICATES OF PARTICIPATION:**

The District entered into a certificate 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, 2015, the District had \$1,013,721 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 semiannual interest payments are to be made according to the following schedule:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 310,000	\$ 136,783	\$ 446,783
2017	325,000	122,058	447,058
2018	345,000	106,295	451,295
2019	360,000	89,218	449,218
2020	380,000	71,038	451,038
2021-2022	1,005,000	82,816	1,087,816
Totals	<u>\$ 2,725,000</u>	<u>\$ 608,208</u>	<u>\$ 3,333,208</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, 2015**

### **NOTE 10 - INSTALLMENT LOAN:**

On September 22, 2014 the District entered into a master installment purchase agreement for the purchase of ten buses in the amount of \$1,297,194. The purchase agreement calls for an initial payment totaling \$427,708 with annual loan installment payments over the next four years including interest at a rate of 1.885%. Principal and interest payments are to be made according to the following schedule:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 211,323	\$ 16,385	\$ 227,708
2017	215,305	12,403	227,708
2018	219,362	8,346	227,708
2019	223,496	4,212	227,708
<b>Totals</b>	<b>\$ 869,486</b>	<b>\$ 41,346</b>	<b>\$ 910,832</b>

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

A schedule of changes in long-term debt for the year ended June 30, 2015 is shown below.

	<b>Balance July 1, 2014 *</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>	<b>Amount Due in One Year</b>
General obligation bonds	\$ 59,940,000	\$ 17,570,000	\$ 21,610,000	\$ 55,900,000	\$ 2,355,000
Premium on general obligation bonds	2,880,833	2,277,114	785,578	4,372,369	
Total general obligation bonds	62,820,833	19,847,114	22,395,578	60,272,369	2,355,000
Pension liability (CalSTRS & CalPERS)	133,030,882		27,683,802	105,347,080	
Net pension asset (deferred comp plan)	(503,753)	(3,097)		(506,850)	
Total net pension liability	132,527,129	(3,097)	27,683,802	104,840,230	-
Certificates of participation	3,025,000		300,000	2,725,000	310,000
Installment loan		1,297,194	427,708	869,486	211,323
Compensated absences	898,626	12,073		910,699	910,699
Postemployment healthcare benefits	1,839,212	491,292		2,330,504	
<b>Totals</b>	<b>\$ 201,110,800</b>	<b>\$ 21,644,576</b>	<b>\$ 50,807,088</b>	<b>\$ 171,948,288</b>	<b>\$ 3,787,022</b>

General obligation debt is liquidated by the tax assessments recorded in the Bond Interest and Redemption Fund. Certificates of participation are liquidated by adult education fees. The installment loan and postemployment healthcare benefits are liquidated by the General Fund. Compensated absences and the net pension liability (asset) are liquidated by the fund with the related salary expense.

\* The beginning balance has been restated to add the retrospective net pension liability (STRS & PERS) in accordance with GASB Statement No. 68 and No. 71. See Note 15.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS:**

**Multi-employer Defined Benefit Plans**

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

As of June 30, 2015, the District implemented GASB Statements No. 68 and No. 71, and as a result, reported its proportionate share of the net pension liabilities, pension expense, deferred inflows of resources and deferred outflows of resources for each of the retirement plans as follows:

<u>Pension Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Proportionate Share of Deferred Inflows of Resources</u>	<u>Proportionate Share of Pension Expense</u>
CalSTRS (STRP)	\$ 78,305,580	\$ 6,278,689	\$ 19,282,600	\$ 6,760,300
CalPERS (Schools Pool Plan)	27,041,500	3,113,265	9,670,816	2,272,729
Totals	<u>\$ 105,347,080</u>	<u>\$ 9,391,954</u>	<u>\$ 28,953,416</u>	<u>\$ 9,033,029</u>

The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California State Teachers' Retirement System (CalSTRS) (continued)**

**Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California State Teachers' Retirement System (CalSTRS) (continued)**

**Contributions**

Required member, District and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2015 are presented above and the total District contributions were \$6,278,689.

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

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

District proportionate share of net pension liability	\$ 78,305,580
State's proportionate share of the net pension liability associated with the District	<u>47,284,765</u>
Total	<u><u>\$ 125,590,345</u></u>

The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2014, the District's proportion was 0.1340%.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California State Teachers' Retirement System (CalSTRS) (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2015, the District recognized pension expense of \$6,760,300 including expense and revenue of \$4,082,202 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,278,689	\$
Net differences between projected and actual earnings on plan investments		19,282,600
Total	<u>\$ 6,278,689</u>	<u>\$ 19,282,600</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflows of resources will be amortized over a closed 5-year period. Remaining amounts will be recognized as a reduction of pension expense as follows:

<u>Year Ended June 30</u>	<u>Amortization</u>
2016	\$ 4,820,650
2017	4,820,650
2018	4,820,650
2019	4,820,650
	<u>\$ 19,282,600</u>



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California State Teachers' Retirement System (CalSTRS) (continued)**

**Actuarial Methods and Assumptions**

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

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California State Teachers' Retirement System (CalSTRS) (continued)**

**Actuarial Methods and Assumptions (continued)**

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

**Discount Rate**

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

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

Discount rate	Net Pension Liability
1% decrease (6.60%)	\$122,057,920
Current discount rate (7.60%)	78,305,580
1% increase (8.60%)	41,824,080

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California State Teachers' Retirement System (CalSTRS) (continued)**

**Plan Fiduciary Net Position**

Detailed information about the STRP's plan fiduciary net position is available in a separate comprehensive annual financial report for CalSTRS. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard, Sacramento, CA 95826.

**California Public Employees' Retirement System (CalPERS)**

**Plan Description**

Qualified employees are eligible to participate in the Schools Pool Plan 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 provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California Public Employees' Retirement System (CalPERS) (continued)**

**Benefits Provided (continued)**

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

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	6.974%	6.000%
Required employer contribution rate	11.771%	11.771%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2015 are presented above and the total District contributions were \$3,113,265.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California Public Employees' Retirement System (CalPERS) (continued)**

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

As of June 30, 2015, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$27,041,500. The net pension liability was measured as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.2382%.

For the year ended June 30, 2015, the District recognized pension expense of \$2,272,729. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,113,265	\$
Changes in proportion		379,054
Net differences between projected and actual earnings on plan investments		9,291,762
Total	<u>\$ 3,113,265</u>	<u>\$ 9,670,816</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflows of resources will be amortized over closed periods ranging from 3.9 to 5-years. Remaining amounts will be recognized as a reduction of pension expense as follows:

Year Ended June 30	Amortization
2016	\$ 2,417,704
2017	2,417,704
2018	2,417,704
2019	2,417,704
	<u>\$ 9,670,816</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California Public Employees' Retirement System (CalPERS) (continued)**

**Actuarial Methods and Assumptions**

Total pension liability for the School Employer Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014 used the following methods and assumptions, applied to all prior periods included in the measurement:

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California Public Employees' Retirement System (CalPERS) (continued)**

**Actuarial Methods and Assumptions (continued)**

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

**Discount Rate**

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

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

Discount rate	Net Pension Liability
1% decrease (6.50%)	\$ 47,436,963
Current discount rate (7.50%)	27,041,500
1% increase (8.50%)	9,999,034

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**California Public Employees' Retirement System (CalPERS) (continued)**

**Plan Fiduciary Net Position**

Detailed information about CalPERS School Employer plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

**Deferred Compensation Plan**

**Plan Description**

The District's Deferred Compensation Plan is a single-employer defined benefit pension plan, administered by the 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, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**Deferred Compensation Plan (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)	\$ 414,843
Interest on net pension asset	(20,150)
Adjustment to annual required contribution	<u>67,754</u>
Annual pension cost	462,447
Contributions made	<u>(465,544)</u>
Change in net pension asset	(3,097)
Net pension asset - Beginning of Year	<u>(503,753)</u>
Net pension asset - End of Year	<u><u>\$ (506,850)</u></u>

The District's annual pension cost, the percentage of ARC contributed, and the net pension asset was as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/2013	\$ 471,262	107.1%	\$ (514,600)
6/30/2014	481,666	97.7%	(503,753)
6/30/2015	462,447	100.7%	(506,850)

**Funding Status and Funding Progress**

As of July 1, 2013, 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 \$2,740,410.

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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS: (continued)**

**Deferred Compensation Plan (continued)**

**Actuarial Methods and Assumptions**

The annual required contribution for the current year was determined as part of the July 1, 2013, actuarial valuation using the unit credit actuarial cost method. The actuarial assumptions included a 4.0% 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 twenty-five years on a closed basis. The remaining amortization period at June 30, 2015 was seven years.

**NOTE 13 - 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.

**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 2015, the District contributed \$2,563,094 to the plan.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

**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)	\$ 3,228,190
Interest on net OPEB obligation	73,568
Adjustment to annual required contribution	<u>(247,372)</u>
Annual OPEB cost	3,054,386
Contributions made	<u>(2,563,094)</u>
Change in net OPEB obligation	491,292
Net OPEB obligation - Beginning of Year	<u>1,839,212</u>
Net OPEB obligation - End of Year	<u><u>\$ 2,330,504</u></u>

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>
6/30/2013	\$ 3,395,691	84.6%	\$ 1,266,499
6/30/2014	3,037,684	81.1%	1,839,212
6/30/2015	3,054,386	83.9%	2,330,504

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

**Funding Status and Funding Progress**

As of July 1, 2013, 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 \$23,476,014. Because the plan is limited to individuals who retired as of June 30, 1993, there are no active employees covered by the plan.

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.

**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, 2013 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% 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 6.7 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after seven 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, 2015, was seven years.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 14 - JOINT POWERS AGREEMENTS:**

The 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.

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

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

	The Authority (Audited) <u>June 30, 2014</u>	The Trust (Audited) <u>June 30, 2014</u>
Total Assets	<u>\$ 96,474,918</u>	<u>\$ 11,590,044</u>
Total Liabilities	<u>\$ 58,139,911</u>	<u>\$ 4,564,807</u>
Fund Balance	<u>\$ 38,335,007</u>	<u>\$ 7,025,237</u>
Total Revenues	<u>\$ 20,523,738</u>	<u>\$ 50,233,238</u>
Total Expenditures	<u>\$ 20,902,216</u>	<u>\$ 54,173,600</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 15 - CUMULATIVE EFFECT OF ACCOUNTING CHANGES AND  
RESTATEMENT TO BEGINNING NET POSITION AND NEGATIVE  
UNRESTRICTED NET POSITION**

As a result of implementing GASB statements No. 68 and 71, the beginning net position has been restated by \$(125,233,640) to recognize the beginning balance of \$133,030,882 in net pension liability and \$7,797,242 in deferred outflows of resources. The beginning net position was not restated for the effect of deferred inflows of resources as the amount was not practical to determine.

The effect of this implementation has resulted in a negative unrestricted net position balance at June 30, 2015. The retirement plan administrators for CalSTRS and CalPERS will require increases in contribution amounts to reduce the unfunded pension liability in future years. The District has budgeted for increased contributions in the 2016 year.

**NOTE 16 - COMMITMENTS AND CONTINGENCIES:**

**A. 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.

**B. 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.

**C. County School Facilities Fund**

The District is currently involved in several construction and 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.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 16 - COMMITMENTS AND CONTINGENCIES: (continued)**

**D. Purchase Commitments**

As of June 30, 2015, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$497,000 million. Projects will be funded through Bond Proceeds, State School Building Lease-Purchase Grants, funds committed for deferred maintenance, Capital Facilities Funds and General Funds.

**E. 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.

**NOTE 17 - SUBSEQUENT EVENT:**

**Refunding General Obligation Bonds**

The District sold \$11,140,000 Refunding General Obligation Bonds on July 30, 2015. The bonds were sold with interest rates ranging from 2.0% to 5.0% and maturing through August 1, 2029. The bonds were sold to refund the outstanding 2005 Refunding Bonds.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 18 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS  
ISSUED, NOT YET EFFECTIVE:**

The Governmental Accounting Standards Board (GASB) has issued pronouncements prior to June 30, 2015, that have effective dates that may impact future financial presentations; however, the impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time

***Statement No. 72 - Fair Value Measurement and Application***

This statement was issued in February 2015 and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements by establishing a hierarchy of inputs to valuation techniques used to measure fair value. The statement is effective for the fiscal year 2015-16.

***Statement No. 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***

This statement was issued in June 2015 and extends the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. The object is to provide information about financial support provided by certain non-employer entities for pensions that are provided to the employees of other entities and that are not within the scope of Statement No. 68 and to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. The statement is effective for the fiscal year 2015-16 except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the fiscal year 2016-17.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**NOTE 18 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS  
ISSUED, NOT YET EFFECTIVE: (continued)**

***Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits  
Other Than Pensions***

This statement was issued in June 2015 and establishes standards for governmental employer recognition, measurement, and presentation of information about OPEB. The statement also establishes requirements for reporting information about financial support provided by certain non-employer entities for OPEB that is provided to the employees of other entities. This statement is closely related in some areas to Statement No. 74. The statement is effective for the fiscal year 2017-18.

***Statement No. 76 - The Hierarchy of Generally Accepted Accounting Principles for  
State and Local Governments***

This statement was issued in June 2015 and reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The statement is effective for the fiscal year 2015-16.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# VENTURA UNIFIED SCHOOL DISTRICT

## SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts - General Fund		Actual Amounts	(a) Fund Basis to GAAP	Actual Amounts
	Original	Final	General Fund		GAAP Basis
<b>Revenues</b>					
Local control funding formula sources:					
State apportionments	\$ 70,827,133	\$ 71,052,132	\$ 71,076,987	\$ 549,268	\$ 71,626,255
Local sources	48,393,890	49,148,361	49,175,633		49,175,633
Total local control funding formula sources	119,221,023	120,200,493	120,252,620	549,268	120,801,888
Federal sources	12,042,203	12,876,127	12,686,082		12,686,082
Other state sources	5,693,431	11,648,370	10,652,540		10,652,540
Other local sources	12,780,241	16,451,592	15,036,020	693	15,036,713
<b>Total Revenues</b>	<u>149,736,898</u>	<u>161,176,582</u>	<u>158,627,262</u>	<u>549,961</u>	<u>159,177,223</u>
<b>Expenditures</b>					
Certificated salaries	71,118,779	71,696,394	70,434,500		70,434,500
Classified salaries	24,084,698	25,124,067	25,123,818		25,123,818
Employee benefits	34,943,808	39,026,272	38,860,687		38,860,687
Books and supplies	8,015,498	10,915,265	9,354,827	1,474	9,356,301
Services and other operating expenditures	11,850,653	13,947,922	13,947,920	10,314	13,958,234
Capital outlay	106,972	2,135,754	1,786,752	614,045	2,400,797
Tuition and other outgo	3,757,762	3,986,762	3,986,713		3,986,713
Direct support - indirect costs	(597,966)	(485,240)	(485,240)		(485,240)
Debt service		759,421	759,421		759,421
<b>Total Expenditures</b>	<u>153,280,204</u>	<u>167,106,617</u>	<u>163,769,398</u>	<u>625,833</u>	<u>164,395,231</u>
Deficiency of revenues over expenditures	<u>(3,543,306)</u>	<u>(5,930,035)</u>	<u>(5,142,136)</u>	<u>(75,872)</u>	<u>(5,218,008)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from installment loan		1,297,194	1,297,194		1,297,194
Interfund transfers in	9,150	19,992	10,812	(10,812)	-
Interfund transfers out	(750,000)	(759,000)	(759,000)		(759,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(740,850)</u>	<u>558,186</u>	<u>549,006</u>	<u>(10,812)</u>	<u>538,194</u>
Net change in fund balance	<u>\$ (4,284,156)</u>	<u>\$ (5,371,849)</u>	<u>(4,593,130)</u>	<u>(86,684)</u>	<u>(4,679,814)</u>
<b>Fund Balance - Beginning of Year</b>			<u>17,206,426</u>	<u>562,677</u>	<u>17,769,103</u>
<b>Fund Balance - End of Year</b>			<u>\$ 12,613,296</u>	<u>\$ 475,993</u>	<u>\$ 13,089,289</u>

(a) Amounts presented are the result of the District including activity of the Deferred Maintenance Fund, the Retiree Benefits Fund and the Alternative Retiree Benefits Fund. (See Note 1B)

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF BUDGETARY COMPARISON FOR THE ADULT EDUCATION FUND**

**For the Fiscal Year Ended June 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>	
<b>Revenues</b>			
Local control funding formula sources:			
State apportionments	\$ 3,017,288	\$ 3,017,288	\$ 3,015,114
Total local control funding formula sources	3,017,288	3,017,288	3,015,114
Federal sources	958,131	1,239,613	969,410
Other state sources		173,385	169,731
Other local sources	496,755	513,955	555,742
<b>Total Revenues</b>	<u>4,472,174</u>	<u>4,944,241</u>	<u>4,709,997</u>
<b>Expenditures</b>			
Certificated Salaries	1,802,472	2,075,177	2,074,609
Classified salaries	627,182	644,962	635,151
Employee benefits	839,659	1,023,294	1,007,646
Books and supplies	533,433	1,065,387	475,260
Services and other operating expenditures	523,375	609,727	448,158
Capital outlay	75,000	75,000	29,298
Tuition and other outgo	670,715	694,714	243,982
<b>Total Expenditures</b>	<u>5,071,836</u>	<u>6,188,261</u>	<u>4,914,104</u>
Deficiency of revenues over expenditures	<u>(599,662)</u>	<u>(1,244,020)</u>	<u>(204,107)</u>
<b>Other Financing Uses</b>			
Interfund transfers out			(451,673)
<b>Total Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>(451,673)</u>
Net change in fund balance	<u>\$ (599,662)</u>	<u>\$ (1,244,020)</u>	(655,780)
<b>Fund Balance - Beginning of Year</b>			<u>1,672,290</u>
<b>Fund Balance - End of Year</b>			<u><u>\$ 1,016,510</u></u>

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
CALSTRS - STATE TEACHERS' RETIREMENT PLAN  
For the Fiscal Year Ended June 30, 2015**

	<u><b>2015</b></u>
District's proportion of the net pension liability (assets)	0.1340%
District's proportionate share of the net pension liability (asset)	\$ 78,305,580
State's proportionate share of the net pension liability (asset) associated with the District	<u>47,284,765</u>
Total	<u><u>\$ 125,590,345</u></u>
District's covered-employee payroll	\$ 66,700,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	117.40%
Plan fiduciary net position as a percentage of the total pension liability	77.00%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amount of covered payroll is reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
CALPERS - SCHOOLS POOL PLAN  
For the Fiscal Year Ended June 30, 2015**

	<u><b>2015</b></u>
District's proportion of the net pension liability (assets)	0.2382%
District's proportionate share of the net pension liability (asset)	<u>\$ 27,041,500</u>
District's covered-employee payroll	\$ 25,000,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	108.17%
Plan fiduciary net position as a percentage of the total pension liability	83.37%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amount of covered payroll is reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**CALSTRS - STATE TEACHERS' RETIREMENT PLAN**

**For the Fiscal Year Ended June 30, 2015**

	<u><b>2015</b></u>
Contractually required contribution	\$ 6,278,689
Contributions in relation to the contractually required contribution	<u>6,278,689</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 70,710,000
Contributions as a percentage of covered- employee payroll	8.88%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See the accompanying notes to the required supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**CALPERS - SCHOOLS POOL PLAN**

**For the Fiscal Year Ended June 30, 2015**

	<u><b>2015</b></u>
Contractually required contribution	\$ 3,113,265
Contributions in relation to the contractually required contribution	<u>3,113,265</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 26,450,000
Contributions as a percentage of covered- employee payroll	11.77%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

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, 2015**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (Unit Credit Cost Method) (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funding Ratio</b>	<b>Covered Payroll (1)</b>	<b>UAAL as a Percentage of Covered Payroll (1)</b>
7/1/2009	\$	\$ 3,559,944	\$ 3,559,944	0%		
7/1/2011		3,137,779	3,137,779	0%		
7/1/2013		2,740,410	2,740,410	0%		

(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, 2015**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (Unit Credit Cost Method) (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funding Ratio</b>	<b>Covered Payroll (1)</b>	<b>UAAL as a Percentage of Covered Payroll (1)</b>
7/1/2009	\$	\$ 25,422,773	\$ 25,422,773	0.0%		
7/1/2011		29,025,374	29,025,374	0.0%		
7/1/2013		23,476,014	23,476,014	0.0%		

(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, 2015**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**A. Schedule of Budgetary Comparison for the General Fund and the Adult Education Fund**

A budgetary comparison is presented for the general fund and the adult education fund. These schedules present the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year end and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

**B. Schedules of District's Proportionate Share of the Net Pension Liability - CalSTRS - STRP and CalPERS - Schools Pool Plan**

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

**C. Schedules of District Contributions - CalSTRS - STRP and CalPERS - Schools Pool Plan**

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

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

The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for its deferred compensation pension plan.

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

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:**

There were no excess of expenditures over appropriations in the General Fund or the Adult Education Fund.

## **SUPPLEMENTARY INFORMATION**

## **VENTURA UNIFIED SCHOOL DISTRICT**

### **HISTORY AND ORGANIZATION**

**June 30, 2015**

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, 2015 were as follows:

#### **BOARD OF EDUCATION**

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Mrs. Debbie Golden	President	December 2016
Ms. Barbara Fitzgerald	Vice President	December 2016
Mrs. Velma Lomax	Member	December 2018
Mr. John B. Walker	Member	December 2018
Mrs. Mary Haffner	Member	December 2018

#### **DISTRICT ADMINISTRATORS**

Dr. Trudy Tuttle Arriaga	Superintendent
Mr. Joseph Richards, Jr.	Deputy Superintendent, Business Services
Jennifer Robles, Ed.D.	Assistant Superintendent, Educational Services
Ms. Kathy Asher	Assistant Superintendent, Certificated Human Resources

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)**  
**For the Fiscal Year Ended June 30, 2015**

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, 2015 are as follows:

	<b>Revised Second Period</b>	<b>Annual</b>
Grades transitional kindergarten through third		
Regular ADA	4,980	4,973
Extended year special education	6	6
Total grades transitional kindergarten through third ADA	<u>4,986</u>	<u>4,979</u>
Grades four through six		
Regular ADA	3,858	3,849
Extended year special education	4	4
Special education - nonpublic, nonsectarian schools	1	1
Total grades four through six ADA	<u>3,863</u>	<u>3,854</u>
Grades seven through eight		
Regular ADA	2,542	2,539
Extended year special education	5	5
Special education - nonpublic, nonsectarian schools	1	1
Total grades seven through eight ADA	<u>2,548</u>	<u>2,545</u>
Grades nine through twelve		
Regular ADA	5,328	5,278
Extended year special education	3	3
Special education - nonpublic, nonsectarian schools	8	8
Extended year special education - nonpublic, nonsectarian schools	1	1
Total grades nine through twelve ADA	<u>5,340</u>	<u>5,290</u>
Total ADA	<u><u>16,737</u></u>	<u><u>16,668</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, 2015**

Grade Level	2014-15			Number of Days Traditional Calendar	Status
	Normal Requirement	Reduced Requirement	Actual Minutes		
Kindergarten	36,000	35,000	36,000	180	In Compliance
Grade 1	50,400	49,000	50,400	180	In Compliance
Grade 2	50,400	49,000	50,400	180	In Compliance
Grade 3	50,400	49,000	50,400	180	In Compliance
Grade 4	54,000	52,500	54,000	180	In Compliance
Grade 5	54,000	52,500	54,000	180	In Compliance
Grade 6	54,000	52,500	54,000	180	In Compliance
Grade 7	54,000	52,500	54,000	180	In Compliance
Grade 8	54,000	52,500	54,000	180	In Compliance
Grade 9	64,800	63,000	65,115	180	In Compliance
Grade 10	64,800	63,000	65,115	180	In Compliance
Grade 11	64,800	63,000	65,115	180	In Compliance
Grade 12	64,800	63,000	65,115	180	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, 2015**

<b>PROGRAM NAME</b>	<b>Federal Catalog Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Program Expenditures</b>
<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	\$ 3,117,529
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	1,264,743
Child Nutrition Program-Meal Supplements	10.555	13396	112,887
Child Nutrition Program-Commodities	10.555	13396	67,543
Summer Food Service Program	10.559	13004	<u>175,088</u>
Total Child Nutrition Cluster			<u>4,737,790</u>
Other Programs:			
NSLP Equipment Assistance Grant	10.579	14906	14,840
Specialty Crop	10.170	(1)	50,431
Farm to School	10.575	(1)	7,242
Nutrition Network	10.561	(1)	<u>165,815</u>
Total U.S. Department of Agriculture			<u>4,976,118</u>
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>			
<b>Direct Program</b>			
Conservation Activities by Youth Organizations	15.931	(1)	<u>9,938</u>
Total U.S. Department of the Interior			<u>9,938</u>
<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)	<u>308,300</u>
Total U.S. Department of Labor			<u>308,300</u>
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
<b>Direct Programs</b>			
Student Financial Aid Cluster:			
Federal Direct Student Loans	84.268	(1)	35,553
Federal Pell Grant	84.063	(1)	<u>424,711</u>
Total Student Financial Aid Cluster			<u>460,264</u>
Other Programs:			
Indian Education Grants	84.060	(1)	278,745
Magnet Schools Assistance	84.165A	(1)	4,377,082
Healthy Eating Active Living (HEAL)	84.215F	(1)	<u>54,902</u>
Subtotal Direct Programs			<u>5,170,993</u>
<b>Passed-through the California Department of Education:</b>			
Special Education Cluster:			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	2,890,926
IDEA Preschool Local Entitlement, Part B, Sec 611	84.027A	13682	146,141
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	<u>67,844</u>
Total Special Education Cluster			<u>3,104,911</u>

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, 2015**

<b>PROGRAM NAME</b>	<b>Federal Catalog Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Program Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION: (continued)</b>			
<b>Passed-through the California Department of Education: (continued)</b>			
Adult Education:			
Adult Education - Adult Basic Education and ESL	84.002A	14508	55,632
Adult Education - Adult Secondary Education	84.002	13978	129,794
Adult Education - English Literacy and Civics	84.002	14109	15,420
Total Adult Education			<u>200,846</u>
Title I, Part C Migrant Ed:			
Title I, Part C - Migrant Ed (Regular and Summer Program)	84.011	14838	123,434
Title I - Migrant Ed Summer Program	84.011	10005	29,051
Title I, Part C - Even Start Migrant Education (MEES)	84.011	14768	27,020
Total Title I, Part C Migrant Ed			<u>179,505</u>
Other Programs:			
Title I, Part A - Low Income and Neglected	84.010	14329	1,987,476
Title I, Part G - Advanced Placement Test Fee Reimbursement Program	84.330	14831	12,689
Title II, Part A - Improving Teacher Quality	84.367	14341	513,389
Title III - Limited English Proficiency	84.365	10084	260,546
Title IV, Part B - 21st Century Community Learning Centers	84.287	14349	584,614
Career and Technical Education - Basic Grants to States (Secondary)	84.048	14894	114,635
Workability II, Transition Partnership	84.158	10006	338,366
Subtotal Passed-through the California Department of Education			<u>7,497,823</u>
Total U.S. Department of Education			<u>12,668,816</u>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
<b>Passed-through the California Department of Education:</b>			
Child Development - Federal Child Care Cluster:			
Child Care and Development Block Grant	93.575	15136	5,733
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	10,421
Total Child Development - Federal Child Care Cluster			<u>16,154</u>
Medi-Cal Billing Option	93.778	10013	557,402
Total U.S. Department of Health & Human Services			<u>573,556</u>
Total Federal Programs			<u>\$ 18,335,882</u>
<b>Reconciliation to Federal Revenue:</b>			
Total Federal Program Expenditures			\$ 18,335,882
Revenues in excess (deficiency) of expenditures related to Federal Entitlement Programs:			
Medical Administrative Activities (MAA)			295,566
Medi-Cal Billing Option			(149,500)
Total Federal Program Revenue			<u>\$ 18,481,948</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, 2015**

There were no differences between the fund balances reported on the June 30, 2015 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>2016 (Budgeted)</b>		<b>2015</b>		<b>2014</b>		<b>2013</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>								
Local control funding formula sources *	\$ 132,709,872	80.2	\$ 120,252,620	73.1	\$ 110,129,799	76.0	\$ 89,562,670	66.3
Federal	12,053,454	7.3	12,686,082	7.7	10,064,109	7.0	8,529,181	6.3
State *	15,539,049	9.4	10,652,540	6.5	10,016,184	6.9	22,530,868	16.7
County and local	12,204,054	7.4	16,333,214	9.9	14,806,493	10.2	12,864,491	9.5
Interfund transfers	9,150	0.0	10,812	0.0	20,287	0.0	2,507,413	1.9
Total Revenue	<u>172,515,579</u>	<u>104.3</u>	<u>159,935,268</u>	<u>97.2</u>	<u>145,036,872</u>	<u>100.1</u>	<u>135,994,623</u>	<u>100.7</u>
<b><u>Expenditures</u></b>								
Certificated salaries	71,488,414	43.2	70,434,500	42.8	66,604,225	46.0	61,919,278	45.9
Classified salaries	24,386,078	14.7	25,123,818	15.3	23,401,469	16.1	22,371,771	16.6
Employee benefits	36,755,288	22.2	38,860,687	23.6	32,830,631	22.7	32,970,551	24.4
Books and supplies	10,010,324	6.1	9,354,827	5.7	6,223,185	4.3	4,324,359	3.2
Services and other operating expenditures	12,125,187	7.3	13,947,920	8.4	12,047,374	8.3	10,567,123	7.8
Capital outlay	6,790,009	4.1	1,786,752	1.1	333,362	0.2	150,297	0.1
Tuition and other outgo	3,820,536	2.3	3,986,713	2.4	3,742,964	2.6	2,890,199	2.1
Direct support/indirect costs	(653,996)	(0.4)	(485,240)	(0.3)	(615,314)	(0.4)	(534,736)	(0.4)
Debt service payments	-	-	759,421	0.5	265,538	0.2	328,236	0.3
Interfund transfers out	814,325	0.5	759,000	0.5	-	-	-	-
Total Expenditures	<u>165,536,165</u>	<u>100.0</u>	<u>164,528,398</u>	<u>100.0</u>	<u>144,833,434</u>	<u>100.0</u>	<u>134,987,078</u>	<u>100.0</u>
Change in fund balance	<u>\$ 6,979,414</u>	<u>4.3</u>	<u>\$ (4,593,130)</u>	<u>(2.8)</u>	<u>\$ 203,438</u>	<u>0.1</u>	<u>\$ 1,007,545</u>	<u>0.7</u>
Ending fund balance	<u>\$ 19,592,710</u>	<u>11.8</u>	<u>\$ 12,613,296</u>	<u>7.7</u>	<u>\$ 17,206,426</u>	<u>11.9</u>	<u>\$ 17,002,988</u>	<u>12.6</u>
Available reserve	<u>\$ 17,972,064</u>	<u>10.9</u>	<u>\$ 9,822,508</u>	<u>6.0</u>	<u>\$ 11,846,485</u>	<u>8.2</u>	<u>\$ 14,941,856</u>	<u>11.1</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>16,699</u>		<u>16,737</u>		<u>16,812</u>		<u>16,666</u>	
Total Long-Term Debt	<u>\$ 168,161,266</u>		<u>\$ 171,948,288</u>		<u>\$ 68,079,918</u>		<u>\$ 70,190,376</u>	

**IMPORTANT NOTES:**

The amounts above are those reported as General Fund in the Annual Financial and Budget Report and do not include special revenue funds included in the General Fund of the governmental funds' financial statements.

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

All Percentages are of total expenditures.

The 2016 budget is the original budget adopted on June 23, 2015.

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

\* In fiscal year 2015, the District adopted GASB Statement No. 68 and No. 71 (see Note 15) which resulted in the recognition of the net pension liability. In addition, state on-behalf payments were recorded to revenues and expenses. Previous years have not been restated to reflect these changes.

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS  
For the Fiscal Year Ended June 30, 2015**

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, 2015**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**A. Schedule of Average Daily Attendance (ADA)**

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**

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.

The District met or exceeded its target funding and has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day.

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

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs and 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 2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule be prepared showing financial trends of the General Fund over the past three fiscal years as well as the current year budget. This schedule 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, 2015**

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

**F.    Schedule of Charter Schools**

The *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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, 2015**

	<u>Building Fund</u>	<u>Building Fund (Series A)</u>	<u>Bond Building Fund</u>	<u>Eliminating Intrafund Activity</u>	<u>Total Building Fund</u>
<b><u>Assets</u></b>					
Cash in county treasury	\$ 14,932,411	\$ 218,914	\$ 1,134,550	\$	\$ 16,285,875
Cash with fiscal agent		445,063			445,063
Investments with fiscal agent		568,658			568,658
Accounts receivable:					
Miscellaneous	176,762	202	1,053		178,017
Due from other funds	1,721,231				1,721,231
Due from other sub-funds	1,507,528	464,184		(1,971,712)	-
<b>Total Assets</b>	<u>\$ 18,337,932</u>	<u>\$ 1,697,021</u>	<u>\$ 1,135,603</u>	<u>\$ (1,971,712)</u>	<u>\$ 19,198,844</u>
<b><u>Liabilities and Fund Balance</u></b>					
<b>Liabilities</b>					
Accounts payable	\$ 30,492	\$	\$	\$	\$ 30,492
Due to other funds	574,467				574,467
Due to other sub-funds	464,184	1,507,528		(1,971,712)	-
Unearned revenue	30,790				30,790
<b>Total Liabilities</b>	<u>1,099,933</u>	<u>1,507,528</u>	<u>-</u>	<u>(1,971,712)</u>	<u>635,749</u>
<b>Fund Balance</b>					
Restricted	17,237,999	189,493	1,135,603		18,563,095
<b>Total Fund Balance</b>	<u>17,237,999</u>	<u>189,493</u>	<u>1,135,603</u>	<u>-</u>	<u>18,563,095</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 18,337,932</u>	<u>\$ 1,697,021</u>	<u>\$ 1,135,603</u>	<u>\$ (1,971,712)</u>	<u>\$ 19,198,844</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 BALANCE**

**For the Fiscal Year Ended June 30, 2015**

	<u>Building Fund</u>	<u>Building Fund (Series A)</u>	<u>Bond Building Fund</u>	<u>Total Building Fund</u>
<b>Revenues</b>				
Other local sources	\$ 1,167,123	\$ 538	\$ 17,521	\$ 1,185,182
<b>Total Revenues</b>	<u>1,167,123</u>	<u>538</u>	<u>17,521</u>	<u>1,185,182</u>
<b>Expenditures</b>				
Plant services	1,939,961	26,486	301,953	2,268,400
Debt service	450,703			450,703
<b>Total Expenditures</b>	<u>2,390,664</u>	<u>26,486</u>	<u>301,953</u>	<u>2,719,103</u>
Deficiency of revenues over expenditures	<u>(1,223,541)</u>	<u>(25,948)</u>	<u>(284,432)</u>	<u>(1,533,921)</u>
<b>Other Financing Sources</b>				
Interfund transfers in	460,673			460,673
<b>Total Other Financing Sources</b>	<u>460,673</u>	<u>-</u>	<u>-</u>	<u>460,673</u>
Net change in fund balance	(762,868)	(25,948)	(284,432)	(1,073,248)
<b>Fund Balance at Beginning of Year</b>	<u>18,000,867</u>	<u>215,441</u>	<u>1,420,035</u>	<u>19,636,343</u>
<b>Fund Balance at End of Year</b>	<u>\$ 17,237,999</u>	<u>\$ 189,493</u>	<u>\$ 1,135,603</u>	<u>\$ 18,563,095</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

**June 30, 2015**

	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Capital Facilities Fund (Residential)</b>	<b>Capital Facilities Fund (Commercial)</b>	<b>County School Facilities Fund</b>	<b>Bond Interest and Redemption Fund</b>	<b>Total Non-major Governmental Funds</b>
<b><u>Assets</u></b>							
Cash in county treasury	\$ 493,271	\$ 299,567	\$ 3,523,051	\$ 930,624	\$ 130,362	\$ 4,814,609	\$ 10,191,484
Cash on hand and in banks		50,386					50,386
Accounts receivable:							
Federal and state governments	128,194	931,661					1,059,855
Miscellaneous			5,071	861	121	3,932	9,985
Due from other funds		1,131					1,131
Inventories		31,166					31,166
<b>Total Assets</b>	<b>\$ 621,465</b>	<b>\$ 1,313,911</b>	<b>\$ 3,528,122</b>	<b>\$ 931,485</b>	<b>\$ 130,483</b>	<b>\$ 4,818,541</b>	<b>\$ 11,344,007</b>
<b><u>Liabilities and Fund Balance</u></b>							
<b>Liabilities</b>							
Accounts payable	\$ 468	\$ 150,621	\$ 5,928	\$	\$	\$	\$ 157,017
Due to other funds	589,114	918,316	20,273	14			1,527,717
Unearned revenue		44,801					44,801
<b>Total Liabilities</b>	<b>589,582</b>	<b>1,113,738</b>	<b>26,201</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>1,729,535</b>
<b>Fund Balance</b>							
Nonspendable		31,166					31,166
Restricted	31,883	169,007	3,501,921	931,471	130,483	4,818,541	9,583,306
<b>Total Fund Balance</b>	<b>31,883</b>	<b>200,173</b>	<b>3,501,921</b>	<b>931,471</b>	<b>130,483</b>	<b>4,818,541</b>	<b>9,614,472</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 621,465</b>	<b>\$ 1,313,911</b>	<b>\$ 3,528,122</b>	<b>\$ 931,485</b>	<b>\$ 130,483</b>	<b>\$ 4,818,541</b>	<b>\$ 11,344,007</b>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2015**

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund (Residential)	Capital Facilities Fund (Commercial)	County School Facilities Fund	Bond Interest and Redemption Fund	Total Non-major Governmental Funds
<b>Revenues</b>							
Federal sources	\$ 16,154	\$ 4,810,302	\$	\$	\$	\$	\$ 4,826,456
Other state sources	1,300,545	355,504				39,599	1,695,648
Other local sources	19,751	1,335,355	1,135,219	91,472	74	4,923,782	7,505,653
<b>Total Revenues</b>	<u>1,336,450</u>	<u>6,501,161</u>	<u>1,135,219</u>	<u>91,472</u>	<u>74</u>	<u>4,963,381</u>	<u>14,027,757</u>
<b>Expenditures</b>							
Instruction	1,143,977						1,143,977
Instruction - related services	120,185						120,185
Pupil services	7,695	7,161,141					7,168,836
General administration	63,217	178,041	33,617	2,675			277,550
Plant services			554,724		531,469		1,086,193
Debt service						5,208,905	5,208,905
<b>Total Expenditures</b>	<u>1,335,074</u>	<u>7,339,182</u>	<u>588,341</u>	<u>2,675</u>	<u>531,469</u>	<u>5,208,905</u>	<u>15,005,646</u>
Excess (deficiency) of revenues over expenditures	<u>1,376</u>	<u>(838,021)</u>	<u>546,878</u>	<u>88,797</u>	<u>(531,395)</u>	<u>(245,524)</u>	<u>(977,889)</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds of refunding bonds						19,847,114	19,847,114
Payment to refunded bond escrow agent						(19,615,450)	(19,615,450)
Interfund transfers in		750,000					750,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,664</u>	<u>981,664</u>
Net change in fund balance	1,376	(88,021)	546,878	88,797	(531,395)	(13,860)	3,775
<b>Fund Balance at Beginning of Year</b>	<u>30,507</u>	<u>288,194</u>	<u>2,955,043</u>	<u>842,674</u>	<u>661,878</u>	<u>4,832,401</u>	<u>9,610,697</u>
<b>Fund Balance at End of Year</b>	<u>\$ 31,883</u>	<u>\$ 200,173</u>	<u>\$ 3,501,921</u>	<u>\$ 931,471</u>	<u>\$ 130,483</u>	<u>\$ 4,818,541</u>	<u>\$ 9,614,472</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
June 30, 2015**

	<b><u>David Graham Scholarship Fund</u></b>	<b><u>Foundation Fund</u></b>	<b><u>Total Private Purpose Trust Funds</u></b>
<b><u>Assets</u></b>			
Cash in county treasury	\$ 57,391	\$ 658,957	\$ 716,348
Accounts receivable:			
Miscellaneous	54	1,985	2,039
<b>Total Assets</b>	<u>57,445</u>	<u>660,942</u>	<u>718,387</u>
<b><u>Liabilities</u></b>			
Accounts payable		52,455	52,455
Due to other funds		46,256	46,256
<b>Total Liabilities</b>	<u>-</u>	<u>98,711</u>	<u>98,711</u>
<b><u>Net Position</u></b>			
Restricted	57,445	562,231	619,676
<b>Total Net Position</b>	<u>\$ 57,445</u>	<u>\$ 562,231</u>	<u>\$ 619,676</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**FIDUCIARY FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**PRIVATE PURPOSE TRUST FUNDS**

**For the Fiscal Year Ended June 30, 2015**

	<b><u>David Graham Scholarship Fund</u></b>	<b><u>Foundation Fund</u></b>	<b><u>Total Private Purpose Trust Funds</u></b>
<b>Additions</b>			
Revenue from local sources	\$ 238	\$ 196,733	\$ 196,971
<b>Total Additions</b>	<u>238</u>	<u>196,733</u>	<u>196,971</u>
<b>Deductions</b>			
Scholarships	1,500		1,500
Other expenses		130,000	130,000
<b>Total Deductions</b>	<u>1,500</u>	<u>130,000</u>	<u>131,500</u>
Change in net position	(1,262)	66,733	65,471
<b>Net Position at Beginning of Year</b>	<u>58,707</u>	<u>495,498</u>	<u>554,205</u>
<b>Net Position at End of Year</b>	<u><u>\$ 57,445</u></u>	<u><u>\$ 562,231</u></u>	<u><u>\$ 619,676</u></u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**ASSOCIATED STUDENT BODY FUNDS**  
**June 30, 2015**

	<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	\$ 428,001	\$ 435,619	\$ 153,514	\$ 22,327	\$ 43,449	\$ 138,373
Inventories	9,146	12,100	2,500			336
<b>Total Assets</b>	<u>437,147</u>	<u>447,719</u>	<u>156,014</u>	<u>22,327</u>	<u>43,449</u>	<u>138,709</u>
<b><u>Liabilities</u></b>						
Funds held in trust	<u>342,127</u>	<u>427,253</u>	<u>94,969</u>	<u>3,338</u>	<u>37,757</u>	<u>12,061</u>
<b>Total Liabilities</b>	<u>342,127</u>	<u>427,253</u>	<u>94,969</u>	<u>3,338</u>	<u>37,757</u>	<u>12,061</u>
<b><u>Net Position</u></b>						
Unrestricted	<u>95,020</u>	<u>20,466</u>	<u>61,045</u>	<u>18,989</u>	<u>5,692</u>	<u>126,648</u>
<b>Total Net Position</b>	<u>\$ 95,020</u>	<u>\$ 20,466</u>	<u>\$ 61,045</u>	<u>\$ 18,989</u>	<u>\$ 5,692</u>	<u>\$ 126,648</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**FIDUCIARY FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**ASSOCIATED STUDENT BODY FUNDS**

**June 30, 2015**

	<b>Cabrillo Middle School</b>	<b>Adult Education</b>	<b>Pacific Continuation High School</b>	<b>El Camino Continuation High School</b>	<b>Total Associated Student Body Funds</b>
<b><u>Assets</u></b>					
Cash on hand and in banks	\$ 116,013	\$ 23,187	\$ 2,992	\$ 7,091	\$ 1,370,566
Inventories	5,607				29,689
<b>Total Assets</b>	<u>121,620</u>	<u>23,187</u>	<u>2,992</u>	<u>7,091</u>	<u>1,400,255</u>
<b><u>Liabilities</u></b>					
Funds held in trust	35,904	20,090			973,499
<b>Total Liabilities</b>	<u>35,904</u>	<u>20,090</u>	<u>-</u>	<u>-</u>	<u>973,499</u>
<b><u>Net Position</u></b>					
Unrestricted	85,716	3,097	2,992	7,091	426,756
<b>Total Net Position</b>	<u>\$ 85,716</u>	<u>\$ 3,097</u>	<u>\$ 2,992</u>	<u>\$ 7,091</u>	<u>\$ 426,756</u>

See the accompanying notes to the optional supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**FIDUCIARY FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**ASSOCIATED STUDENT BODY FUNDS**

**For the Fiscal Year Ended June 30, 2015**

	<u><b>Ventura High School</b></u>	<u><b>Buena High School</b></u>	<u><b>Foothill Technology High School</b></u>	<u><b>Anacapa Middle School</b></u>	<u><b>De Anza Middle School</b></u>	<u><b>Balboa Middle School</b></u>
<b>Additions</b>						
Revenue from local sources	\$ 335,364	\$ 317,080	\$ 213,942	\$ 57,037	\$ 46,548	\$ 132,728
<b>Total Additions</b>	<u>335,364</u>	<u>317,080</u>	<u>213,942</u>	<u>57,037</u>	<u>46,548</u>	<u>132,728</u>
<b>Deductions</b>						
Other expenses	<u>332,188</u>	<u>345,388</u>	<u>227,797</u>	<u>56,140</u>	<u>52,702</u>	<u>124,495</u>
<b>Total Deductions</b>	<u>332,188</u>	<u>345,388</u>	<u>227,797</u>	<u>56,140</u>	<u>52,702</u>	<u>124,495</u>
Change in net position	3,176	(28,308)	(13,855)	897	(6,154)	8,233
<b>Net Position at Beginning of Year</b>	<u>91,844</u>	<u>48,774</u>	<u>74,900</u>	<u>18,092</u>	<u>11,846</u>	<u>118,415</u>
<b>Net Position at End of Year</b>	<u><u>\$ 95,020</u></u>	<u><u>\$ 20,466</u></u>	<u><u>\$ 61,045</u></u>	<u><u>\$ 18,989</u></u>	<u><u>\$ 5,692</u></u>	<u><u>\$ 126,648</u></u>

See the accompanying notes to the optional supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**

**FIDUCIARY FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**ASSOCIATED STUDENT BODY FUNDS**

**For the Fiscal Year Ended June 30, 2015**

	<b>Cabrillo Middle School</b>	<b>Adult Education</b>	<b>Pacific Continuation High School</b>	<b>El Camino Continuation High School</b>	<b>Total Associated Student Body Funds</b>
<b>Additions</b>					
Revenue from local sources	\$ 64,667	\$ 2,209	\$ 1,493	\$ 10,579	\$ 1,181,647
<b>Total Additions</b>	<u>64,667</u>	<u>2,209</u>	<u>1,493</u>	<u>10,579</u>	<u>1,181,647</u>
<b>Deductions</b>					
Other expenses	<u>69,821</u>	<u>1,693</u>	<u>4,677</u>	<u>17,316</u>	<u>1,232,217</u>
<b>Total Deductions</b>	<u>69,821</u>	<u>1,693</u>	<u>4,677</u>	<u>17,316</u>	<u>1,232,217</u>
Change in net position	(5,154)	516	(3,184)	(6,737)	(50,570)
<b>Net Position at Beginning of Year</b>	<u>90,870</u>	<u>2,581</u>	<u>6,176</u>	<u>13,828</u>	<u>477,326</u>
<b>Net Position at End of Year</b>	<u>\$ 85,716</u>	<u>\$ 3,097</u>	<u>\$ 2,992</u>	<u>\$ 7,091</u>	<u>\$ 426,756</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, 2015**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**Combining Fund Financial Statements**

The combining balance sheets and statements of revenues, expenditures and changes in fund balances for the building fund and the non-major governmental funds and the combining statements of fiduciary net position and changes in fiduciary net position have been presented 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**

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2015.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

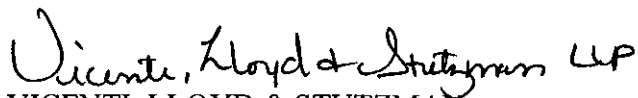
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free 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*.

**Purpose of this Report**

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



VICENTI, LLOYD & STUTZMAN LLP

Glendora, California

December 8, 2015

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

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

**Report on Compliance for Each Major Federal Program**

We have audited Ventura Unified School District's (the District) compliance 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 the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

**Opinion on Each Major Federal Program**

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

**Report on Internal Control Over Compliance**

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

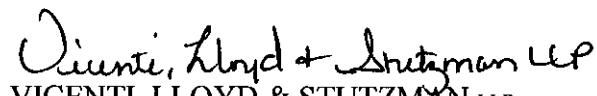
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of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

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

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

**Purpose of this Report**

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

  
VICENTI, LLOYD & STUTZMAN LLP  
Glendora, California  
December 8, 2015



## **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 Ventura Unified School District's (the District) compliance with the types of compliance requirements described in the *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2015. The District's state compliance requirements are identified in the table below.

### **Management's Responsibility**

Management is responsible for compliance with the state laws and regulations as identified below.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to below. 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 the *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 on state compliance. However, our audit does not provide a legal determination of the District's compliance.

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

### Compliance Requirements Tested

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 Performed</u>
Attendance reporting	Yes
Teacher certification and misassignments	Yes
Kindergarten continuance	Yes
Independent study	Yes
Continuation education	Yes
Instructional time	Yes
Instructional materials	Yes
Ratio of administrative employees to teachers	Yes
Classroom teacher salaries	Yes
Early retirement incentive	Not applicable
GANN limit calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or early college high schools	Not applicable
K-3 grade span adjustment	Yes
Transportation maintenance of effort	Yes
Regional Occupational Centers or Programs maintenance of effort	Not applicable
Adult Education maintenance of effort	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Yes
Proper expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Charter Schools:	
Attendance	No <sup>1</sup>
Mode of instruction	No <sup>1</sup>
Nonclassroom-based instruction/independent study	No <sup>1</sup>
Determination of funding for nonclassroom-based instruction	No <sup>1</sup>
Annual instructional minutes - classroom based	No <sup>1</sup>
Charter School Facility Grant Program	No <sup>1</sup>

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

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

### Opinion on State Compliance

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2015.

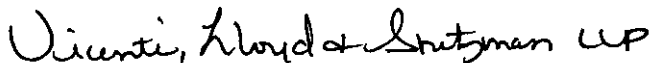
### Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and which is described in the accompanying schedule of findings and questioned costs as item 15-001. Our opinion on each state program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, California  
December 8, 2015

## **FINDINGS AND QUESTIONED COSTS**

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SUMMARY OF AUDITOR RESULTS**  
**June 30, 2015**

*Financial Statements*

Type of auditor's report issued: Unmodified

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: Unmodified

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>
84.027, 84.173, 84.027A	Special Ed Cluster
84.165A	Magnet Schools Assistance
84.287	Title IV, 21 <sup>st</sup> Century

Dollar threshold used to distinguish between Type A  
and Type B programs: \$ 550,076

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, 2015**

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

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Note: Each of the findings and recommendations below include details about the criteria or specific requirements, the condition, the effect and the cause. Questioned costs, if applicable are listed separately. The District's response that follows the finding is the District's corrective action plan.

There were no findings or questioned costs related to the basic financial statements for the fiscal year ended June 30, 2015.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FEDERAL AWARDS**  
**June 30, 2015**

There were no findings and questioned costs related to federal awards for the fiscal year ended June 30, 2015.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO STATE AWARDS**  
**June 30, 2015**

**FINDING 2015-001: UNDUPLICATED LOCAL CONTROL FUNDING 40000**  
**FORMULA PUPIL COUNTS**

**Criteria:** Education Code section 42238.02(b)(2) requires a school district or charter school to submit its enrolled free and reduced-price meal eligibility, foster youth and English learner pupil level records for enrolled pupils using the California Longitudinal Pupil Achievement Data System (CalPADS). The CalPADS reports should accurately report the number of students as identified above.

**Condition:** 307 students that qualified for free and reduced price meals in the previous year did not submit an application to re-establish their eligibility or were deemed ineligible. The data used to create the CalPADS report did not reflect these charges in eligibility and was from a date within the eligibility grace period; therefore the over reporting of the number of students as Eligible Free/Reduced Meal Counts occurred. The students' status in the food service system was properly updated for free and reduced price meals.

**Effect:** The District was not in compliance with Education Code section 42238.02(b)(2). The 1.17 and 1.18 reports contained errors as follows:

**Summary of Sites Tested**

	<b>Unduplicated FRPM Eligible</b>	<b>English Learner (EL)</b>	<b>Unduplicated FRPM and EL</b>	<b>Enrollment Count as reported in the CalPADS System</b>	<b>Total Unduplicated Pupil Count</b>
<b>Academy of Technology &amp; Leadership at Saticoy</b>					
As reported	218	52	224	337	224
Audit adjustments	(2)				(2)
Adjusted	216	52	224	337	222
<b>Anacapa Middle</b>					
As reported	493	99	502	823	502
Audit adjustments	(13)				(13)
Adjusted	480	99	502	823	489
<b>Balboa Middle</b>					
As reported	530	103	546	1,218	546
Audit adjustments	(26)				(26)
Adjusted	504	103	546	1,218	520
<b>Blanche Reynolds Elementary</b>					
As reported	256	51	263	445	263
Audit adjustments	(3)				(3)
Adjusted	253	51	263	445	260



**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**RELATED TO STATE AWARDS**

**June 30, 2015**

**FINDING 2015-001: UNDUPLICATED LOCAL CONTROL FUNDING**  
**FORMULA PUPIL COUNTS (continued)**

**40000**

**Summary of Sites Tested (continued)**

	<b>Unduplicated FRPM Eligible</b>	<b>English Learner (EL)</b>	<b>Unduplicated FRPM and EL</b>	<b>Enrollment Count as reported in the CalPADS System</b>	<b>Total Unduplicated Pupil Count</b>
<b>Buena High</b>					
As reported	918	152	936	1,977	936
Audit adjustments	(50)				(50)
Adjusted	868	152	936	1,977	886
<b>Cabrillo Middle</b>					
As reported	369	55	372	930	372
Audit adjustments	(14)				(14)
Adjusted	355	55	372	930	358
<b>Citrus Glen Elementary</b>					
As reported	276	105	292	575	292
Audit adjustments	(5)				(5)
Adjusted	271	105	292	575	287
<b>De Anza Academy of Technology and the Arts</b>					
As reported	490	255	576	884	576
Audit adjustments	(27)				(27)
Adjusted	463	255	576	884	549
<b>E.P. Foster Elementary</b>					
As reported	289	298	409	442	409
Audit adjustments	(5)				(5)
Adjusted	284	298	409	442	404
<b>El Camino High</b>					
As reported	51	2	53	271	53
Audit adjustments	(15)				(15)
Adjusted	36	2	53	271	38
<b>Elmhurst Elementary</b>					
As reported	322	101	339	558	339
Audit adjustments	(6)				(6)
Adjusted	316	101	339	558	333
<b>Foothill Technology High</b>					
As reported	292	19	297	1,038	297
Audit adjustments	(23)				(23)
Adjusted	269	19	297	1,038	274

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO STATE AWARDS**  
**June 30, 2015**

**FINDING 2015-001: UNDUPLICATED LOCAL CONTROL FUNDING** **40000**  
**FORMULA PUPIL COUNTS (continued)**

**Summary of Sites Tested (continued)**

	<b>Unduplicated FRPM Eligible</b>	<b>English Learner (EL)</b>	<b>Unduplicated FRPM and EL</b>	<b>Enrollment Count as reported in the CalPADS System</b>	<b>Total Unduplicated Pupil Count</b>
<b>Homestead (Alternative)</b>					
As reported	8	3	11	40	11
Audit adjustments					
Adjusted	8	3	11	40	11
<b>Juanamaria Elementary</b>					
As reported	201	81	226	459	226
Audit adjustments	(7)				(7)
Adjusted	194	81	226	459	219
<b>Junipero Serra Elementary</b>					
As reported	252	61	271	622	271
Audit adjustments	(7)				(7)
Adjusted	245	61	271	622	264
<b>Lincoln Elementary</b>					
As reported	177	47	185	284	185
Audit adjustments	(2)				(2)
Adjusted	175	47	185	284	183
<b>Loma Vista Elementary</b>					
As reported	105	28	111	386	111
Audit adjustments	(1)				(1)
Adjusted	104	28	111	386	110
<b>Montalvo Elementary</b>					
As reported	218	157	282	432	282
Audit adjustments	(7)				(7)
Adjusted	211	157	282	432	275
<b>Mound Elementary</b>					
As reported	52	15	66	576	66
Audit adjustments	(2)				(2)
Adjusted	50	15	66	576	64
<b>NPS School Group for Ventura Unified</b>					
As reported	6	1	6	11	6
Audit adjustments					
Adjusted	6	1	6	11	6

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
RELATED TO STATE AWARDS  
June 30, 2015**

**FINDING 2015-001: UNDUPLICATED LOCAL CONTROL FUNDING  
FORMULA PUPIL COUNTS (continued)**

**40000**

**Summary of Sites Tested (continued)**

	<b>Unduplicated FRPM Eligible</b>	<b>English Learner (EL)</b>	<b>Unduplicated FRPM and EL</b>	<b>Enrollment Count as reported in the CalPADS System</b>	<b>Total Unduplicated Pupil Count</b>
<b>Pacific High</b>					
As reported	88	29	95	126	95
Audit adjustments	(10)				(10)
Adjusted	78	29	95	126	85
<b>Pierpont Elementary</b>					
As reported	56	5	58	268	58
Audit adjustments	(6)				(6)
Adjusted	50	5	58	268	52
<b>Poinsettia Elementary</b>					
As reported	150	29	168	490	168
Audit adjustments	(10)				(10)
Adjusted	140	29	168	490	158
<b>Portola Elementary</b>					
As reported	404	118	416	619	416
Audit adjustments	(8)				(8)
Adjusted	396	118	416	619	408
<b>Sheridan Way Elementary</b>					
As reported	373	411	502	519	502
Audit adjustments	(5)				(5)
Adjusted	368	411	502	519	497
<b>Sunset Elementary</b>					
As reported	200	77	208	339	208
Audit adjustments	(2)				(2)
Adjusted	198	77	208	339	206
<b>Ventura High</b>					
As reported	1,111	279	1,133	2,189	1,133
Audit adjustments	(46)				(46)
Adjusted	1,065	279	1,133	2,189	1,087
<b>Will Rogers Elementary</b>					
As reported	245	248	336	503	336
Audit adjustments	(5)				(5)
Adjusted	240	248	336	503	331

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO STATE AWARDS**  
**June 30, 2015**

**FINDING 2015-001: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (continued) 40000**

**Summary of Sites Tested (continued)**

	Unduplicated FRPM Eligible	English Learner (EL)	Unduplicated FRPM and EL	Enrollment Count as reported in the CalPADS System	Total Unduplicated Pupil Count
<b>Total</b>					
As reported	8,150	2,881	8,883	17,361	8,883
Audit adjustments	<u>(307)</u>	<u></u>	<u></u>	<u></u>	<u>(307)</u>
Adjusted	7,843	2,881	8,883	17,361	8,576

**Cause:** A procedure was not in place to update CalPADS data for changes in student FRPM status within the grace period.

**Questioned Costs:** The impact on the local control funding formula calculated resulted in an estimated overstatement of revenue of \$72,000.

**Recommendation:** We recommend the District revise its CalPADS reporting accordingly and implement additional review procedures to ensure that errors are prevented on future CalPADS reporting.

**District Response:** The error was caused by a student record storage problem in our student information system (SIS). Once we identified the source of the error we contacted the Ventura County Office of Education and the software developers, and reported the issue. As a result, the system error has been corrected. The (SIS) record storage process is being monitored daily. As of December 9, 2015, the student record storage procedure has been running without error.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**June 30, 2015**

There were no findings and questioned costs related to the basic financial statements, federal awards or state awards for the fiscal year ended June 30, 2014.