



**Agenda Item Details**

Meeting Mar 09, 2021 - Board of Trustees Meeting

Category 9. Action: Business and Administrative Services

Subject 9.01 REVISED: Action to Approve Acceptance of the Audited Financial Statements for the Fiscal Year Ending June 30, 2020 (please see Item 3.03 Changes to Agenda)

Type Action

Recommended Action The Chancellor recommends approval.

Presenter  
David El Fattal

Background/Analysis

The District’s financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments, followed by Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public College and Universities, as amended by GASB Statements No. 37, No. 38, and No. 39. The District received unmodified opinions on the special report, the annual financial report, federal compliance, and state compliance.

An unmodified opinion is the best opinion possible.

Summary of Auditor’s Results

Criteria	Results/Response
<b>Financial Statements</b>	
Type of auditor’s report issued	Unmodified
Internal Control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
<b>Federal Awards</b>	
Type of auditor’s report issued on compliance for major Federal programs	Unmodified
Internal control over major Federal programs	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes*
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	Yes*
<b>State Awards</b>	
Type of auditor’s report issued on compliance for State programs	Unmodified

\*Recipients of the CARES Act Student Share were required to report student grant metrics and other data within 30 days of their award allocation date. The external auditors noted a significant deficiency related to this requirement. The interim reporting guidelines released by the Department of Ed (ED) directed recipient institutions to make the student grant metrics available on the institution’s website.

Moorpark College had difficulty providing copies of the college website from May 2020. Websites are not the ideal repository for grant reports due to limited archival capabilities. The District agrees with the recommendation to maintain documentation in support of all reporting requirements. The District has developed more robust procedures to maintain copies of college websites related to the student grant metrics required under the CARES Act Student Share Reporting.

Copies of audit reports and related audit communications with the audit firm, Eide Bailly LLP, are available for review in the office of the Vice Chancellor, Business and Administrative Services.

Representatives from Eide Bailly will be present to comment and respond to questions concerning the annual audit.

Impact of Approval

The District's reporting obligations to stakeholders like the California Community Colleges Chancellor's Office can be met in a timely manner.

Impact of Non-Approval

The District's reporting obligations to stakeholders like the California Community Colleges Chancellor's Office may be delayed or may be negatively impacted.

Fiscal Impact

None

Further Information

David El Fattal

[Ventura County CCD Report.pdf \(1,082 KB\)](#)

[Ventura County CCD Special Report.pdf \(669 KB\)](#)

**Motion & Voting**

The Chancellor recommends approval.

Motion by Trustee Stan Mantooh, second by Trustee Dianne McKay.

Final Resolution: Motion was approved.

Yes: Trustee Joshua Chancer, Trustee Gabriela Torres, Trustee Stan Mantooh, Trustee Dianne McKay, Student Trustee Ashley Gonzales Advisory Vote

Not Present at Vote: Trustee Bernardo Perez



Financial Statements  
June 30, 2020

Ventura County  
Community College District

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## Independent Auditor's Report

Board of Trustees  
Ventura County Community College District  
Camarillo, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Ventura County Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 4 through 13, and other required supplementary schedules on pages 67 through 72 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 financial statements. The accompanying supplementary information listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards and the other supplementary information listed in the table of contents 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the District's 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
February 22, 2021



# Ventura County Community College District

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DR. GREG GILLESPIE  
CHANCELLOR

## USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Ventura County Community College District (the District) as of June 30, 2020. The report consists of three basic financial statements: the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows and provides information about the District's Primary Government and its Fiduciary Funds. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



## **FINANCIAL HIGHLIGHTS**

The District's primary funding source is based upon apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2019-2020 fiscal year, the reported FTES were 25,673 as compared to 25,239 in the 2018-2019 fiscal year. The District expects to be fully funded for fiscal year 2018-2019 and 2019-2020.

The District is continuing several construction and modernization projects at our three college campuses resulting in completed building and improvements to sites of approximately \$2.3 million in the 2019-2020 fiscal year. These projects are funded from local resources and from our voter approved general obligation bond.

Costs for employee salaries increased by 3.6 percent or \$4.2 million in the 2019-2020 fiscal year and costs associated with employee benefits decreased by 4.6 percent or \$3.5 million. Benefits decreased due to the State of California's on-behalf payment for pensions decreased \$4.4 million.

During the 2019-2020 fiscal year, the District provided \$68 million in financial aid to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding.

The District issued \$85 million in general obligation bonds on August 12, 2002, with an additional \$80 million on October 26, 2005, and \$191.3 million on October 28, 2008, which represents the last issuance of the \$356.3 million approved by the voters in the March 2002 local election for construction and renovation projects and equipment throughout the District. These projects were approved by the voters within the District's boundaries and were completed in the 2019-2020 fiscal year.

**THE DISTRICT AS A WHOLE**

**Net Position**

**Table 1**

	2020	2019
Assets		
Current Assets		
Cash and investments	\$ 184,143,578	\$ 174,509,726
Accounts receivable (net)	15,555,103	14,036,407
Other current assets	477,837	318,619
Total current assets	200,176,518	188,864,752
Capital assets (net)	533,309,696	541,452,158
Total assets	733,486,214	730,316,910
Deferred Outflows of Resources		
Deferred charges on refunding	34,782,999	22,024,797
Deferred outflows of resources related to OPEB	16,297,121	15,477,561
Deferred outflows of resources related to pensions	41,929,851	48,527,536
Total deferred outflows of resources	93,009,971	86,029,894
Total assets and deferred outflows	\$ 826,496,185	\$ 816,346,804
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 51,278,469	\$ 50,738,211
Current portion of long-term liabilities	16,028,064	11,680,465
Total current liabilities	67,306,533	62,418,676
Long-Term Liabilities	651,361,252	662,042,943
Total liabilities	718,667,785	724,461,619
Deferred Inflows of Resources		
Deferred inflows of resources related to OPEB	6,563,972	51,880
Deferred inflows of resources related to pensions	13,892,156	12,363,573
Total deferred inflows of resources	20,456,128	12,415,453
Net Position		
Net investment in capital assets	249,397,018	249,434,921
Restricted	63,248,091	53,662,936
Unrestricted deficit	(225,272,837)	(223,628,125)
Total net position	87,372,272	79,469,732
Total liabilities, deferred inflows and net position	\$ 826,496,185	\$ 816,346,804

Cash and investments consist primarily of funds held in the Ventura County Treasury. Funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and return on investment. The Statement of Cash Flows contained with these financial statements provides greater detail regarding the sources and uses of cash, and the net change in cash during fiscal years 2018-2019 and 2019-2020.

A majority of the accounts receivable balance is from the Federal and State government, which totaled approximately \$3.7 million for categorical aid and \$4.9 million for apportionment at June 30, 2020. Note 5 in the financial statements provides additional information on Accounts Receivable.

Net capital assets was \$533.3 million at June 30, 2020. The District had additions of \$8.5 million related to construction in progress. Depreciation expense of \$18.4 million was recognized during 2019-2020. The capital asset section of this discussion and analysis provides greater detail.

In 2011, 2014, 2015, and 2019, the District issued refunding bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, which totaled \$34,782,999 million at June 30, 2020, is deferred and amortized to interest expense.

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

The majority of long-term liabilities consist of bonds payable related to the issuance of the District's general obligations bonds, which totaled \$329.5 million at June 30, 2020.

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

**Operating Results for the Year**

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

**Table 2**

	2020	2019
Operating Revenues		
Net tuition and fees	\$ 18,104,925	\$ 19,985,484
Total grants and contracts, noncapital	49,431,411	49,269,901
Auxiliary sales and charges/other operating	577,464	538,745
Total operating revenues	68,113,800	69,794,130
Operating Expenses		
Salaries and benefits	191,694,739	191,008,803
Supplies and maintenance	27,881,303	29,497,457
Student financial aid	58,542,232	50,307,474
Depreciation	18,362,343	18,188,197
Total operating expenses	296,480,617	289,001,931
Loss on Operations	(228,366,817)	(219,207,801)
Nonoperating Revenues (Expenses)		
State apportionments	83,029,559	77,055,736
Property taxes	97,197,777	94,203,026
Federal and state financial aid grants, noncapital	49,100,650	44,095,124
State revenues	6,816,596	10,197,799
Net interest expense	(5,185,638)	(11,248,314)
Net other nonoperating revenues	3,676,707	3,908,049
Total nonoperating revenues (expenses)	234,635,651	218,211,420
Other Revenues and (Losses)		
State and local capital income	1,638,041	3,029,207
Loss on disposal of capital assets	(4,335)	-
Total other revenues and (losses)	1,633,706	3,029,207
Change in Net Position	\$ 7,902,540	\$ 2,032,826

The primary components of tuition and fees are the \$46 per unit enrollment fee that is charged to students registering for classes and the additional \$247 per unit fee that is charged to non-resident students.

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

The principal components of the District's nonoperating revenue are State apportionment, property taxes, and grants and contracts. The amount of State general apportionment received by the District is largely dependent upon the number of FTES generated and reported to the State, less amounts received from enrollment fees and local property taxes. We noted an increase in State apportionment of \$6.0 million or 7.8 percent from prior year. Property tax revenue increased \$3.0 million or 3.2 percent from the prior year.

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

Interest income of \$3.6 million was offset by interest expense of \$8.8 million. The interest income is primarily the result of cash held in the Ventura County Treasury. Interest expense closely follows the District's debt service schedule.

Expenses are reported by their functional categories as follows:

**Table 3**

	Salaries	Employee Benefits	Supplies and Materials	Student Financial Aid	Equipment and Repairs	Depreciation	Total
Academic support	\$ 19,276,404	\$ 9,916,540	\$ 1,057,952	\$ -	\$ 3,818	\$ -	\$ 30,254,714
Ancillary and auxiliary	1,559,247	600,413	1,996,598	-	-	-	4,156,258
Community services	666,982	218,965	285,542	-	5,388	-	1,176,877
Instructional	60,216,024	33,518,873	3,910,189	-	615,606	-	98,260,692
Instructional support	16,131,947	16,907,471	9,589,885	-	501,309	-	43,130,612
Plant operations	6,007,445	4,145,578	5,351,355	-	246,370	-	15,750,748
Student aid	-	-	-	58,542,232	-	-	58,542,232
Student services	15,614,608	6,914,242	3,006,397	-	259,585	-	25,794,832
Physical property	-	-	791,881	-	259,428	-	1,051,309
Depreciation	-	-	-	-	-	18,362,343	18,362,343
<b>Total</b>	<b>\$ 119,472,657</b>	<b>\$ 72,222,082</b>	<b>\$ 25,989,799</b>	<b>\$ 58,542,232</b>	<b>\$ 1,891,504</b>	<b>\$ 18,362,343</b>	<b>\$ 296,480,617</b>

**Changes in Cash Position**

**Table 4**

	<u>2020</u>	<u>2019</u>
Cash from (used for)		
Operating activities	\$(202,746,273)	\$(192,894,348)
Noncapital financing activities	214,927,123	213,267,491
Capital financing activities	(6,308,688)	(12,094,027)
Investing activities	<u>3,761,690</u>	<u>3,497,461</u>
Net Increase in Cash	9,633,852	11,776,577
Cash, Beginning of Year	<u>174,509,726</u>	<u>162,733,149</u>
Cash, End of Year	<u><u>\$ 184,143,578</u></u>	<u><u>\$ 174,509,726</u></u>

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

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2020, the District had \$768 million in a broad range of capital assets, including land, construction in progress, buildings, and furniture and equipment. At June 30, 2020, net capital assets were \$533.3 million. The District acknowledges the Total Cost of Ownership and completes capital projects and scheduled maintenance as budgetary priorities allow. These projects are primarily funded with designated resources. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought into the depreciable Buildings and Improvements category.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

**Table 5**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Land and construction in progress	\$ 133,187,808	\$ 8,534,333	\$ (1,783,904)	\$ 139,938,237
Buildings and improvements	596,705,547	2,283,945	-	598,989,492
Equipment and vehicles	28,077,099	1,189,842	(231,894)	29,035,047
Subtotal	757,970,454	12,008,120	(2,015,798)	767,962,776
Accumulated depreciation	(216,518,296)	(18,362,343)	227,559	(234,653,080)
	<u>541,452,158</u>	<u>(6,354,223)</u>	<u>(1,788,239)</u>	<u>533,309,696</u>

**Liabilities**

At the end of the 2019-2020 fiscal year, the District had \$329.5 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Ventura County Community College District boundaries.

Note 10, 11, and 13 in the financial statements provides additional information on long-term liabilities. A summary of long-term liabilities is presented below.

**Table 6**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
General obligation bonds	\$ 326,363,727	\$ 119,483,078	\$ 116,301,078	\$ 329,545,727
Aggregate net OPEB liability	176,854,684	-	12,386,908	164,467,776
Aggregate net pension liability	166,221,529	2,201,634	-	168,423,163
Other liabilities	4,283,468	793,460	124,278	4,952,650
Total long-term liabilities	673,723,408	122,478,172	128,812,264	667,389,316
Amount due within one year				16,028,064

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2019-2020 fiscal year on September 8, 2020.

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



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

The economic position of the District is closely tied to the State of California as State apportionments and property taxes allocated to the District represent approximately 76 percent of the total unrestricted sources of revenue received within the General Fund.

In fiscal year 2019-2020, the District served 25,673 FTES. There were no unfunded FTES. The District continues to emphasize enrollment management to help reduce the risks associated with unfunded FTES while continuing to meet our primary mission.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Ventura County Community College District, 761 E. Daily Drive, Suite 200, Camarillo, CA 93010.

Ventura County Community College District

Statement of Net Position

June 30, 2020

Assets	
Cash and cash equivalents	\$ 64,200
Investments	184,079,378
Accounts receivable, net	11,677,774
Student receivable, net	3,877,329
Prepaid expenses	477,837
Capital assets	
Nondepreciable capital assets	139,938,237
Depreciable capital assets, net of depreciation	<u>393,371,459</u>
Total capital assets	<u>533,309,696</u>
Total assets	<u>733,486,214</u>
Deferred Outflows of Resources	
Deferred charges on refunding	34,782,999
Deferred outflows of resources related to OPEB	16,297,121
Deferred outflows of resources related to pensions	<u>41,929,851</u>
Total deferred outflows of resources	<u>93,009,971</u>
Liabilities	
Accounts payable	13,581,970
Accrued interest payable	3,161,359
Unearned revenue	34,506,100
Other current liabilities	29,040
Long-term liabilities	
Long-term liabilities other than OPEB and pensions, due within one year	16,028,064
Long-term liabilities other than OPEB and pensions, due in more than one year	318,470,313
Aggregate net other postemployment benefits (OPEB) liability	164,467,776
Aggregate net pension liability	<u>168,423,163</u>
Total liabilities	<u>718,667,785</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	6,563,972
Deferred inflows of resources related to pensions	<u>13,892,156</u>
Total deferred inflows of resources	<u>20,456,128</u>
Net Position	
Net investment in capital assets	249,397,018
Restricted for	
Debt service	21,059,636
Capital projects	33,768,132
Educational programs	8,056,248
Other activities	364,075
Unrestricted deficit	<u>(225,272,837)</u>
Total net position	<u>\$ 87,372,272</u>

Ventura County Community College District  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2020

Operating Revenues	
Student tuition and fees	\$ 27,592,985
Less scholarship discount and allowance	<u>(9,488,060)</u>
Net tuition and fees	<u>18,104,925</u>
Grants and Contracts, noncapital	
Federal	5,166,710
State	42,893,683
Local	<u>1,371,018</u>
Total grants and contracts, noncapital	<u>49,431,411</u>
Auxiliary enterprise sales and charges	
Food service	66,359
Other operating revenues	<u>511,105</u>
Total operating revenues	<u>68,113,800</u>
Operating Expenses	
Salaries	119,472,657
Employee benefits	72,222,082
Supplies, materials, and other operating expenses and services	25,989,799
Student financial aid	58,542,232
Equipment, maintenance, and repairs	1,891,504
Depreciation	<u>18,362,343</u>
Total operating expenses	<u>296,480,617</u>
Operating Loss	<u>(228,366,817)</u>
Nonoperating Revenues (Expenses)	
State apportionments, noncapital	83,029,559
Local property taxes, levied for general purposes	75,515,579
Taxes levied for other specific purposes	21,682,198
Federal financial aid grants, noncapital	43,735,047
State financial aid grants, noncapital	5,365,603
State taxes and other revenues	6,816,596
Investment income	3,258,585
Interest expense on capital related debt	(8,772,761)
Investment income on capital asset-related debt	328,538
Transfer from fiduciary funds	86,536
Transfer to fiduciary funds	(62,516)
Other nonoperating revenues	<u>3,652,687</u>
Total nonoperating revenues (expenses)	<u>234,635,651</u>
Income before other revenues	<u>6,268,834</u>
Other Revenues (Losses)	
State revenues, capital	134,947
Local revenues, capital	1,503,094
Loss on disposal of capital assets	<u>(4,335)</u>
Total other revenues (losses)	<u>1,633,706</u>
Change in Net Position	7,902,540
Net Position, Beginning of Year	<u>79,469,732</u>
Net Position, End of Year	<u>\$ 87,372,272</u>

Ventura County Community College District  
Statement of Cash Flows  
Year Ended June 30, 2020

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Operating Activities	
Tuition and fees	\$ 20,702,420
Federal, State, and local operating grants and contracts	49,591,345
Payments to vendors for supplies and services	(27,803,788)
Payments to or on behalf of employees	(187,271,482)
Payments for scholarships and grants	(58,542,232)
Auxiliary enterprise sales and charges	577,464
	(202,746,273)
Net Cash Flows from Operating Activities	
Noncapital Financing Activities	
State apportionments	79,774,259
Federal and State financial aid grants	49,100,650
Property taxes - nondebt related	75,515,579
State taxes and other apportionments	6,441,706
Other nonoperating revenues	4,094,929
	214,927,123
Net Cash Flows from Noncapital Financing Activities	
Capital Financing Activities	
Net change in capital assets	(10,224,216)
State revenue - capital projects	134,947
Local revenue - capital projects	1,503,094
Property taxes - related to capital debt	21,682,198
Proceeds from capital debt	115,180,000
Principal paid on capital debt	(109,890,000)
Interest paid on capital debt	(25,023,249)
Interest received on capital asset-related debt	328,538
	(6,308,688)
Net Cash Flows from Capital Financing Activities	
Investing Activities	
Interest received from investments	3,761,690
	3,761,690
Net Change in Cash and Cash Equivalents	
	9,633,852
Cash and Cash Equivalents, Beginning of Year	
	174,509,726
Cash and Cash Equivalents, End of Year	
	\$ 184,143,578

Ventura County Community College District

Statement of Cash Flows

Year Ended June 30, 2020

Reconciliation of net operating loss to net cash used from operating activities	
Operating loss	<u>\$ (228,366,817)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation expense	18,362,343
Changes in assets, deferred outflows, liabilities and deferred inflows	
Receivables, net	1,190,167
Prepaid expenses	(159,218)
Accounts payable and accrued liabilities	(523,183)
Unearned revenue	1,567,262
Deferred outflows of resources related to OPEB	(819,560)
Deferred outflows of resources related to pensions	6,597,685
Deferred inflows of resources related to OPEB	6,512,092
Deferred inflows of resources related to pensions	1,528,583
Aggregate net OPEB liability	(12,386,908)
Aggregate net pension liability	2,201,634
Compensated absences/Load banking	<u>1,549,647</u>
Total adjustments	<u>25,620,544</u>
Net Cash Flows From Operating Activities	<u>\$ (202,746,273)</u>
Cash and Cash Equivalents Consist of the Following:	
Cash in banks	\$ 64,200
Cash in county treasury	<u>184,079,378</u>
Total cash and cash equivalents	<u>\$ 184,143,578</u>
Noncash Transactions	
Amortization of deferred charges on refunding	\$ 2,663,246
Recognition of deferred charges	\$ 15,421,448
Amortization of debt premium	\$ 6,411,078
Accretion of interest on capital appreciation bonds	\$ 4,303,078

Ventura County Community College District

Fiduciary Funds

Statement of Net Position

June 30, 2020

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	Retiree OPEB Trust	Other Trust funds
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 5,000
Investments	22,890,864	11,677,934
Accounts receivable	-	164,411
Student receivable	-	368,177
Fixed assets	-	7,942
	<u>                    </u>	<u>                    </u>
Total assets	<u>22,890,864</u>	<u>12,223,464</u>
<b>Liabilities</b>		
Accounts payable	-	45,265
Unearned revenue	-	538,115
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>-</u>	<u>583,380</u>
<b>Net Position</b>		
Restricted	22,890,864	-
Unrestricted	-	11,640,084
	<u>                    </u>	<u>                    </u>
Total net position	<u>\$ 22,890,864</u>	<u>\$ 11,640,084</u>

Ventura County Community College District

Fiduciary Funds

Statement of Changes in Net Position

Year Ended June 30, 2020

	Retiree OPEB Trust	Other Trust Funds
<b>Additions</b>		
State revenues	\$ -	\$ 797
Local revenues	-	3,183,249
Interest and investment income	892,070	-
District contributions	15,948,485	-
Realized gain on sale of investments	72,805	-
Unrealized loss on investments	(61,255)	-
Transfers from primary government	-	62,516
<b>Total additions</b>	<b>16,852,105</b>	<b>3,246,562</b>
<b>Deductions</b>		
Academic salaries	-	9,282
Classified salaries	-	362,828
Employee benefits	15,948,485	50,085
Books and supplies	-	649,881
Services and operating expenditures	-	515,688
Administrative expenses	83,280	-
Capital outlay	-	69,239
Transfers to primary government	-	86,536
Other uses - student aid	-	443,580
<b>Total deductions</b>	<b>16,031,765</b>	<b>2,187,119</b>
<b>Change in Net Position</b>	<b>820,340</b>	<b>1,059,443</b>
<b>Net Position - Beginning</b>	<b>22,070,524</b>	<b>10,580,641</b>
<b>Net Position - Ending</b>	<b>\$ 22,890,864</b>	<b>\$ 11,640,084</b>

**Note 1 - Organization**

The Ventura County Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Ventura County. The District operates under a locally elected five-member Board of Trustees form of government which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within Ventura County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

**Note 2 - Summary of Significant Accounting Policies****Basis of Accounting - Measurement Focus, and Financial Statement Presentation**

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Fiduciary activities, with the exception of the Student Financial Aid Fund, are excluded from the basic financial statements. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.



Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts, and auxiliary activities through the food service.

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

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

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussions and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

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

### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the Statement of Cash Flows.

### **Investments**

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

### **Accounts Receivable**

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was at \$2,262,308 for the year ended June 30, 2020.

### **Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

### **Capital Assets and Depreciation**

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed.

The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

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

### **Accrued Liabilities and Long-Term Liabilities**

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

### **Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

### **Debt Premiums**

Debt premiums are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charges on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension and OPEB related items.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (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. The aggregate net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District OPEB Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District OPEB Plan and MPP. For this purpose, the District OPEB Plan and MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

**Unearned Revenue**

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

**Noncurrent Liabilities**

Noncurrent liabilities include bonds payable, compensated absences, load banking, the aggregate net OPEB liability, and the aggregate net pension liability with maturities greater than one year.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$63,248,091 of restricted net position.

**Operating Revenues and Expenses**

*Classification of Revenues* - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

*Operating revenues* - Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.

*Nonoperating revenues* - Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

*Classification of Expenses* - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

*Operating expenses* - Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.

*Nonoperating expenses* - Nonoperating expenses include interest expense and other expenses not directly related to the services of the District.

### **State Apportionments**

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

### **Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a general obligation bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above.

### **Scholarships, Discounts, and Allowances**

Student tuition and fee revenue is reported net of scholarships, discounts, and allowances. Fee waivers approved by the Board of Governors are included within scholarships, discounts, and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf.

### **Federal Financial Assistance Programs**

The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study programs, and Direct Student Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

### **Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts

reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **Interfund Activity**

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

### **Change in Accounting Principles**

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

The provisions of this Statement have been implemented as of June 30, 2020, with the exception of Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The District has already implemented this standard as of June 30, 2020.

### **New Accounting Pronouncements**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting

purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.



This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB

Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits

- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The effects of this change on the District's financial statements have not yet been determined.

**Note 3 - Deposits and Investments****Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

**Investment in County Treasury**

In accordance with the *Budget and Accounting Manual*, the District maintains substantially all of its cash in the County Treasurer as part of the common investment pool. The District is considered to be an involuntary participant in the external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**General Authorizations**

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**Authorized Under Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2020, consist of the following:

Primary government	\$ 184,143,578
Fiduciary funds	<u>34,573,798</u>
Total deposits and investments	<u><u>\$ 218,717,376</u></u>
Cash on hand and in banks	\$ 44,200
Cash in revolving	25,000
Investments	<u>218,648,176</u>
Total deposits and investments	<u><u>\$ 218,717,376</u></u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County Investment Pool and mutual funds. The Ventura County Investment Pool purchases shorter term investments and attempts to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

### Specific Identification

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

Investment Type	Reported Amount	Weighted Average Maturity in Days
Ventura County Investment Pool	\$ 195,757,312	249
Mutual Funds	22,890,864	N/A
Total	\$ 218,648,176	

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Ventura County Investment Pool is not required to be rated. However, as of June 30, 2020, the County portfolio was rated AAf/S1+ by Standard and Poor's.

### Custodial Credit Risk

#### Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District did not have any deposits exposed to custodial credit risk because all balances were insured by the Federal Deposit Insurance Corporation (FDIC).

#### Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2020, the District's investment balance of approximately \$22.9 million was exposed to custodial credit risk because it was uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.



**Note 4 - Fair Value Measurements**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Level 1 Inputs
Mutual Funds	\$ 22,890,864	\$ 22,890,864

All assets have been valued using a market approach, with quoted market prices.

**Note 5 - Accounts Receivables**

Accounts receivables at June 30, 2020, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

The accounts receivable are as follows:

	<u>Primary Government</u>
Federal Government	
Categorical aid	\$ 2,799,882
Other Federal aid	18,790
State Government	
Apportionment	4,949,932
Categorical aid	896,622
Lottery - restricted and unrestricted	1,335,226
Other State sources	1,905
Local Sources	
Interest	1,163,414
Foundation	50,140
Other local sources	475,945
	<u>11,691,856</u>
Accounts receivable	11,691,856
Less reserve	(14,082)
	<u>11,677,774</u>
Accounts receivable, net	<u>\$ 11,677,774</u>
Student receivables	\$ 6,125,555
Less reserve	(2,248,226)
	<u>3,877,329</u>
Student receivables, net	<u>\$ 3,877,329</u>
	<u>Fiduciary Funds</u>
Local Sources	
Interest	\$ 32,940
Foundation	131,276
Other local sources	195
	<u>164,411</u>
Total	<u>\$ 164,411</u>
Student receivables	<u>\$ 368,177</u>

**Note 6 - Capital Assets**

Capital asset activity for the District for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Nondepreciable Capital Assets</b>				
Land	\$ 112,885,938	\$ -	\$ -	\$ 112,885,938
Construction in progress	20,301,870	8,534,333	1,783,904	27,052,299
Total nondepreciable capital assets	<u>133,187,808</u>	<u>8,534,333</u>	<u>1,783,904</u>	<u>139,938,237</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	523,013,225	1,018,905	-	524,032,130
Site improvements	73,692,322	1,265,040	-	74,957,362
Furniture and equipment	24,843,235	1,001,543	172,738	25,672,040
Vehicles	3,233,864	188,299	59,156	3,363,007
Total depreciable capital assets	<u>624,782,646</u>	<u>3,473,787</u>	<u>231,894</u>	<u>628,024,539</u>
Total capital assets	<u>757,970,454</u>	<u>12,008,120</u>	<u>2,015,798</u>	<u>767,962,776</u>
<b>Less Accumulated Depreciation</b>				
Buildings and improvements	151,552,922	13,484,593	-	165,037,515
Site improvements	39,232,205	3,720,670	-	42,952,875
Furniture and equipment	22,695,313	1,068,249	168,403	23,595,159
Vehicles	3,037,856	88,831	59,156	3,067,531
Total accumulated depreciation	<u>216,518,296</u>	<u>18,362,343</u>	<u>227,559</u>	<u>234,653,080</u>
Net Capital Assets	<u>\$ 541,452,158</u>	<u>\$ (6,354,223)</u>	<u>\$ 1,788,239</u>	<u>\$ 533,309,696</u>

Depreciation expense for the year was \$18,362,343.

**Note 7 - Accounts Payable**

Accounts payable at June 30, 2020, consisted of the following:

	Primary Government
Accrued payroll and benefits	\$ 3,831,706
Construction	2,093,535
Student liabilities	4,089,129
Other Federal categorical aid	25,524
State categorical aid	170,300
Other State	158,968
Local	3,212,808
Total	\$ 13,581,970
	Fiduciary Funds
Student liabilities	\$ 9,976
Local	35,289
Total	\$ 45,265

**Note 8 - Unearned Revenue**

Unearned revenue at June 30, 2020, consisted of the following:

	Primary Government
State categorical aid	\$ 12,121,301
Scheduled maintenance	3,209,896
Other State	36,702
RDA	3,057,782
Enrollment/student fees	16,020,843
Local	59,576
Total	\$ 34,506,100
	Fiduciary Funds
Enrollment/student fees	\$ 538,115

**Note 9 - Interfund Transactions****Interfund Receivables and Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2020, there were no interfund receivable and payable balances between the primary government and the fiduciary funds.

**Interfund Operating Transfers**

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2019-2020 fiscal year, the amount transferred to the primary government from the fiduciary funds amounted to \$86,536, and the amount transferred to the fiduciary funds from the primary government amounted to \$62,516.

**Note 10 - Long-Term Liabilities Other than OPEB and Pensions****Summary**

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
General obligation bonds	\$ 305,858,907	\$ 119,483,078	\$ 109,890,000	\$ 315,451,985	\$ 15,165,000
Unamortized premiums	20,504,820	-	6,411,078	14,093,742	-
Compensated absences	3,521,861	793,460	-	4,315,321	863,064
Load banking	761,607	-	124,278	637,329	-
	<u>\$ 330,647,195</u>	<u>\$ 120,276,538</u>	<u>\$ 116,425,356</u>	<u>\$ 334,498,377</u>	<u>\$ 16,028,064</u>
Total	<u>\$ 330,647,195</u>	<u>\$ 120,276,538</u>	<u>\$ 116,425,356</u>	<u>\$ 334,498,377</u>	<u>\$ 16,028,064</u>

**Description of Long-Term Liabilities**

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

**Bonded Debt**

Bonds Payable

General obligation bonds were approved by a local election in March 2002. The total amount approved by the voters was \$356,347,814. At June 30, 2020, \$356,347,814 had been issued and \$315,451,985 was outstanding. Interest rates on the bonds range from 1.63 percent to 7.5 percent.

The outstanding general obligation bonded debt is as follows:

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds		Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2020
					Outstanding July 1, 2019	Issued			
10/28/2008	2002 C	8/1/2028	3.77 - 7.50%	\$ 191,347,814	\$ 58,183,907	\$ -	\$ 4,303,078	\$ 3,800,000	\$ 58,686,985
7/14/2011	2011 Refunding	8/1/2027	2.50 - 5.00%	49,905,000	33,665,000	-	-	26,870,000	6,795,000
1/16/2014	2014 Refunding	8/1/2030	3.00 - 5.00%	61,860,000	53,140,000	-	-	33,605,000	19,535,000
3/18/2015	2015 Refunding	8/1/2033	2.00 - 5.00%	166,100,000	160,870,000	-	-	45,615,000	115,255,000
10/2/2019	2019 Refunding	8/1/2030	1.63 - 2.42%	115,180,000	-	115,180,000	-	-	115,180,000
					<u>\$ 305,858,907</u>	<u>\$ 115,180,000</u>	<u>\$ 4,303,078</u>	<u>\$ 109,890,000</u>	<u>\$ 315,451,985</u>

**2002 Series C**

The general obligation bonds mature through 2029 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Total
2021	\$ 4,457,806	\$ 167,194	\$ 4,625,000
2022	4,915,911	574,089	5,490,000
2023	5,436,270	1,098,730	6,535,000
2024	5,803,878	1,706,122	7,510,000
2025	6,163,772	2,421,228	8,585,000
2026-2029	<u>31,909,348</u>	<u>22,635,652</u>	<u>54,545,000</u>
Total	<u>\$ 58,686,985</u>	<u>\$ 28,603,015</u>	<u>\$ 87,290,000</u>

**2011 Refunding Bonds**

In July 2011, the District issued \$49,905,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the partial refunding of \$51,675,000 of the 2002 Series A bonds. As of June 30, 2020, the principal balance outstanding is \$6,795,000. Unamortized premium received on the issuance of the bonds amounted to \$612,428 as of June 30, 2020. In October 2019, the District advanced refunded a portion of the outstanding balance.

The general obligation refunding bonds mature through 2022 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2021	\$ 3,330,000	\$ 222,362	\$ 3,552,362
2022	3,465,000	77,381	3,542,381
Total	<u>\$ 6,795,000</u>	<u>\$ 299,743</u>	<u>\$ 7,094,743</u>

**2014 Refunding Bonds**

In January 2014, the District issued \$61,860,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the refunding of the remaining 2002 Series A bonds in the amount of \$6,825,000 and the partial refunding of \$57,725,000 of the 2002 Series B bonds. As of June 30, 2020, the principal balance outstanding is \$19,535,000. Unamortized premium received on the issuance of the bonds amounted to \$2,445,784 as of June 30, 2020. In October 2019, the District advanced refunded a portion of the outstanding balance.

The general obligation refunding bonds mature through 2025 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2021	\$ 3,120,000	\$ 898,750	\$ 4,018,750
2022	3,490,000	733,500	4,223,500
2023	3,875,000	549,375	4,424,375
2024	4,300,000	345,000	4,645,000
2025	4,750,000	118,750	4,868,750
Total	<u>\$ 19,535,000</u>	<u>\$ 2,645,375</u>	<u>\$ 22,180,375</u>

**2015 Refunding Bonds**

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

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

As of June 30, 2020, the principal balance outstanding is \$115,255,000. Unamortized premium received on the issuance of the bonds amounted to \$11,035,530 as of June 30, 2020. In October 2019, the District advanced refunded a portion of the outstanding balance.

The general obligation refunding bonds mature through 2034 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2021	\$ 1,100,000	\$ 4,406,237	\$ 5,506,237
2022	1,155,000	4,349,862	5,504,862
2023	1,215,000	4,290,613	5,505,613
2024	1,275,000	4,228,363	5,503,363
2025	1,340,000	4,162,988	5,502,988
2026-2030	6,055,000	19,788,033	25,843,033
2031-2034	<u>103,115,000</u>	<u>10,113,175</u>	<u>113,228,175</u>
Total	<u>\$ 115,255,000</u>	<u>\$ 51,339,271</u>	<u>\$ 166,594,271</u>

**2019 Refunding Bonds**

In October 2019, the District issued the \$115,180,000 of general obligation refunding bonds. The net proceeds from the issuance were used to advance refund a portion of \$23,690,000 of the 2011 Refunding Bonds, \$30,835,000 of the 2014 Refunding Bonds, and \$44,565,000 of the 2015 Refunding Bonds, and to pay the cost of the issuance associated with the refunding bonds. The refunding resulted in a cumulative cash flow saving of \$6,001,134 over the life of the new debt and an economic gain of \$5,153,452 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.267 percent. At June 30, 2020, the principal balance outstanding was \$115,180,000.



Ventura County Community College District

Notes to Financial Statements

June 30, 2020

Fiscal Year	Principal	Current Interest to Maturity	Total
2021	\$ 2,990,000	\$ 2,172,214	\$ 5,162,214
2022	2,250,000	2,439,006	4,689,006
2023	5,650,000	2,373,588	8,023,588
2024	5,710,000	2,276,815	7,986,815
2025	5,780,000	2,174,833	7,954,833
2026-2030	64,420,000	7,730,680	72,150,680
2031	28,380,000	342,972	28,722,972
Total	\$ 115,180,000	\$ 19,510,108	\$ 134,690,108

**Compensated Absences**

At June 30, 2020, the liability for compensated absences was \$4,315,321.

**Load Banking**

At June 30, 2020, the liability for load banking was \$637,329.

**Note 11 - Aggregate Net Other Postemployment Benefit (OPEB) Liability**

For the fiscal year ended June 30, 2020, the District reported an aggregate net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 163,797,368	\$ 16,297,121	\$ 6,563,972	\$ (6,681,217)
Medicare Premium Payment (MPP) Program	670,408	-	-	(13,159)
Total	\$ 164,467,776	\$ 16,297,121	\$ 6,563,972	\$ (6,694,376)

The details of each plan are as follows:

**District Plan**

**Plan Administration**

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Benefit Trust Company.

**Plan Membership**

At June 30, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees currently receiving benefits payments	685
Active employees	404
	404
	1,089

**Ventura County Community College District Futuris Trust**

The Ventura County Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Ventura County Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

**Benefits Provided**

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses.

**Contributions**

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the bargaining units, and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For measurement date of June 30, 2019, the District contributed \$15,477,561 to the plan, which was used for current premiums.

## Investment

### Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	39%
Fixed income	24%
International equity	30%
Real estate	7%

### Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 4.93 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Net OPEB Liability of the District

The District's net OPEB liability of \$163,797,368 was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2019, were as follows:

Total OPEB liability	\$ 185,867,893
Plan fiduciary net position	<u>22,070,525</u>
District's net OPEB liability	<u>\$ 163,797,368</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>12%</u>

### Actuarial Assumptions

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	7.00 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the assumed long-term return on employer assets.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study as of June 30, 2019.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	7.4%
Fixed income	4.4%
International equity	7.4%
Real estate	7.4%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2018	\$ 197,281,646	\$ 21,110,529	\$ 176,171,117
Service cost	1,245,119	-	1,245,119
Interest	13,421,916	-	13,421,916
Differences between expected and actual experience	(10,603,227)	-	(10,603,227)
Contributions - employer	-	15,477,561	(15,477,561)
Net investment income	-	1,039,170	(1,039,170)
Benefit payments	(15,477,561)	(15,477,561)	-
Administrative expense	-	(79,174)	79,174
	<u>(11,413,753)</u>	<u>959,996</u>	<u>(12,373,749)</u>
Net change in total OPEB liability			
Balance at June 30, 2019	<u>\$ 185,867,893</u>	<u>\$ 22,070,525</u>	<u>\$ 163,797,368</u>

There were no changes of economic assumptions since the previous evaluation. There were no changes to benefit terms since the previous valuation.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB 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 OPEB Liability
1% decrease (6.0%)	\$ 183,232,849
Current discount rate (7.0%)	163,797,368
1% increase (8.0%)	147,398,842

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

<u>Healthcare cost trend rates</u>	<u>Net OPEB Liability</u>
1% decrease (3.0%)	\$ 146,892,370
Current healthcare cost trend rate (4.0%)	163,797,368
1% increase (5.0%)	183,499,373

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 15,948,485	\$ -
Differences between expected and actual experience	-	6,525,062
Net difference between projected and actual earnings on OPEB plan investments	<u>348,636</u>	<u>38,910</u>
Total	<u>\$ 16,297,121</u>	<u>\$ 6,563,972</u>

The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2021	\$ 74,190
2022	74,190
2023	74,190
2024	<u>87,156</u>
	<u>\$ 309,726</u>

Amounts reported as deferred inflows of resources related to the differences between expected and actual experience will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits as of the beginning of the measurement period. The EARSL for the measurement period is 2.6 years and will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Inflows of Resources
2021	\$ (4,078,165)
2022	(2,446,897)
	<u>\$ (6,525,062)</u>

**Medicare Premium Payment (MPP) Program**

**Plan Description**

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**Benefits Provided**

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District contributions. In accordance with California Education Code Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

### Net OPEB Liability and OPEB Expense

At June 30, 2020, the District reported a liability of \$670,408 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and June 30, 2018, was 0.1800 percent and 0.1786, respectively, resulting in a net increase in the proportionate share of 0.0014 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of \$(13,159).

### Actuarial Methods and Assumptions

The June 30, 2020 total OPEB liability was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total OPEB liability to June 30, 2020, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP 2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population (165,422).



The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

**Discount Rate**

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB 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 OPEB Liability
1% decrease (2.50%)	\$ 731,569
Current discount rate (3.50%)	670,408
1% increase (4.50%)	614,175

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates**

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

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	\$ 628,373
Current Medicare costs trend rates (3.7% Part A and 4.1% Part B)	670,408
1% increase (4.7% Part A and 5.1% Part B)	754,373

**Note 12 - Risk Management****Property and Liability Insurance Coverages**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of \$250,000,000, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to \$25,000,000 per occurrence, all subject to various deductibles.

**Joint Powers Authority Risk Pools**

During fiscal year ended June 30, 2020, the District contracted with the Statewide Association of Community Colleges Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers' Compensation**

The District is a member of Protected Insurance Program for Schools and Community Colleges (PIPS), a finite risk-sharing program for workers' compensation coverage. PIPS was created to provide an alternative for workers' compensation coverage normally provided utilizing traditional self-insurance, guarantee cost, deductible or other available programs. Each year the PIPS Board of Directors reviews and approves the subsequent program year structure which can consist of purchased or retained layers of excess coverage.

**Note 13 - Employee Retirement Systems**

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

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Aggregate Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 91,910,890	\$ 24,286,134	\$ 12,289,510	\$ 11,167,213
CalPERS	76,512,273	17,643,717	1,602,646	13,275,244
Total	<u>\$ 168,423,163</u>	<u>\$ 41,929,851</u>	<u>\$ 13,892,156</u>	<u>\$ 24,442,457</u>

The details of each plan are as follows:

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

#### **Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### **Benefits Provided**

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

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

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit 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	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required State contribution rate	10.328%	10.328%

### Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above, and the District's total contributions were \$10,208,724.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
District's proportionate share of net pension liability	\$ 91,910,890
State's proportionate share of net pension liability associated with the District	<u>50,143,526</u>
Total	<u><u>\$ 142,054,416</u></u>

Ventura County Community College District

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June 30, 2020

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and 2018, was 0.1018 percent and 0.1031 percent, respectively, resulting in a net decrease in the proportionate share of 0.0013 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$11,167,213. In addition, the District recognized pension expense and revenue of \$7,467,452 for support provided by the State. At June 30, 2020, 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	\$ 10,208,724	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,220,665	6,159,133
Differences between projected and actual earnings on pension plan investment	-	3,540,435
Differences between expected and actual experience in the measurement of the total pension liability	232,026	2,589,942
Changes in assumptions	<u>11,624,719</u>	<u>-</u>
Total	<u>\$ 24,286,134</u>	<u>\$ 12,289,510</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 subsequent fiscal year.

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2021	\$ (357,113)
2022	(2,810,688)
2023	(583,543)
2024	<u>210,909</u>
Total	<u>\$ (3,540,435)</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 1,986,904
2022	1,986,904
2023	1,068,402
2024	1,774,993
2025	(1,150,112)
Thereafter	(338,756)
Total	<u>\$ 5,328,335</u>

### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

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 (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.80%
Fixed income	12%	1.30%
Real estate	13%	3.60%
Private equity	13%	6.30%
Risk Mitigating Strategies	9%	1.80%
Inflation sensitive	4%	3.30%
Cash/liquidity	2%	-0.40%

#### Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 136,862,923
Current discount rate (7.10%)	91,910,890
1% increase (8.10%)	54,637,094

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

**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

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



The CalPERS provisions and benefits in effect at June 30, 2020, 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	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above, and the total District contributions were \$7,491,771.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$76,512,273. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2019 and 2018 was 0.2625 percent and 0.2679 percent, respectively, resulting in a net decrease in the proportionate share of 0.0054 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$13,275,244. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Ventura County Community College District

Notes to Financial Statements

June 30, 2020

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 7,491,771	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	951,862	892,980
Differences between projected and actual earnings on pension plan investments	-	709,666
Differences between expected and actual experience in the measurement of the total pension liability	5,557,862	-
Changes of assumptions	<u>3,642,222</u>	<u>-</u>
Total	<u>\$ 17,643,717</u>	<u>\$ 1,602,646</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 subsequent fiscal year.

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2021	\$ 700,518
2022	(1,399,263)
2023	(212,041)
2024	<u>201,120</u>
Total	<u>\$ (709,666)</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 6,232,371
2022	2,358,221
2023	607,614
2024	60,760
Total	<u>\$ 9,258,966</u>

**Actuarial Methods and Assumptions**

Total pension liability for the SEP was determined by applying updated procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and services

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of Scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 110,287,410
Current discount rate (7.15%)	76,512,273
1% increase (8.15%)	48,493,463

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2020, which amounted to \$5,237,651 (10.328 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made to CalPERS for the year ended June 30, 2020. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of \$1.1 billion for CalSTRS. A proportionate share of these contributions has been recorded in these financial statements.

**Deferred Compensation**

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

**Note 14 - Participation in Public Entity Risk Pools and Joint Powers Authorities**

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

The District is a member of the Intelcom JPA. Intelcom provides for the design, development, and distribution of educational media materials. Intelcom is governed by a council comprised of a member of each of the participatory districts.

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

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

**Note 15 - Commitments and Contingencies**

**Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

**Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

**Construction Commitments**

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Moorpark College Gym Renovation	\$ 774,568	September 2020
Moorpark College Zoo Tiger & Lion Habitat	178,621	May 2021
Moorpark College Kinesiology Outdoor Classroom Phase 2	179,235	September 2020
Oxnard College Fire Warehouse	745,851	March 2021
Mass Notification System	485,721	January 2021
	<u>\$ 2,363,996</u>	

The projects are funded with designated resources.

**Note 16 - Subsequent Events**

Subsequent to year end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.



Required Supplementary Information  
June 30, 2020

Ventura County  
Community College District

Ventura County Community College District  
Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 1,245,119	\$ 3,732,753	\$ 3,218,645
Interest	13,421,916	13,255,928	13,098,526
Differences between expected and actual experience	(10,603,227)	-	-
Benefit payments	<u>(15,477,561)</u>	<u>(14,422,111)</u>	<u>(14,261,582)</u>
Net changes in total OPEB liability	(11,413,753)	2,566,570	2,055,589
Total OPEB Liability - Beginning	<u>197,281,646</u>	<u>194,715,076</u>	<u>192,659,487</u>
Total OPEB Liability - Ending	<u><u>\$ 185,867,893</u></u>	<u><u>\$ 197,281,646</u></u>	<u><u>\$ 194,715,076</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 15,477,561	\$ 14,422,111	\$ 14,261,582
Net investment income	1,039,170	1,444,217	2,231,639
Benefit payments	(15,477,561)	(14,422,111)	(14,261,582)
Administrative expense	<u>(79,174)</u>	<u>(77,858)</u>	<u>(69,992)</u>
Net change in plan fiduciary net position	959,996	1,366,359	2,161,647
Plan fiduciary net position - beginning	<u>21,110,529</u>	<u>19,744,170</u>	<u>17,582,523</u>
Plan fiduciary net position - ending	<u><u>\$ 22,070,525</u></u>	<u><u>\$ 21,110,529</u></u>	<u><u>\$ 19,744,170</u></u>
District's net OPEB liability - ending	<u><u>\$ 163,797,368</u></u>	<u><u>\$ 176,171,117</u></u>	<u><u>\$ 174,970,906</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>11.87%</u>	<u>10.70%</u>	<u>10.14%</u>
Covered-employee Payroll	<u>\$ 94,979,554</u>	<u>\$ 93,064,740</u>	<u>\$ 90,330,722</u>
District's net OPEB liability as a percentage of covered-employee payroll	<u>172.5%</u>	<u>189.3%</u>	<u>193.7%</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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



Ventura County Community College District  
Schedule of OPEB Investment Returns  
Year Ended June 30, 2020

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	<u>4.93%</u>	<u>7.33%</u>	<u>12.33%</u>

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

Ventura County Community College District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2020

	2020	2019	2018
Year ended June 30, <sup>1</sup>			
District's proportion of the net OPEB liability	0.1800%	0.1786%	0.1918%
District's proportionate share of the net OPEB liability	\$ 670,408	\$ 683,567	\$ 806,761
District's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

<sup>1</sup> As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

Ventura County Community College District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>						
District's proportion of the net pension liability	0.1018%	0.1031%	0.1102%	0.1106%	0.1156%	0.1049%
District's proportionate share of the net pension liability	\$ 91,910,890	\$ 94,786,559	\$ 101,906,025	\$ 89,414,449	\$ 77,813,038	\$ 61,304,866
State's proportionate share of the net pension liability associated with the District	50,143,526	54,269,738	60,286,743	50,902,051	41,154,519	37,018,525
Total	<u>\$ 142,054,416</u>	<u>\$ 149,056,297</u>	<u>\$ 162,192,768</u>	<u>\$ 140,316,500</u>	<u>\$ 118,967,557</u>	<u>\$ 98,323,391</u>
District's covered payroll	<u>\$ 58,583,673</u>	<u>\$ 57,709,051</u>	<u>\$ 56,814,197</u>	<u>\$ 54,828,500</u>	<u>\$ 51,527,128</u>	<u>\$ 49,030,897</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	156.89%	164.25%	179.37%	163.08%	151.01%	125.03%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>CalPERS</b>						
District's proportion of the net pension liability	0.2625%	0.2679%	0.2629%	0.2512%	0.2578%	0.2626%
District's proportionate share of the net pension liability	\$ 76,512,273	\$ 71,434,970	\$ 62,756,074	\$ 49,621,633	\$ 38,000,018	\$ 29,810,138
District's covered payroll	<u>\$ 36,395,881</u>	<u>\$ 35,355,689</u>	<u>\$ 33,516,525</u>	<u>\$ 30,093,070</u>	<u>\$ 28,604,180</u>	<u>\$ 27,545,954</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	210.22%	202.05%	187.24%	164.89%	132.85%	108.22%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

Ventura County Community College District  
Schedule of the District Contributions for Pensions  
Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>						
Contractually required contribution	\$ 10,208,724	\$ 9,537,422	\$ 8,327,416	\$ 7,147,226	\$ 5,883,098	\$ 4,575,609
Contributions in relation to the contractually required contribution	<u>10,208,724</u>	<u>9,537,422</u>	<u>8,327,416</u>	<u>7,147,226</u>	<u>5,883,098</u>	<u>4,575,609</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 59,700,140</u>	<u>\$ 58,583,673</u>	<u>\$ 57,709,051</u>	<u>\$ 56,814,197</u>	<u>\$ 54,828,500</u>	<u>\$ 51,527,128</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
<b>CalPERS</b>						
Contractually required contribution	\$ 7,491,771	\$ 6,573,824	\$ 5,491,092	\$ 4,654,775	\$ 3,565,126	\$ 3,366,998
Contributions in relation to the contractually required contribution	<u>7,491,771</u>	<u>6,573,824</u>	<u>5,491,092</u>	<u>4,654,775</u>	<u>3,565,126</u>	<u>3,366,998</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 37,988,799</u>	<u>\$ 36,395,881</u>	<u>\$ 35,355,689</u>	<u>\$ 33,516,525</u>	<u>\$ 30,093,070</u>	<u>\$ 28,604,180</u>
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

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

**Note 1 - Purpose of Schedules**

**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented.

**Changes in Benefit Terms** - There were no changes in benefit terms since the previous valuation.

**Changes of Assumptions** – There were no changes in economic assumptions since the previous valuation.

**Schedule of OPEB Investment Returns**

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

**Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program**

This schedule presents information on the District's proportionate share of the net OPEB liability - MPP program and the Plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

**Changes in Benefit Terms** - There were no changes in the benefit terms since the previous valuation.

**Changes of Assumptions** - The plan rate of investment return assumption was changed from 3.87 percent to 3.50 percent since the previous valuation.

**Schedule of the District's Proportionate Share of the Net Pension Liability**

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

**Changes in Benefit Terms** - There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

**Changes of Assumptions** - There were no changes in economic assumptions for either the CalSTRS or CalPERS plans since the previous valuation.

**Schedule of District Contributions for Pensions**

This 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, ten years of information will be presented.



Supplementary Information  
June 30, 2020

Ventura County  
Community College District

The Ventura County Community College District was established in 1962 and is comprised of an area of approximately 882 square miles located in Ventura County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

**BOARD OF TRUSTEES**

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Mr. Bernardo M. Perez	Chair	December 2020
Mr. Joshua Chancer	Vice Chair	December 2022
Ms. Dianne B. McKay	Trustee	December 2022
Mr. Larry Kennedy	Trustee	December 2020
Ms. Gabriela Torres	Trustee	December 2022
Ms. Ashley Gonzales	Student Trustee	May 2021

**ADMINISTRATION**

Dr. Greg Gillespie	Chancellor
Dr. David El Fattal	Vice Chancellor, Business and Administrative Services
Dr. Larry Buckley	Interim Vice Chancellor, Institutional Effectiveness
Ms. Laura L. Barroso	Associate Vice Chancellor, Human Resources
Mr. Dan Watkins	Associate Vice Chancellor, Information Technology

**AUXILIARY ORGANIZATIONS IN GOOD STANDING**

Moorpark College Foundation, established May 27, 1980  
 Master Agreement entered into October 1, 2006  
 John Loprieno, Interim Director of Advancement, Marketing and Communications

Oxnard College Foundation, established January 7, 1983  
 Master Agreement entered into August 28, 2006  
 Connie Owens, Community Development & Institutional Advancement Specialist

Ventura College Foundation, established January 7, 1983  
 Master Agreement entered into July 1, 2013  
 Anne Paul King, Executive Director

Ventura County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
U.S. Department of Education				
Title III, Project Acabado	84.031C		\$ 865,671	\$ 88,058
Passed through from California State University Northridge				
Title III, Project AIMS2	84.031C	A17-0013-S003	42,369	-
Passed through from California State University Channel Islands				
		1516.0072.01, 1516.0072.02,		
Title III, Project Promesas	84.031C	1516.0072.03	82,698	-
Tital V, Project Accesso Y Progreso	84.031S		84,357	-
Title V, Project Adelante	84.031S		925,466	237,230
Passed through from California State University Channel Islands				
Title V, Project ALAS	84.031S	1314.0049.02	6,710	-
Passed through from California Lutheran University				
Title V, Project CHESS	84.031S	CHESS	211,253	-
Subtotal			<u>2,218,524</u>	<u>325,288</u>
TRIO Cluster				
TRIO - Upward Bound	84.047A		242,810	-
Subtotal TRIO Cluster			<u>242,810</u>	<u>-</u>
Title IV, Ventura College CCAMPIS Project	84.335A		88,473	-
Passed through from California Department of Education				
Workforce Innovation and Opportunity Act - Title II	84.002A	19-72660-00	31,618	-
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		658,032	-
Federal Direct Student Loans (Direct Loans)	84.268		2,783,388	-
Federal Work-Study Program (FWS)	84.033		517,002	-
Federal Pell Grant Program (PELL)	84.063		39,436,577	-
Student Financial Aid Administrative Costs	84.063		118,022	-
Subtotal Student Financial Assistance Cluster			<u>43,513,021</u>	<u>-</u>

[1] Pass-Through Entity Identifying Number not available.



Ventura County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion	84.425E		\$ 857,050	\$ -
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F		<u>820,093</u>	<u>-</u>
Subtotal			<u>1,677,143</u>	<u>-</u>
Passed through from California Community College Chancellor's Office				
Perkins Title I, Part C	84.048A	19-C01-065	737,447	-
Career Technical Education - CTE Transitions	84.048A	19-C01-065	<u>129,514</u>	<u>-</u>
Subtotal			<u>866,961</u>	<u>-</u>
Total U.S. Department of Education			<u>48,638,550</u>	<u>325,288</u>
U.S. Department of Health and Human Services				
Passed through from California Community College Chancellor's Office				
Foster Kinship Care Education	93.658	[1]	50,683	-
Passed through from California Community College Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	131,743	-
Child Care Development Fund (CCDF) Cluster				
Passed through from Yosemite Community College District				
Child Care and Development Grant	93.575	19-20-609571	27,527	-
Passed through from Chabot-Las Positas Community College District				
CA Early Childhood Mentor Program - Chabot	93.575	CN180198	<u>8,124</u>	<u>-</u>
Subtotal Child Care Development (CCDF) Cluster			<u>35,651</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>218,077</u>	<u>-</u>

[1] Pass-Through Entity Identifying Number not available.

Ventura County Community College District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
U.S. Department of Labor				
Employment Service Cluster				
Veteran's Employment and Training Services	17.804		\$ 5,734	-
Subtotal Employment Service Cluster			5,734	-
Total U.S. Department of Labor			5,734	-
National Science Foundation				
Research and Development Cluster				
Passed through from Sinclair Community College District The STEM Guitar Project	47.076	SCC-1700531	6,461	-
Subtotal Research and Development Cluster			6,461	-
Total Expenditures of Federal Awards			\$ 48,868,822	\$ 325,288

[1] Pass-Through Entity Identifying Number not available.

Ventura County Community College District  
Schedule of Expenditures of State Awards  
Year Ended June 30, 2020

Program	Program Entitlements			Program Revenues		Program Revenues			Program Expenditures
	Current Year	Prior Year	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	
Student Success and Support 17-18	\$ -	\$ 1,065	\$ 1,065	\$ 1,065	\$ -	\$ -	\$ 1,065	\$ -	\$ -
ESL/Basic Skills 17-18	-	93,378	93,378	93,378	-	-	93,378	-	-
Hunger Free Campus Initiative FY20	10,490	-	10,490	10,490	-	-	2,832	7,658	7,658
Staff Diversity 18-19	-	11,999	11,999	11,999	-	-	-	11,999	11,999
Staff Diversity 19-20	50,000	-	50,000	50,000	-	-	34,349	15,651	15,651
Cooperative Agency Resource Education (CARE) 19-20	392,146	-	392,146	392,146	-	-	28,400	363,746	363,746
Disabled Students Programs and Services (DSPS) 19-20	3,293,104	-	3,293,104	3,293,104	-	-	140,037	3,153,067	3,153,067
Extended Opportunity Program and Services (EOPS) 19-20	2,766,806	-	2,766,806	2,766,806	-	-	118,141	2,648,665	2,648,665
Prior Year Categorial (DSPS)	-	197,339	197,339	197,339	-	-	187,480	9,859	9,859
BFAP-SFAA 19-20	1,209,810	-	1,209,810	1,209,810	-	-	67,204	1,142,606	1,142,606
Student Equity 17-18	-	1,307	1,307	1,307	-	-	483	824	824
Student Equity and Achievement 18-19	-	2,991,087	2,991,087	2,991,087	-	16,132	-	2,974,955	2,974,955
Student Equity and Achievement 19-20	9,570,958	-	9,570,958	9,570,958	-	-	3,367,917	6,203,041	6,203,041
Guided Pathways Grant 17-18	-	524,593	524,593	524,593	-	-	145,496	379,097	379,097
Guided Pathways Grant 18-19	-	906,559	906,559	906,559	-	-	685,755	220,804	220,804
Guided Pathways Grant 19-20	755,467	-	755,467	755,467	-	-	750,398	5,069	5,069
CalWorks 19-20	746,658	-	746,658	746,658	-	-	69,106	677,552	677,552
Strong Workforce Program Local FY18	-	196,941	196,941	196,941	-	289	-	196,652	196,652
Strong Workforce Program Local FY19	-	2,189,464	2,189,464	2,189,464	-	-	679,390	1,510,074	1,510,074
Strong Workforce Program Local FY20	3,324,185	-	3,324,185	3,324,185	-	-	2,625,153	699,032	699,032
SWP Regional w/SCCRC 17-18	-	630,329	630,329	630,329	-	5,866	-	624,463	624,463
SWP Regional w/SCCRC 18-19	-	1,522,337	1,522,337	1,522,337	-	-	813,530	708,807	708,807
SWP Regional w/SCCRC 19-20	1,493,966	-	1,493,966	-	2,677	-	-	2,677	2,677
Campus Safety 17-18	-	41,940	41,940	41,940	-	22,824	11,094	8,022	8,022
Hunger Free Campus 18-19	-	226,969	226,969	226,969	-	84,363	-	142,606	142,606
Hunger Free Campus 19-20	93,728	-	93,728	93,728	-	-	93,728	-	-
Veteran Resource Center 17-18	-	20,253	20,253	20,253	-	3,438	-	16,815	16,815
Veteran Resource Center 18-19	-	102,248	102,248	102,248	-	-	21,290	80,958	80,958
Veteran Resource Center 19-20	235,235	-	235,235	235,235	-	-	188,137	47,098	47,098
Mental Health Support 18-19	-	212,544	212,544	212,544	-	-	8,002	204,542	204,542
Financial Aid Technology 18-19	-	311,209	311,209	311,209	-	-	216,263	94,946	94,946
Financial Aid Technology 19-20	105,158	-	105,158	105,158	-	-	-	105,158	105,158
First Resp. Healthcare Stud. Supp. Fund	4,545	-	4,545	4,545	-	-	-	4,545	4,545

Ventura County Community College District  
Schedule of Expenditures of State Awards  
Year Ended June 30, 2020

Program	Program Entitlements			Program Revenues		Program Revenues			Program Expenditures
	Current Year	Prior Year	Total Entitlement	Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	
Tech Asst Prvdr COE Labor Mkt Rsrch FY19	\$ -	\$ 3,903	\$ 3,903	\$ 3,855	\$ -	\$ -	\$ -	\$ 3,855	\$ 3,855
Tech Asst Prvdr COE Labor Mkt Rsrch FY20	200,000	-	200,000	160,000	40,000	-	-	200,000	200,000
IEPI 18-19	-	164,513	164,513	164,513	-	-	-	164,513	164,513
SWP Teacher Prep Program-SCCCD FY20	15,000	-	15,000	-	9,000	-	9,000	-	-
MESA (Math, Engin,Sci Achiev)	74,515	-	74,515	-	60,907	-	-	60,907	60,907
ISPIC - Agric, Water & Envir Tech	16,848	-	16,848	16,848	-	12	-	16,836	16,836
Education Futures Initiative FY18	-	24,973	24,973	18,240	-	-	-	18,240	18,240
CA Apprenticeship Initiative	-	238,845	238,845	32,476	80,906	-	-	113,382	113,382
CA Apprenticeship Initiative FY19	-	604,296	604,296	219,096	18,101	-	-	237,197	237,197
CA Apprenticeship Initiative FY20	-	275,826	275,826	-	110,354	-	63,448	46,906	46,846
CA Adult Education Program	-	24,794	24,794	24,794	-	-	-	24,794	24,794
CA Adult Education Program FY20	128,000	-	128,000	128,000	-	12,891	-	115,109	115,109
DAC IEPI Grant	-	108,498	108,498	108,498	-	-	99,413	9,085	9,085
Classified Staff Development	-	95,177	95,177	95,177	-	-	83,003	12,174	12,174
AB19 CA College Promise Program 18-19	-	940,177	940,177	940,177	-	-	-	940,177	940,177
AB19 CA College Promise Program 19-20	3,641,487	-	3,641,487	3,641,488	-	-	1,262,170	2,379,318	2,379,318
Student Success Completion Grant FY19	-	144,441	144,441	144,441	-	-	-	144,441	144,441
Student Success Completion Grant FY20	5,733,719	-	5,733,719	5,733,719	-	11,702	-	5,722,017	5,722,017
Foster Kinship Care Education	134,521	-	134,521	134,521	-	-	-	134,521	134,521
Nursing Program Support Grant 19-20	390,493	-	390,493	390,493	-	11,693	-	378,800	378,800
Ca. Virtual Campus Online Educ Initiative	846,000	-	846,000	106,589	476,954	-	5,183	578,360	578,360
Veterans Resource Center Grant	-	188,372	188,372	68,372	73,633	-	-	142,005	142,005
Mental Health Support Grant FY20	500,000	-	500,000	-	3,058	-	-	3,058	3,058
ISPIC - Life Sciences / Biotech	16,400	-	16,400	16,400	-	49	-	16,351	16,351
Broadband Connectivity Equipment Grant	100,000	-	100,000	100,000	-	-	-	100,000	100,000
SWP Teacher Prep Program-SCCCD FY19	-	23,039	23,039	19,882	-	-	-	19,882	19,882
IELM - 15-16	-	2,189	2,189	2,189	-	-	-	2,189	2,189
IELM - 16-17	-	254	254	254	-	-	-	254	254
Restricted Lottery	1,253,969	3,672,509	4,926,478	749,940	674,747	-	-	1,424,687	1,316,412
IELM - 17-18	-	82,672	82,672	82,672	-	-	5,312	77,360	77,360
IELM - 18-19	-	213,192	213,192	213,192	-	-	62,853	150,339	150,339
IELM - 19-20	192,449	-	192,449	192,449	-	-	182,291	10,158	10,158
Cal Grant B	5,261,888	10,673	5,272,561	5,252,570	21,032	1,041	-	5,272,561	5,272,561
Cal Grant C	94,136	(1,094)	93,042	93,042	-	-	-	93,042	93,042
	<u>\$ 42,651,681</u>	<u>\$ 16,998,810</u>	<u>\$ 59,650,491</u>	<u>\$ 51,593,738</u>	<u>\$ 1,571,369</u>	<u>\$ 170,300</u>	<u>\$ 12,121,301</u>	<u>\$ 40,873,506</u>	<u>\$ 40,765,171</u>

Ventura County Community College District  
Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance  
Year Ended June 30, 2020

Categories	**Revised Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2019 only)			
1. Noncredit*	7.80	-	7.80
2. Credit	1,926.25	-	1,926.25
B. Summer Intersession (Summer 2020 - Prior to July 1, 2020)			
1. Noncredit*	-	-	-
2. Credit	938.59	-	938.59
C. Primary Terms (Exclusive of Summer Intersessions)			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	15,611.50	-	15,611.50
(b) Daily Census Contact Hours	1,314.11	-	1,314.11
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit*	106.86	-	106.86
(b) Credit	553.25	-	553.25
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	2,861.83	-	2,861.83
(b) Daily Census Procedure Courses	2,352.51	-	2,352.51
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	<u>25,672.70</u>	<u>-</u>	<u>25,672.70</u>
Supplemental Information			
E. In-Service Training Courses (FTES)	<u>85.08</u>	<u>-</u>	<u>85.08</u>
F. Basic Skills courses and Immigrant Education (FTES)			
1. Noncredit*	72.43	-	72.43
2. Credit	196.52	-	196.52
	<u>268.95</u>	<u>-</u>	<u>268.95</u>
CCFS-320 Addendum			
CDCP Noncredit FTES	<u>8.39</u>	<u>-</u>	<u>8.39</u>

\*Including Career Development and College Preparation (CDCP) FTES.

\*\* The CCFS-320 report was revised on October 16, 2020.

Ventura County Community College District  
 Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation  
 Year Ended June 30, 2020

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Reported Data	Reported Data	Audit Adjustments	Reported Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	\$ 27,384,521	\$ -	\$ 27,384,521	\$ 29,942,638	\$ -	\$ 29,942,638
Other	1300	26,024,280	-	26,024,280	26,579,699	-	26,579,699
Total Instructional Salaries		53,408,801	-	53,408,801	56,522,337	-	56,522,337
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	9,286,242	-	9,286,242
Other	1400	-	-	-	762,826	-	762,826
Total Noninstructional Salaries		-	-	-	10,049,068	-	10,049,068
Total Academic Salaries		53,408,801	-	53,408,801	66,571,405	-	66,571,405
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	24,932,198	-	24,932,198
Other	2300	-	-	-	2,167,468	-	2,167,468
Total Noninstructional Salaries		-	-	-	27,099,666	-	27,099,666
Instructional Aides							
Regular Status	2200	2,056,160	-	2,056,160	2,122,216	-	2,122,216
Other	2400	-	-	-	-	-	-
Total Instructional Aides		2,056,160	-	2,056,160	2,122,216	-	2,122,216
Total Classified Salaries		2,056,160	-	2,056,160	29,221,882	-	29,221,882
Employee Benefits	3000	30,023,155	-	30,023,155	57,235,076	-	57,235,076
Supplies and Material	4000	-	-	-	2,688,301	-	2,688,301
Other Operating Expenses	5000	-	-	-	13,380,896	-	13,380,896
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		85,488,116	-	85,488,116	169,097,560	-	169,097,560

Ventura County Community College District  
 Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation  
 Year Ended June 30, 2020

	Object/TOP Codes	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
		Reported Data	Audit Adjustments	Reported Data	Reported Data	Audit Adjustments	Reported Data
<u>Exclusions</u>							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	\$ 4,402,899	\$ -	\$ 4,402,899	\$ 4,402,899	\$ -	\$ 4,402,899
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	4,606,045	-	4,606,045
Objects to Exclude							
Rents and Leases	5060	-	-	-	192,104	-	192,104
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-	-	-	-
Supplies and Materials	4000	-	-	-	-	-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	-	-	-
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	-	-	-

Ventura County Community College District  
 Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation  
 Year Ended June 30, 2020

	ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799			
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	\$ -	\$ -	\$ -	\$ 3,983,161	\$ -	\$ 3,983,161
Capital Outlay	6000						
Library Books	6300	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-
Equipment - Additional	6410	-	-	-	-	-	-
Equipment - Replacement	6420	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		4,402,899	-	4,402,899	13,184,209	-	13,184,209
Total for ECS 84362, 50 Percent Law		\$ 81,085,217	\$ -	\$ 81,085,217	\$ 155,913,351	\$ -	\$ 155,913,351
Percent of CEE (Instructional Salary Cost/Total CEE)		52.01%		52.01%	100.00%		100.00%
50% of Current Expense of Education					\$ 77,956,675		\$ 77,956,675



Ventura County Community College District  
Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements  
Year Ended June 30, 2020

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There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2020.

Ventura County Community College District  
 Proposition 30 Education Protection Account (EPA) Expenditure Report  
 Year Ended June 30, 2020

Activity Classification	Object Code				Unrestricted
EPA Revenue:	8630				\$ 13,741,178
Activity Classification	Activity Code	Salaries and Benefits (Obj 1000-3000)	Operating Expenses (Obj 4000-5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	1000-5900	\$ 13,741,178	\$ -	\$ -	\$ 13,741,178
Total Expenditures for EPA		\$ 13,741,178	\$ -	\$ -	\$ 13,741,178
Revenues Less Expenditures					\$ -

Ventura County Community College District  
 Reconciliation of Government Funds to the Statement of Net Position  
 Year Ended June 30, 2020

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

Total Fund Balance		
General Fund	\$ 84,225,574	
Special Revenue Funds	609,985	
Capital Project Funds	33,768,132	
Debt Service Funds	24,220,995	
Enterprise Funds	1,140,673	
Internal Service Funds	6,593,656	
Fiduciary Funds	<u>34,530,948</u>	
Total fund balance - all district funds		\$ 185,089,963
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	767,962,776	
Accumulated depreciation is	<u>(234,653,080)</u>	
Total capital assets		533,309,696
Amounts held in trust on behalf of others (Trust and Agency Funds).		(34,530,948)
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		
		(3,161,359)
Deferred outflows of resources represent a consumption of net position in a future period and are not reported in the District's funds. Deferred outflows of resources at year-end consist of:		
Deferred charges on refunding	34,782,999	
Aggregate net other postemployment benefits (OPEB) liability	16,297,121	
Aggregate net pension liability	<u>41,929,851</u>	
Total deferred outflows of resources		93,009,971
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not reported in the District's funds. Deferred inflows of resources at year-end consist of:		
Aggregate net other postemployment benefits (OPEB) liability	(6,563,972)	
Aggregate net pension liability	<u>(13,892,156)</u>	
Total deferred inflows of resources		(20,456,128)

Ventura County Community College District  
 Reconciliation of Government Funds to the Statement of Net Position  
 Year Ended June 30, 2020

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Aggregate net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		\$ (164,467,776)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(168,423,163)
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:		
General obligation bonds payable	\$ 304,601,935	
Unamortized premiums	14,093,742	
Compensated absences (less amount set up in Governmental Funds)	3,452,257	
In addition, the District issued 'capital appreciation' general obligation bonds. The accretion of interest unmatured on the general obligation bonds to date is:	10,850,050	
Total long-term liabilities		(332,997,984)
Total net position		\$ 87,372,272

**Note 1 - Purpose of Schedules**

**District Organization**

This schedule provides information about the District's governing board members, administration members, and auxiliary organizations as of June 30, 2020.

**Schedule of Expenditures of Federal Awards**

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

SEFA Reconciliation

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Net Position, and related expenditures reported on the Schedule of Expenditures of Federal Awards.

Description	CFDA Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenses, and Changes in Net Position		\$ 48,901,757
Student Financial Aid Administrative Costs	84.063	(11,403)
Veterans' Employment and Training Services	17.804	(5,381)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(16,151)
		<u>                    </u>
Total Expenditures of Federal Awards		<u>\$ 48,868,822</u>

**Schedule of Expenditures of State Awards**

The accompanying Schedule of Expenditures of State Awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule

may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

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

FTES is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis for making apportionments of State funds to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

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

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

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

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

**Proposition 30 Education Protection Account (EPA) Expenditure Report**

This schedule provides information about the District's EPA proceeds and summarizes the expenditures of EPA proceeds.

**Reconciliation of Government Funds to the Statement of Net Position**

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



Independent Auditor's Reports  
June 30, 2020

**Ventura County**  
**Community College District**



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Ventura County Community College District  
Camarillo, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Ventura County Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 22, 2021.

**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) as a basis for designing 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



**Compliance and Other Matters**

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

**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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
February 22, 2021



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

Board of Trustees  
Ventura County Community College District  
Camarillo, California

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

We have audited Ventura County Community College District's (the District) compliance with the types of compliance requirements described in the *OMB 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

### **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, 2020.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal 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.

### **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 the Uniform Guidance, 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 and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

The District's response to the internal control over compliance 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Eide Bailly LLP*

Rancho Cucamonga, California  
February 22, 2021



## Independent Auditor's Report on State Compliance

Board of Trustees  
Ventura County Community College District  
Camarillo, California

### Report on State Compliance

We have audited Ventura County Community College District's (the District) compliance with the types of compliance requirements described in the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to in the table below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed in the table 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

### **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 state laws and regulations applicable to the following:

Section 411	SCFF Data Management Control Environment
Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Activities Funded From Other Sources
Section 424	Student Centered Funding Formula Base Allocation: FTES
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

The District did not have any projects funded under Proposition 39 Clean Energy Fund; therefore, the compliance tests within this section were not applicable.

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds; therefore, the compliance tests within this section were not applicable.

The District reports no attendance for classes with To Be Arranged Hours (TBA); therefore, the compliance tests within this section were not applicable.

The District did not receive any Proposition 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

### **Unmodified Opinion**

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state programs noted in the table above that were audited for the year ended June 30, 2020.

The purpose on this report on state compliance is solely to describe the results of our testing based on the requirements of the 2019-2020 California Community Colleges Chancellor's Office *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California  
February 22, 2021

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted:	No

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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 Uniform Guidance 2 CFR 200.516:	Yes

**Identification of major programs:**

Name of Federal Program or Cluster	CFDA Number
Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19: CARES Act Higher Education Relief Funds, Student Aid Portion	84.425E
COVID-19: CARES Act Higher Education Relief Funds, Institutional Portion	84.425F
Dollar threshold used to distinguish between type A and type B programs:	\$1,466,065
Auditee qualified as low-risk auditee	Yes

**STATE AWARDS**

Type of auditor's report issued on compliance for state programs:	Unmodified
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None reported.



The following finding represents a significant deficiency and/or instance of noncompliance including questioned costs that are required to be reported by the Uniform Guidance.

**2020-001      Reporting**

Direct Programs – Department of Education  
CFDA# 84.425E

COVID-19 – CARES Act: Higher Education Emergency Relief Funds – Student Aid Reporting  
Significant Deficiency in Internal Control Over Compliance

**Criteria or Specific Requirement**

*Section 18004(a)(1)* of The Coronavirus Aid, Relief, and Economic Security Act required that institutions that received the HEERF 18004(a)(1) Student Aid Portion award to publicly post certain information on their website no later than 30 days after their award and update that information every 45 days thereafter.

**Condition**

During our testing over reporting for the student aid portion at Moorpark College, we noted that the report required to be publicly available 30 days following the award becoming available was late by 30 days and therefore, the District did not meet the timeliness requirement.

**Cause**

There was a lack of oversight in the 30 day requirement for the student aid portion reporting.

**Effect**

The College's 30 day report was uploaded to their website 30 days late.

**Questioned Costs**

None reported

**Context/Sampling**

The District has three colleges that were required to report student grant metrics and other data within 30 days of their award allocation date. All reports were reviewed for compliance, with one report not submitted in a timely manner.

**Repeat Finding:** No

**Recommendation**

The District should ensure that reporting requirements and deadlines are clearly communicated to all staff, and procedures in place to ensure requirements and deadlines are met. The District should also ensure all documentation to support amounts reported is maintained in accordance with document retention guidelines.

**View of Responsible Officials and Corrective Action Plan**

The interim reporting guidelines released by the Department of Ed (ED) directed recipient institutions to make the student grant metrics available on the institution's website. This requirement was communicated to staff and each college's website was updated in a timely manner. Websites are not the ideal repository for grant reports due to limited and varied archival capabilities, especially as related to the ability to retrieve date-stamped webpages from the past. Moorpark College has maintained regularly updated student grant metrics on its website since inception of the interim reporting guidelines; however, the college had difficulty obtaining the historical date-stamped copy of this information from May 2020. The District agrees with the recommendation to maintain documentation in support of all reporting requirements. The District has developed robust procedures to maintain copies of college websites related to the student grant metrics required under the CARES Act Student Aid Reporting.

None reported.

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

***Financial Statement Findings***

None reported.

***Federal Awards Findings***

None reported.

***State Awards Findings***

None reported.



Special Report for Board of Trustees  
and Management Only  
June 30, 2020

Ventura County  
Community College District

# Ventura County Community College District

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June 30, 2020

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**BOARD OF TRUSTEES**

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Mr. Bernardo M. Perez	Chair	December 2020
Mr. Joshua Chancer	Vice Chair	December 2022
Ms. Dianne B. McKay	Trustee	December 2022
Mr. Larry Kennedy	Trustee	December 2020
Ms. Gabriela Torres	Trustee	December 2022
Ms. Ashley Gonzales	Student Trustee	May 2021

**ADMINISTRATION**

Dr. Greg Gillespie	Chancellor
Dr. David El Fattal	Vice Chancellor, Business and Administrative Services
Dr. Larry Buckley	Interim Vice Chancellor, Institutional Effectiveness
Ms. Laura L. Barroso	Associate Vice Chancellor, Human Resources
Mr. Dan Watkins	Associate Vice Chancellor, Information Technology

**ORGANIZATION**

The Ventura County Community College District was established in 1962 and is comprised of an area of approximately 882 square miles located in Ventura County. There were no changes in the boundaries of the District during the year.



## Independent Auditor's Report

Board of Trustees  
Ventura County Community College District  
Camarillo, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental funds, fiduciary funds, and proprietary funds of the Ventura County Community College District (the District), as of and for the year ended June 30, 2020, and the related notes to the 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 the modified accrual basis of accounting described in Notes 1 and 2; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

### 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of governmental funds, proprietary funds, and fiduciary funds of the District as of June 30, 2020, and the changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 and Note 2, the financial statements of the governmental funds, proprietary funds, and fiduciary funds are intended to present the financial position and the changes in financial position attributable to the transactions of those funds. They do not purport to, and do not, present fairly the financial position of Ventura County Community College District as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters**

Management has omitted the management's discussion and analysis that the accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to solely 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 effectiveness of the District's 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
February 22, 2021

Ventura County Community College District  
Combining Balance Sheet – Modified Accrual Basis  
June 30, 2020

	General Unrestricted	General Restricted	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 53,200	\$ -	\$ 53,200
Investments	92,038,664	18,621,032	110,659,696
Accounts receivable, net	7,153,276	3,878,794	11,032,070
Student receivable, net	3,194,761	506,841	3,701,602
Due from other funds	1,724,931	-	1,724,931
Prepaid expenditures	360,451	99,015	459,466
	<u>\$ 104,525,283</u>	<u>\$ 23,105,682</u>	<u>\$ 127,630,965</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 10,794,598	\$ 913,262	\$ 11,707,860
Due to other funds	-	1,218,269	1,218,269
Other current liabilities	29,040	-	29,040
Unearned revenue	17,532,319	12,917,903	30,450,222
	<u>28,355,957</u>	<u>15,049,434</u>	<u>43,405,391</u>
<b>Fund Balances</b>			
Reserved	413,651	8,056,248	8,469,899
Unreserved			
Designated	20,927,816	-	20,927,816
Undesignated	54,827,859	-	54,827,859
	<u>76,169,326</u>	<u>8,056,248</u>	<u>84,225,574</u>
	<u>\$ 104,525,283</u>	<u>\$ 23,105,682</u>	<u>\$ 127,630,965</u>

Ventura County Community College District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Modified  
 Accrual Basis  
 Year Ended June 30, 2020

	General Unrestricted		
	Budget	Actual	Variance
<b>Revenues</b>			
Federal revenues	\$ -	\$ -	\$ -
State revenues	169,322,694	95,976,687	(73,346,007)
Local revenues	11,582,303	96,835,693	85,253,390
<b>Total revenues</b>	<b>180,904,997</b>	<b>192,812,380</b>	<b>11,907,383</b>
<b>Expenditures</b>			
<b>Current Expenditures</b>			
Academic salaries	66,851,411	66,695,817	155,594
Classified salaries	33,149,126	30,276,760	2,872,366
Employee benefits	57,534,267	60,141,714	(2,607,447)
Books and supplies	6,101,762	3,066,195	3,035,567
Services and operating expenditures	21,713,922	15,279,241	6,434,681
Capital outlay	5,241,886	1,119,195	4,122,691
<b>Total expenditures</b>	<b>190,592,374</b>	<b>176,578,922</b>	<b>14,013,452</b>
Excess (Deficiency) of Revenues over Expenditures	(9,687,377)	16,233,458	25,920,835
<b>Other Financing Sources (Uses)</b>			
Transfers in	214,538	523	(214,015)
Transfers out	(8,696,500)	(15,455,117)	(6,758,617)
Other sources	-	11,723	11,723
Other uses	-	(6,757)	(6,757)
<b>Total other financing sources (uses)</b>	<b>(8,481,962)</b>	<b>(15,449,628)</b>	<b>(6,967,666)</b>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	\$ (18,169,339)	783,830	\$ 18,953,169
Fund Balance, Beginning of Year		75,385,496	
Fund Balance, End of Year		\$ 76,169,326	

**Ventura County Community College District**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Modified  
Accrual Basis  
Year Ended June 30, 2020

	General Restricted			Total		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>						
Federal revenues	\$14,502,172	\$ 5,166,710	\$(9,335,462)	\$ 14,502,172	\$ 5,166,710	\$(9,335,462)
State revenues	50,815,681	36,078,525	(14,737,156)	220,138,375	132,055,212	(88,083,163)
Local revenues	4,245,651	3,844,511	(401,140)	15,827,954	100,680,204	84,852,250
Total revenues	<u>69,563,504</u>	<u>45,089,746</u>	<u>(24,473,758)</u>	<u>250,468,501</u>	<u>237,902,126</u>	<u>(12,566,375)</u>
<b>Expenditures</b>						
Current Expenditures						
Academic salaries	11,052,192	7,542,980	3,509,212	77,903,603	74,238,797	3,664,806
Classified salaries	20,468,245	13,637,474	6,830,771	53,617,371	43,914,234	9,703,137
Employee benefits	12,142,729	8,873,416	3,269,313	69,676,996	69,015,130	661,866
Books and supplies	9,822,196	3,157,670	6,664,526	15,923,958	6,223,865	9,700,093
Services and operating expenditures	9,207,144	3,282,316	5,924,828	30,921,066	18,561,557	12,359,509
Capital outlay	1,441,078	697,157	743,921	6,682,964	1,816,352	4,866,612
Total expenditures	<u>64,133,584</u>	<u>37,191,013</u>	<u>26,942,571</u>	<u>254,725,958</u>	<u>213,769,935</u>	<u>40,956,023</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,429,920</u>	<u>7,898,733</u>	<u>2,468,813</u>	<u>(4,257,457)</u>	<u>24,132,191</u>	<u>28,389,648</u>
Other Financing Sources (Uses)						
Transfers in	1,372,822	1,614,761	241,939	1,587,360	1,615,284	27,924
Transfers out	(8,002,917)	(7,565,289)	437,628	(16,699,417)	(23,020,406)	(6,320,989)
Other sources	-	-	-	-	11,723	11,723
Other uses	(1,988,873)	(1,860,691)	128,182	(1,988,873)	(1,867,448)	121,425
Total other financing sources (uses)	<u>(8,618,968)</u>	<u>(7,811,219)</u>	<u>807,749</u>	<u>(17,100,930)</u>	<u>(23,260,847)</u>	<u>(6,159,917)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	<u>\$ (3,189,048)</u>	<u>87,514</u>	<u>\$ 3,276,562</u>	<u>\$(21,358,387)</u>	<u>871,344</u>	<u>\$22,229,731</u>
Fund Balance, Beginning of Year		<u>7,968,734</u>			<u>83,354,230</u>	
Fund Balance, End of Year		<u>\$ 8,056,248</u>			<u>\$84,225,574</u>	

Ventura County Community College District  
Combining Balance Sheet – Modified Accrual Basis  
June 30, 2020

	<u>Child Development</u>	<u>Other Special Revenue</u>	<u>Total</u>
<b>Assets</b>			
Investments	\$ 335,815	\$ 247,034	\$ 582,849
Accounts receivable	2,579	-	2,579
Student receivable	28,479	-	28,479
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 366,873</u>	<u>\$ 247,034</u>	<u>\$ 613,907</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 288	\$ 1,124	\$ 1,412
Due to other funds	10	-	10
Unearned revenue	2,500	-	2,500
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>2,798</u>	<u>1,124</u>	<u>3,922</u>
<b>Fund Balances</b>			
Unreserved			
Designated	364,075	245,910	609,985
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 366,873</u>	<u>\$ 247,034</u>	<u>\$ 613,907</u>

Ventura County Community College District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Modified  
Accrual Basis  
Year Ended June 30, 2020

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	Child Development		
	Budget	Actual	Variance
Revenues			
State revenues	\$ 65,000	\$ 76,765	\$ 11,765
Local revenues	724,821	525,374	(199,447)
Total revenues	789,821	602,139	(187,682)
Expenditures			
Current Expenditures			
Classified salaries	528,974	491,194	37,780
Employee benefits	271,540	208,974	62,566
Books and supplies	24,000	14,992	9,008
Services and operating expenditures	20,360	12,575	7,785
Total expenditures	844,874	727,735	117,139
Excess (Deficiency) of Revenues over Expenditures	(55,053)	(125,596)	(70,543)
Other Financing Sources			
Transfers in	57,000	57,000	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures	\$ 1,947	(68,596)	\$ (70,543)
Fund Balance, Beginning of Year		432,671	
Fund Balance, End of Year		\$ 364,075	

Ventura County Community College District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Modified  
Accrual Basis  
Year Ended June 30, 2020

	Other Special Revenue			Total		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>						
State revenues	\$ -	\$ -	\$ -	\$ 65,000	\$ 76,765	\$ 11,765
Local revenues	140,000	73,632	(66,368)	864,821	599,006	(265,815)
Total revenues	<u>140,000</u>	<u>73,632</u>	<u>(66,368)</u>	<u>929,821</u>	<u>675,771</u>	<u>(254,050)</u>
<b>Expenditures</b>						
Current Expenditures						
Classified salaries	7,493	5,342	2,151	536,467	496,536	39,931
Employee benefits	126	91	35	271,666	209,065	62,601
Books and supplies	5,177	306	4,871	29,177	15,298	13,879
Services and operating expenditures	16,420	6,758	9,662	36,780	19,333	17,447
Total expenditures	<u>29,216</u>	<u>12,497</u>	<u>16,719</u>	<u>874,090</u>	<u>740,232</u>	<u>133,858</u>
Excess (Deficiency) of Revenues over Expenditures	<u>110,784</u>	<u>61,135</u>	<u>(49,649)</u>	<u>55,731</u>	<u>(64,461)</u>	<u>(120,192)</u>
<b>Other Financing Sources</b>						
Transfers in	(125,000)	-	125,000	(68,000)	57,000	125,000
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures	<u>\$ (14,216)</u>	<u>61,135</u>	<u>\$ 75,351</u>	<u>\$ (12,269)</u>	<u>(7,461)</u>	<u>\$ 4,808</u>
Fund Balance, Beginning of Year		<u>184,775</u>			<u>617,446</u>	
Fund Balance, End of Year		<u>\$ 245,910</u>			<u>\$ 609,985</u>	

Ventura County Community College District  
Combining Balance Sheet – Modified Accrual Basis  
June 30, 2020

	<u>Capital Outlay</u>	<u>Bond Construction</u>	<u>Total</u>
<b>Assets</b>			
Investments	\$ 39,759,582	\$ -	\$ 39,759,582
Accounts receivable	-	895	895
Student receivable	137,092	-	137,092
Prepaid expenses	18,371	-	18,371
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 39,915,045</u>	<u>\$ 895</u>	<u>\$ 39,915,940</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,093,535	\$ -	\$ 2,093,535
Due to other funds	-	895	895
Unearned revenue	4,053,378	-	4,053,378
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>6,146,913</u>	<u>895</u>	<u>6,147,808</u>
<b>Fund Balances</b>			
Reserved	33,768,132	-	33,768,132
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 39,915,045</u>	<u>\$ 895</u>	<u>\$ 39,915,940</u>



Ventura County Community College District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Accrual Basis  
Year Ended June 30, 2020

	Capital Outlay	Bond Construction	Total
<b>Revenues</b>			
State revenues	\$ 134,947	\$ -	\$ 134,947
Local revenues	2,079,590	15,898	2,095,488
Total revenues	<u>2,214,537</u>	<u>15,898</u>	<u>2,230,435</u>
<b>Expenditures</b>			
Current Expenditures			
Books and supplies	491,269	-	491,269
Services and operating expenditures	629,826	-	629,826
Capital outlay	9,076,319	1,223,049	10,299,368
Total expenditures	<u>10,197,414</u>	<u>1,223,049</u>	<u>11,420,463</u>
Deficiency of Revenues over Expenditures	<u>(7,982,877)</u>	<u>(1,207,151)</u>	<u>(9,190,028)</u>
<b>Other Financing Sources</b>			
Transfers in	13,733,452	-	13,733,452
Other sources	19,467	-	19,467
Total other financing sources	<u>13,752,919</u>	<u>-</u>	<u>13,752,919</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures	5,770,042	(1,207,151)	4,562,891
Fund Balance, Beginning of Year	<u>27,998,090</u>	<u>1,207,151</u>	<u>29,205,241</u>
Fund Balance, End of Year	<u>\$ 33,768,132</u>	<u>\$ -</u>	<u>\$ 33,768,132</u>

Ventura County Community College District  
Combining Balance Sheet – Modified Accrual Basis  
June 30, 2020

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	<u>Bond Interest and Redemption</u>
Assets	
Investments	\$ 24,132,653
Accounts receivable	<u>88,342</u>
Total assets	<u>\$ 24,220,995</u>
Fund Balance	
Reserved	<u>\$ 24,220,995</u>

Ventura County Community College District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Accrual Basis  
Year Ended June 30, 2020

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	Bond Interest and Redemption
Revenues	
State revenues	\$ 134,945
Local revenues	22,010,736
Total Revenues	22,145,681
Expenditures	
Current Expenditures	
Debt service - principal	10,800,000
Debt service - interest and other	9,601,801
Total Expenditures	20,401,801
Excess of Revenues over Expenditures	1,743,880
Other Financing Sources (Uses)	
Other sources - refunding bonds	115,180,000
Other uses - payment to bond escrow agent	(114,511,448)
Total Other Financing Sources (Uses)	668,552
Excess of Revenues and Other Financing Sources over Expenditures	2,412,432
Fund Balance, Beginning of Year	21,808,563
Fund Balance, End of Year	\$ 24,220,995

Ventura County Community College District  
Combining Balance Sheet – Modified Accrual Basis  
June 30, 2020

	Associated Students Organization	Student Representation Fees	Student Center Fees	Student Financial Aid
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	1,743,620	171,560	6,206,467	605,085
Accounts receivable	6,223	618	22,951	530,519
Student receivable, net	150,805	38,436	148,416	10,156
Due from other funds	-	-	-	4,010
Fixed assets	2,965	-	4,977	-
<b>Total assets</b>	<b>\$ 1,903,613</b>	<b>\$ 210,614</b>	<b>\$ 6,382,811</b>	<b>\$ 1,149,770</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 883	\$ 86	\$ -	\$ 640,003
Due to other funds	-	-	-	509,767
Unearned revenue	261,009	42,882	234,224	-
<b>Total liabilities</b>	<b>261,892</b>	<b>42,968</b>	<b>234,224</b>	<b>1,149,770</b>
<b>Fund Balances</b>				
Unreserved				
Designated	1,641,721	167,646	6,148,587	-
<b>Total fund balances</b>	<b>1,641,721</b>	<b>167,646</b>	<b>6,148,587</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,903,613</b>	<b>\$ 210,614</b>	<b>\$ 6,382,811</b>	<b>\$ 1,149,770</b>

Ventura County Community College District  
Combining Balance Sheet – Modified Accrual Basis  
June 30, 2020

	Scholarship and Loan	Student Clubs	Other Trust	Total
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 5,000	\$ 5,000
Investments	845,267	165,910	2,545,110	12,283,019
Accounts receivable	3,149	-	131,470	694,930
Student receivable, net	4,643	-	25,877	378,333
Due from other funds	-	-	-	4,010
Fixed assets	-	-	-	7,942
<b>Total assets</b>	<b>\$ 853,059</b>	<b>\$ 165,910</b>	<b>\$ 2,707,457</b>	<b>\$ 13,373,234</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 11,774	\$ 1,031	\$ 31,491	\$ 685,268
Due to other funds	-	-	-	509,767
Unearned revenue	-	-	-	538,115
<b>Total liabilities</b>	<b>11,774</b>	<b>1,031</b>	<b>31,491</b>	<b>1,733,150</b>
<b>Fund Balances</b>				
Unreserved				
Designated	841,285	164,879	2,675,966	11,640,084
<b>Total fund balances</b>	<b>841,285</b>	<b>164,879</b>	<b>2,675,966</b>	<b>11,640,084</b>
<b>Total liabilities and fund balances</b>	<b>\$ 853,059</b>	<b>\$ 165,910</b>	<b>\$ 2,707,457</b>	<b>\$ 13,373,234</b>

Ventura County Community College District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Accrual Basis  
Year Ended June 30, 2020

	Associated Students Organization	Student Representation Fees	Student Center Fees	Student Financial Aid
<b>Revenues</b>				
Federal revenues	\$ -	\$ -	\$ -	\$ 43,735,047
State revenues	-	-	-	5,365,603
Local revenues	703,923	85,856	499,270	-
Total revenues	<u>703,923</u>	<u>85,856</u>	<u>499,270</u>	<u>49,100,650</u>
<b>Expenditures</b>				
Current Expenditures				
Academic salaries	-	-	-	-
Classified salaries	38,551	-	44,882	-
Employee benefits	3,915	-	2,224	-
Books and supplies	168,365	683	12,048	-
Services and operating expenditures	67,882	68,284	1,055	-
Capital outlay	1,148	-	3,579	-
Total expenditures	<u>279,861</u>	<u>68,967</u>	<u>63,788</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>424,062</u>	<u>16,889</u>	<u>435,482</u>	<u>49,100,650</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	7,565,289
Transfers out	(106,692)	-	-	(523)
Other uses	(744)	-	-	(56,665,939)
Total other financing sources (uses)	<u>(107,436)</u>	<u>-</u>	<u>-</u>	<u>(49,101,173)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	316,626	16,889	435,482	(523)
Fund Balance, Beginning of Year	<u>1,325,095</u>	<u>150,757</u>	<u>5,713,105</u>	<u>523</u>
Fund Balance, End of Year	<u>\$ 1,641,721</u>	<u>\$ 167,646</u>	<u>\$ 6,148,587</u>	<u>\$ -</u>

Ventura County Community College District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Accrual Basis  
Year Ended June 30, 2020

	Scholarship and Loan	Student Clubs	Other Trust	Total
<b>Revenues</b>				
Federal revenues	\$ -	\$ -	\$ -	\$ 43,735,047
State revenues	-	-	797	5,366,400
Local revenues	364,890	57,678	1,471,632	3,183,249
Total revenues	<u>364,890</u>	<u>57,678</u>	<u>1,472,429</u>	<u>52,284,696</u>
<b>Expenditures</b>				
Current Expenditures				
Academic salaries	-	-	9,282	9,282
Classified salaries	-	351	279,044	362,828
Employee benefits	-	27	43,919	50,085
Books and supplies	-	34,911	433,874	649,881
Services and operating expenditures	-	52,320	326,147	515,688
Capital outlay	-	1,053	63,459	69,239
Total expenditures	<u>-</u>	<u>88,662</u>	<u>1,155,725</u>	<u>1,657,003</u>
Excess (Deficiency) of Revenues over Expenditures	<u>364,890</u>	<u>(30,984)</u>	<u>316,704</u>	<u>50,627,693</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	21,516	63,942	91,863	7,742,610
Transfers out	(2,263)	(4,850)	(87,536)	(201,864)
Other uses	(427,710)	-	(15,126)	(57,109,519)
Total other financing sources (uses)	<u>(408,457)</u>	<u>59,092</u>	<u>(10,799)</u>	<u>(49,568,773)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	<u>(43,567)</u>	<u>28,108</u>	<u>305,905</u>	<u>1,058,920</u>
Fund Balance, Beginning of Year	<u>884,852</u>	<u>136,771</u>	<u>2,370,061</u>	<u>10,581,164</u>
Fund Balance, End of Year	<u>\$ 841,285</u>	<u>\$ 164,879</u>	<u>\$ 2,675,966</u>	<u>\$ 11,640,084</u>

Ventura County Community College District  
Combining Balance Sheet  
June 30, 2020

	Enterprise Funds				Internal Service Fund
	Food Service				
	Moorpark	Oxnard	Ventura	Total	
<b>Assets</b>					
Cash and cash equivalents	\$ 2,000	\$ 3,000	\$ 6,000	\$ 11,000	\$ -
Investments	387,808	540,641	201,224	1,129,673	7,209,840
Accounts receivable	-	-	-	-	23,369
<b>Total assets</b>	<b>\$ 389,808</b>	<b>\$ 543,641</b>	<b>\$ 207,224</b>	<b>\$ 1,140,673</b>	<b>\$ 7,233,209</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 639,553
<b>Fund Equity</b>					
Retained earnings	389,808	543,641	207,224	1,140,673	6,593,656
<b>Total liabilities and fund equity</b>	<b>\$ 389,808</b>	<b>\$ 543,641</b>	<b>\$ 207,224</b>	<b>\$ 1,140,673</b>	<b>\$ 7,233,209</b>



Ventura County Community College District  
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings  
Year Ended June 30, 2020

	Enterprise Funds				Internal Service Fund
	Food Service				
	Moorpark	Oxnard	Ventura	Total	
Operating Revenues					
Sales revenues	\$ 32,023	\$ 15,195	\$ 19,141	\$ 66,359	\$ -
Other operating	-	-	-	-	511,105
Charges to other funds	-	-	-	-	17,114,346
Total operating revenues	<u>32,023</u>	<u>15,195</u>	<u>19,141</u>	<u>66,359</u>	<u>17,625,451</u>
Operating Expenses					
Classified salaries	8,098	-	4,131	12,229	-
Employee benefits	137	-	71	208	16,005,583
Services and other operating expenditures	11,400	-	675	12,075	36,576
Total operating expenses	<u>19,635</u>	<u>-</u>	<u>4,877</u>	<u>24,512</u>	<u>16,042,159</u>
Operating Income	<u>12,388</u>	<u>15,195</u>	<u>14,264</u>	<u>41,847</u>	<u>1,583,292</u>
Nonoperating Revenues (Expenses)					
Transfers in	-	-	-	-	75,000
Transfers out	(276)	(800)	-	(1,076)	-
Other uses	(8,845)	-	-	(8,845)	-
Total nonoperating revenues (expenses)	<u>(9,121)</u>	<u>(800)</u>	<u>-</u>	<u>(9,921)</u>	<u>75,000</u>
Net Income	3,267	14,395	14,264	31,926	1,658,292
Retained Earnings, Beginning of Year	<u>386,541</u>	<u>529,246</u>	<u>192,960</u>	<u>1,108,747</u>	<u>4,935,364</u>
Retained Earnings, End of Year	<u>\$ 389,808</u>	<u>\$ 543,641</u>	<u>\$ 207,224</u>	<u>\$ 1,140,673</u>	<u>\$ 6,593,656</u>

Ventura County Community College District  
Combining Statement of Cash Flows  
Year Ended June 30, 2020

	Enterprise Funds				Internal Service Fund
	Food Service				
	Moorpark	Oxnard	Ventura	Total	
Cash Flows from Operating Activities					
Operating income	\$ 12,388	\$ 15,195	\$ 14,264	\$ 41,847	\$ 1,583,292
Adjustments to reconcile operating income to net cash flows from operating activities					
Changes in assets and liabilities					
Accounts receivable	645	1,002	918	2,565	(2,509)
Accounts payable	-	-	-	-	(135,829)
Net Cash Flows from Operating Activities	13,033	16,197	15,182	44,412	1,444,954
Cash Flows from Investing Activities					
Transfers in	-	-	-	-	75,000
Transfers out	(276)	(800)	-	(1,076)	-
Other uses	(8,845)	-	-	(8,845)	-
Net Cash Flows from Investing Activities	(9,121)	(800)	-	(9,921)	75,000
Net Change in Cash and Cash Equivalents	3,912	15,397	15,182	34,491	1,519,954
Cash and Cash Equivalents - Beginning	385,896	528,244	192,042	1,106,182	5,689,886
Cash and Cash Equivalents - Ending	\$ 389,808	\$ 543,641	\$ 207,224	\$ 1,140,673	\$ 7,209,840

**Note 1 - Organization**

The Ventura County Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Ventura County. The District operates under a locally elected five-member Board of Trustees form of government which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within Ventura County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes.

In June 1999, GASB approved Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, followed by Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public College and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 39. These statements were implemented over a phase (based on size of the government) through fiscal years ending in 2004. The District has implemented those changes. We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Ventura County Community College District for the year ended June 30, 2020, and have issued our report thereon dated February 22, 2021.

These financial statements have been prepared specifically for the Board of Trustees and management of the Ventura County Community College District to provide an analysis of the financial position and results of operations had the District not implemented GASB Statements No. 34 and No. 35. Fund financial statements are included in this report to present the operations of the individual funds used by the District. These fund financial statements do not include the adoption of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as the District was not required to adopt GASB Statement No. 54 under the reporting requirements of GASB Statement No. 35.

**Financial Reporting Entity**

The District has adopted accounting policies to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. The District has no component units.

**Note 2 - Summary of Significant Accounting Policies****Basis of Accounting - Measurement Focus, and Financial Statement Presentation**

Governmental fund types and fiduciary fund types are reported using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on general long-term debt, which is recognized when due.

Proprietary fund types are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

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.

**Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the Statement of Cash Flows.

**Investments**

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

**Accounts Receivable**

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was estimated at \$2,262,308 for the year ended June 30, 2020.

**Prepaid Expenditures**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The costs of prepaid items is recorded as an expense when consumed rather than when purchased.

**Capital Assets and Depreciation**

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

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

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables".

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

**Unearned Revenue**

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

**State Apportionments**

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which Full-Time Equivalent Students (FTES) are generated.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a general obligation bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

**Budgets and Budgetary Accounting**

Annual budgets are adopted on a modified accrual basis for the District's General Funds and Special Revenue Fund. The District's Board of Trustees adopts a tentative operating budget no later than July 1 in accordance with State law. The Board revises the budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. It is this final revised budget that is presented in these financial statements. The District employs budget control by minor object and by individual appropriation accounts. The Board approves pooled budget categories for operational expenditures (e.g. supplies, operating expenses, and capital outlay). Actual expenditures are charged to the

specific expenditure account number. Expenditures cannot legally exceed appropriations by major object account. A public hearing must be conducted to receive comments prior to adoption. The District's Board satisfied these requirements.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2020, which amounted to \$5,237,651 (10.328 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2020. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2019-20 contribution on behalf of school employers of \$1.1 billion for CalSTRS. A proportionate share of these contributions has been recorded in these financial statements.

### **Financial Presentation**

These financial statements have been prepared specifically for the Board of Trustees and management of the Ventura County Community College District to provide an analysis of the financial position and results of operations of the District's individual funds had the District not implemented GASB Statements No. 34 and No. 35.

### **Change in Accounting Principles**

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)

- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The provisions of this Statement have been implemented as of June 30, 2020, with the exception of Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The District has already implemented this standard as of June 30, 2020.

### **Note 3 - Deposits and Investments**

#### **Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

#### **Investment in County Treasury**

The District deposits all receipts and collections of monies with their County Treasurer. The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.



**General Authorizations**

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**Authorized Under Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	\$ 69,200
Investments	<u>195,757,312</u>
Total deposits and investments	<u><u>\$ 195,826,512</u></u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County Investment Pool. The Ventura County Investment Pool purchases shorter term investments and attempts to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District maintains an investment of \$195,757,312 with the Ventura County Investment Pool with an average weighted maturity of 249 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Ventura County pool is not required to be rated. However, as of June 30, 2020, the County portfolio was rated AA Af/S1+ by Standard and Poor's.

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District did not have any deposits exposed to custodial credit risk because all balances were Federal Deposit Insurance Corporation (FDIC) insured.

**Note 4 - Accounts Receivable**

Receivables at June 30, 2020, consist of the following:

	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Federal Government							
Categorical aid	\$ 2,292,280	\$ -	\$ -	\$ -	\$ 507,602	\$ -	\$ 2,799,882
Other Federal aid	18,790	-	-	-	-	-	18,790
State Government							
Apportionment	4,949,932	-	-	-	-	-	4,949,932
Categorical aid	875,590	-	-	-	21,032	-	896,622
Lottery - restricted and unrestricted	1,335,226	-	-	-	-	-	1,335,226
Other State	20	-	-	-	1,885	-	1,905
Local Sources							
Interest	1,074,177	-	895	88,342	32,940	-	1,196,354
Foundation	50,140	-	-	-	131,276	-	181,416
Other local	449,997	2,579	-	-	195	23,369	476,140
Accounts receivable	11,046,152	2,579	895	88,342	694,930	23,369	11,856,267
Less reserve	(14,082)	-	-	-	-	-	(14,082)
Accounts receivable, net	<u>\$ 11,032,070</u>	<u>\$ 2,579</u>	<u>\$ 895</u>	<u>\$ 88,342</u>	<u>\$ 694,930</u>	<u>\$ 23,369</u>	<u>\$ 11,842,185</u>
	General	Special Revenue	Capital Projects	Debt Service	Fiduciary	Proprietary	Total
Student receivable	\$ 5,275,666	\$ 28,479	\$ 137,092	\$ -	\$ 1,052,495	\$ -	\$ 6,493,732
Less reserve	(1,574,064)	-	-	-	(674,162)	-	(2,248,226)
Student receivable, net	<u>\$ 3,701,602</u>	<u>\$ 28,479</u>	<u>\$ 137,092</u>	<u>\$ -</u>	<u>\$ 378,333</u>	<u>\$ -</u>	<u>\$ 4,245,506</u>

**Note 5 - Interfund Transactions****Interfund Receivables/Payables (Due To/Due From)**

Individual fund interfund receivable and payable balances at June 30, 2020, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Funds		
General Unrestricted	\$ 1,724,931	\$ -
General Restricted	-	1,218,269
Special Revenue Fund	-	10
Bond Construction Fund	-	895
Student Financial Aid	4,010	509,767
	<u>4,010</u>	<u>509,767</u>
Total	<u>\$ 1,728,941</u>	<u>\$ 1,728,941</u>

**Note 6 - Transfers**

Interfund transfers consist of operating and equity transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2020, are as follows:

The General Unrestricted Fund transferred to the General Restricted Fund	\$ 1,613,961
The General Unrestricted Fund transferred to the Capital Outlay Fund	13,703,916
The General Unrestricted Fund transferred to the Scholarships and Loan Fund	5,240
The General Unrestricted Fund transferred to the Student Clubs Fund	20,000
The General Unrestricted Fund transferred to the Other Trust Fund	37,000
The General Unrestricted Fund transferred to the Internal Service Fund	75,000
The General Restricted Fund transferred to the Student Financial Aid Fund	7,565,289
The Associated Students Organization Fund transferred to the Scholarship and Loan Fund	15,000
The Associated Students Organization Fund transferred to the Student Clubs Fund	43,942
The Associated Students Organization Fund transferred to the Other Trust Fund	47,750
The Student Financial Aid Fund transferred to the General Unrestricted Fund	523
The Scholarship & Loan Fund transferred to the Other Trust Fund	2,263
The Student Clubs Fund transferred to the Other Trust Fund	4,850
The Other Trust Fund transferred to Capital Outlay Fund	29,536
The Other Trust Fund transferred to the Special Revenue Fund	57,000
The Other Trust Fund transferred to Scholarship and Loan Fund	1,000
The Food Service Fund (Moorpark) transferred to the Scholarship and Loan Fund	276
The Food Service Fund (Oxnard) transferred to the General Restricted Fund	800
	<u>800</u>
Total	<u>\$ 23,223,346</u>

**Note 7 - Accounts Payable**

Accounts payable at June 30, 2020, consist of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Proprietary	Total
Accrued payroll and benefits	\$ 3,829,569	\$ -	\$ -	\$ -	\$ 2,137	\$ 3,831,706
Accrued vacation	863,064	-	-	-	-	863,064
Construction	-	-	2,093,535	-	-	2,093,535
Student liabilities	4,089,129	-	-	9,976	-	4,099,105
Load banking	-	-	-	-	637,329	637,329
Federal categorical aid	1,059	-	-	24,465	-	25,524
State categorical aid	169,259	-	-	1,041	-	170,300
Other State	158,968	-	-	-	-	158,968
Local	2,596,812	1,412	-	649,786	87	3,248,097
	<u>\$11,707,860</u>	<u>\$ 1,412</u>	<u>\$ 2,093,535</u>	<u>\$ 685,268</u>	<u>\$ 639,553</u>	<u>\$15,127,628</u>
Total						

**Note 8 - Unearned Revenue**

Unearned revenue at June 30, 2020, consists of the following:

	General	Special Revenue	Capital Projects	Fiduciary	Total
State categorical aid	\$ 12,121,301	\$ -	\$ -	\$ -	\$ 12,121,301
Scheduled maintenance	-	-	3,209,896	-	3,209,896
Other State	36,702	-	-	-	36,702
RDA	2,325,384	-	732,398	-	3,057,782
Enrollment/student fees	15,907,259	2,500	111,084	538,115	16,558,958
Local	59,576	-	-	-	59,576
	<u>\$ 30,450,222</u>	<u>\$ 2,500</u>	<u>\$ 4,053,378</u>	<u>\$ 538,115</u>	<u>\$ 35,044,215</u>
Total					

**Note 9 - Fund Balances**

Fund balances are composed of the following elements:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b>Reserved</b>				
Prepaid expenditures	\$ 459,466	\$ -	\$ 18,371	\$ -
Revolving cash	53,200	-	-	-
Restricted programs	7,957,233	-	-	-
Capital outlay	-	-	33,749,761	-
Debt repayment	-	-	-	24,220,995
	<u>8,469,899</u>	<u>-</u>	<u>33,768,132</u>	<u>24,220,995</u>
<b>Total reserved</b>				
	<u>8,469,899</u>	<u>-</u>	<u>33,768,132</u>	<u>24,220,995</u>
<b>Unreserved</b>				
<b>Designated</b>				
General reserves	9,718,964	609,985	-	-
Budget rollover	5,038,852	-	-	-
Revenue shortfall contingence	5,000,000	-	-	-
STRS	1,000,000	-	-	-
Energy efficiency	170,000	-	-	-
	<u>20,927,816</u>	<u>609,985</u>	<u>-</u>	<u>-</u>
<b>Total designated</b>	<u>20,927,816</u>	<u>609,985</u>	<u>-</u>	<u>-</u>
<b>Undesignated</b>	<u>54,827,859</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total unreserved</b>	<u>75,755,675</u>	<u>609,985</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 84,225,574</u>	<u>\$ 609,985</u>	<u>\$ 33,768,132</u>	<u>\$ 24,220,995</u>

**Note 10 - Commitments and Contingencies****Litigation**

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the District's financial statements.

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

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, in the opinion of management, any required reimbursements will not be material.

**Construction Commitments**

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Moorpark College Gym Renovation	\$ 774,568	September 2020
Moorpark College Zoo Tiger & Lion Habitat	178,621	May 2021
Moorpark College Kinesiology Outdoor Classroom Phase 2	179,235	September 2020
Oxnard College Fire Warehouse	745,851	March 2021
Mass Notification System	485,721	January 2021
	<u>\$ 2,363,996</u>	

The projects are funded with designated resources.



Independent Auditor's Reports  
June 30, 2020

Ventura County Community College  
District





**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Ventura County Community College District  
Camarillo, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental funds, proprietary funds, and fiduciary funds of Ventura County Community College District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements and have issued our report thereon dated February 22, 2021.

**Emphasis of Matter**

As discussed in Note 1 and Note 2, the financial statements of the governmental funds, proprietary funds, and fiduciary funds are intended to present the financial position and the changes in financial position attributable to the transactions of those funds. They do not purport to, and do not, present fairly the financial position of Ventura County Community College District as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### **Compliance and Other Matters**

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

#### **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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
February 22, 2021