

**VENTURA UNIFIED SCHOOL DISTRICT**

**VENTURA COUNTY**

**REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
INCLUDING REPORTS ON COMPLIANCE  
June 30, 2007**

VENTURA UNIFIED SCHOOL DISTRICT



**VENTURA UNIFIED SCHOOL DISTRICT**

**AUDIT REPORT**

**June 30, 2007**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ventura Unified School District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ventura Unified School District as of June 30, 2007, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2007 on our consideration of the Ventura Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Board of Education  
Ventura Unified School District

The management's discussion and analysis and budgetary comparison information, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ventura Unified School District basic financial statements. The management's discussion and analysis, combining major and non-major fund financial statements and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Ventura Unified School District. The combining major and non-major fund financial statements and supplementary section, including the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The management's discussion and analysis and budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

  
VICENTI, LLOYD & STUTZMAN LLP

November 27, 2007

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

The Management Discussion and Analysis section of Ventura Unified School District's financial report presents an overall review of the District's financial performance during the fiscal year that ended on June 30, 2007. Readers should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- Net assets increased \$15.5 million or 9 percent over the course of the year.
- Total Revenues were \$174.1 million. General Fund revenue accounted for \$140.0 million or 80 percent of total revenues.
- The School District had \$158.6 million in expenses; \$47.0 million of these expenses were offset by program specific charges for services and grants and/or contributions.
- Outlays for capital improvements were \$10.9 million mostly due to the facilities modernization program. Governmental funds report capital outlay as expenditures. However in the statement of activities the cost of these assets is allocated over their useful lives as depreciation expense.
- Among major funds, the General Fund had \$139,858,725 in revenues and \$135,825,612 in expenditures. Increases to Revenue Limit sources and State and Local revenues were the primary cause of the revenue increase from the prior year. The primary causes for the expenditure increases were inflation and a 5% salary increase effective for the full year and an additional 1% increase mid-year for all employees. Although the difference in revenues and expenditures for the general fund was \$4.0 million, the General Fund balance increase was less because of the net effect of the transfer of funds from the Retiree Benefit Fund to pay current year costs of retiree health and welfare benefits and the transfer to the Deferred Maintenance Fund required for State matching purposes. The District had a \$3.4 million dollar increase in fund balance. The General Fund ending balance was \$13.0 million.
- The District's financial status continues to remain solid. The District is able to meet all of its current needs and maintains the required reserve balance.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts, Management's Discussion and Analysis (this section), the basic financial statements, and the required supplementary information. The basic financial statements include 2 kinds of statements that present different views of the District:

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

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

**District-wide Statements**

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

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

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

**Fund Financial Statements**

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

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

The District has two kinds of funds:

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

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

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

**Net assets.** The District's combined net assets from governmental activities were larger on June 30, 2007 than they were the year before, increasing by 9% to \$187.7 million. Table 1 provides a summary of the District's combined net assets for 2007.

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

Summary of Statement of Net Assets	<u>2006</u>	<u>2007</u>	<u>Total Change</u>	<u>Total % Change</u>
Non-capital Assets	\$ 79.0	\$ 86.0	\$ 7.0	8.9%
Capital Assets	184.5	190.3	5.8	3.1%
Total Assets	<u>263.5</u>	<u>276.3</u>	<u>12.8</u>	4.9%
Current Liabilities	11.6	11.7	0.1	0.9%
Long-Term Liabilities	79.7	76.9	(2.8)	-3.5%
Total Liabilities	<u>91.3</u>	<u>88.6</u>	<u>(2.7)</u>	-3.0%
Invested in Capital Assets, Net of Related Debt	111.7	111.3	(0.4)	-0.4%
Net Assets Legally Restricted	48.2	66.0	17.8	36.9%
Net Assets Unrestricted	12.3	10.3	(2.0)	-16.3%
Total Net Assets	<u>\$ 172.2</u>	<u>\$ 187.7</u>	<u>\$ 15.5</u>	9.0%

Total combined assets were \$276.3 million, capital assets were 69 percent (\$190.3 million) of total assets and non-capital assets were 31 percent (\$86.0 million) of total assets. Total liabilities were \$88.6 million; 13 percent (\$11.7 million) current and 86 percent (\$76.9 million) long term. Of the District's *Governmental Activities* net assets, 59 percent (\$111.3 million) were capital assets net of related debt, 35 percent (\$66.0 million) were net assets legally restricted and 6 percent (\$10.3 million) were unrestricted net assets.

Significant changes include:

- Non-capital assets increased as a result of the cash received for the sale of the Santa Clara property.
- Net assets legally restricted increased due to one time funding received from the State late in the year, as well as the proceeds from the sale of the Santa Clara property that increased the building fund.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

<b>Summary of Statement of Activities</b>	<u><b>2006</b></u>	<u><b>2007</b></u>
Program Revenues	\$ 41.2	\$ 47.0
General Revenues	108.0	117.1
Special Items	32.6	10.0
Total Revenues	<u>181.8</u>	<u>174.1</u>
Expenses for:		
Instruction and Instruction Related Services	94.2	101.2
Pupil Services	15.8	18.0
General Administration	7.1	7.5
Plant Services	14.4	14.7
Ancillary, Community and Enterprise Activities	5.4	5.4
Debt Service	3.7	3.9
Other Outgo	2.0	2.9
Depreciation	5.4	5.0
Total Expenses	<u>148.0</u>	<u>158.6</u>
Change in Net Assets	33.8	15.5
Net Assets, Beginning	138.4	172.2
Net Assets, Ending	<u>\$ 172.2</u>	<u>\$ 187.7</u>

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

Total cost of all governmental activity programs and services were \$158.6 million. Instruction and pupil services made up 75 percent of total program cost. Plant services were 9 percent and general administration was 5 percent.

Significant changes include:

Revenues:

- General revenues increased primarily from Revenue Limit funding. The District received approximately \$537, more per Average Daily Attendance (ADA) during the 2006-07 year.
- The District has sold various properties during the 2005-06 and 2006-07 years.

Expenses:

- Total expenses increased primarily for instruction and related services as a result of increases in program revenues described above to be used for instruction and related programs.

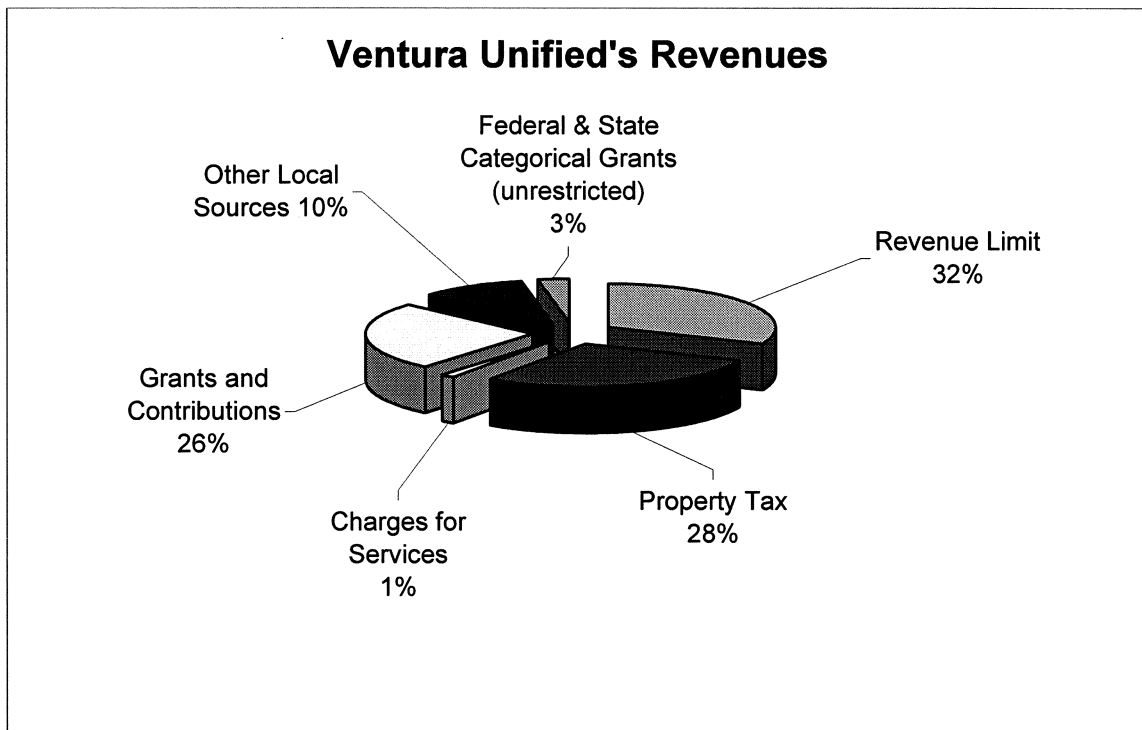


**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

**Governmental Activities**

By the end of the fiscal year the revenue for the District's governmental activities totaled \$174.1 million. Sixty percent was from revenue limit and property taxes, 29 percent was from federal and state grants and contributions and 10 percent from Local sources. General revenues, revenue limit and the related property taxes were 54 percent and received to provide for the District's basic services.

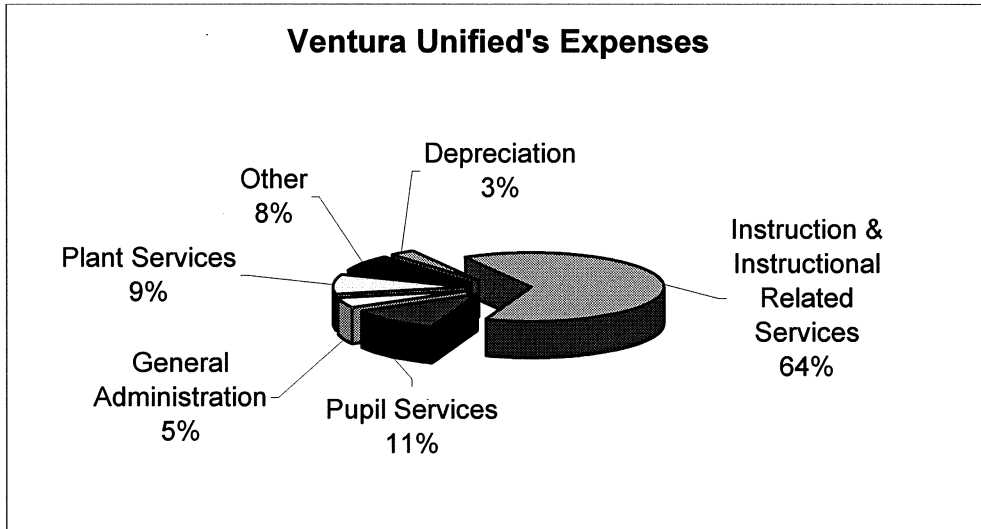
Figure 1



**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

The cost of all the District's major activities: Instruction, guidance, counseling, evaluation, school leadership, student transportation, administration and, maintenance and operations was \$158.6 million. Users of the District programs paid \$2.5 million of the cost. The federal and state governments subsidized approximately \$44.5 million in certain program costs with grants and contributions. Most of the District's expenses (\$109.8 million) were paid for by District taxpayers and the taxpayers of our state.

Figure 2



**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

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

**General Fund Budgetary Highlights**

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

**Actual revenues** were \$0.1 million greater than the final budget amount. Minor differences were recognized due to a slight decrease in revenue limit funding, while state and local funding had a small increase.

**Actual expenditures** were \$6.0 million less than the final budgeted amounts. The majority of this difference was in books and supplies, \$5.7 million. The school district appropriates categorical programs up to their full allocations. The large variance results from this budget for discretionary items not being expended in total. The unspent funds are deferred or restricted and budgeted to be expended in the subsequent year.

**Capital Assets**

By the end of the school year the District had invested \$10.5 million in a broad range of capital assets, including school facilities, technology equipment and infrastructure, and vehicles. Overall capital assets increased from \$184.5 million as of July 1, 2006 to \$190.3 million as of June 30, 2007. The majority of capital outlay expenditures occur in the Building Fund, County School Facilities Fund and General Fund. Additional information on the changes in capital assets can be found at Note 11.

**Debt Administration**

By year-end the District had \$79.9 million in long-term debt a 2.2 percent (\$1.8 million) decrease over last year. Additional information on the changes in long-term debt can be found at Note 10. The District's bonds currently are rated "AAA".

**VENTURA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year Ended June 30, 2007**

**Average Daily Attendance**

Average daily attendance reported on the second period attendance report for the regular education program and excluding adult education decreased by 148 to 16,487. The District expects enrollment to decrease by less than 2% over the next 2 years.

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

Although the District is financially stable its financial condition is highly dependent upon the economic condition of the State of California. The California fiscal outlook is highly volatile. The State faces major operating deficits in the current and over the next several years. Recent reports from the California Legislative Analyst's office indicate that for this current year the State will end with a deficit of approximately \$1.9 billion compared to the \$4.1 billion dollar reserve contained in the budget when it was enacted in August. Based on current legislation each of the next two budget years will result in an additional \$8 billion in operating shortfalls absent of any corrective action.

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**FINANCIAL SECTION**

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS**

**June 30, 2007**

	<b>Governmental Activities</b>
<b><u>Assets</u></b>	
Cash in county treasury	\$ 67,934,793
Cash on hand and in banks	133,536
Cash in revolving fund	10,000
Cash with fiscal agent	1,530,205
Investments with fiscal agent	454,087
Accounts receivable:	
Federal and State governments	11,350,956
Miscellaneous	3,485,760
Due from fiduciary funds	5,748
Inventories	463,602
Capitalized fees	616,235
Land	12,371,805
Depreciable assets, net	<u>177,947,674</u>
<b>Total Assets</b>	<b><u>276,304,401</u></b>
 <b><u>Liabilities</u></b>	
Accounts payable and other current liabilities	7,654,102
Deferred revenue	1,073,419
Current portion of long-term liabilities:	
Compensated absences	900,556
General obligation bonds	1,830,000
Certificates of participation	220,000
Loan payable	12,167
Non-current portion of long-term liabilities:	
General obligation bonds	74,935,085
Less deferred charges on refunding bonds	(2,640,718)
Certificates of participation	4,560,000
Loan payable	<u>47,534</u>
<b>Total Liabilities</b>	<b><u>88,592,145</u></b>
 <b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	111,355,411
Restricted for:	
Debt service	3,700,245
Capital outlay	56,760,317
Educational programs	5,592,750
Unrestricted	<u>10,303,533</u>
<b>Total Net Assets</b>	<b><u>\$ 187,712,256</u></b>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2007

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 84,166,768	\$ 292,796	\$ 23,766,363	\$ 125,968	\$ (59,981,641)
Instruction - related services	17,094,848	33,232	5,971,141		(11,090,475)
Pupil services	17,981,857	2,048,289	10,086,205		(5,847,363)
Ancillary services	279,862				(279,862)
Community services	417,922		270,979		(146,943)
Enterprise activities	4,708,826				(4,708,826)
General administration	7,546,714	25,002	2,556,369		(4,965,343)
Plant services	14,677,063				(14,677,063)
Other outgo	2,892,914	69,568	1,780,335		(1,043,011)
Debt service - interest	3,855,530				(3,855,530)
Depreciation (unallocated)	5,061,736				(5,061,736)
<b>Total Governmental Activities</b>	<b>\$ 158,684,040</b>	<b>\$ 2,468,887</b>	<b>\$ 44,431,392</b>	<b>\$ 125,968</b>	<b>(111,657,793)</b>
<b>General Revenues</b>					
Property taxes levied for:					
					44,218,652
					5,289,867
					60,284,137
					2,987,076
					4,355,392
<i>Special item:</i>					
					9,997,914
					(20,572)
					<u>127,112,466</u>
					15,454,673
					<u>172,257,583</u>
					<u>\$ 187,712,256</u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2007**

	<u>General Fund</u>	<u>Cafeteria Fund</u>	<u>Special Reserve for Post- Employment Benefits Fund</u>	<u>Building Fund</u>	<u>County School Facilities Fund</u>	<u>Capital Facilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>								
Cash in county treasury	\$ 2,616,778	\$ 258,249	\$ 1,208,040	\$ 48,980,786	\$ 1,534,541	\$ 7,045,469	\$ 6,290,930	\$ 67,934,793
Cash on hand and in banks		133,536						133,536
Cash in revolving fund	10,000							10,000
Cash with fiscal agent				1,530,205				1,530,205
Investments with fiscal agent				454,087				454,087
Accounts receivable:								
Federal and State governments	9,713,876	618,046					1,019,034	11,350,956
Miscellaneous	2,681,251	18,373	17,404	570,539	24,482	90,278	83,433	3,485,760
Due from other funds	1,672,379	55,057	300,000	19,666		304,820	440,868	2,792,790
Inventories	402,483	61,119						463,602
<b>Total Assets</b>	<u>\$ 17,096,767</u>	<u>\$ 1,144,380</u>	<u>\$ 1,525,444</u>	<u>\$ 51,555,283</u>	<u>\$ 1,559,023</u>	<u>\$ 7,440,567</u>	<u>\$ 7,834,265</u>	<u>\$ 88,155,729</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 2,463,623	\$ 126,706	\$	\$ 2,494,621	\$ 944,468	\$ 86,397	\$ 47,329	\$ 6,163,144
Due to other funds	795,926	845,714	417,126	153,967		48,619	525,690	2,787,042
Deferred revenue	833,390	25,316		66,484			148,229	1,073,419
<b>Total Liabilities</b>	<u>4,092,939</u>	<u>997,736</u>	<u>417,126</u>	<u>2,715,072</u>	<u>944,468</u>	<u>135,016</u>	<u>721,248</u>	<u>10,023,605</u>
<b>Fund Balances</b>								
Restricted for debt service							5,191,203	5,191,203
Restricted for special purposes	5,518,521						74,229	5,592,750
Reserved for special purposes	412,483	61,119						473,602
Designated for special purposes	6,705,328		1,108,318					7,813,646
Undesignated	367,496	85,525		48,840,211	614,555	7,305,551	1,847,585	59,060,923
<b>Total Fund Balances</b>	<u>13,003,828</u>	<u>146,644</u>	<u>1,108,318</u>	<u>48,840,211</u>	<u>614,555</u>	<u>7,305,551</u>	<u>7,113,017</u>	<u>78,132,124</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,096,767</u>	<u>\$ 1,144,380</u>	<u>\$ 1,525,444</u>	<u>\$ 51,555,283</u>	<u>\$ 1,559,023</u>	<u>\$ 7,440,567</u>	<u>\$ 7,834,265</u>	<u>\$ 88,155,729</u>

See the accompanying notes to the financial statements.



**VENTURA UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS**

**June 30, 2007**

Total fund balances-governmental funds \$ 78,132,124

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

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

Land	\$ 12,371,805	
Depreciable assets, net	<u>177,947,674</u>	
Total capital assets		190,319,479

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:

Certificates of participation	(4,780,000)	
Loan payable	(59,701)	
General obligation bonds payable and related premium	(76,765,085)	
Less deferred charges on refunding bonds	2,640,718	
Compensated absences	<u>(900,556)</u>	
		(79,864,624)

General obligation bond issuance costs to be amortized over the life of the bond 616,235

Interest expense related to certificates of participation and general obligation bonds payable was incurred but not accrued through June 30, 2007 (1,490,958)

Total net assets – governmental activities \$187,712,256

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Special Reserve for Post- Employment Benefits Fund</b>	<b>Building Fund</b>	<b>County School Facilities Fund</b>	<b>Capital Facilities Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>								
Revenue limit sources:								
State apportionments	\$ 49,165,970	\$ 1,506,337	\$	\$	\$	\$	\$ 4,047,011	\$ 54,719,318
Local sources	44,116,256							44,116,256
Total revenue limit sources	93,282,226	1,506,337	-	-	-	-	4,047,011	98,835,574
Federal sources	11,481,974	3,251,833					325,406	15,059,213
Other State sources	24,012,515	248,265					2,120,474	26,381,254
Other local sources	11,082,006	2,301,071	77,028	2,509,590	125,968	1,728,046	6,061,614	23,885,323
<b>Total Revenues</b>	<b>139,858,721</b>	<b>7,307,506</b>	<b>77,028</b>	<b>2,509,590</b>	<b>125,968</b>	<b>1,728,046</b>	<b>12,554,505</b>	<b>164,161,364</b>
<b>Expenditures</b>								
Instruction	80,598,384						3,574,953	84,173,337
Instruction - related services	15,718,015						1,352,103	17,070,118
Pupil services	11,176,866	6,802,857					60,481	18,040,204
Ancillary services	299,121							299,121
Community services	399,259						14,012	413,271
Enterprise activities	4,708,826							4,708,826
General administration	6,940,791	338,464					273,601	7,552,856
Plant services	13,079,265	405,000		7,567,322	404,199	2,057,011	1,848,947	25,361,744
Other outgo	2,892,914							2,892,914
Debt service	12,167			445,024			5,278,000	5,735,191
<b>Total Expenditures</b>	<b>135,825,608</b>	<b>7,546,321</b>	<b>-</b>	<b>8,012,346</b>	<b>404,199</b>	<b>2,057,011</b>	<b>12,402,097</b>	<b>166,247,582</b>
Excess (deficiency) of revenues over expenditures	4,033,113	(238,815)	77,028	(5,502,756)	(278,231)	(328,965)	152,408	(2,086,218)
<b>Other Financing Sources (Uses)</b>								
Interfund transfers in	460,925		300,000	445,740			758,169	1,964,834
Proceeds from sale of land				10,023,440				10,023,440
Interfund transfers out	(1,058,169)		(417,126)			(43,799)	(445,740)	(1,964,834)
<b>Total Other Financing Sources (Uses)</b>	<b>(597,244)</b>	<b>-</b>	<b>(117,126)</b>	<b>10,469,180</b>	<b>-</b>	<b>(43,799)</b>	<b>312,429</b>	<b>10,023,440</b>
Net change in fund balances	3,435,869	(238,815)	(40,098)	4,966,424	(278,231)	(372,764)	464,837	7,937,222
<b>Fund Balances at Beginning of Year</b>	<b>9,567,959</b>	<b>385,459</b>	<b>1,148,416</b>	<b>43,873,787</b>	<b>892,786</b>	<b>7,678,315</b>	<b>6,648,180</b>	<b>70,194,902</b>
<b>Fund Balances at End of Year</b>	<b>\$ 13,003,828</b>	<b>\$ 146,644</b>	<b>\$ 1,108,318</b>	<b>\$ 48,840,211</b>	<b>\$ 614,555</b>	<b>\$ 7,305,551</b>	<b>\$ 7,113,017</b>	<b>\$ 78,132,124</b>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2007**

Net change in fund balances – Total government funds \$ 7,937,222

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

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

Capital outlay	\$10,903,324	
Depreciation expense	<u>(5,061,736)</u>	
Excess of capital outlay over depreciation expense		5,841,588

The proceeds from the sale of land is reported as revenue in the governmental  
funds. However, the cost of the land and equipment is removed from the  
capital assets balance in the statement of net assets and offset against the sale  
proceeds resulting in a net gain on the assets sold in the statement of activities.

Cost of land sold	(25,526)	
Retirement of equipment (net of accumulated depreciation)	<u>(20,572)</u>	
		(46,098)

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

Certificates of participation principal payments	215,000	
Loan payable principal payments	12,167	
General obligation bond principal payments	<u>1,785,000</u>	
		2,012,167

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

Net increase in accrued interest	(51,589)	
Net increase in compensated absences	(157,700)	
Amortization of premium on general obligation bonds	63,017	
Amortization of costs on general obligation bonds	(27,337)	
Amortization of deferred charges on refunded bonds	<u>(116,597)</u>	
		<u>(290,206)</u>

Change in net assets of governmental activities \$15,454,673

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF FUND NET ASSETS - FIDUCIARY FUNDS**

**June 30, 2007**

	<b>Foundation Private-Purpose Trust</b>	<b>Associated Student Body Funds</b>
<b><u>Assets</u></b>		
Cash in county	\$ 261,882	\$
Cash on hand and in banks		1,394,752
Accounts receivable:		
Miscellaneous	5,772	
Inventories		35,001
<b>Total Assets</b>	<b>267,654</b>	<b>1,429,753</b>
<b><u>Liabilities</u></b>		
Accounts payable	2,594	14,524
Due to governmental funds	5,748	
Funds held in trust		941,658
<b>Total Liabilities</b>	<b>8,342</b>	<b>956,182</b>
<b><u>Net Assets</u></b>		
Restricted for special purposes	259,312	
Unrestricted		473,571
<b>Total Net Assets</b>	<b>\$ 259,312</b>	<b>\$ 473,571</b>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FUND NET ASSETS - FIDUCIARY FUNDS  
For the Fiscal Year Ended June 30, 2007**

	<u>Foundation Private- Purpose Trust</u>	<u>Associated Student Body Funds</u>
<b>Additions</b>		
Other local sources	\$ 288,571	\$ 1,430,163
<b>Total Additions</b>	<u>288,571</u>	<u>1,430,163</u>
<b>Deductions</b>		
Scholarships	1,250	
Other expenses	<u>291,536</u>	<u>1,441,753</u>
<b>Total Deductions</b>	<u>292,786</u>	<u>1,441,753</u>
Changes in net assets	(4,215)	(11,590)
<b>Net Assets at Beginning of Year</b>	<u>263,527</u>	<u>485,161</u>
<b>Net Assets at End of Year</b>	<u>\$ 259,312</u>	<u>\$ 473,571</u>

See the accompanying notes to the financial statements.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

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

**A. BASIS OF PRESENTATION:**

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

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

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

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

**2. Fund Financial Statements:**

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

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

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

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

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

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

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

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

Enterprise activities – includes activities related to the recording of retiree benefits.

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

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

Other outgo – includes transfers to other agencies.

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

Fiduciary fund expenditures are presented by natural classification.



VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

**B. FUND ACCOUNTING:**

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

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

**GOVERNMENTAL FUNDS - MAJOR**

**General Fund** - the general operating fund of the District is used to account for all financial resources except those required to be accounted for in another fund.

**Cafeteria Fund** - used to account for revenues received and expenditures made to operate the District's cafeterias.

**Special Reserve for Post-Employment Benefits Fund** – the Special Reserve for Post-Employment Benefits Fund is a consolidation of two sub-funds:

1. Retiree Benefits Fund (Fund #200) – used to account for future payments of health and welfare benefits.
2. Alternative Retiree Benefits Fund (Fund #201) – used to account for future payments of the exempt governmental deferred compensation plan.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

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

**GOVERNMENTAL FUNDS – MAJOR (continued)**

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

1. Building Fund (Fund #210) – used to account for the construction and/or acquisition of major capital facilities. Income is from rental of unused sites.
2. Building Fund Series A (Fund #211) – used to account for the proceeds of Certificates of Participation and for acquisition, retro-fitting and operation of real property.
3. Bond Building Fund (Fund #213) – used to account for the proceeds of General Obligation Bonds and for construction and repairs of facilities.

**County School Facilities Fund** – used to account for the School Facility Program grants awarded for modernization of high school and elementary sites. The County School Facilities Fund is a consolidation of two sub-funds.

**Capital Facilities** – the Capital Facilities Fund is a consolidation of two sub-funds:

1. Capital Facilities Fund (Residential) (Fund #250) – used to account for resources received from residential developer impact fees.
2. Capital Facilities Fund (Commercial) (Fund #251) – used to account for resources received from commercial developer impact fees.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

**GOVERNMENTAL FUNDS – NON-MAJOR**

**Debt Service Fund** – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The District maintains one non-major debt service fund:

Bond Interest and Redemption Fund (Fund #510) - used to collect taxes and pay for debt service associated with General Obligation Bonds.

**Special Revenue Funds** - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains three non-major special revenue funds:

1. Adult Education Fund (Fund #110) - used to account for resources committed to adult education programs maintained by the District.
2. Child Development Fund (Fund #120) - used to account for resources committed to child development programs.
3. Deferred Maintenance Fund (Fund #140) - used for the purpose of major repair or replacement of District property.

**FIDUCIARY FUNDS**

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

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

**Associated Student Body Funds** - used to account for raising and expending money to promote the general welfare, morale and educational experiences of the student body organizations. The District operated eight organized Student Body Funds and three unorganized student body funds, during the year the Elmhurst Elementary School Fund was closed.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

**C. BASIS OF ACCOUNTING:**

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

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

1. Cash and Cash Equivalents

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

2. Receivables

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

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

3. Inventories

Inventories are presented at average cost. Inventories consist of expendable supplies held for consumption. At June 30, 2007, total supply inventory is \$402,483 and food inventory is \$61,119.

4. Capitalized Fees

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

5. Capital Assets

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

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

6. Deferred Revenue

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

7. Compensated Absences

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

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

8. Long Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

9. Fund Balance Reservations and Designations

Reservations of the ending fund balance indicate the portions of the fund balance not appropriable for expenditure. Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

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

10. Net Assets

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

11. State Apportionments

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

12. Property Taxes

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

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

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

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

13. On-Behalf Payments

GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers Retirement System on behalf of all school districts in California. However, a fiscal advisory was issued by the California Department of Education instructing districts not to record revenue and expenditures for these on-behalf payments. The amount of on-behalf payments made for the District is estimated at \$1,296,000 for STRS.

14. Contributed Services

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

15. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Due to the uncertainty of funding, the District has elected not to accrue a receivable for the State match of deferred maintenance funds. The State match will be recorded as revenue in the year received.



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

**D. REPORTING ENTITY:**

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

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

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

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

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

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 2 - BUDGETS:**

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

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

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

**NOTE 3 – DEPOSITS AND INVESTMENTS:**

**A. Deposits**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits including those of fiduciary funds, may not be returned to it. The District has established a policy for custodial risk that follows requirements as set forth in Education Code 41002.5. As of June 30, 2007, \$3,051,200 of the District's bank balances of \$3,431,242 were exposed to credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the District's name	\$1,470,612
Uninsured and uncollateralized	<u>1,580,588</u>
Total	<u>\$3,051,200</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

**A. Deposits (continued)**

**Cash in County**

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Ventura County Treasury (the County). The County pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost which approximates fair value. The fair market value of the District's deposits in this pool as of June 30, 2007, as provided by the pool sponsor, was \$68,428,869.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

**B. Investments**

Government Code Section 16430 and 53601 allows governmental entities to invest surplus moneys in certain eligible securities. In addition, the District's investment policy limits its investment choices to those allowed by Government Code. The District places no limit on the amount that may be invested in any one issuer. The District did not violate any provisions of the Government Code during the 2006-07 fiscal year, nor were they involved in any reverse repurchase agreements during 2006-07.

Investments with Fiscal Agent at June 30, 2007, held on behalf of the Ventura County Schools Public Financing Corporation, are presented below:

Uncategorized Investments:

Guaranteed Investment Contracts (GIC)	<u>\$454,087</u>
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**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 4 - INTERFUND TRANSACTIONS:**

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

**A. Interfund Receivables/Payables**

Individual interfund receivable and payable balances at June 30, 2007 are temporary loans and are detailed as follows:

<b>Fund</b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$1,672,379	\$ 795,926
Special Revenue Funds:		
Cafeteria Fund	55,057	845,714
Retiree Benefits Fund	300,000	417,126
Adult Education Fund	425,618	438,327
Child Development Fund		87,363
Deferred Maintenance Fund	15,250	
Capital Projects Funds:		
Building Sub-Fund	19,666	134,302
Building Fund (Series A)		19,665
Capital Facilities Fund (Residential)	300,000	47,236
Capital Facilities Fund (Commercial)	4,820	1,383
Fiduciary Funds:		
Foundation Fund	_____	5,748
Totals	<u>\$2,792,790</u>	<u>\$2,792,790</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

**B. Interfund Transfers**

Interfund transfers for the 2006-07 fiscal year are as follows:

Transfer from General Fund to Deferred Maintenance Fund for State matching funds	\$ 758,169
Transfer from Adult Education Fund to the Building Fund (Series A) to pay for Certificates of Participation debt service	445,740
Transfer from General Fund to the Retiree Benefits Fund to pay for future benefits	300,000
Transfer from Retiree Benefits Fund to the General Fund for expenditures	417,126
Transfer from Capital Facilities Fund (Residential and Commercial) to General Fund to pay for developers' fees administration	<u>43,799</u>
Total	<u>\$1,964,834</u>

**NOTE 5 - FUND BALANCES - RESERVED/RESTRICTED/DESIGNATED:**

The following amounts were reserved by the Board of Education for the special purposes below:

	<b><u>General Fund</u></b>	<b><u>Cafeteria Fund</u></b>
Cash in revolving fund	\$ 10,000	\$
Inventories	<u>402,483</u>	<u>61,119</u>
Total	<u>\$412,483</u>	<u>\$ 61,119</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 5 - FUND BALANCES - RESERVED/RESTRICTED/DESIGNATED: (continued)**

The following amounts were legally restricted for the special purposes below:

Major Fund:

General Fund:

Federal Emergency Management Agency (FEMA)	\$ 17,413
Cal-Safe Academic and Support Services	4,782
Cal-SAFE Child Care	23,524
English Language Acquisition Program	29,162
Lottery - Instructional Materials	594,686
School Safety and Violence Prevention	55,115
Special Education Early Education Intervention	86,304
Art and Music Block Grant	290,366
Art, Music, and PE Supplies and Equipment	1,393,127
Economic Impact Aid	263,334
Education Technology: Staff Development	8,852
Gifted and Talented Education (GATE)	35,838
Instructional Materials Funding Realignment Program	1,052,238
Instructional Materials – Williams Case	2,684
California Peer Assistance and Review Program for Teachers	11,339
Staff Development Principals Training	24,358
10th Grade Counseling	3,031
Teacher Credentialing Block Grant	155
School and Library Improvement Block Grant	92,044
Discretionary Block Grant - School Site	760,696
Discretionary Block Grant - District	342,309
Instructional Materials - Library Materials and Education Technology	278,158
CAHSEE Intensive Instruction and Services	22,674
CAHSEE Individual Intervention Materials	12,823
Supplemental School Counseling Program	23,146
Gray Family Trust	22,641
Other Local	<u>67,722</u>
Total	<u>\$5,518,521</u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

**NOTE 5 - FUND BALANCES - RESERVED/RESTRICTED/DESIGNATED: (continued)**

Non-Major Fund:	
Child Development Fund:	
Child Development Center Based Reserve	\$ <u>74,229</u>
Fiduciary Fund – Private Purpose Trust Funds:	
David Graham Scholarship Fund	
Scholarships	\$ 58,788
Foundation Fund	
Ventura Education Partnership	<u>200,524</u>
Total Fiduciary	\$ <u>259,312</u>

The following amounts were designated by the Board of Education for the special purpose below:

Major Funds:	
General Fund:	
Economic Uncertainties	\$4,106,514
Mandated Cost Reimbursement	386,389
Health and Welfare Benefits Reserve	150,000
Medi-Cal Administrative Activities (MAA)	<u>2,062,425</u>
Sub-total General Fund	<u>6,705,328</u>
Special Reserve for Post-Employment Benefits Funds:	
Retiree Benefits	700,643
Alternative Retiree Benefits	<u>407,675</u>
Sub-total Special Reserve for Post-Employment Benefits Funds	<u>1,108,318</u>
Total	\$ <u>7,813,646</u>



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 6 – OPERATING LEASES:**

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

<u>Fiscal Year</u>	<u>Lease Payment</u>
2007-08	\$ 392,124
2008-09	<u>32,677</u>
Total	\$ <u>424,801</u>

Current year expenditures for operating leases is approximately \$416,672. The District will receive no sublease rental revenues nor pay any contingent rentals for these properties.

**NOTE 7 – LOAN PAYABLE:**

On June 20, 2000 the District entered into a loan agreement in the amount of \$121,673 with the State of California under the Child Care Facilities Revolving Fund Program. The proceeds of which were used for the purchase and installation of a new relocatable building for the preschool program. The outstanding debt and annual repayment requirements at June 30, 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Payment</u>
2008	\$ 12,167
2009	12,167
2010	12,167
2011	12,167
2012	<u>11,033</u>
Total	59,701
Less Amount Representing Interest	<u>0</u>
Net Loan Payable	\$ <u>59,701</u>

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 8 - GENERAL OBLIGATION BONDS:**

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

During March 2004, Series A and D general obligation bonds were re-financed for a total of \$23,180,000. The proceeds associated with the refunding were deposited in an escrow account for future payment and as such are considered in-substance defeased. At June 30, 2007 the outstanding balance of the defeased debt to be paid by the escrow agent totaled \$11,445,000.

During April 2005, Series B and C general obligation bonds were re-financed for a total of \$17,750,000. The proceeds associated with the refunding were deposited in an escrow fund for future repayment. At June 30, 2007, the outstanding balance of the defeased debt to be paid by the escrow agent totaled \$8,595,000. These bonds are considered in-substance defeased and are not recorded on the financial statements.

During September 2005, the District sold \$5,000,000 General Obligation Bonds, 1997 Election Series I. The bonds were sold with an interest rate ranging from 3% to 5% and mature in 2034. The bonds were sold to finance the construction of schools, to replace old portable buildings, for technology infrastructure and for modernization and renovation.

The outstanding bonded debt of the Ventura Unified School District at June 30, 2007 is:

<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date (1)</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2006</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2007</u>
6/23/1998 B	Various	2/1/2007	\$10,000,000	\$ 215,000	\$	\$ 215,000	\$ 0
6/29/1999 C	Various	2/1/2008	10,000,000	420,000		205,000	215,000
6/11/2001 E	Various	2/1/2032	12,500,000	11,745,000		230,000	11,515,000
7/11/2002 F	Various	8/1/2032	10,000,000	9,560,000		175,000	9,385,000
7/21/2003 G	Various	8/1/2033	6,000,000	5,805,000		120,000	5,685,000
3/03/2004	Various	8/1/2030	23,180,000	21,955,000		600,000	21,355,000
7/01/2004 H	Various	8/1/2034	5,000,000	4,950,000		75,000	4,875,000
4/28/2005	Various	8/1/2029	17,750,000	17,480,000		60,000	17,420,000
9/07/2005 I	Various	8/1/2034	5,000,000	5,000,000		105,000	4,895,000
				<u>\$77,130,000</u>	<u>\$ 0</u>	<u>\$ 1,785,000</u>	<u>\$ 75,345,000</u>

<sup>(1)</sup>Original maturity date on non-refunded portion:

Series B 8/1/2028

Series C 2/1/2030

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2007, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,830,000	\$ 3,195,855	\$ 5,025,855
2009	1,900,000	3,121,235	5,021,235
2010	1,970,000	3,048,891	5,018,891
2011	2,055,000	2,973,953	5,028,953
2012	2,135,000	2,900,313	5,035,313
2013-2017	11,960,000	13,239,813	25,199,813
2018-2022	14,870,000	10,467,671	25,337,671
2023-2027	18,820,000	6,626,075	25,446,075
2028-2032	16,775,000	2,171,753	18,946,753
2033-2035	<u>3,030,000</u>	<u>115,903</u>	<u>3,145,903</u>
Totals	75,345,000	<u>\$47,861,462</u>	<u>\$ 123,206,462</u>
Unamortized bond premium <sup>(1)</sup>	1,420,085		
Unamortized bond deferred liability <sup>(2)</sup>	<u>(2,640,718)</u>		
Total	<u>\$74,124,367</u>		

(1) Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The refunding bonds issued in 2004 and 2005 included a total premium of \$1,579,847. This amount is amortized using the straight-line method. Amortization of \$63,017 was recognized during the 2006-07 year.

(2) The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by \$1,970,000 for the 2004 refunding and \$982,792 for the 2005 refunding. Amortization of \$116,597 was recognized during the 2006-07 year.

Associated issuance costs are recorded as capitalized fees on the statement of net assets and are amortized to interest expense over the life of the liability. Issuance costs of \$685,737 are amortized using the straight-line method. Amortization of \$27,337 was recognized during the 2006-07 year.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 9 - CERTIFICATES OF PARTICIPATION:**

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

The Ventura County Schools Public Facilities Financing Corporation acts as a purchaser and lessor of the property and U.S. Bank acts as trustee and disbursing agent. At June 30, 2007, the District had \$454,087 available with the Trustee for repayment.

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

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

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 220,000	\$ 223,322	\$ 443,322
2009	230,000	215,182	445,182
2010	240,000	206,326	446,326
2011	250,000	196,728	446,728
2012	260,000	186,352	446,352
2013-2017	1,490,000	748,432	2,238,432
2018-2022	<u>2,090,000</u>	<u>349,368</u>	<u>2,439,368</u>
Totals	<u>\$ 4,780,000</u>	<u>\$ 2,125,710</u>	<u>\$ 6,905,710</u>

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 10 – LONG-TERM DEBT – SCHEDULE OF CHANGES:**

A schedule of changes in long-term debt for the year ended June 30, 2007 is shown below.

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>End Balance June 30, 2007</u>	<u>Amount Due in One Year</u>
General obligation bonds	\$ 77,130,000	\$	\$ 1,785,000	\$ 75,345,000	\$ 1,830,000
General obligation bonds - deferred liability	(2,757,315)		(116,597)	(2,640,718)	
General obligation bonds - premium	1,483,102		63,017	1,420,085	
Certificates of participation	4,995,000		215,000	4,780,000	220,000
Loan payable	71,868		12,167	59,701	12,167
Compensated absences	742,856	157,700		900,556	900,556
Totals	<u>\$ 81,665,511</u>	<u>\$ 157,700</u>	<u>\$ 1,958,587</u>	<u>\$ 79,864,624</u>	<u>\$ 2,962,723</u>

**NOTE 11 – CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES:**

Capital asset activity for the year ended June 30, 2007 is shown below.

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2007</u>
Land (1)	\$ 12,397,331	\$	\$ 25,526	\$ 12,371,805
Buildings and improvements	219,540,961	10,590,003	498,886	229,632,078
Machinery, equipment and vehicles	4,783,496	313,321	55,462	5,041,355
Totals at historical cost	<u>236,721,788</u>	<u>10,903,324</u>	<u>579,874</u>	<u>247,045,238</u>
Less accumulated depreciation for:				
Buildings and improvements	48,782,755	4,731,635	478,881	53,035,509
Machinery, equipment and vehicles	3,415,044	330,101	54,895	3,690,250
Total accumulated depreciation	<u>52,197,799</u>	<u>5,061,736</u>	<u>533,776</u>	<u>56,725,759</u>
Governmental capital assets, net	<u>\$ 184,523,989</u>	<u>\$ 5,841,588</u>	<u>\$ 46,098</u>	<u>\$ 190,319,479</u>

(1) The total Land balance reported above includes \$700,962 of land considered to be idle property as of June 30, 2007.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 12 - EMPLOYEE RETIREMENT PLANS:**

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

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

**Plan Description**

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

**Funding Policy**

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2006-07 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

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

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

**Plan Description**

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

**Funding Policy**

Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2006-07 was 9.124% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

**Contributions to STRS and PERS**

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

<u>Year Ended</u> <u>June 30,</u>	<u>STRS</u>		<u>PERS</u>	
	<u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>	<u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2005	\$4,742,881	100%	\$1,954,367	100%
2006	4,884,075	100%	1,898,072	100%
2007	5,300,742	100%	2,081,975	100%

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 13 - RETIREE BENEFITS:**

**Retirement Plan Prior to June 30, 1993:**

Ventura Unified School District Certificated and Classified employees, retired from the District as of June 30, 1993, are entitled to Health and Welfare benefits based on status at the time of retirement. As of June 30, 2007, the District had 445 retired employees covered under the plan at a cost of \$3,917,126 for the fiscal year 2006-07, which is included in the Retiree Benefits Fund expenditures. The cost for 2007-08 is expected to be approximately \$2,925,000. An actuarial study was conducted to estimate the liability of the revised retirement plan. The estimated present value as of July 1, 2007 was \$26,812,023.

**Deferred Compensation Plan:**

A deferred compensation plan was established effective July 1, 1993. Eligible employees, employed as of April 28, 1993, may receive \$1,500 per year of service (plus one year) as of June 30, 1993 to a maximum of 30 years. The employee must retire under PERS or STRS with Ventura Unified School District to be eligible. This amount is payable in five equal annual installments. New employees are not eligible for the program. At June 30, 2007 the District had 160 retired employees covered under the plan. The cost attributable to this program in 2006-07 was \$791,700, and \$720,000 is expected to be the cost in 2007-08. An actuarial study was conducted to estimate the liability of the deferred compensation plan. The estimated present value as of July 1, 2007 was \$5,466,339 for all eligible employees of this plan.

**NOTE 14 - JOINT POWERS AGREEMENTS:**

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



**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 14 - JOINT POWERS AGREEMENTS: (continued)**

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

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

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

	The Authority (Audited) <u>June 30, 2007</u>	The Trust (Unaudited) <u>June 30, 2006</u>
Total Assets	\$ 71,759,913	\$ 24,981,920
Total Liabilities	<u>42,192,681</u>	<u>5,778,455</u>
Total Fund Balance	<u>\$ 29,567,232</u>	<u>\$ 19,203,465</u>
Total Revenues	<u>\$ 34,038,344</u>	<u>\$ 41,128,731</u>
Total Expenditures	<u>\$ 12,810,339</u>	<u>\$ 38,244,446</u>

**NOTE 15 - COMMITMENTS AND CONTINGENCIES:**

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

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

**B. County School Facilities Fund**

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 15 - COMMITMENTS AND CONTINGENCIES: (continued)**

**C. Construction Commitments**

As of June 30, 2007, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$7.3 million. Projects will be funded through bond proceeds, capital facilities funding, County School Facilities Grants and Deferred Maintenance allocations.

**D. Joint Use Project**

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

**E. Litigation**

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

**VENTURA UNIFIED SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2007**

**NOTE 16 - SUBSEQUENT EVENTS:**

**A. Tax Revenue Anticipation Notes**

The District issued \$5,000,000 of Tax Revenue Anticipation Notes dated July 6, 2007 through the California School Boards Association Finance Corporation's Cash Reserve Program (Series 2007-08). The notes mature on July 1, 2008 and yield 3.62% interest. The notes were sold by the District to supplement its cash flow.

The funds will be held with the trustee, U.S. Bank National Association, unless and until the District needs to draw funds out. Repayment requirements are that \$5,000,000 principal and approximately \$209,549 interest be repaid from the funds held with the administrator by May 1, 2008.

**B. GASB Statement No. 45**

The Governmental Accounting Standards Board (GASB) has recently issued Statement No. 45 outlining new accounting standards for governmental agencies regarding other post-employment benefits. The statement would be effective for the District in fiscal year 2007-08. The statement requires governmental agencies to record and disclose the actuarially determined cost based on the benefits expected to be earned by employees in the future, as well as those benefits the employees have already earned. Annual required contributions shall include the employer's normal cost and a provision for amortizing the total unfunded actuarial accrued liability for a period not to exceed 30 years. The statement also requires that an actuarial valuation be performed every two years for a plan with more than 200 members and every three years for plans with fewer than 200 members.

**SUPPLEMENTARY INFORMATION SECTION**

# VENTURA UNIFIED SCHOOL DISTRICT

## HISTORY AND ORGANIZATION

June 30, 2007

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

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

The Board of Education and the District Administrators for the fiscal year ended June 30, 2007 were as follows:

### BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Mrs. Velma Lomax	President	December 31, 2009
Mr. John Walker	Vice President	December 31, 2009
Mrs. Barbara Fitzgerald	Member	December 31, 2007
Mrs. Debbie Golden	Member	December 31, 2007
Mrs. Mary Haffner	Member	December 31, 2009

### DISTRICT ADMINISTRATORS

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

VENTURA UNIFIED SCHOOL DISTRICT

MAJOR SPECIAL RESERVE FOR POST-EMPLOYMENT BENEFITS SUB-FUNDS  
COMBINING BALANCE SHEET

June 30, 2007

	<u>Retiree Benefits Fund</u>	<u>Alternative Retiree Benefits Fund</u>	<u>Total (Memorandum Only)</u>
<b><u>Assets</u></b>			
Cash in county treasury	\$ 805,921	\$ 402,119	\$ 1,208,040
Accounts receivable:			
Miscellaneous	11,848	5,556	17,404
Due from other funds	<u>300,000</u>		<u>300,000</u>
<b>Total Assets</b>	<u>\$ 1,117,769</u>	<u>\$ 407,675</u>	<u>\$ 1,525,444</u>
 <b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities</b>			
Due to other funds	\$ 417,126	\$ _____	\$ 417,126
<b>Total Liabilities</b>	<u>417,126</u>	<u>-</u>	<u>417,126</u>
 <b>Fund Balances</b>			
Designated for special purposes	<u>700,643</u>	<u>407,675</u>	<u>1,108,318</u>
<b>Total Fund Balances</b>	<u>700,643</u>	<u>407,675</u>	<u>1,108,318</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,117,769</u>	<u>\$ 407,675</u>	<u>\$ 1,525,444</u>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**MAJOR SPECIAL RESERVE FOR POST-EMPLOYMENT BENEFITS SUB-FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES**

**For the Fiscal Year Ended June 30, 2007**

	<u>Retiree Benefits Fund</u>	<u>Alternative Retiree Benefits Fund</u>	<u>Total (Memorandum Only)</u>
<b>Revenues</b>			
Other local sources	\$ 53,468	\$ 23,560	\$ 77,028
<b>Total Revenues</b>	<u>53,468</u>	<u>23,560</u>	<u>77,028</u>
<b>Other Financing Sources (Uses)</b>			
Interfund transfers in	300,000		300,000
Interfund transfers out	<u>(417,126)</u>		<u>(417,126)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(117,126)</u>	<u>-</u>	<u>(117,126)</u>
Net change in fund balances	(63,658)	23,560	(40,098)
<b>Fund Balances at Beginning of Year</b>	<u>764,301</u>	<u>384,115</u>	<u>1,148,416</u>
<b>Fund Balances at End of Year</b>	<u>\$ 700,643</u>	<u>\$ 407,675</u>	<u>\$ 1,108,318</u>

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

MAJOR BUILDING SUB-FUNDS  
COMBINING BALANCE SHEET

June 30, 2007

	<u>Building Fund</u>	<u>Building Fund (Series A)</u>	<u>Bond Building Fund</u>	<u>Total (Memorandum Only)</u>
<b><u>Assets</u></b>				
Cash in county treasury	\$ 41,593,801	\$ 394,877	\$ 6,992,108	\$ 48,980,786
Cash with fiscal agent		1,530,205		1,530,205
Investments with fiscal agent		454,087		454,087
Accounts receivable:				
Miscellaneous	480,964	5,002	84,573	570,539
Due from other funds	19,666			19,666
<b>Total Assets</b>	<u>\$ 42,094,431</u>	<u>\$ 2,384,171</u>	<u>\$ 7,076,681</u>	<u>\$ 51,555,283</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,222,939	\$	\$ 1,271,682	\$ 2,494,621
Due to other funds	134,302	19,665		153,967
Deferred revenue	66,484			66,484
<b>Total Liabilities</b>	<u>1,423,725</u>	<u>19,665</u>	<u>1,271,682</u>	<u>2,715,072</u>
<b>Fund Balances</b>				
Undesignated	<u>40,670,706</u>	<u>2,364,506</u>	<u>5,804,999</u>	<u>48,840,211</u>
<b>Total Fund Balances</b>	<u>40,670,706</u>	<u>2,364,506</u>	<u>5,804,999</u>	<u>48,840,211</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 42,094,431</u>	<u>\$ 2,384,171</u>	<u>\$ 7,076,681</u>	<u>\$ 51,555,283</u>

See the accompanying notes to the supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**

**MAJOR BUILDING SUB-FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2007**

	<b>Building Fund</b>	<b>Building Fund (Series A)</b>	<b>Bond Building Fund</b>	<b>Total (Memorandum Only)</b>
<b>Revenues</b>				
Other local sources	\$ 2,088,338	\$ 109,419	\$ 311,833	\$ 2,509,590
<b>Total Revenues</b>	2,088,338	109,419	311,833	2,509,590
<b>Expenditures</b>				
Plant services	4,474,824	32,440	3,060,058	7,567,322
Debt service		445,024		445,024
<b>Total Expenditures</b>	4,474,824	477,464	3,060,058	8,012,346
Deficiency of revenues over expenditure	(2,386,486)	(368,045)	(2,748,225)	(5,502,756)
<b>Other Financing Sources</b>				
Interfund transfers in		445,740		445,740
Proceeds from sale of land	10,023,440			10,023,440
<b>Total Other Financing Sources</b>	10,023,440	445,740	-	10,469,180
Net change in fund balances	7,636,954	77,695	(2,748,225)	4,966,424
<b>Fund Balances at Beginning of Year</b>	33,033,752	2,286,811	8,553,224	43,873,787
<b>Fund Balances at End of Year</b>	\$ 40,670,706	\$ 2,364,506	\$ 5,804,999	\$ 48,840,211

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

MAJOR CAPITAL FACILITIES SUB-FUNDS  
COMBINING BALANCE SHEET

June 30, 2007

	<b>Capital Facilities Fund (Residential)</b>	<b>Capital Facilities Fund (Commercial)</b>	<b>Total (Memorandum Only)</b>
<b><u>Assets</u></b>			
Cash in county treasury	\$ 6,461,229	\$ 584,240	\$ 7,045,469
Accounts receivable:			
Miscellaneous	83,267	7,011	90,278
Due from other funds	300,000	4,820	304,820
<b>Total Assets</b>	<b>\$ 6,844,496</b>	<b>\$ 596,071</b>	<b>\$ 7,440,567</b>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities</b>			
Accounts payable	\$ 86,397	\$ 1,383	\$ 86,397
Due to other funds	47,236	1,383	48,619
<b>Total Liabilities</b>	<b>133,633</b>	<b>1,383</b>	<b>135,016</b>
<b>Fund Balances</b>			
Undesignated	6,710,863	594,688	7,305,551
<b>Total Fund Balances</b>	<b>6,710,863</b>	<b>594,688</b>	<b>7,305,551</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,844,496</b>	<b>\$ 596,071</b>	<b>\$ 7,440,567</b>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**MAJOR CAPITAL FACILITIES SUB-FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2007**

	<b>Capital Facilities Fund (Residential)</b>	<b>Capital Facilities Fund (Commercial)</b>	<b>Total (Memorandum Only)</b>
<b>Revenues</b>			
Other local sources	\$ 1,656,600	\$ 71,446	\$ 1,728,046
<b>Total Revenues</b>	1,656,600	71,446	1,728,046
<b>Expenditures</b>			
Plant services	2,057,011	_____	2,057,011
<b>Total Expenditures</b>	2,057,011	_____	2,057,011
Excess (deficiency) of revenues over expenditures	(400,411)	71,446	(328,965)
<b>Other Financing Uses</b>			
Interfund transfers out	(42,416)	(1,383)	(43,799)
<b>Total Other Financing Uses</b>	(42,416)	(1,383)	(43,799)
Net change in fund balances	(442,827)	70,063	(372,764)
<b>Fund Balances at Beginning of Year</b>	7,153,690	524,625	7,678,315
<b>Fund Balances at End of Year</b>	\$ 6,710,863	\$ 594,688	\$ 7,305,551

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR DEBT SERVICE FUND  
COMBINING BALANCE SHEET

June 30, 2007

	<b>Bond Interest and Redemption Fund</b>
<b><u>Assets</u></b>	
Cash in county treasury	\$ 5,137,295
Accounts receivable:	
Miscellaneous	53,908
<b>Total Assets</b>	<b><u>\$ 5,191,203</u></b>
<b><u>Liabilities and Fund Balance</u></b>	
<b>Fund Balance</b>	
Restricted for debt service	\$ 5,191,203
<b>Total Fund Balance</b>	<b><u>5,191,203</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 5,191,203</u></b>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR DEBT SERVICE FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2007**

	<b>Bond Interest and Redemption Fund</b>
<b>Revenues</b>	
Other State sources	\$ 53,040
Other local sources	<u>5,396,774</u>
<b>Total Revenues</b>	<u>5,449,814</u>
<b>Expenditures</b>	
Debt service	<u>5,278,000</u>
<b>Total Expenditures</b>	<u>5,278,000</u>
Net change in fund balance	171,814
<b>Fund Balance at Beginning of Year</b>	<u>5,019,389</u>
<b>Fund Balance at End of Year</b>	<u>\$ 5,191,203</u>

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

June 30, 2007

	<u>Adult Education Fund</u>	<u>Child Development Fund</u>	<u>Deferred Maintenance Fund</u>	<u>Total (Memorandum Only)</u>
<b><u>Assets</u></b>				
Cash in county treasury	\$ (242,727)	\$ 216,014	\$ 1,180,348	\$ 1,153,635
Accounts receivable:				
Federal and State governments	1,019,034			1,019,034
Miscellaneous	8,428	5,859	15,238	29,525
Due from other funds	425,618		15,250	440,868
<b>Total Assets</b>	<u>\$ 1,210,353</u>	<u>\$ 221,873</u>	<u>\$ 1,210,836</u>	<u>\$ 2,643,062</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ 35,293	\$ 3,907	\$ 8,129	\$ 47,329
Due to other funds	438,327	87,363		525,690
Deferred revenue	148,229			148,229
<b>Total Liabilities</b>	<u>621,849</u>	<u>91,270</u>	<u>8,129</u>	<u>721,248</u>
<b>Fund Balances</b>				
Restricted for special purposes		74,229		74,229
Undesignated	588,504	56,374	1,202,707	1,847,585
<b>Total Fund Balances</b>	<u>588,504</u>	<u>130,603</u>	<u>1,202,707</u>	<u>1,921,814</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,210,353</u>	<u>\$ 221,873</u>	<u>\$ 1,210,836</u>	<u>\$ 2,643,062</u>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Adult Education Fund</u>	<u>Child Development Fund</u>	<u>Deferred Maintenance Fund</u>	<u>Total (Memorandum Only)</u>
<b>Revenues</b>				
Revenue from revenue limit sources:				
State apportionment	\$ 4,047,011	\$	\$	\$ 4,047,011
Federal sources	319,110	6,296		325,406
Other State sources	54,773	1,270,566	742,095	2,067,434
Other local sources	<u>606,008</u>	<u>14,079</u>	<u>44,753</u>	<u>664,840</u>
<b>Total Revenues</b>	<u>5,026,902</u>	<u>1,290,941</u>	<u>786,848</u>	<u>7,104,691</u>
<b>Expenditures</b>				
Instruction	2,479,753	1,095,200		3,574,953
Instruction-related services	1,243,780	108,323		1,352,103
Pupil services		60,481		60,481
Community services	14,012			14,012
General administration	188,235	85,366		273,601
Plant services	<u>207,104</u>	<u>845</u>	<u>1,640,998</u>	<u>1,848,947</u>
<b>Total Expenditures</b>	<u>4,132,884</u>	<u>1,350,215</u>	<u>1,640,998</u>	<u>7,124,097</u>
Excess (deficiency) of revenues over expenditures	<u>894,018</u>	<u>(59,274)</u>	<u>(854,150)</u>	<u>(19,406)</u>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in			758,169	758,169
Interfund transfers out	<u>(445,740)</u>			<u>(445,740)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(445,740)</u>	<u>-</u>	<u>758,169</u>	<u>312,429</u>
Net change in fund balances	448,278	(59,274)	(95,981)	293,023
<b>Fund Balances at Beginning of Year</b>	<u>140,226</u>	<u>189,877</u>	<u>1,298,688</u>	<u>1,628,791</u>
<b>Fund Balances at End of Year</b>	<u>\$ 588,504</u>	<u>\$ 130,603</u>	<u>\$ 1,202,707</u>	<u>\$ 1,921,814</u>

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

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

June 30, 2007

	David Graham Scholarship Fund	Foundation Fund	Total (Memorandum Only)
<b><u>Assets</u></b>			
Cash in county	\$ 58,061	\$ 203,821	\$ 261,882
Accounts receivable:			
Miscellaneous	<u>728</u>	<u>5,044</u>	<u>5,772</u>
<b>Total Assets</b>	<u>58,789</u>	<u>208,865</u>	<u>267,654</u>
<b><u>Liabilities</u></b>			
Accounts payable		2,594	2,594
Due to governmental funds		<u>5,748</u>	<u>5,748</u>
<b>Total Liabilities</b>	<u>-</u>	<u>8,342</u>	<u>8,342</u>
<b><u>Net Assets</u></b>			
Restricted for special purposes	<u>58,789</u>	<u>200,523</u>	<u>259,312</u>
<b>Total Net Assets</b>	<u>\$ 58,789</u>	<u>\$ 200,523</u>	<u>\$ 259,312</u>

See the accompanying notes to the supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**

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

**For the Fiscal Year Ended June 30, 2007**

	<u>David Graham Scholarship Fund</u>	<u>Foundation Fund</u>	<u>Total (Memorandum Only)</u>
<b>Additions</b>			
Revenue from local sources	\$ 2,885	\$ 285,686	\$ 288,571
<b>Total Additions</b>	<u>2,885</u>	<u>285,686</u>	<u>288,571</u>
<b>Deductions</b>			
Scholarships awarded	1,250		1,250
Other expenses		291,536	291,536
<b>Total Deductions</b>	<u>1,250</u>	<u>291,536</u>	<u>292,786</u>
Changes in net assets	1,635	(5,850)	(4,215)
<b>Net Assets at Beginning of Year</b>	<u>57,154</u>	<u>206,373</u>	<u>263,527</u>
<b>Net Assets at End of Year</b>	<u>\$ 58,789</u>	<u>\$ 200,523</u>	<u>\$ 259,312</u>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**  
**June 30, 2007**

	<b>Ventura High School</b>	<b>Buena High School</b>	<b>Foothill Technology High School</b>	<b>Anacapa Middle School</b>	<b>DeAnza Middle School</b>	<b>Balboa Middle School</b>
<b><u>Assets</u></b>						
Cash on hand and in banks	\$ 447,515	\$ 626,537	\$ 89,449	\$ 28,051	\$ 13,912	\$ 76,121
Inventories	16,215	11,120	2,500			336
<b>Total Assets</b>	<b><u>\$ 463,730</u></b>	<b><u>\$ 637,657</u></b>	<b><u>\$ 91,949</u></b>	<b><u>\$ 28,051</u></b>	<b><u>\$ 13,912</u></b>	<b><u>\$ 76,457</u></b>
<b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities</b>						
Accounts payable	\$ 13,220	\$ 1,304	\$	\$	\$	\$
Funds held in trust	334,657	484,123	37,867	6,621	6,720	44,133
<b>Total Liabilities</b>	<b><u>347,877</u></b>	<b><u>485,427</u></b>	<b><u>37,867</u></b>	<b><u>6,621</u></b>	<b><u>6,720</u></b>	<b><u>44,133</u></b>
<b>Fund Balances</b>						
Reserved for special purposes	16,215	11,120	2,500			336
Undesignated	99,638	141,110	51,582	21,430	7,192	31,988
<b>Total Fund Balances</b>	<b><u>115,853</u></b>	<b><u>152,230</u></b>	<b><u>54,082</u></b>	<b><u>21,430</u></b>	<b><u>7,192</u></b>	<b><u>32,324</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 463,730</u></b>	<b><u>\$ 637,657</u></b>	<b><u>\$ 91,949</u></b>	<b><u>\$ 28,051</u></b>	<b><u>\$ 13,912</u></b>	<b><u>\$ 76,457</u></b>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**  
**June 30, 2007**

	<u>Cabrillo Middle School</u>	<u>Elmhurst Elementary School</u>	<u>Adult Education</u>	<u>Pacific Continuation High School</u>	<u>El Camino Continuation High School</u>	<u>Total (Memorandum Only)</u>
<b><u>Assets</u></b>						
Cash on hand and in banks	\$ 75,880	\$	\$ 21,626	\$ 4,056	\$ 11,605	\$ 1,394,752
Inventories	4,830					35,001
<b>Total Assets</b>	<u>\$ 80,710</u>	<u>\$ -</u>	<u>\$ 21,626</u>	<u>\$ 4,056</u>	<u>\$ 11,605</u>	<u>\$ 1,429,753</u>
<b><u>Liabilities and Fund Balances</u></b>						
<b>Liabilities</b>						
Accounts payable	\$ 9,397	\$	\$ 18,140	\$	\$	\$ 14,524
Funds held in trust	<u>9,397</u>	<u>-</u>	<u>18,140</u>	<u>-</u>	<u>-</u>	<u>941,658</u>
<b>Total Liabilities</b>	<u>9,397</u>	<u>-</u>	<u>18,140</u>	<u>-</u>	<u>-</u>	<u>956,182</u>
<b>Fund Balances</b>						
Reserved for special purposes	4,830					35,001
Undesignated	<u>66,483</u>	<u>-</u>	<u>3,486</u>	<u>4,056</u>	<u>11,605</u>	<u>438,570</u>
<b>Total Fund Balances</b>	<u>71,313</u>	<u>-</u>	<u>3,486</u>	<u>4,056</u>	<u>11,605</u>	<u>473,571</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 80,710</u>	<u>\$ -</u>	<u>\$ 21,626</u>	<u>\$ 4,056</u>	<u>\$ 11,605</u>	<u>\$ 1,429,753</u>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS  
For the Fiscal Year Ended June 30, 2007**

	<b>Ventura High School</b>	<b>Buena High School</b>	<b>Foothill Technology High School</b>	<b>Anacapa Middle School</b>	<b>DeAnza Middle School</b>	<b>Balboa Middle School</b>
<b>Revenues</b>						
<b>Revenue from Local Sources</b>						
Athletics	\$ 140,534	\$ 173,545	\$	\$	\$	\$
Student body cards	16,975	25,500				
Student store / P.E. clothes	38,845	32,095	6,703			
Yearbook	94,288	108,412	45,652	20,642	6,304	
Fundraising			40,454	11,254	11,611	133,752
Vending machines		25,339				
Social activities				1,725		
Interest	8,489	13,034		34	14	2,089
Other revenues	44,951	35,856	95,400	32,420	5,675	68,727
<b>Total Revenues</b>	<u>344,082</u>	<u>413,781</u>	<u>188,209</u>	<u>66,075</u>	<u>23,604</u>	<u>204,568</u>
<b>Expenditures</b>						
<b>Services and Other Operating Expenditures</b>						
Athletics	144,113	163,833				
Fundraising			45,909	2,058	5,704	113,819
Student body cards	16,975					
Student store / P.E. clothes	38,774	20,244	6,707			
Yearbook	94,288	104,160	58,372	18,847	7,412	
Social activities				1,549		
Vending machines		268				
Other expenditures	48,459	120,164	65,714	61,547	10,851	115,491
<b>Total Expenditures</b>	<u>342,609</u>	<u>408,669</u>	<u>176,702</u>	<u>84,001</u>	<u>23,967</u>	<u>229,310</u>
Net change in fund balances	1,473	5,112	11,507	(17,926)	(363)	(24,742)
<b>Fund Balances at Beginning of Year</b>	<u>114,380</u>	<u>147,118</u>	<u>42,575</u>	<u>39,356</u>	<u>7,555</u>	<u>57,066</u>
<b>Fund Balances at End of Year</b>	<u>\$ 115,853</u>	<u>\$ 152,230</u>	<u>\$ 54,082</u>	<u>\$ 21,430</u>	<u>\$ 7,192</u>	<u>\$ 32,324</u>

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Cabrillo Middle School</u>	<u>Elmhurst Elementary School</u>	<u>Adult Education</u>	<u>Pacific Continuation High School</u>	<u>El Camino Continuation High School</u>	<u>Total (Memorandum Only)</u>
<b>Revenues</b>						
<b>Revenue from Local Sources</b>						
Athletics	\$	\$	\$	\$	\$	\$ 314,079
Student body cards						42,475
Student store / P.E. clothes	26,349					103,992
Yearbook	21,296					296,594
Fundraising	96,213			2,307		295,591
Vending machines						25,339
Social activities					7,708	9,433
Interest	64		215	9		23,948
Other revenues	21,863		3,822	2,969	7,029	318,712
<b>Total Revenues</b>	<u>165,785</u>	<u>-</u>	<u>4,037</u>	<u>5,285</u>	<u>14,737</u>	<u>1,430,163</u>
<b>Expenditures</b>						
<b>Services and Other Operating Expenditures</b>						
Athletics						307,946
Fundraising	76,519			774		244,783
Student body cards						16,975
Student store / P.E. clothes	1,390					67,115
Yearbook	19,650					302,729
Social activities					6,102	7,651
Vending machines						268
Other expenditures	55,876	4,035	2,622	3,308	6,219	494,286
<b>Total Expenditures</b>	<u>153,435</u>	<u>4,035</u>	<u>2,622</u>	<u>4,082</u>	<u>12,321</u>	<u>1,441,753</u>
Net change in fund balances	12,350	(4,035)	1,415	1,203	2,416	(11,590)
<b>Fund Balances at Beginning of Year</b>	<u>58,963</u>	<u>4,035</u>	<u>2,071</u>	<u>2,853</u>	<u>9,189</u>	<u>485,161</u>
<b>Fund Balances at End of Year</b>	<u>\$ 71,313</u>	<u>\$ -</u>	<u>\$ 3,486</u>	<u>\$ 4,056</u>	<u>\$ 11,605</u>	<u>\$ 473,571</u>

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Revenue limit sources:				
State apportionments	\$ 49,759,893	\$ 49,851,178	\$ 49,165,970	\$ (685,208)
Local sources	41,660,574	44,201,342	44,116,256	(85,086)
Total revenue limit sources	91,420,467	94,052,520	93,282,226	(770,294)
Federal sources	9,052,912	12,313,504	11,481,974	(831,530)
Other State sources	16,874,689	23,281,218	24,012,515	731,297
Other local sources	7,994,438	10,083,553	11,082,006	998,453
<b>Total Revenues</b>	<u>125,342,506</u>	<u>139,730,795</u>	<u>139,858,721</u>	<u>127,926</u>
<b>Expenditures</b>				
Certificated salaries	58,234,482	63,745,803	63,745,702	101
Classified salaries	19,488,393	21,300,887	21,300,258	629
Employee benefits	29,550,538	31,209,125	30,922,744	286,381
Books and supplies	5,202,637	11,735,102	6,007,121	5,727,981
Services and other operating expenditures	8,940,911	11,713,880	11,713,174	706
Capital outlay	71,000	249,244	248,593	651
Tuition and other outgo	2,142,000	2,966,509	2,892,914	73,595
Direct support - indirect cost	(1,034,497)	(1,073,762)	(1,017,065)	(56,697)
Debt service			12,167	(12,167)
<b>Total Expenditures</b>	<u>122,595,464</u>	<u>141,846,788</u>	<u>135,825,608</u>	<u>6,021,180</u>
Excess (deficiency) of revenues over expenditures	<u>2,747,042</u>	<u>(2,115,993)</u>	<u>4,033,113</u>	<u>6,149,106</u>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in	571,660	588,860	460,925	(127,935)
Interfund transfers out	(1,035,000)	(1,058,169)	(1,058,169)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(463,340)</u>	<u>(469,309)</u>	<u>(597,244)</u>	<u>(127,935)</u>
Net change in fund balances	<u>\$ 2,283,702</u>	<u>\$ (2,585,302)</u>	3,435,869	<u>\$ 6,021,171</u>
<b>Fund Balances at Beginning of Year</b>			<u>9,567,959</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 13,003,828</u>	

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF BUDGETARY COMPARISON FOR THE CAFETERIA FUND**  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Revenue limit sources:				
State apportionments	\$ 1,390,606	\$ 1,452,295	\$ 1,506,337	\$ 54,042
Total revenue limit sources	1,390,606	1,452,295	1,506,337	54,042
Federal sources	2,945,265	3,369,769	3,251,833	(117,936)
Other State sources	198,920	270,703	248,265	(22,438)
Other local sources	2,306,101	2,313,066	2,301,071	(11,995)
<b>Total Revenues</b>	<u>6,840,892</u>	<u>7,405,833</u>	<u>7,307,506</u>	<u>(98,327)</u>
<b>Expenditures</b>				
Classified salaries	2,388,978	2,535,750	2,533,935	1,815
Employee benefits	877,228	982,389	976,095	6,294
Books and supplies	2,798,322	3,181,014	3,179,603	1,411
Services and other operating expenditures	120,363	115,957	104,695	11,262
Capital outlay		9,000	8,529	471
Direct support - indirect cost	733,079	745,130	743,464	1,666
<b>Total Expenditures</b>	<u>6,917,970</u>	<u>7,569,240</u>	<u>7,546,321</u>	<u>22,919</u>
Net change in fund balances	<u>\$ (77,078)</u>	<u>\$ (163,407)</u>	(238,815)	<u>\$ (75,408)</u>
<b>Fund Balances at Beginning of Year</b>			<u>385,459</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 146,644</u>	

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF BUDGETARY COMPARISON FOR THE SPECIAL RESERVE FUND  
FOR POST-EMPLOYMENT BENEFITS  
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Other local sources	\$ 54,000	\$ 77,100	\$ 77,028	\$ (72)
<b>Total Revenues</b>	<u>54,000</u>	<u>77,100</u>	<u>77,028</u>	<u>(72)</u>
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in	300,000	300,000	300,000	-
Interfund transfers out	(520,000)	(537,200)	(417,126)	120,074
<b>Total Other Financing Sources (Uses)</b>	<u>(220,000)</u>	<u>(237,200)</u>	<u>(117,126)</u>	<u>120,074</u>
Net change in fund balances	<u>\$ (166,000)</u>	<u>\$ (160,100)</u>	(40,098)	<u>\$ 120,002</u>
<b>Fund Balances at Beginning of Year</b>			<u>1,148,416</u>	
<b>Fund Balances at End of Year</b>			<u>\$ 1,108,318</u>	

See the accompanying notes to the supplementary information.



**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
For the Fiscal Year Ended June 30, 2007**

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

ADA statistics reported to the State for the fiscal year ended June 30, 2007 are as follows:

	<b><u>Revised Second Period</u></b>	<b><u>Revised Annual</u></b>
<b>Elementary:</b>		
Kindergarten	1,096	1,100
First through third grade	3,460	3,471
Fourth through eighth grade	6,106	6,100
Opportunity schools and full-day opportunity classes	6	6
Home or hospital – temporary physical disabilities	3	3
Special education master plan	313	316
Special education – non-public, non-sectarian schools	6	6
Community day school	2	3
Extended year special education – mandated	17	17
Extended year special education – non-public, non-sectarian	<u>2</u>	<u>2</u>
Total elementary ADA	<u>11,011</u>	<u>11,024</u>
<b>Secondary:</b>		
Regular classes	5,118	5,061
Continuation education	221	219
Opportunity schools and full-day opportunity classes	12	12
Home or hospital – temporary physical disabilities	7	10
Special education master plan	98	97
Special education – non-public, non-sectarian schools	11	10
Community day school	2	4
Extended year special education – mandated	5	5
Extended year special education – non-public, non-sectarian	<u>2</u>	<u>2</u>
Total secondary ADA	<u>5,476</u>	<u>5,420</u>
<b>Adult Education:</b>		
Concurrently enrolled	54	73
Not concurrently enrolled	<u>1,411</u>	<u>1,517</u>
Total adult education ADA	<u>1,465</u>	<u>1,590</u>
Total ADA	<u>17,952</u>	<u>18,034</u>

<b><u>Hourly Programs</u></b>	<b><u>Hours of Attendance</u></b>
Elementary	130,419
Secondary	180,300

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF INSTRUCTIONAL TIME  
For the Fiscal Year Ended June 30, 2007**

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1982-83 Actual Minutes</u>	<u>2006-07 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	31,500	36,000	180	In compliance
Grade 1	50,400	42,060	50,600	180	In compliance
Grade 2	50,400	42,060	50,600	180	In compliance
Grade 3	50,400	42,060	50,600	180	In compliance
Grade 4	54,000	51,595	54,005	180	In compliance
Grade 5	54,000	51,595	54,005	180	In compliance
Grade 6	54,000	51,595	54,090	180	In compliance
Grade 7	54,000	51,595	54,090	180	In compliance
Grade 8	54,000	51,595	54,090	180	In compliance
Grade 9	64,800	64,642	65,168	180	In compliance
Grade 10	64,800	64,642	65,168	180	In compliance
Grade 11	64,800	64,642	65,168	180	In compliance
Grade 12	64,800	64,642	65,168	180	In compliance

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2007

PROGRAM NAME	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
Federal Categorical Aid Programs:			
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
<b>Passed-through the California Department of Education:</b>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	03396	\$ 2,210,051
National School Breakfast Program	10.553	03988	63,784
Especially Needy Breakfast Program	10.553	03526	802,155
Summer Food Service Program for Children	10.559	03526	<u>175,843</u>
Total Child Nutrition Cluster			3,251,833
Other Program:			
Nutrition Network	10.561	(1)	<u>295,395</u>
Total U.S. Department of Agriculture			<u>3,547,228</u>
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY:</u></b>			
<b>Passed-through the California State Office of Emergency Services:</b>			
Disaster Assistance	83.544	(1)	<u>26,884</u>
Total Federal Emergency Management Agency			<u>26,884</u>
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
<b>Direct Program</b>			
Student Financial Aid Cluster:			
Pell Grant	84.063	(1)	105,797
Federal Direct Loan	84.268	(1)	<u>104,128</u>
Total Student Financial Aid Cluster			209,925
Other Programs:			
Indian Education	84.060	(1)	292,613
Carol M White Physical Education Grant	84.215F	(1)	464,553
Smaller Learning Community	84.215L	(1)	<u>170,173</u>
Subtotal Direct Programs			<u>1,137,264</u>
<b>Passed-through the California Department of Education:</b>			
Special Education Cluster:			
PL 94-142	84.027	03143	2,630,439
Infant Discretionary	84.027	03612	6,323
Low Incidence	84.027	03459	6,468
Preschool Local Entitlement	84.027	03682	<u>288,514</u>
Total Special Education Cluster			2,931,744
Other Programs:			
Title I	84.010	03799	2,897,227
Title II - Part A, Principial Training	84.367	14344	1,602
Title II - Improving Teacher Quality	84.367	14341	626,635
Title II - Part D, Enhancing Education Through Technology	84.318	14334	764,372
Title III - Limited English Proficiency Student Program	84.365	10084	254,855
Title III - Immigrant Education Program	84.365	14346	18,686
Title IV - Safe and Drug Free Schools	84.184	14347	90,297
Title V - Innovative Education Strategies	84.298A	14354	1,521
Title X - Homeless Assistance	84.196	(1)	1,223
Carl D. Perkins Vocational and Technical Education	84.048	03570	145,658
Adult Basic Education	84.002A	13973	76,060
Migrant Education	84.011	03239	233,553
Migrant Education - Even Start	84.214	10030	21,672
Workability II, Transition Partnership	84.158	(1)	319,449
California Alternate Performance Assessment (CAPA)	84.369	14488	<u>265</u>
Subtotal Passed-through the California Department of Education			<u>8,384,819</u>
Total U.S. Department of Education			<u>9,522,083</u>

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2007

<u>PROGRAM NAME</u>	<u>Federal Catalog Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Program Expenditures</u>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
<b>Passed-through the California Department of Education:</b>			
Child Development Pre-K Quality Curriculum Materials	93.575	24486	6,296
Medi-Cal Administrative Activities	(2)	10600	1,533,392
Medi-Cal Billing Option	93.778	10013	<u>720,344</u>
Total U.S. Department of Health & Human Services			<u>2,260,032</u>
Total Federal Programs			<u>\$ 15,356,227</u>
<b>Reconciliation to Federal Revenue</b>			
Total Federal Program Expenditures			\$ 15,356,227
Expenditures in excess of revenues related to Federal entitlement program Medi-Cal			<u>(297,014)</u>
Total Federal Program Revenue			<u>\$ 15,059,213</u>

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

**Non Cash Contributions**

The District is the recipient of a federal program that does not result in cash receipts or disbursements. The District was granted \$309,672 of commodities under the Nation School Lunch Program (CFDA 10.555).

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET**  
**REPORT WITH AUDITED FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2007**

**GOVERNMENTAL FUNDS**

Major Funds:	<u>Cafeteria Fund</u>
June 30, 2007 Annual Financial and Budget Report Fund Balance	\$ 222,434
To record the overaccrual of accounts receivable	<u>(75,790)</u>
June 30, 2007 Audited Financial Statement Fund Balance	<u>\$ 146,644</u>
	<u>County School Facilities Fund</u>
June 30, 2007 Annual Financial and Budget Report Fund Balance	\$ 722,106
To record the underaccrual of accounts payable	<u>(107,551)</u>
June 30, 2007 Audited Financial Statement Fund Balance	<u>\$ 614,555</u>

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

For the Fiscal Year Ended June 30,

	2008 (Budgeted) (2)		2007		2006		2005	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>GENERAL FUND:</b>								
<b>Revenue</b>								
Revenue limit sources	\$ 95,127,319	71.6	\$ 93,282,226	68.1	\$ 87,268,176	69.5	\$ 83,776,576	68.1
Federal	8,914,676	6.7	11,481,974	8.4	11,294,231	9.0	11,260,517	9.2
State	20,010,665	15.1	24,012,515	17.5	19,761,021	15.7	16,903,603	13.7
County and local	9,044,826	6.8	11,082,006	8.1	9,005,021	7.2	8,741,057	7.1
Interfund transfers	571,660	0.4	460,925	0.3	639,572	0.5	1,765,906	1.4
Total Revenue	<u>133,669,146</u>	<u>100.6</u>	<u>140,319,646</u>	<u>102.4</u>	<u>127,968,021</u>	<u>101.9</u>	<u>122,447,659</u>	<u>99.5</u>
<b>Expenditures</b>								
Certificated salaries	63,047,696	47.4	63,745,702	46.6	58,551,850	46.6	56,644,307	46.0
Classified salaries	21,241,769	16.0	21,300,258	15.5	19,308,179	15.4	18,193,710	14.8
Employee benefits	30,367,892	22.9	30,922,744	22.6	29,950,422	23.9	31,320,915	25.5
Books and supplies	6,197,898	4.7	6,007,121	4.4	5,203,214	4.1	5,000,393	4.1
Contracted services	9,291,434	7.0	11,713,174	8.5	10,524,877	8.4	9,732,193	7.9
Capital outlay	53,000	0.0	248,593	0.2	360,079	0.3	380,115	0.3
Interfund transfers	1,258,169	1.0	1,058,169	0.8	720,796	0.6	734,671	0.6
Other uses	2,442,000	1.8	2,892,914	2.1	2,056,807	1.6	1,942,523	1.6
Debt service payments	-	-	12,167	0.0	12,167	0.0	12,167	0.0
Direct support/indirect costs	(1,004,937)	(0.8)	(1,017,065)	(0.7)	(1,110,168)	(0.9)	(1,011,559)	(0.8)
Total Expenditures	<u>132,894,921</u>	<u>100.0</u>	<u>136,883,777</u>	<u>100.0</u>	<u>125,578,223</u>	<u>100.0</u>	<u>122,949,435</u>	<u>100.0</u>
Change in Fund Balance	\$ <u>774,225</u>	<u>0.6</u>	\$ <u>3,435,869</u>	<u>2.4</u>	\$ <u>2,389,798</u>	<u>1.9</u>	\$ <u>(501,776)</u>	<u>(0.5)</u>
Adjustment for Restatement					\$ <u>(204,402)</u>	<u>(0.2)</u>		
Ending Fund Balance	\$ <u>13,778,053</u>	<u>10.4</u>	\$ <u>13,003,828</u>	<u>9.5</u>	\$ <u>9,567,959</u>	<u>7.6</u>	\$ <u>7,382,563</u>	<u>6.0</u>
General Fund Available								
Reserve Balance (1)	\$ <u>6,320,679</u>	<u>4.8</u>	\$ <u>4,474,010</u>	<u>3.3</u>	\$ <u>4,174,198</u>	<u>3.3</u>	\$ <u>3,688,483</u>	<u>3.0</u>
Recommended Reserve Percentage		<u>3.0</u>		<u>3.0</u>		<u>3.0</u>		<u>3.0</u>
Average Daily Attendance								
P-2, Excluding Adult Education	<u>16,476</u>		<u>16,487</u>		<u>16,635</u>		<u>16,793</u>	
Total Long-Term Debt (3)	\$ <u>77,802,458</u>		\$ <u>79,864,624</u>		\$ <u>81,665,511</u>		\$ <u>78,454,366</u>	

**IMPORTANT NOTES:**

All Percentages are of total expenditures.

(1) Available reserves are those amounts designated for economic uncertainty, and any other remaining undesignated fund balance from the General Fund.

(2) Original Budget adopted on June 26, 2007, prior to any negotiated salary agreements.

(3) Long-term debt is reported for the District as a whole and includes debt related to all funds. Long-term debt includes unamortized premium and deferred liability on bonded debt. The 2005 year has been revised to conform to the current year presentation.

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF CHARTER SCHOOLS  
For the Fiscal Year Ended June 30, 2007**

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

See the accompanying notes to the supplementary information.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2007**

**NOTE 1 - PURPOSE OF SCHEDULES:**

**A. Combining Financial Statements**

Combining balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the major special reserve fund for post-employment benefits sub-funds, major building sub-funds, major capital facilities sub-funds, non-major funds and fiduciary funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to financial statements.

**B. Schedules of Budgetary Comparison for the General Fund and Major Special Revenue Funds**

GASB Statement No. 34 requires a budgetary comparison be presented for the general fund and for each major special revenue fund that has a legally adopted annual budget. These schedules present the funds budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year end and the variance between the final budget and actual amounts. Schedules have been provided for the General Fund, the Cafeteria Fund and the Special Reserve Fund for Post-Employment Benefits.

**C. Schedule of Average Daily Attendance**

Average Daily Attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**D. Schedule of Instructional Time**

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



**VENTURA UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2007**

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

**E. Schedule of Expenditures of Federal Awards**

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. To comply with A-133, this schedule was prepared for the District and is presented on the modified accrual basis of accounting.

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

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

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

The State Controller's Office requires that this report be prepared showing financial trends of the General Fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District has potential fiscal problems and if they have met the recommended available reserve percentages.

**H. Schedule of Charter Schools**

The State Controller's Office requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

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

There were no excesses of expenditures over appropriations for the General Fund or the Major Special Revenue Funds, Cafeteria and Special Reserve Fund for Post-Employment Benefits.

**NOTE 3 – EXCESS SICK LEAVE:**

**Section 19833.5(a)(3) disclosure**

Ventura Unified School District does not provide more than 12 sick leave days in a school year to any CalSTRS member.



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ventura Unified School District (the District) as of and for the year ended June 30, 2007 which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

**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**

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affect the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 07-02 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ventura Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 07-01.

Ventura Unified School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

**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**

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

  
VICENTI, LLOYD & STUTZMAN LLP

November 27, 2007



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Ventura Unified School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Internal Control Over Compliance

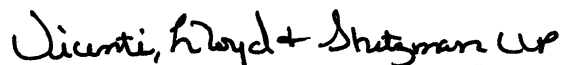
The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was to the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

  
VICENTI, LLOYD & STUTZMAN LLP

November 27, 2007

## REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Instructional time:		
School Districts	6	Yes
County Offices of Education	3	Not applicable
Community day schools	9	No (see below)
Class size reduction program (including charter schools):		
General requirements	7	Yes
Option 1	3	Yes
Option 2	4	Not applicable
One school serving K-3	4	Not applicable
Morgan-Hart class size reduction program	7	Yes
Instructional materials:		
General requirements	12	Yes
Grades K-8 only	1	Yes
Grades 9-12 only	1	Yes
Ratios of administrative employees to teachers	1	Yes
Early retirement incentive program	4	Not applicable
Gann limit calculation	1	Yes
School Construction Funds:		
School District Bonds	3	Yes
State School Facilities Funds	1	Yes
Alternative Pension Plans	2	Not applicable
Excess sick leave	2	Yes
Notice of right to elect California State Teachers Retirement System (CalSTRS) membership	1	Yes
Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000)	2	Yes
State Lottery Funds (California State Lottery Act of 1984)	2	Yes
California School Age Families Education (Cal-Safe) Program	3	Yes
School Accountability Report Card	3	Yes
Charter Schools:		
Contemporaneous records of attendance	1	Not applicable
Mode of instruction	1	Not applicable
Nonclassroom-based instructional/independent study	15	Not applicable
Determination of funding for nonclassroom-based instruction	3	Not applicable
Annual instructional minutes – classroom based	3	Not applicable

We did not perform testing for community day schools because the ADA generated by the program was under the level which requires testing. The District did not participate in the Early Retirement Incentive Program; therefore, the compliance procedures are not applicable. The District had two options under which to implement class size reduction; the District exercised Option One, therefore, audit procedures for Option Two were not performed. The District is not the granting agency for any charter schools.

## REPORT ON STATE COMPLIANCE

Based on our audit, we found that, for the items tested, the Ventura Unified School District complied with the laws and regulations of the state programs referred to above, except as described in the accompanying schedule of findings and questioned costs as item 07-01. Further, based on our examination, for items not tested, nothing came to our attention to indicate that the Ventura Unified School District had not complied with the laws and regulations of state programs and requirements.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

  
VICENTI, LLOYD & STUTZMAN LLP

November 27, 2007



**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SUMMARY OF AUDITOR RESULTS**  
**June 30, 2007**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  X  Yes   No

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

Noncompliance material to financial statements noted?   Yes  X  No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?   Yes  X  No

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

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

Any audit findings disclosed that are required to be  
Reported in accordance with Circular A-133,  
Section .510(a)

Yes  X  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I
84.365	Title III Limited English Proficiency
84.060	Indian Education
Unavailable	Medi-Cal Administrative Activities
10.561	Nutrition Network

Dollar threshold used to distinguish between Type A  
and Type B programs:

\$ 460,687

Auditee qualified as low-risk auditee?

X  Yes   No

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FINANCIAL STATEMENTS**  
**June 30, 2007**

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

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

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

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**FINDING 07-01 – STATE COMPLIANCE – INSTRUCTIONAL**  
**MATERIALS FUNDS REALIGNMENT PROGRAM (IMFRP)** **70000**

**Findings:** It was noted during testing that one expenditure charged to the IMFRP resource was for a computer server. The district had a certification of provision of standards-aligned instructional materials allowing them to use IMFRP funds on instructional materials other than text books. Although Education Code Section 6000(m) allows the purchase of technology-based materials, the code clearly excludes equipment required to make use of technology-based materials. We believe the computer server is equipment to make use of instructional materials, therefore, the expenditure would not qualify as an instructional material.

**Questioned Cost:** \$1,579.79

**Recommendations:** The District should reimburse the IMFRP resource for the amount of questioned costs. Further, the District should ensure that only proper expenditures are spent out of this restricted resource.

**District Response:** A subsequent year adjustment was posted to transfer the expenditure from the IMFRP to unrestricted funds. Program requirements were reviewed with staff that included and approved the requisition.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**FINDING 07-02 – INTERNAL CONTROLS –**  
**CLOSING PROCESS ACCRUALS**

**30000**

**Findings:** It was noted during testing that the District does not have an adequate system of review to ensure that expenditure accruals related to construction projects are properly recorded. As a result, there were construction expenditures that were not properly accrued at year end. Statement on Auditing Standards No. 112 (SAS 112) suggests that material misstatements made during the closing process reflect a material weakness in the internal controls over financial reporting when the likelihood of misstatement is more than remote of continued occurrence.

**Questioned Cost:** \$107,551 in the County School Facilities Fund

**Recommendations:** The District should establish a formal closing policy and procedures for the accrual of construction related expenditures. The procedures should include but not be limited to the coordination of information between the fiscal, purchasing and facilities departments to ensure all vendors and contracts have been considered, as to work completed but not paid before year-end.

**District Response:** A formal closing process will be initiated and documented to ensure that all construction related expenditures are appropriately accrued. This coordination will take place between budget and finance, purchasing, facilities and business services departments.

**VENTURA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**RELATED TO FEDERAL AWARDS**  
**June 30, 2007**

There were no findings and questioned costs related to federal awards for fiscal year 2006-07.

**VENTURA UNIFIED SCHOOL DISTRICT**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
June 30, 2007**

<u>Original Finding No.</u>	<u>Finding</u>	<u>Code</u>	<u>Recommendation</u>	<u>Current Status</u>
06-1	<b><u>ATTENDANCE</u></b>	10000		
	<b>Original Finding 05-1</b>			
	California Code of Regulations, Section 19817 requires that certain testing be done for each teacher selected in our attendance testing sample. The regulation requires we determine whether teachers assigned to teach a class in which more than 20 percent of the pupils were English learners were authorized pursuant to the provisions of Education Code 44253.3, 44253.4 or 44253.10. The results of our testing disclosed that five of the twenty-six teachers in our sample did not meet the Education Code requirements.		The District should insure that all teachers assigned to classes in which more than twenty percent (20%) of the pupils are English learners have the required authorization from the State.	Implemented.
06-2	<b><u>ASSOCIATED STUDENT BODY FUNDS – CASH DISBURSEMENTS</u></b>	30000		
	Based on testing performed at Foothill Technology High School, it was noted that four out of fifteen cash disbursements tested did not have supporting documentation attached to the disbursement to validate the expenditures that were paid.		Foothill Technology High School should have any individual that received goods or services initial, stamp or indicate in some manner that all items on the original invoice have been received and require that the invoice be attached as supporting documentation before the disbursement can be made.	Implemented.

VENTURA UNIFIED SCHOOL DISTRICT

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
June 30, 2007

Original Finding No.	Finding	Code	Recommendation	Current Status
06-3	<p><u>STATE COMPLIANCE –CALIFORNIA SCHOOL AGE FAMILIES EDUCATION (CAL-SAFE) PROGRAM</u></p> <p>It was noted during testing that three students had more than one unit of Average Daily Attendance which was not deducted on Form B submitted to the State of California.</p>	40000	<p>The District should revise Form B to reflect the deduction of units of individual students Average Daily Attendance in excess of one Average Daily Attendance.</p>	Implemented.