

VENTURA UNIFIED SCHOOL DISTRICT

VENTURA COUNTY

**REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
INCLUDING REPORTS ON COMPLIANCE
June 30, 2009**

VENTURA UNIFIED SCHOOL DISTRICT



VENTURA UNIFIED SCHOOL DISTRICT

AUDIT REPORT

June 30, 2009

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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, 2009, 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, 2009, 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 December 8, 2009 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 required supplementary information, such as the management's discussion and analysis, budgetary comparison information and schedules of funding progress is not a required part of the basic financial statements, but is 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 supplementary schedules and the combining and individual fund financial statements 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 supplementary section and the combining and individual non-major fund financial statements, 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.


VICENTI, LLOYD & STUTZMAN LLP

December 8, 2009

VENTURA UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2009

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, 2009. Readers should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- Net assets decreased \$0.4 million, or <0.2> percent over the course of the year.
- Total revenues were \$162.6 million. General Fund revenue accounted for \$140.3 million or 86 percent of total revenues.
- The School District had \$163.0 million in expenses; \$46 million of these expenses were offset by program specific charges for services and grants and/or contributions.
- Outlays for capital improvements were approximately half of the prior year, \$5.3 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 \$140,334,640 in revenues and \$138,747,014 in expenditures. Decreases to Revenue Limit sources and State and local revenues were the primary cause of the revenue decrease from the prior year. The reduction in Revenue Limit and other State funding, \$7.5 million, was offset by one-time Federal stimulus funding, \$6.4 million. Expenditures were decreased due to the uncertainty in funding. Program managers were directed to minimize purchases to essential items only. While the excess of revenues over expenditures appears as \$1.6 million dollars, it was necessary to transfer into the General Fund from other district funds in anticipation of the \$4.2 million one-time revenue limit reduction for 2009-10 included in the State's July adopted budget. Pre-funding in the Retiree Benefit Fund, \$1.1 million dollars, was eliminated. Funding for the adult education certificates of participation was reallocated to the building fund. Newly enacted flexibility in categorical allocations allowed the transfer of those funds, \$0.9 million for the current year and the prior year, to be transferred from the Adult Education Fund to the General Fund. The District's deferred maintenance match was not funded and as allowed by the flexibility legislation, the State allocation for the Deferred Maintenance Fund was transferred to the General Fund. The General Fund had a \$4.2 million dollar increase in fund balance. The General Fund ending balance was \$16.2 million dollars.
- 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, 2009

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, 2009

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, 2009

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's combined net assets from governmental activities were smaller on June 30, 2009 than they were the year before, decreasing by <0.2%> to \$187.7 million. Table 1 provides a summary of the District's combined net assets for 2009.

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

Summary of Statement of Net Assets	2008	2009	Total Change	Total % Change
Non-capital Assets	\$ 79.6	\$ 77.1	\$ (2.5)	-3.1%
Capital Assets	194.7	193.8	(0.9)	-0.5%
Total Assets	<u>274.3</u>	<u>270.9</u>	<u>(3.4)</u>	-1.2%
Current Liabilities	11.2	10.5	(0.7)	-6.2%
Long-Term Liabilities	75.0	72.7	(2.3)	-3.1%
Total Liabilities	<u>86.2</u>	<u>83.2</u>	<u>(3.0)</u>	-3.5%
Invested in Capital Assets, Net of Related Debt	117.8	118.9	1.1	0.9%
Net Assets Legally Restricted	58.5	57.7	(0.8)	-1.4%
Net Assets Unrestricted	11.8	11.1	(0.7)	-5.9%
Total Net Assets	<u>\$ 188.1</u>	<u>\$ 187.7</u>	<u>\$ (0.4)</u>	-0.2%

Total combined assets were \$270.9 million, capital assets were 72 percent (\$193.8 million) of total assets and non-capital assets were 28 percent (\$77.1 million) of total assets. Total liabilities were \$83.2 million; 13 percent (\$10.5 million) current and 87 percent (\$72.7 million) long term. Of the District's *Governmental Activities* net assets, 63 percent (\$118.9 million) were capital assets net of related debt, 31 percent (\$57.7 million) were net assets legally restricted and 6 percent (\$11.1 million) were unrestricted net assets.

Significant changes include:

- Due to the economic constraints and the reduction in funding levels cash receipts and miscellaneous accounts receivable were reduced. The District has completed its issuance of voter approved bonds and no additional forms of debt were initiated.

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Summary of Statement of Activities	<u>2008</u>	<u>2009</u>
Program Revenues	\$ 45.4	\$ 46.0
General Revenues	<u>120.3</u>	<u>116.6</u>
Total Revenues	<u>165.7</u>	<u>162.6</u>
Expenses for:		
Instruction and Instruction Related Services	106.7	104.3
Pupil Services	18.7	18.6
General Administration	8.2	7.5
Plant Services	15.0	15.6
Ancillary, Community and Enterprise Activities	3.8	4.4
Debt Service	3.7	3.7
Other Outgo	2.5	2.8
Depreciation	<u>6.4</u>	<u>6.1</u>
Total Expenses	<u>165.0</u>	<u>163.0</u>
Change in Net Assets	<u>0.7</u>	<u>(0.4)</u>
Net Assets, beginning, originally stated	187.7	188.1
Adjustment for restatement	<u>(0.3)</u>	<u> </u>
Net Assets at beginning of year, as restated	<u>187.4</u>	<u>188.1</u>
Net Assets, ending	<u><u>\$ 188.1</u></u>	<u><u>\$ 187.7</u></u>

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Total cost of all governmental activity programs and services were \$163.0 million. Instruction and pupil services made up 74 percent of total program cost. Plant services were 14 percent and general administration was 5 percent.

Significant changes include:

Revenues:

- General revenues decreased from both Revenue Limit sources and Other State sources. Revenue Limit funding received an inflationary increase of \$261 per Average Daily Attendance (ADA) during the 2008-09 year. However, a 0.82 percent deficit factor was applied, yielding a net decrease of approximately \$885 per ADA.

To reduce the impact of this drastic revenue reduction the State allowed flexibility in the 2007-08 ending fund balance and use of forty-two different categorical programs allowing the funds to be used for "any other educational purpose." In addition to this flexibility many of the programs were cut by over 15 percent. Penalties for additional students in kindergarten through third grade class size reduction programs were also reduced.

- One-time Federal stimulus funding was received through three primary American Recovery and Reinvestment Act programs. These programs are additional Title I funding focused on low socio-economic students, State Fiscal Stabilization Funds (SFSF) where the allocation by the State was calculated to offset the Revenue Limit and categorical reductions and additional funds targeted for Special Education students.

Expenses:

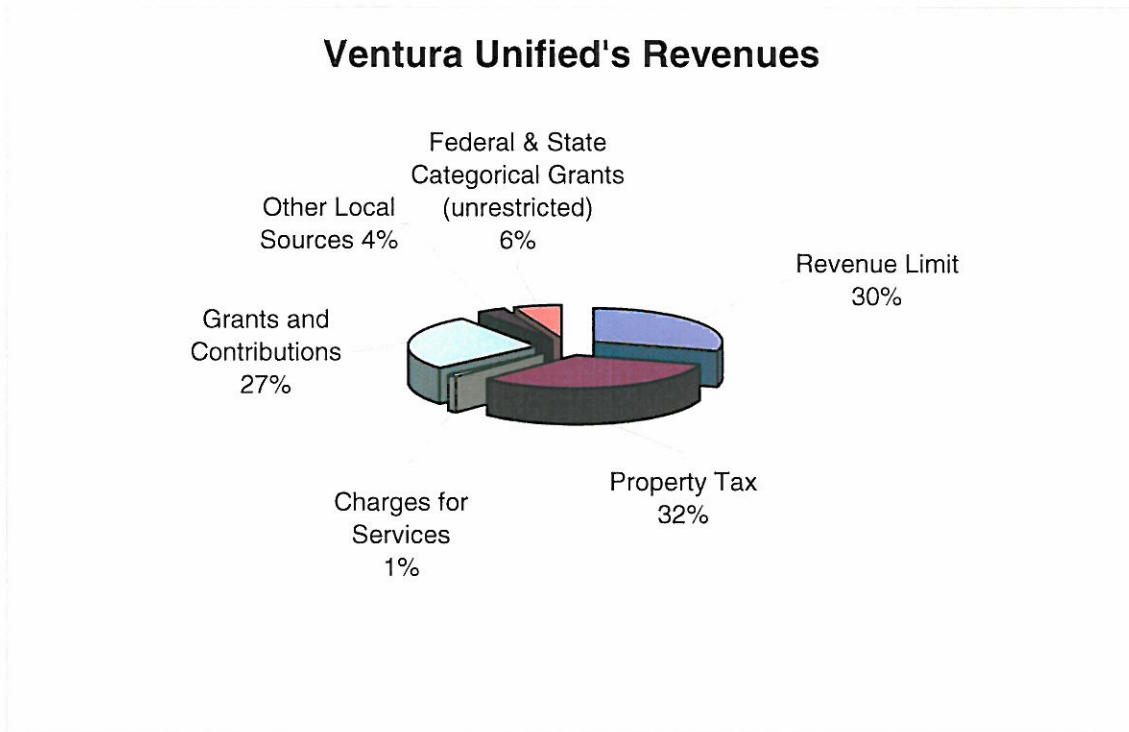
- Total expenses decreased \$7 million dollars. Reductions were made in variable staffing, such as hourly and summer school instruction, expenditures for books and supplies and capital investment. The District worked diligently to reduce expenditures in light of the uncertainty of State funding.

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Governmental Activities

By the end of the fiscal year the revenue for the District's governmental activities totaled \$162.6 million. Sixty-two percent was from revenue limit and property taxes, thirty-three percent was from federal and state grants and contributions and five percent from local sources. General revenues, revenue limit and the related property taxes were received to provide for the District's basic services.

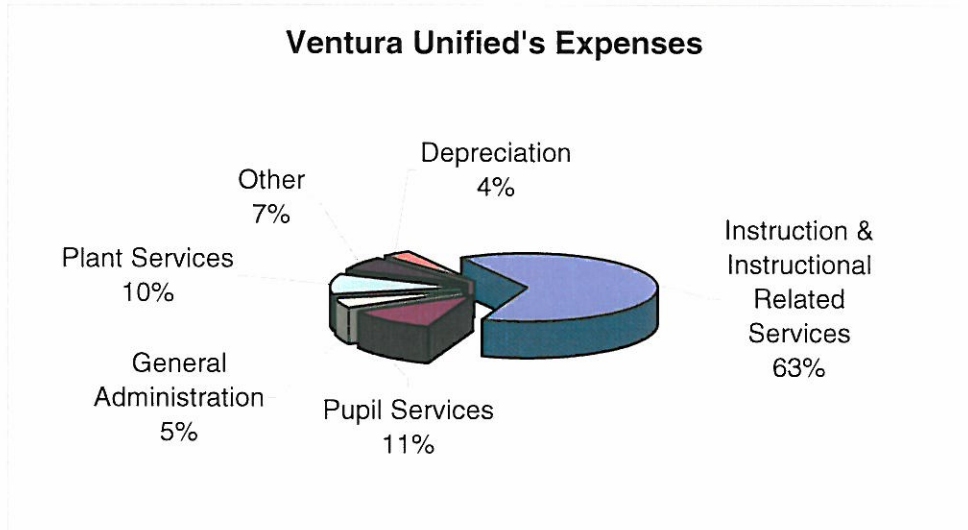
Figure 1



VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

The cost of all the District's major activities: Instruction, guidance, counseling, evaluation, school leadership, student transportation, administration and, maintenance and operations was \$163.0 million. Users of the District programs paid \$2.4 million of the cost. The federal and state governments subsidized approximately \$43.5 million in certain program costs with grants and contributions. Most of the District's expenses (\$117.1 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, 2009

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 less 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 decrease.

Actual expenditures were \$4.2 million less than the final budgeted amounts. The majority of this difference was in books and supplies, \$3.8 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 \$5.3 million in a broad range of capital assets, including school facilities, technology equipment and infrastructure, and vehicles. Overall capital assets decreased from \$194.7 million as of July 1, 2008 to \$193.8 million as of June 30, 2009. The majority of capital outlay expenditures occur in the Building Fund, County School Facilities Fund and General Fund. Additional information on the changes in capital assets can be found at Note 12.

Debt Administration

By year-end the District had \$75.8 million in long-term debt a three percent (\$2.3 million) decrease over last year. Additional information on the changes in long-term debt can be found at Note 11. The District's bonds currently are rated "AAA".

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

Average Daily Attendance

Average daily attendance reported on the second period attendance report for the regular education program and excluding adult education increased by 186 to 16,649. With the District's enrollment count, measured by the California Basic Education System (CBEDS), increasing by 26 students the District was able to achieve an increased attendance ratio by focusing on the impact that the students attendance would have on total revenues, in addition to the added educational impact. The District expects enrollment to decrease by less than 1% 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.

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, 2009

	Governmental Activities
<u>Assets</u>	
Cash in county treasury	\$ 54,569,642
Cash on hand and in banks	123,126
Cash in revolving fund	10,000
Cash with fiscal agent	1,082,250
Investments with fiscal agent	454,087
Accounts receivable:	
Federal and State governments	16,352,575
Miscellaneous	3,665,569
Due from fiduciary funds	
Inventories	255,950
Capitalized fees	561,561
Land	12,371,805
Depreciable assets, net	<u>181,424,263</u>
Total Assets	<u>270,870,828</u>
 <u>Liabilities</u>	
Accounts payable and other current liabilities	4,459,874
Accrued interest payable	1,336,552
Deferred revenue	1,620,319
Current portion of long-term liabilities:	
Loan payable	12,167
General obligation bonds	1,970,000
Certificates of participation	240,000
Compensated absences	902,125
Non-current portion of long-term liabilities:	
Loan payable	23,200
General obligation bonds	70,939,052
Less deferred charges on refunding bonds	(2,407,524)
Certificates of participation	4,090,000
Retiree benefits:	
Post employment healthcare benefits	149,728
Net pension (asset)	<u>(124,989)</u>
Total Liabilities	<u>83,210,504</u>
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	118,929,173
Restricted for:	
Debt service	3,722,569
Capital outlay	46,987,298
Educational programs	6,952,132
Unrestricted	<u>11,069,152</u>
Total Net Assets	<u>\$ 187,660,324</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

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
Governmental Activities					
Instruction	\$ 86,147,659	\$ 382,876	\$ 19,761,428	\$	\$ (66,003,355)
Instruction - related services	18,192,856	59,278	8,778,179		(9,355,399)
Pupil services	18,630,175	1,858,497	10,750,569		(6,021,109)
Ancillary services	777,951		79,560		(698,391)
Community services	258,132		237,418		(20,714)
Enterprise activities	3,231,877		601,060		(2,630,817)
General administration	7,534,395	24,674	1,922,387		(5,587,334)
Plant services	15,577,014		960,623	26,913	(14,589,478)
Other outgo	2,823,488	64,359	437,966		(2,321,163)
Debt service - interest	3,663,685				(3,663,685)
Depreciation (unallocated)	6,185,148				(6,185,148)
Total Governmental Activities	<u>\$ 163,022,380</u>	<u>\$ 2,389,684</u>	<u>\$ 43,529,190</u>	<u>\$ 26,913</u>	<u>(117,076,593)</u>
General Revenues					
Property taxes levied for:					
General purposes					48,092,133
Debt service					5,002,220
Federal and State aid not restricted to specific purposes					57,788,195
Interest and investment earnings					1,902,131
Miscellaneous					3,844,517
Total General Revenues					<u>116,629,196</u>
Changes in net assets					(447,397)
Net Assets at Beginning of Year					<u>188,107,721</u>
Net Assets at End of Year					<u>\$ 187,660,324</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Cafeteria Fund	Special Reserve for Post- Employment Benefits Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash in county treasury	\$ 1,708,157	\$ 496,864	\$ 155,342	\$ 39,295,299	\$ 12,913,980	\$ 54,569,642
Cash on hand and in banks		123,126				123,126
Cash in revolving fund	10,000					10,000
Cash with fiscal agent				1,082,250		1,082,250
Investments with fiscal agent				454,087		454,087
Accounts receivable:						
Federal and State governments	15,397,219	702,598			252,758	16,352,575
Miscellaneous	2,787,603	6,223	7,340	245,026	619,377	3,665,569
Due from other funds	1,360,522	12,163		1,100,000	88,397	2,561,082
Inventories	191,858	64,092				255,950
Total Assets	\$ 21,455,359	\$ 1,405,066	\$ 162,682	\$ 42,176,662	\$ 13,874,512	\$ 79,074,281
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 2,563,631	\$ 55,733	\$	\$ 1,204,335	\$ 636,175	\$ 4,459,874
Due to other funds	1,200,561	886,294		185,772	288,455	2,561,082
Deferred revenue	1,492,169	35,063		66,484	26,603	1,620,319
Total Liabilities	5,256,361	977,090	-	1,456,591	951,233	8,641,275
Fund Balances						
Restricted for debt service					5,059,121	5,059,121
Restricted for special purposes	6,952,132					6,952,132
Reserved for special purposes	201,858	64,092				265,950
Designated for special purposes	6,716,651					6,716,651
Undesignated	2,328,357	363,884	162,682	40,720,071	7,864,158	51,439,152
Total Fund Balances	16,198,998	427,976	162,682	40,720,071	12,923,279	70,433,006
Total Liabilities and Fund Balances	\$ 21,455,359	\$ 1,405,066	\$ 162,682	\$ 42,176,662	\$ 13,874,512	\$ 79,074,281

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, 2009

Total fund balances-governmental funds \$ 70,433,006

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>181,424,263</u>

Total capital assets	193,796,068
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General obligation bond issuance costs to be amortized over the life of the bond	561,561
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Interest expense related to certificates of participation and general obligation bonds payable was incurred but not accrued through June 30, 2009	(1,336,552)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Compensated absences	(902,125)
General obligation bonds payable and related premium	(72,909,052)
Less deferred charges on refunding bonds	2,407,524
Certificates of participation	(4,330,000)
Loan payable	(35,367)
Postemployment health care benefits	(149,728)
Net pension obligation	<u>124,989</u>
	<u>(75,793,759)</u>

Total net assets – governmental activities	<u>\$187,660,324</u>
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See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	General Fund	Cafeteria Fund	Special Reserve for Post- Employment Benefits Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Revenue limit sources:						
State apportionments	\$ 46,352,992	\$ 1,616,948	\$	\$	\$	\$ 47,969,940
Local sources	48,058,424					48,058,424
Total revenue limit sources	94,411,416	1,616,948	-	-	-	96,028,364
Federal sources	16,674,394	3,912,343			491,853	21,078,590
Other State sources	16,978,534	340,237			5,582,766	22,901,537
Other local sources	12,280,296	2,011,118	37,310	1,992,248	6,529,066	22,850,038
Total Revenues	<u>140,344,640</u>	<u>7,880,646</u>	<u>37,310</u>	<u>1,992,248</u>	<u>12,603,685</u>	<u>162,858,529</u>
Expenditures						
Instruction	82,149,723				4,047,482	86,197,205
Instruction - related services	16,772,991				1,445,075	18,218,066
Pupil services	11,358,926	7,268,341			36,005	18,663,272
Ancillary services	778,941					778,941
Community services	301,477				11,044	312,521
Enterprise activities	3,323,524					3,323,524
General administration	7,017,514	326,048			220,793	7,564,355
Plant services	14,056,180			4,498,969	2,485,695	21,040,844
Other outgo	2,823,488					2,823,488
Debt service	164,250			445,116	5,234,094	5,843,460
Total Expenditures	<u>138,747,014</u>	<u>7,594,389</u>	<u>-</u>	<u>4,944,085</u>	<u>13,480,188</u>	<u>164,765,676</u>
Excess (deficiency) of revenues over expenditures	1,597,626	286,257	37,310	(2,951,837)	(876,503)	(1,907,147)
Other Financing Sources (Uses)						
Interfund transfers in	2,642,682			445,182		3,087,864
Interfund transfers out			(1,138,000)	(888,505)	(1,061,359)	(3,087,864)
Total Other Financing Sources (Uses)	<u>2,642,682</u>	<u>-</u>	<u>(1,138,000)</u>	<u>(443,323)</u>	<u>(1,061,359)</u>	<u>-</u>
Net change in fund balances	4,240,308	286,257	(1,100,690)	(3,395,160)	(1,937,862)	(1,907,147)
Fund Balances at Beginning of Year	<u>11,958,690</u>	<u>141,719</u>	<u>1,263,372</u>	<u>44,115,231</u>	<u>14,861,141</u>	<u>72,340,153</u>
Fund Balances at End of Year	<u>\$ 16,198,998</u>	<u>\$ 427,976</u>	<u>\$ 162,682</u>	<u>\$ 40,720,071</u>	<u>\$ 12,923,279</u>	<u>\$ 70,433,006</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net change in fund balances – Total government funds \$ (1,907,147)

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	\$ 5,339,685	
Depreciation expense	<u>(6,185,148)</u>	
Excess of capital outlay over depreciation expense		(845,463)

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

Retirement of equipment (net of accumulated depreciation) - Loss	(96,983)
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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.

General obligation bond principal payments	1,900,000	
Certificates of participation principal payments	230,000	
Loan payable principal payments	<u>12,167</u>	
		2,142,167

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

Net decrease in accrued interest	118,526	
Net decrease in compensated absences	43,106	
Amortization of premium on general obligation bonds	63,016	
Amortization of costs on general obligation bonds	(27,337)	
Amortization of deferred charges on refunded bonds	(116,597)	
Increase in postemployment health care benefits	(28,467)	
Decrease in net pension obligation	<u>207,782</u>	
		<u>260,029</u>

Change in net assets of governmental activities	\$ <u>(447,397)</u>
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See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS - FIDUCIARY FUNDS

June 30, 2009

	Foundation Private-Purpose Trust	Associated Student Body Funds
<u>Assets</u>		
Cash in county treasury	\$ 276,064	\$
Cash on hand and in banks		1,244,108
Accounts receivable:		
Miscellaneous	27,895	
Inventories		45,152
Total Assets	303,959	1,289,260
<u>Liabilities</u>		
Accounts payable	389	5,729
Funds held in trust		830,582
Total Liabilities	389	836,311
<u>Net Assets</u>		
Restricted for special purposes	303,570	
Unrestricted		452,949
Total Net Assets	\$ 303,570	\$ 452,949

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, 2009

	<u>Foundation Private- Purpose Trust</u>	<u>Associated Student Body Funds</u>
Additions		
Other local sources	\$ 358,970	\$ 1,446,663
Total Additions	<u>358,970</u>	<u>1,446,663</u>
Deductions		
Scholarships	318,387	
Other expenses	<u>1,750</u>	<u>1,396,287</u>
Total Deductions	<u>320,137</u>	<u>1,396,287</u>
Changes in net assets	38,833	50,376
Net Assets at Beginning of Year	<u>264,737</u>	<u>402,573</u>
Net Assets at End of Year	<u>\$ 303,570</u>	<u>\$ 452,949</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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, 2009

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, 2009

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

A. BASIS OF PRESENTATION: (continued)

2. Fund Financial Statements: (continued)

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

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

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

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

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

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

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

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

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

Other outgo – includes transfers to other agencies.

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

Fiduciary fund expenditures are presented by natural classification.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 –(Fund #010) 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 – (Fund #130) 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, 2009

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

B. FUND ACCOUNTING: (continued)

GOVERNMENTAL FUNDS – MAJOR (continued)

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

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

GOVERNMENTAL FUNDS – NON-MAJOR

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.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

B. FUND ACCOUNTING: (continued)

GOVERNMENTAL FUNDS – NON-MAJOR (continued)

Capital Project Funds – used to account for the acquisition and/or construction of major governmental general fixed assets. The district maintains four capital project funds, three of which are non-major 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.
3. County School Facilities Fund (Fund #355 and #356) – used to account for the School Facility Program grants awarded for modernization of high school and elementary sites. The County School Facilities Fund is a consolidation of two sub-funds.

FIDUCIARY FUNDS

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

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

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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, 2009

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, 2009, total supply inventory is \$191,858, food inventory is \$64,092 and inventories maintained by student body organizations is \$45,152.

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, 2009

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 exceed qualified expenditures.

7. Compensated Absences

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

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

8. Long Term Obligations

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

9. Fund Balance Reservations and Designations

Reservations of the ending fund balance indicate the portions of the fund balance not appropriate 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, 2009

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, laws or regulations of other governments or by enabling legislation adopted by the District. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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, 2009

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 \$1,370,000 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.

VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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 of the District or its other component units. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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. 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.

NOTE 2 - BUDGETS:

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

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

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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, 2009, \$2,184,316 of the District's bank balances of \$2,737,279 were exposed to credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the District's name	\$1,070,693
Uninsured and uncollateralized (1)	<u>1,113,623</u>
Total	<u>\$2,184,316</u>

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

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Ventura County Treasury (the County). The County pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost which approximates fair value. The fair market value of the District's deposits in this pool as of June 30, 2009, as provided by the pool sponsor, was \$55,117,651.

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.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS: (continued)

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 2008-09 fiscal year, nor were they involved in any reverse repurchase agreements during 2008-09.

Investments with Fiscal Agent at June 30, 2009, 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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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, 2009 are temporary loans and are detailed as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$1,360,522	\$1,200,561
Special Revenue Funds:		
Cafeteria Fund	12,163	886,294
Adult Education Fund	76,557	200,904
Child Development Fund	11,840	87,551
Capital Projects Funds:		
Building Sub-Fund	1,050,000	185,772
Bond Building Fund	<u>50,000</u>	<u> </u>
Totals	<u>\$2,561,082</u>	<u>\$2,561,082</u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 4 - INTERFUND TRANSACTIONS: (continued)

B. Interfund Transfers

Interfund transfers for the 2008-09 fiscal year are as follows:

Transfer from Deferred Maintenance Fund to General Fund for State categorical flexibility spending	\$ 612,235
Transfer from Adult Education Fund to the Building Fund (Series A) to pay for Certificates of Participation debt service	445,182
Transfer from the Special Reserve for Postemployment Benefits Fund (Retiree Benefits Fund and Alternative Retiree Benefits Fund) to the General Fund to pay for retiree benefits	1,138,000
Transfer from Bond Building Sub-Fund to the General Fund to reverse current year and prior year Adult Education contributions for debt service payments to offset State funding reductions	888,505
Transfer from Capital Facilities Fund (Residential and Commercial) to General Fund to pay for developers' fees administration	<u>3,942</u>
Total	<u>\$3,087,864</u>

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

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

	<u>General Fund</u>	<u>Cafeteria Fund</u>
Cash in revolving fund	\$ 10,000	\$
Inventories	<u>191,858</u>	<u>64,092</u>
Total	<u>\$201,858</u>	<u>\$ 64,092</u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

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

Major Fund:

General Fund:

American Recovery and Reinvestment Act:

State Fiscal Stabilization Fund	\$ 6,026,792
English Language Acquisition Program (ELAP)	114,484
ELAP Re-appropriation of State Categorical Revenue – See Note 17B	(90,455)
Lottery – Instructional Materials	481,303
Special Education Early Education Intervention	57,770
Economic Impact Aid	333,815
Instructional Materials Braille and Large Print	1,048
Grey Family Trust	<u>27,375</u>
Total	<u>\$ 6,952,132</u>

Fiduciary Fund – Private Purpose Trust Funds:

David Graham Scholarship Fund	
Scholarships	\$ 60,505
Foundation Fund	
Ventura Education Partnership	<u>243,065</u>
Total Fiduciary	<u>\$ 303,570</u>

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

Major Funds:

General Fund:

Economic Uncertainties	\$ 4,162,410
Flexibility Programs	910,183
One Time Revenue Limit Reduction	4,203,390
Medi-Cal Administrative Activities (MAA)	1,189,477
Local Donations	50,808
Re-appropriation of State Categorical Revenue – See Note 17B	<u>(3,799,617)</u>
Total General Fund	<u>\$ 6,716,651</u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 6 – OPERATING LEASES:

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

<u>Year Ending June 30,</u>	<u>Lease Payment</u>
2010	\$ 321,204
2011	321,204
2012	321,204
2013	<u>321,204</u>
	<u>\$1,284,816</u>

Current year expenditures for operating leases is approximately \$427,018. The District will receive no sublease rental revenues nor pay any contingent rentals for these properties.

NOTE 7 - TAX REVENUE ANTICIPATION NOTES:

The District issued \$5 million of Tax Revenue Anticipation Notes dated June 4, 2008 through the California School Boards Association Finance Corporation's Cash Reserve Program (Series 2008-09). The notes matured on July 6, 2009 and yielded 1.65% interest. The notes were sold by the District to supplement its cash flow.

Repayment requirements were that principal of \$2 million be repaid on February 1, 2009, \$500 thousand be repaid on both March 1, 2009 and April 1, 2009 and that \$2 million plus \$152,083 of interest be repaid from the funds held with the administrator by May 1, 2009.

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

The monies were required to remain on deposit until the maturity date of the note, July 6, 2009 at which time they were applied to pay the principal and interest on the notes. All deposits were made with the Trustee on a timely basis and, therefore, the liability is defeased and not shown on the financial statements at June 30, 2009.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 8 - GENERAL OBLIGATION BONDS:

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

During March 2004, Series A and D general obligation bonds were re-financed for a total of \$23,180,000. The proceeds associated with the refunding were deposited in an escrow account and as such were considered in-substance defeased. At June 30, 2009 the outstanding balance of the defeased debt had been fully paid by the escrow agent.

During April 2005, Series B and C general obligation bonds were re-financed for a total of \$17,750,000. The proceeds associated with the refunding were deposited in an escrow and as such were considered in substance defeases. At June 30, 2009, the outstanding balance of the defeased debt had been fully paid by the escrow agent.

The outstanding bonded debt of the Ventura Unified School District at June 30, 2009 is:

<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2008</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2009</u>
6/11/2001 E	4.1%-6.5%	2/1/2032	\$12,500,000	\$11,275,000	\$	\$ 260,000	\$11,015,000
7/11/2002 F	4%-6.75%	8/1/2032	10,000,000	9,200,000		195,000	9,005,000
7/21/2003 G	3%-6%	8/1/2033	6,000,000	5,560,000		125,000	5,435,000
3/03/2004	2%-5%	8/1/2030	23,180,000	20,750,000		610,000	20,140,000
7/01/2004 H	4%-7%	8/1/2034	5,000,000	4,790,000		90,000	4,700,000
4/28/2005	3%-4.50%	8/1/2029	17,750,000	17,130,000		525,000	16,605,000
9/07/2005 I	3%-5%	8/1/2034	5,000,000	<u>4,810,000</u>		<u>95,000</u>	<u>4,715,000</u>
				<u>\$73,515,000</u>	<u>\$ -</u>	<u>\$ 1,900,000</u>	<u>\$71,615,000</u>

VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2009, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,970,000	\$ 3,250,979	\$ 5,220,979
2011	2,055,000	3,172,709	5,227,709
2012	2,135,000	3,095,575	5,230,575
2013	2,205,000	3,015,606	5,220,606
2014	2,295,000	2,929,121	5,224,121
2015-2019	13,015,000	13,103,261	26,118,261
2020-2024	16,280,000	9,790,938	26,070,938
2025-2029	20,075,000	5,280,119	25,355,119
2030-2034	10,970,000	1,158,751	12,128,751
2035	<u>615,000</u>	<u>14,837</u>	<u>629,837</u>
Totals	<u>\$ 71,615,000</u>	<u>\$ 44,811,896</u>	<u>\$ 116,426,896</u>

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The refunding bonds issued in 2005 and 2006 included a total premium of \$1,579,847. This amount is amortized using the straight-line method. Amortization of \$63,016 was recognized during the 2008-09 year.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by \$1,970,000 for the 2005 refunding and \$982,792 for the 2006 refunding. Amortization of \$116,597 was recognized during the 2008-09 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 2008-09 year.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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, 2009, 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:

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 240,000	\$ 206,326	\$ 446,326
2011	250,000	196,728	446,728
2012	260,000	186,352	446,352
2013	270,000	175,302	445,302
2014	285,000	163,558	448,558
2015-2019	1,640,000	605,086	2,245,086
2020-2022	<u>1,385,000</u>	<u>153,854</u>	<u>1,538,854</u>
Totals	<u>\$ 4,330,000</u>	<u>\$ 1,687,206</u>	<u>\$ 6,017,206</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, 2009

NOTE 10 – LOAN PAYABLE:

On June 20, 2000 the District entered into a loan agreement in the amount of \$121,673 with the State of California under the Child Care Facilities Revolving Fund Program. The proceeds of which were used for the purchase and installation of a new relocatable building for the preschool program. The outstanding debt and annual repayment requirements at June 30, 2009 are as follows:

<u>Year Ending June 30,</u>	<u>Payment</u>
2010	\$ 12,167
2011	12,167
2012	<u>11,033</u>
Total	35,367
Less Amount Representing Interest	<u>0</u>
Net Loan Payable	<u>\$ 35,367</u>

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

A schedule of changes in long-term debt for the year ended June 30, 2009 is shown below.

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Amount Due in One Year</u>
General obligation bonds	\$ 73,515,000	\$	\$ 1,900,000	\$ 71,615,000	\$ 1,970,000
General obligation bonds - premium	1,357,068		63,016	1,294,052	
General obligation bonds - deferred liability	(2,524,121)		(116,597)	(2,407,524)	
Certificates of participation	4,560,000		230,000	4,330,000	240,000
Loan payable	47,534		12,167	35,367	12,167
Compensated absences	945,231		43,106	902,125	902,125
Postemployment healthcare benefits	121,261	28,467		149,728	
Net pension obligation (asset)	82,793		207,782	(124,989)	
Totals	<u>\$ 78,104,766</u>	<u>\$ 28,467</u>	<u>\$ 2,339,474</u>	<u>\$ 75,793,759</u>	<u>\$ 3,124,292</u>

The loan payable, postemployment healthcare benefits and net pension obligation (asset) are liquidated by the General Fund. Compensated absences are liquidated by the fund associated with the related salary expense.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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

Capital asset activity for the year ended June 30, 2009 is shown below.

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2009</u>
Land (1)	\$ 12,371,805	\$	\$	\$ 12,371,805
Buildings and improvements	239,076,322	5,255,614		244,331,936
Machinery, equipment and vehicles	<u>6,245,930</u>	<u>84,071</u>	<u>112,772</u>	<u>6,217,229</u>
Totals at historical cost	<u>257,694,057</u>	<u>5,339,685</u>	<u>112,772</u>	<u>262,920,970</u>
Less accumulated depreciation for:				
Buildings and improvements	58,947,907	5,720,702		64,668,609
Machinery, equipment and vehicles	<u>4,007,636</u>	<u>464,446</u>	<u>15,789</u>	<u>4,456,293</u>
Total accumulated depreciation	<u>62,955,543</u>	<u>6,185,148</u>	<u>15,789</u>	<u>69,124,902</u>
Governmental capital assets, net	<u>\$ 194,738,514</u>	<u>\$ (845,463)</u>	<u>\$ 96,983</u>	<u>\$ 193,796,068</u>

(1) The total Land balance reported above includes \$700,962 of land considered to be idle property as of June 30, 2009.

NOTE 13 - EMPLOYEE RETIREMENT PLANS:

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

State Teachers' Retirement System (STRS)

Plan Description

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)

State Teachers' Retirement System (STRS) (continued)

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-09 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Public Employees' Retirement System (PERS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2008-09 was 9.428% 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, 2009

NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)

Contributions to STRS and PERS

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

Year Ended June 30,	STRS		PERS	
	<u>Required Contribution</u>	<u>Percent Contributed</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2007	\$5,300,742	100%	\$2,081,975	100%
2008	5,564,269	100%	2,280,987	100%
2009	5,596,930	100%	2,363,962	100%

Deferred Compensation Plan

Plan Description

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

Funding Policy

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 569,680
Interest on net pension obligation	4,140
Adjustment to annual required contribution	<u>(8,364)</u>
Annual pension cost	565,456
Contributions made	<u>(773,238)</u>
Increase (decrease) in net pension obligation	(207,782)
Net pension obligation beginning of year	<u>82,793</u>
Net pension asset end of year	<u>\$ (124,989)</u>

Deferred Compensation Plan

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	\$ 618,254	139.7%	\$ 517,372
6/30/08	585,117	131.3%	82,793
6/30/09	565,456	136.7%	(124,989)

Funding Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$4,486,382. Although the plan has no segregated assets, the District does maintain the Alternative Retiree Fund to designate resources for pension costs. At June 30, 2009, the fund's balance was \$128,435.

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 13 - EMPLOYEE RETIREMENT PLANS: (continued)

Actuarial Methods and Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2007, actuarial valuation using the unit credit actuarial cost method. The actuarial assumptions included a 5% investment rate of return, with no administrative expenses assumed, which is the level of return on the employer's investments. The UAAL is being amortized as a level dollar amount over 15 years on a closed basis. The remaining amortization period at June 30, 2009 was 13 years.

NOTE 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS:

Plan Description and Eligibility

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

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District contributes 100 percent of the cost of current year premiums for eligible retired plan members and their spouses as applicable. Classified retirees who retired with fewer than 14 years of service must contribute a portion of the cost of their coverage and all classified retirees must contribute the cost of dental and vision coverage for their dependents. For fiscal year ended 2009, the District contributed \$2,550,286 to the plan.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 14 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

Annual required contribution (ARC)	\$2,580,760
Interest on net OPEB obligation	1,967
Adjustment to annual required contribution	<u>(3,974)</u>
Annual OPEB cost (expense)	2,578,753
Contributions made	<u>(2,550,286)</u>
Change in net OPEB obligation	28,467
Net OPEB obligation - Beginning of Year	<u>121,261</u>
Net OPEB obligation - End of Year	<u><u>\$ 149,728</u></u>

VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 14 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$2,583,132	95.3%	\$ 121,261
6/30/2009	\$2,578,753	98.9%	\$ 149,728

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

Funding Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$26,812,023. Because the plan is limited to individuals who retired as of June 30, 1993, there are no active employees covered by the plan. Although the plan has no segregated assets, the District does maintain a retiree benefits fund to designate resources for retiree health care costs. At June 30, 2009, the fund’s balance was \$34,247.

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 14 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Actuarial Methods and Assumptions

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

In the July 1, 2007 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. The UAAL is being amortized using a level dollar amortization method over a closed fifteen year period. The remaining amortization period at June 30, 2009, was thirteen years.

NOTE 15 - 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, 2009

NOTE 15 - 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, 2009</u>	The Trust (Audited) <u>June 30, 2008</u>
Total Assets	\$ 93,807,640	\$ 23,623,472
Total Liabilities	<u>50,658,775</u>	<u>3,931,027</u>
Fund Balance	<u>\$ 43,172,162</u>	<u>\$ 19,692,445</u>
Total Revenues	<u>\$ 27,442,024</u>	<u>\$ 40,550,125</u>
Total Expenditures	<u>\$ 28,838,164</u>	<u>\$ 41,958,890</u>

NOTE 16 - COMMITMENTS AND CONTINGENCIES:

A. State and Federal Allowances, Awards, and Grants

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 16 - COMMITMENTS AND CONTINGENCIES: (continued)

B. County School Facilities Fund

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

C. Construction Commitments

As of June 30, 2009, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$3.7 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 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, 2009

NOTE 17 - SUBSEQUENT EVENTS:

A. Tax Revenue Anticipation Notes

The District issued \$9,855,000 of Tax Revenue Anticipation Notes dated June 16, 2009 through the California School Boards Association Finance Corporation's Cash Reserve Program (Series 2009-10). The notes mature on July 1, 2010 and yield .53 - .6% 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 \$9,855,000 principal and approximately \$242,953 interest be set aside within the County Treasury by May 1, 2010.

B. Re-appropriation of State Categorical Revenue

On July 28, 2009 Governor Schwarzenegger signed a package of bills amending the 2008-09 and 2009-10 California State budgets. The budget amendments were designed to address the State's budget gap of \$24 billion that had developed as a result of the deepening recession since the State's last budget actions in February 2009. The July budget package reduced, on a state-wide basis, \$1.6 billion in 2008-09 Proposition 98 funding through a reversion of undistributed categorical program balances. The budget language identified 51 specific programs and required the amount associated with these programs that were "unallocated, unexpended, or not liquidated as of June 30, 2009" to revert to the State's General Fund. The July budget package also provided an appropriation in 2009-10 to backfill \$1.5 billion of these cuts to repay the 2008-09 reversion of the undistributed categorical program balances.

Ventura Unified School District recorded the revenue and related receivable associated with its portion of the unallocated, unexpended or unliquidated categorical program balances identified in the July 2009 State Budget package prior to notification by the State that the 2009-10 re-appropriation should not be accrued. In accordance with Governmental Accounting Standards Board Statement No. 33, an adjustment to reduce revenue and the related receivable has been included in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Revenue limit sources:				
State apportionments	\$ 49,594,208	\$ 46,387,541	\$ 46,352,992	\$ (34,549)
Local sources	46,367,462	48,059,371	48,058,424	(947)
Total revenue limit sources	95,961,670	94,446,912	94,411,416	(35,496)
Federal sources	9,336,721	17,524,626	16,674,394	(850,232)
Other State sources	16,362,588	15,626,173	16,978,534	1,352,361
Other local sources	9,478,278	12,880,083	12,280,296	(599,787)
Total Revenues	<u>131,139,257</u>	<u>140,477,794</u>	<u>140,344,640</u>	<u>(133,154)</u>
Expenditures				
Certificated salaries	65,179,924	67,440,014	67,008,721	431,293
Classified salaries	22,639,023	22,959,350	23,288,092	(328,742)
Employee benefits	29,991,854	30,513,749	29,700,173	813,576
Books and supplies	5,973,085	8,516,740	4,678,459	3,838,281
Services and other operating expenditures	10,345,850	11,104,555	11,677,451	(572,896)
Capital outlay	53,000	130,802	105,304	25,498
Tuition and other outgo	2,852,663	2,852,663	2,823,488	29,175
Direct support - indirect cost	(608,941)	(571,847)	(546,841)	(25,006)
Debt service			12,167	(12,167)
Total Expenditures	<u>136,426,458</u>	<u>142,946,026</u>	<u>138,747,014</u>	<u>4,199,012</u>
Excess (deficiency) of revenues over expenditures	<u>(5,287,201)</u>	<u>(2,468,232)</u>	<u>1,597,626</u>	<u>4,065,858</u>
Other Financing Sources (Uses)				
Interfund transfers in	181,660	2,716,596	2,642,682	(73,914)
Interfund transfers out	(781,712)			-
Total Other Financing Sources (Uses)	<u>(600,052)</u>	<u>2,716,596</u>	<u>2,642,682</u>	<u>(73,914)</u>
Net change in fund balances	<u>\$ (5,887,253)</u>	<u>\$ 248,364</u>	4,240,308	<u>\$ 3,991,944</u>
Fund Balances at Beginning of Year			<u>11,958,690</u>	
Fund Balances at End of Year			<u>\$ 16,198,998</u>	

See the accompanying notes to the required supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF BUDGETARY COMPARISON FOR THE CAFETERIA FUND
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Revenue limit sources:				
State apportionments	\$ 1,562,788	\$ 1,651,245	\$ 1,616,948	\$ (34,297)
Total revenue limit sources	1,562,788	1,651,245	1,616,948	(34,297)
Federal sources	3,538,072	3,508,060	3,912,343	404,283
Other State sources	297,954	281,162	340,237	59,075
Other local sources	2,313,027	2,109,555	2,011,118	(98,437)
Total Revenues	<u>7,711,841</u>	<u>7,550,022</u>	<u>7,880,646</u>	<u>330,624</u>
Expenditures				
Classified salaries	2,528,490	2,488,392	2,480,581	7,811
Employee benefits	953,192	948,375	947,561	814
Books and supplies	3,248,738	3,296,524	3,295,468	1,056
Services and other operating expenditures	545,326	548,326	544,731	3,595
Capital outlay	6,000	6,000		6,000
Direct support - indirect cost	332,915	332,915	326,048	6,867
Total Expenditures	<u>7,614,661</u>	<u>7,620,532</u>	<u>7,594,389</u>	<u>26,143</u>
Net change in fund balances	\$ <u>97,180</u>	\$ <u>(70,510)</u>	286,257	\$ <u>304,481</u>
Fund Balances at Beginning of Year			<u>141,719</u>	
Fund Balances at End of Year			<u>\$ 427,976</u>	

See the accompanying notes to the required supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF BUDGETARY COMPARISON FOR THE SPECIAL RESERVE FUND
FOR POSTEMPLOYMENT BENEFITS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues				
Other local sources	\$ 30,000	\$ 30,000	\$ 37,310	\$ 7,310
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>37,310</u>	<u>7,310</u>
Other Financing Uses				
Interfund transfers out	(130,000)	(1,138,000)	(1,138,000)	-
Total Other Financing Uses	<u>(130,000)</u>	<u>(1,138,000)</u>	<u>(1,138,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (100,000)</u>	<u>\$ (1,108,000)</u>	(1,100,690)	<u>\$ 7,310</u>
Fund Balances at Beginning of Year			<u>1,263,372</u>	
Fund Balances at End of Year			<u>\$ 162,682</u>	

See the accompanying notes to the required supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF DEFERRED COMPENSATION PLAN FUNDING PROGRESS

For the Fiscal Year Ended June 30, 2009

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

Note: Although the plan has no segregated assets, the District does maintain the Alternative Retiree Benefit Fund (Fund #201) to designate resources future retiree pension costs. At June 30, 2009, the fund's balance was \$128,435.

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

See the accompanying notes to the required supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS

For the Fiscal Year Ended June 30, 2009

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

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

Although the plan has no segregated assets, the District does maintain the Retiree Benefits Fund (Fund #200) to designate resources for future retiree health care costs. At June 30, 2009, the fund's balance was \$34,247.

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

See the accompanying notes to the required supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009**

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedule of Budgetary Comparison for the General Fund and Major Special Revenue Fund

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

B. Schedule of Deferred Compensation Plan Funding Progress

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

C. Schedule of Postemployment Healthcare Benefits Funding Progress

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

Excesses of expenditures over appropriations, by major object accounts, occurred in the following fund:

General Fund:

Classified Salaries	\$ 328,742
Services and Other Operating Expenditures	572,896
Other Outgo (major object 7000)	7,998

There were no excess of expenditures over appropriations, by major object accounts in the Cafeteria Fund and the Special Reserve Fund for Postemployment Benefits.

SUPPLEMENTARY INFORMATION

VENTURA UNIFIED SCHOOL DISTRICT

HISTORY AND ORGANIZATION

June 30, 2009

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, 2009 were as follows:

BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Mrs. Mary Haffner	President	December 2009
Mrs. Debbie Golden	Vice President	December 2011
Mrs. Barbara Fitzgerald	Member	December 2011
Mr. John Walker	Member	December 2009
Mrs. Velma Lomax	Member	December 2009

DISTRICT ADMINISTRATORS

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

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
For the Fiscal Year Ended June 30, 2009**

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, 2009 are as follows:

	<u>Revised Second Period</u>	<u>Annual</u>
Elementary:		
Kindergarten	1,206	1,206
First through third grade	3,519	3,512
Fourth through eighth grade	6,096	6,086
Home or hospital – temporary physical disabilities	2	5
Special education master plan	306	306
Special education – non-public, non-sectarian schools	6	6
Extended year special education – mandated	21	21
Extended year special education – non-public, non-sectarian	1	1
Community day school	8	9
Opportunity schools and full-day opportunity classes	4	4
Total elementary ADA	<u>11,169</u>	<u>11,156</u>
Secondary:		
Regular classes	5,079	5,029
Continuation education	209	206
Home or hospital – temporary physical disabilities	15	24
Special education master plan	113	112
Special education – non-public, non-sectarian schools	13	13
Extended year special education – mandated	1	1
Extended year special education – non-public, non-sectarian	1	2
Community day school	26	28
Opportunity schools and full-day opportunity classes	22	15
Total secondary ADA	<u>5,479</u>	<u>5,430</u>
Adult Education:		
Concurrently enrolled	94	101
Not concurrently enrolled	<u>1,526</u>	<u>1,684</u>
Total adult education ADA	<u>1,620</u>	<u>1,785</u>
Total ADA	<u>18,268</u>	<u>18,371</u>

<u>Hourly Programs</u>	<u>Hours of Attendance</u>
Elementary	33,867
Secondary	183,335

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF INSTRUCTIONAL TIME
For the Fiscal Year Ended June 30, 2009**

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1982-83 Actual Minutes</u>	<u>2008-09 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	50,555	180	In compliance
Grade 2	50,400	42,060	50,555	180	In compliance
Grade 3	50,400	42,060	50,555	180	In compliance
Grade 4	54,000	51,595	54,010	180	In compliance
Grade 5	54,000	51,595	54,010	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	64,998	180	In compliance
Grade 10	64,800	64,642	64,998	180	In compliance
Grade 11	64,800	64,642	64,998	180	In compliance
Grade 12	64,800	64,642	64,998	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, 2009

<u>PROGRAM NAME</u>	<u>Federal Catalog Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Program Expenditures</u>
Federal Categorical Aid Programs:			
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Passed-through the California Department of Education:			
Child Nutrition Cluster:			
Child Nutrition Program-Lunch	10.555	13396	\$ 2,555,664
Child Nutrition Program-Basic Breakfast	10.553	13525	74,302
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	1,021,328
Child Nutrition Program-Meal Supplements	10.555	13396	34,323
Summer Food Service Program	10.559	13004	<u>226,726</u>
Total Child Nutrition Cluster			3,912,343
Other Program:			
Nutrition Network	10.561	(1)	<u>256,339</u>
Total U.S. Department of Agriculture			<u>4,168,682</u>
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Direct Program			
Student Financial Aid Cluster:			
Federal Direct Student Loans	84.268	(1)	63,220
Federal Pell Grant	84.063	(1)	<u>272,358</u>
Total Student Financial Aid Cluster			335,578
Other Programs:			
Indian Education Grants	84.060	10011	320,597
Alcohol Abuse Education	84.184A	(1)	265,510
Smaller Learning Community	84.215L	(1)	<u>170,039</u>
Subtotal Direct Programs			<u>1,091,724</u>
Passed-through the California Department of Education:			
Special Education Cluster:			
Grants to States (IDEA, Part B)	84.027	13379	2,712,156
Preschool Local Entitlement	84.027A	13682	140,950
Preschool Grant	84.173	13430	76,186
American Recovery and Reinvestment Act: Grants to States (IDEA, Part B)	84.391	15003	<u>24,890</u>
Total Special Education Cluster			2,954,182
Adult Education:			
Adult Education - Adult Basic Education & ESL	84.002	14508	78,229
Adult Education - English Literacy & Civics	84.002	14109	<u>41,839</u>
Total Adult Education Cluster			120,068
Title I, Part A Cluster:			
Title I, Part A - Low Income and Neglected	84.010	14329	2,199,522
Title I, Part A - Program Improvement District Intervention	84.010	14581	16,756
American Recovery and Reinvestment Act: Title I, Part A - Low Income and Neglected	84.389	15005	<u>45,957</u>
Total Title I, Part A Cluster			<u>2,262,235</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, 2009

PROGRAM NAME	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Program Expenditures
Other Programs:			
Title I, Part C - Even Start Migrant Education (MEES)	84.011	14768	22,905
Title I, Part C - Migrant Ed (Regular and Summer Program)	84.011	14838	137,062
Title I, Part C - Migrant Ed (Regular and Summer Program) - Supplemental	84.011	14838	1,370
Title I - Migrant Ed Summer Program	84.011	10005	64,961
Title I - Migrant Ed Summer Program - Supplemental	84.011	10005	975
Title II, Part A - Improving Teacher Quality	84.367	14341	958,367
Title II, Part D - Enhancing Education Through Technology, Formula Grant	84.318	14334	16,288
Title II, Part D - Enhancing Education Through Technology, Competitive Grant	84.318	14368	116,370
Title III - Limited English Proficiency	84.365	10084	333,596
Title III - Immigrant Education Program	84.365	14346	40,470
Title IV - Part A, Drug-Free Schools	84.186	14347	63,155
Title V - Part A, Innovative Education Strategies	84.298A	14354	25,812
Career and Technical Education - Basic Grants to States (Secondary)	84.048	13924	114,813
Career and Technical Education - Basic Grants to States (Adult)	84.048	13923	30,942
Workability II, Transition Partnership	84.158	10006	334,299
Foreign Language Acquisition	84.293B	(1)	213,340
American Recovery and Reinvestment Act: State Fiscal Stabilization Fund	84.394	25008	648,027
Subtotal Passed-through the California Department of Education			<u>8,459,237</u>
Total U.S. Department of Education			<u>9,550,961</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
Passed-through the California Department of Education:			
Child Development Pre-K Quality Curriculum Materials	93.575	24486	7,916
Medi-Cal Administrative Activities	93.778	10600	893,458
Medi-Cal Billing Option	93.778	10013	865,363
Total U.S. Department of Health & Human Services			<u>1,766,737</u>
Total Federal Programs			<u>\$ 15,486,380</u>
Reconciliation to Federal Revenue			
Total Federal Program Expenditures			\$ 15,486,380
Revenues in excess of expenditures revenues related to American Recovery and Reinvestment Act: State Fiscal Stabilization Fund			6,026,792
Expenditures in excess of revenues related to Medi-Cal Billing Option			<u>(434,582)</u>
Total Federal Program Revenue			<u>\$ 21,078,590</u>

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 \$312,922 of commodities under the National School Lunch Program (CFDA 10.555)

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

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

GOVERNMENTAL FUNDS

Major Fund:	<u>General Fund</u>
June 30, 2009 Annual Financial and Budget Report Fund Balance	\$17,950,445
To record the underaccrual of accounts receivable	2,138,625
To adjust the overaccrual of accounts receivable*	<u>(3,890,072)</u>
June 30, 2009 Audited Financial Statement Fund Balance	<u>\$16,198,998</u>
 Non-Major Funds:	 <u>Adult Education Fund</u>
June 30, 2009 Annual Financial and Budget Report Fund Balance	\$ 763,056
To adjust the overaccrual of accounts receivable*	<u>(84,764)</u>
June 30, 2009 Audited Financial Statement Fund Balance	<u>\$ 678,292</u>
	 <u>Child Development Fund</u>
June 30, 2009 Annual Financial and Budget Report Fund Balance	\$ 133,715
To adjust the overaccrual of accounts receivable*	<u>(92,147)</u>
June 30, 2009 Audited Financial Statement Fund Balance	<u>\$ 41,568</u>

* Adjustments relate to re-appropriation of State categorical revenue – See Note 17B.

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,

	2010 (Budgeted) (2)		2009		2008		2007	
	Amount	%	Amount	%	Amount	%	Amount	%
GENERAL FUND:								
Revenue								
Revenue limit sources	\$ 87,384,788	63.5	\$ 94,411,416	68.0	\$ 95,860,963	67.2	\$ 93,282,226	68.2
Federal	11,029,535	8.0	16,674,394	12.0	10,275,682	7.2	11,481,974	8.4
State	26,534,350	19.3	16,978,534	12.2	21,698,323	15.2	24,012,515	17.5
County and local	10,835,632	7.9	12,280,296	8.9	13,723,523	9.7	11,082,006	8.1
Interfund transfers	51,660	0.0	2,642,682	1.9	15,342	0.0	460,925	0.3
Total Revenue	<u>135,835,965</u>	<u>98.7</u>	<u>142,987,322</u>	<u>103.0</u>	<u>141,573,833</u>	<u>99.3</u>	<u>140,319,646</u>	<u>102.5</u>
Expenditures								
Certificated salaries	64,085,512	46.6	67,008,721	48.3	66,696,610	46.8	63,745,702	46.6
Classified salaries	22,232,010	16.2	23,288,092	16.8	22,497,597	15.8	21,300,258	15.5
Employee benefits	29,721,919	21.6	29,700,173	21.4	29,512,575	20.7	30,922,744	22.6
Books and supplies	5,331,623	3.9	4,678,459	3.4	7,430,558	5.2	6,007,121	4.4
Contracted services	10,588,674	7.7	11,677,451	8.4	12,584,224	8.8	11,713,174	8.5
Capital outlay	53,000	0.0	105,304	0.1	1,358,212	1.0	248,593	0.2
Interfund transfers	3,279,852	2.4			881,712	0.6	1,058,169	0.8
Other uses	2,852,663	2.1	2,823,488	2.0	2,475,884	1.7	2,892,914	2.1
Debt service payments			12,167	0.0	12,167	0.0	12,167	0.0
Direct support/indirect costs	(627,112)	(0.5)	(546,841)	(0.4)	(830,568)	(0.6)	(1,017,065)	(0.7)
Total Expenditures	<u>137,518,141</u>	<u>100.0</u>	<u>138,747,014</u>	<u>100.0</u>	<u>142,618,971</u>	<u>100.0</u>	<u>136,883,777</u>	<u>100.0</u>
Change in Fund Balance	<u>\$ (1,682,176)</u>	<u>(1.3)</u>	<u>\$ 4,240,308</u>	<u>3.0</u>	<u>\$ (1,045,138)</u>	<u>(0.7)</u>	<u>\$ 3,435,869</u>	<u>2.5</u>
Ending Fund Balance	<u>\$ 14,516,822</u>	<u>10.6</u>	<u>\$ 16,198,998</u>	<u>11.7</u>	<u>\$ 11,958,690</u>	<u>8.4</u>	<u>\$ 13,003,828</u>	<u>9.5</u>
General Fund Available								
Reserve Balance (1)	<u>\$ 8,300,506</u>	<u>6.0</u>	<u>\$ 6,490,767</u>	<u>4.7</u>	<u>\$ 5,180,609</u>	<u>3.6</u>	<u>\$ 4,474,010</u>	<u>3.3</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>16,631</u>		<u>16,648</u>		<u>16,463</u>		<u>16,487</u>	
Total Long-Term Debt (3)	<u>\$ 72,969,467</u>		<u>\$ 75,906,705</u>		<u>\$ 78,104,766</u>		<u>79,864,624</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 24, 2009, adjusted for the repayment by the State of reverted categorical dollars as described in Note 17B.

(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.

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF CHARTER SCHOOLS
For the Fiscal Year Ended June 30, 2009**

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, 2009

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

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

C. Schedule of Expenditures of Federal Awards

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

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

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

E. Schedule of Financial Trends and Analysis

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

VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES: (continued)

F. Schedule of Charter Schools

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

OPTIONAL SUPPLEMENTARY INFORMATION

VENTURA UNIFIED SCHOOL DISTRICT

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

June 30, 2009

	<u>Retiree Benefits Fund</u>	<u>Alternative Retiree Benefits Fund</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>			
Cash in county treasury	\$ 29,379	\$ 125,963	\$ 155,342
Accounts receivable:			
Miscellaneous	4,868	2,472	7,340
Total Assets	<u>\$ 34,247</u>	<u>\$ 128,435</u>	<u>\$ 162,682</u>
<u>Liabilities and Fund Balances</u>			
Fund Balances			
Undesignated	34,247	128,435	162,682
Total Fund Balances	<u>34,247</u>	<u>128,435</u>	<u>162,682</u>
Total Liabilities and Fund Balances	<u>\$ 34,247</u>	<u>\$ 128,435</u>	<u>\$ 162,682</u>

See the accompanying notes to the optional 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, 2009

	Retiree Benefits Fund	Alternative Retiree Benefits Fund	Total (Memorandum Only)
Revenues			
Other local sources	\$ 24,868	\$ 12,442	\$ 37,310
Total Revenues	24,868	12,442	37,310
 Other Financing Sources			
Interfund transfers out	(828,000)	(310,000)	(1,138,000)
Total Other Financing Sources	(828,000)	(310,000)	(1,138,000)
Net change in fund balances	(803,132)	(297,558)	(1,100,690)
 Fund Balances at Beginning of Year	837,379	425,993	1,263,372
 Fund Balances at End of Year	\$ 34,247	\$ 128,435	\$ 162,682

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

MAJOR BUILDING SUB-FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	<u>Building Fund</u>	<u>Building Fund (Series A)</u>	<u>Bond Building Fund</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>				
Cash in county treasury	\$ 36,510,794	\$ 86,066	\$ 2,698,439	\$ 39,295,299
Cash with fiscal agent		1,082,250		1,082,250
Investments with fiscal agent		454,087		454,087
Accounts receivable:				
Miscellaneous	228,097	622	16,307	245,026
Due from other funds	1,050,000		50,000	1,100,000
Total Assets	<u>\$ 37,788,891</u>	<u>\$ 1,623,025</u>	<u>\$ 2,764,746</u>	<u>\$ 42,176,662</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts payable	\$ 951,897	\$	\$ 252,438	\$ 1,204,335
Due to other funds	185,772			185,772
Deferred revenue	66,484			66,484
Total Liabilities	<u>1,204,153</u>	<u>-</u>	<u>252,438</u>	<u>1,456,591</u>
Fund Balances				
Undesignated	<u>36,584,738</u>	<u>1,623,025</u>	<u>2,512,308</u>	<u>40,720,071</u>
Total Fund Balances	<u>36,584,738</u>	<u>1,623,025</u>	<u>2,512,308</u>	<u>40,720,071</u>
Total Liabilities and Fund Balances	<u>\$ 37,788,891</u>	<u>\$ 1,623,025</u>	<u>\$ 2,764,746</u>	<u>\$ 42,176,662</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
MAJOR BUILDING SUB-FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	<u>Building Fund</u>	<u>Building Fund (Series A)</u>	<u>Bond Building Fund</u>	<u>Total (Memorandum Only)</u>
Revenues				
Other local sources	\$ 1,847,534	\$ 4,367	\$ 140,347	\$ 1,992,248
Total Revenues	<u>1,847,534</u>	<u>4,367</u>	<u>140,347</u>	<u>1,992,248</u>
Expenditures				
Plant services	3,583,585	312,242	603,142	4,498,969
Debt service		445,116		445,116
Total Expenditures	<u>3,583,585</u>	<u>757,358</u>	<u>603,142</u>	<u>4,944,085</u>
Deficiency of revenues over expenditures	<u>(1,736,051)</u>	<u>(752,991)</u>	<u>(462,795)</u>	<u>(2,951,837)</u>
Other Financing Sources (Uses)				
Interfund transfers in		445,182		445,182
Interfund transfers out	(888,505)			(888,505)
Total Other Financing Sources (Uses)	<u>(888,505)</u>	<u>445,182</u>	<u>-</u>	<u>(443,323)</u>
Net change in fund balances	(2,624,556)	(307,809)	(462,795)	(3,395,160)
Fund Balances at Beginning of Year	<u>39,209,294</u>	<u>1,930,834</u>	<u>2,975,103</u>	<u>44,115,231</u>
Fund Balances at End of Year	<u>\$ 36,584,738</u>	<u>\$ 1,623,025</u>	<u>\$ 2,512,308</u>	<u>\$ 40,720,071</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR DEBT SERVICE FUND

BALANCE SHEET

June 30, 2009

	<u>Bond Interest and Redemption Fund</u>
<u>Assets</u>	
Cash in county treasury	\$ 5,034,118
Accounts receivable:	
Miscellaneous	25,003
Total Assets	<u>\$ 5,059,121</u>
 <u>Fund Balance</u>	
Restricted for debt service	\$ 5,059,121
Total Fund Balance	<u>\$ 5,059,121</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
NON-MAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2009

	Bond Interest and Redemption Fund
Revenues	
Other State sources	\$ 47,169
Other local sources	<u>5,060,666</u>
Total Revenues	<u>5,107,835</u>
Expenditures	
Debt service	<u>5,234,094</u>
Total Expenditures	<u>5,234,094</u>
Net change in fund balance	(126,259)
Fund Balance at Beginning of Year	<u>5,185,380</u>
Fund Balance at End of Year	<u>\$ 5,059,121</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Total (Memorandum Only)
<u>Assets</u>				
Cash in county treasury	\$ 48,209	\$ 119,514	\$ 868,823	\$ 1,036,546
Accounts receivable:				
Federal and State governments	247,758	5,000		252,758
Miscellaneous	543,216		10,208	553,424
Due from other funds	76,557	11,840		88,397
Total Assets	<u>\$ 915,740</u>	<u>\$ 136,354</u>	<u>\$ 879,031</u>	<u>\$ 1,931,125</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts payable	\$ 17,176	\$	\$ 1,960	\$ 19,136
Due to other funds	200,904	87,551		288,455
Deferred revenue	19,368	7,235		26,603
Total Liabilities	<u>237,448</u>	<u>94,786</u>	<u>1,960</u>	<u>334,194</u>
Fund Balances				
Undesignated	678,292	41,568	877,071	1,596,931
Total Fund Balances	<u>678,292</u>	<u>41,568</u>	<u>877,071</u>	<u>1,596,931</u>
Total Liabilities and Fund Balances	<u>\$ 915,740</u>	<u>\$ 136,354</u>	<u>\$ 879,031</u>	<u>\$ 1,931,125</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund	Total (Memorandum Only)
Revenues				
Federal sources	\$ 486,588	\$ 5,265	\$	\$ 491,853
Other State sources	3,736,439	1,186,923	612,235	5,535,597
Other local sources	747,228	15,157	38,302	800,687
Total Revenues	<u>4,970,255</u>	<u>1,207,345</u>	<u>650,537</u>	<u>6,828,137</u>
Expenditures				
Instruction	3,030,603	1,016,879		4,047,482
Instruction-related services	1,305,042	140,033		1,445,075
Pupil services		36,005		36,005
Community services	11,044			11,044
General administration	165,916	54,877		220,793
Plant services	273,000	37,277	1,020,020	1,330,297
Total Expenditures	<u>4,785,605</u>	<u>1,285,071</u>	<u>1,020,020</u>	<u>7,090,696</u>
Excess (deficiency) of revenues over expenditures	<u>184,650</u>	<u>(77,726)</u>	<u>(369,483)</u>	<u>(262,559)</u>
Other Financing Uses				
Interfund transfers out	(445,182)		(612,235)	(1,057,417)
Total Other Financing Uses	<u>(445,182)</u>	<u>-</u>	<u>(612,235)</u>	<u>(1,057,417)</u>
Net change in fund balances	(260,532)	(77,726)	(981,718)	(1,319,976)
Fund Balances at Beginning of Year	<u>938,824</u>	<u>119,294</u>	<u>1,858,789</u>	<u>2,916,907</u>
Fund Balances at End of Year	<u>\$ 678,292</u>	<u>\$ 41,568</u>	<u>\$ 877,071</u>	<u>\$ 1,596,931</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	<u>Capital Facilities Fund (Residential)</u>	<u>Capital Facilities Fund (Commercial)</u>	<u>County School Facilities Fund</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>				
Cash in county treasury	\$ 5,235,980	\$ 687,934	\$ 919,402	\$ 6,843,316
Accounts receivable:				
Miscellaneous	31,745	3,952	5,253	40,950
Total Assets	<u>\$ 5,267,725</u>	<u>\$ 691,886</u>	<u>\$ 924,655</u>	<u>\$ 6,884,266</u>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts payable	\$ 617,039	\$ _____	\$ _____	\$ 617,039
Total Liabilities	<u>617,039</u>	<u>-</u>	<u>-</u>	<u>617,039</u>
Fund Balances				
Undesignated	4,650,686	691,886	924,655	6,267,227
Total Fund Balances	<u>4,650,686</u>	<u>691,886</u>	<u>924,655</u>	<u>6,267,227</u>
Total Liabilities and Fund Balances	<u>\$ 5,267,725</u>	<u>\$ 691,886</u>	<u>\$ 924,655</u>	<u>\$ 6,884,266</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	Capital Facilities Fund (Residential)	Capital Facilities Fund (Commercial)	County School Facilities Fund	Total (Memorandum Only)
Revenues				
Other local sources	\$ 326,738	\$ 30,715	\$ 310,260	\$ 667,713
Total Revenues	<u>326,738</u>	<u>30,715</u>	<u>310,260</u>	<u>667,713</u>
Expenditures				
Plant services	1,155,398	-	-	1,155,398
Total Expenditures	<u>1,155,398</u>	<u>-</u>	<u>-</u>	<u>1,155,398</u>
Excess (deficiency) of revenues over expenditures	<u>(828,660)</u>	<u>30,715</u>	<u>310,260</u>	<u>(487,685)</u>
Other Financing Uses				
Interfund transfers out	(3,608)	(334)	-	(3,942)
Total Other Financing Uses	<u>(3,608)</u>	<u>(334)</u>	<u>-</u>	<u>(3,942)</u>
Net change in fund balances	(832,268)	30,381	310,260	(491,627)
Fund Balances at Beginning of Year	<u>5,482,954</u>	<u>661,505</u>	<u>614,395</u>	<u>6,758,854</u>
Fund Balances at End of Year	<u>\$ 4,650,686</u>	<u>\$ 691,886</u>	<u>\$ 924,655</u>	<u>\$ 6,267,227</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

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

June 30, 2009

	<u>David Graham Scholarship Fund</u>	<u>Foundation Fund</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>			
Cash in county	\$ 60,148	\$ 215,916	\$ 276,064
Accounts receivable:			
Miscellaneous	<u>357</u>	<u>27,538</u>	<u>27,895</u>
Total Assets	<u><u>60,505</u></u>	<u><u>243,454</u></u>	<u><u>303,959</u></u>
<u>Liabilities</u>			
Accounts payable	<u>-</u>	<u>389</u>	<u>389</u>
Total Liabilities	<u>-</u>	<u>389</u>	<u>389</u>
<u>Net Assets</u>			
Restricted for special purposes	<u>60,505</u>	<u>243,065</u>	<u>303,570</u>
Total Net Assets	<u><u>\$ 60,505</u></u>	<u><u>\$ 243,065</u></u>	<u><u>\$ 303,570</u></u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUND
 NET ASSETS - PRIVATE PURPOSE TRUST FUNDS
 For the Fiscal Year Ended June 30, 2009

	<u>David Graham Scholarship Fund</u>	<u>Foundation Fund</u>	<u>Total (Memorandum Only)</u>
Additions			
Revenue from local sources	\$ 1,774	\$ 357,196	\$ 358,970
Total Additions	<u>1,774</u>	<u>357,196</u>	<u>358,970</u>
Deductions			
Scholarships awarded		318,387	318,387
Other expenses	1,750		1,750
Total Deductions	<u>1,750</u>	<u>318,387</u>	<u>320,137</u>
Changes in net assets	24	38,809	38,833
Net Assets at Beginning of Year	<u>60,481</u>	<u>204,256</u>	<u>264,737</u>
Net Assets at End of Year	<u>\$ 60,505</u>	<u>\$ 243,065</u>	<u>\$ 303,570</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS
 June 30, 2009

	Ventura High School	Buena High School	Foothill Technology High School	Anacapa Middle School	DeAnza Middle School	Balboa Middle School
Assets						
Cash on hand and in banks	\$ 377,853	\$ 589,705	\$ 77,664	\$ 18,668	\$ 13,528	\$ 43,535
Inventories	9,841	20,640	2,500			336
Total Assets	<u>\$ 387,694</u>	<u>\$ 610,345</u>	<u>\$ 80,164</u>	<u>\$ 18,668</u>	<u>\$ 13,528</u>	<u>\$ 43,871</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 5,729	\$	\$	\$	\$	\$
Funds held in trust	260,030	453,024	52,530	3,174	9,466	15,715
Total Liabilities	<u>265,759</u>	<u>453,024</u>	<u>52,530</u>	<u>3,174</u>	<u>9,466</u>	<u>15,715</u>
Fund Balances						
Reserved for special purposes	9,841	20,640	2,500			336
Undesignated	112,094	136,681	25,134	15,494	4,062	27,820
Total Fund Balances	<u>121,935</u>	<u>157,321</u>	<u>27,634</u>	<u>15,494</u>	<u>4,062</u>	<u>28,156</u>
Total Liabilities and Fund Balances	<u>\$ 387,694</u>	<u>\$ 610,345</u>	<u>\$ 80,164</u>	<u>\$ 18,668</u>	<u>\$ 13,528</u>	<u>\$ 43,871</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 FIDUCIARY FUND TYPES - ASSOCIATED STUDENT BODY FUNDS
 June 30, 2009

	<u>Cabrillo Middle School</u>	<u>Adult Education</u>	<u>Pacific Continuation High School</u>	<u>El Camino Continuation High School</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>					
Cash on hand and in banks	\$ 89,667	\$ 25,723	\$ 3,227	\$ 4,538	\$ 1,244,108
Inventories	11,835				45,152
Total Assets	<u>\$ 101,502</u>	<u>\$ 25,723</u>	<u>\$ 3,227</u>	<u>\$ 4,538</u>	<u>\$ 1,289,260</u>
<u>Liabilities and Fund Balances</u>					
Liabilities					
Accounts payable	\$	\$	\$	\$	\$ 5,729
Funds held in trust	15,070	21,573			830,582
Total Liabilities	<u>15,070</u>	<u>21,573</u>	<u>-</u>	<u>-</u>	<u>836,311</u>
Fund Balances					
Reserved for special purposes	11,835				45,152
Undesignated	74,597	4,150	3,227	4,538	407,797
Total Fund Balances	<u>86,432</u>	<u>4,150</u>	<u>3,227</u>	<u>4,538</u>	<u>452,949</u>
Total Liabilities and Fund Balances	<u>\$ 101,502</u>	<u>\$ 25,723</u>	<u>\$ 3,227</u>	<u>\$ 4,538</u>	<u>\$ 1,289,260</u>

See the accompanying notes to the optional 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, 2009

	<u>Ventura High School</u>	<u>Buena High School</u>	<u>Foothill Technology High School</u>	<u>Anacapa Middle School</u>	<u>DeAnza Middle School</u>	<u>Balboa Middle School</u>
Revenues						
Revenue from Local Sources						
Athletics	\$ 171,762	\$ 216,346	\$	\$	\$	\$ 3,375
Student body cards	14,630	28,120				
Student store / P.E. clothes	40,274	40,027	6,085	3,210		19,860
Yearbook	93,405	95,851	46,579	16,320	4,530	39,137
Fundraising			31,426	15,142	6,908	126,646
Vending machines	7,920	23,692				
Social activities				13,451	846	36,939
Interest	5,466	5,282				652
Other revenues	26,569	92,251	117,906	5,086		14,312
Total Revenues	<u>360,026</u>	<u>501,569</u>	<u>201,996</u>	<u>53,209</u>	<u>12,284</u>	<u>240,921</u>
Expenditures						
Services and Other Operating Expenditures						
Athletics	194,150	231,315				3,375
Fundraising			30,122	11,092	3,855	140,237
Student store / P.E. clothes	32,529	37,518	6,897	2,806		14,735
Yearbook	89,755	90,598	48,514	17,603	5,048	32,428
Social activities				18,185	265	23,017
Other expenditures	45,916	109,116	120,484		3,298	652
Total Expenditures	<u>362,350</u>	<u>468,547</u>	<u>206,017</u>	<u>49,686</u>	<u>12,466</u>	<u>214,444</u>
Net change in fund balances	(2,324)	33,022	(4,021)	3,523	(182)	26,477
Fund Balances at Beginning of Year	<u>124,259</u>	<u>124,299</u>	<u>31,655</u>	<u>11,971</u>	<u>4,244</u>	<u>1,679</u>
Fund Balances at End of Year	<u>\$ 121,935</u>	<u>\$ 157,321</u>	<u>\$ 27,634</u>	<u>\$ 15,494</u>	<u>\$ 4,062</u>	<u>\$ 28,156</u>

See the accompanying notes to the optional 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, 2009

	<u>Cabrillo Middle School</u>	<u>Adult Education</u>	<u>Pacific Continuation High School</u>	<u>El Camino Continuation High School</u>	<u>Total (Memorandum Only)</u>
Revenues					
Revenue from Local Sources					
Athletics	\$	\$	\$	\$	\$ 391,483
Student body cards					42,750
Student store / P.E. clothes	25,146			2,281	136,883
Yearbook	1,571				297,393
Fundraising	14,988		1,592	2,697	199,399
Vending machines					31,612
Social activities			5,523	11,909	68,668
Interest	46	63			11,509
Other revenues	<u>5,182</u>	<u>3,824</u>		<u>1,836</u>	<u>266,966</u>
Total Revenues	<u>46,933</u>	<u>3,887</u>	<u>7,115</u>	<u>18,723</u>	<u>1,446,663</u>
Expenditures					
Services and Other Operating Expenditures					
Athletics					428,840
Fundraising			386	345	186,037
Student store / P.E. clothes	22,008			272	116,765
Yearbook					283,946
Social activities			8,817	10,563	60,847
Other expenditures	<u>24,726</u>	<u>4,100</u>	<u>781</u>	<u>10,779</u>	<u>319,852</u>
Total Expenditures	<u>46,734</u>	<u>4,100</u>	<u>9,984</u>	<u>21,959</u>	<u>1,396,287</u>
Net change in fund balances	199	(213)	(2,869)	(3,236)	50,376
Fund Balances at Beginning of Year	<u>86,233</u>	<u>4,363</u>	<u>6,096</u>	<u>7,774</u>	<u>402,573</u>
Fund Balances at End of Year	<u>\$ 86,432</u>	<u>\$ 4,150</u>	<u>\$ 3,227</u>	<u>\$ 4,538</u>	<u>\$ 452,949</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**NOTES TO OPTIONAL SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009**

NOTE 1 - PURPOSE OF SCHEDULES:

Combining and Individual Fund Financial Statements

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

OTHER INDEPENDENT AUDITORS' REPORTS



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ventura Unified School District (the District) as of and for the year ended June 30, 2009 which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2009. 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.

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.

**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 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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


VICENTI, LLOYD & STUTZMAN LLP

December 8, 2009



**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, 2009. 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, 2009.

**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

December 8, 2009

REPORT ON STATE COMPLIANCE

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

We have audited the basic financial statements of the Ventura Unified School District, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 8, 2009.

Our audit was made in accordance with auditing standards generally accepted in the United States of America, the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2008-09 *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	8	Yes
Continuation education	10	Yes
Adult education	9	N/A ¹
Regional occupational centers and programs	6	N/A ¹
Independent study	23	Not applicable

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 ²
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	N/A ¹
Instructional materials:		
General requirements	12	1 ³
Grades K-8 only	1	N/A ¹
Grades 9-12 only	1	N/A ¹
Ratios of administrative employees to teachers	1	Yes
Classroom teacher salaries	1	Yes
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Yes
School Accountability Report Card	3	Yes
Mathematics and reading professional development	4	N/A ¹
After School Education and Safety Program:		
General requirements	4	Yes
After school	4	Yes
Before school	5	Yes
Charter Schools:		
Contemporaneous records of attendance	1	No ⁴
Mode of instruction	1	No ⁴
Nonclassroom-based instruction/independent study	15	No ⁴
Determination of funding for nonclassroom-based instruction	3	No ⁴
Annual instructional minutes – classroom based	3	No ⁴

¹This program is not required to be audited per flexibility provisions in SBx3 4.

²We did not perform testing because the ADA was under the level which requires testing.

³The number of procedures to be performed was reduced per flexibility provisions in SBx3 4. Section 19828.3 procedures (b), (c), and (e) were not performed.

⁴The 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. 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.

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

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

December 8, 2009

FINDINGS AND RECOMMENDATIONS

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS**

June 30, 2009

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010, 84.389	Title I, Part A Cluster
84.367	Title II, Part A – Improving Teacher Quality
84.027, 84.027A, 84.173 and 84.391	Special Education Cluster
93.778	Medi-Cal Billing Option
84.394	American Reinvestment and Recovery Act: State Fiscal Stabilization Fund
84.184A	Alcohol Abuse Education

Dollar threshold used to distinguish between Type A
and Type B programs: \$ 464,591

Auditee qualified as low-risk auditee? Yes X No

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FINANCIAL STATEMENTS
June 30, 2009

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

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

There were no findings or questioned costs related to financial statements for the year ended June 30, 2009.

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS
June 30, 2009

There were no findings and questioned costs related to federal awards for the year ended June 30, 2009.

VENTURA UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2009

There were no prior year findings or questioned costs related to financial statements for the year ended June 30, 2008.