

VENTURA UNIFIED SCHOOL DISTRICT

VENTURA COUNTY

**REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
INCLUDING REPORTS ON COMPLIANCE
June 30, 2013**



VENTURA UNIFIED SCHOOL DISTRICT

AUDIT REPORT

June 30, 2013

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AUDIT REPORT

June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ventura Unified School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements listed in the aforementioned table of contents present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1.C.19 to the basic financial statements, in 2013 the District adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

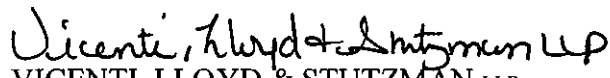
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules and the combining and individual non-major fund financial statements are presented for purposes of additional analysis 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 financial statements of the District.

Board of Education
Ventura Unified School District

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 10, 2013

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

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, 2013. 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 position decreased \$8.7 million, or <4.9%> over the course of the year.
- Total revenues were \$151.0 million. General Fund revenue accounted for \$133.5 million or 88% of total revenues.
- The School District had \$159.0 million in expenses; \$34.4 million of these expenses were offset by program specific charges for services and grants and/or contributions.
- Outlays for capital improvements were \$3.3 million, primarily for facility modernization and for the purchase and installation of modular buildings. Major projects include landscape and irrigation improvements, upgrading alarm systems, and paving projects.
- 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 \$133,487,612 in revenues and \$135,040,949 in expenditures. The General Fund deficit spending trend continues for the fourth consecutive year. District revenues are dependent on the state and to a lesser extent federal budget allocations. With great uncertainty in the beginning of the school year, the district began operations with current year funding levels contingent upon state-wide the passage of Proposition 30 in the November 2012 election. The District has been very closely monitoring budget projections and discussing current updates regularly at board meetings to ensure that the community is aware of the constantly changing environment.
- The District initiated legislation that allowed proceeds from the sale of excess property to be used to fund one-time General Fund operating expenditures. The Board has authorized the transfer of \$10 million from the proceeds from the sale of excess property. The fourth and final transfer from the building fund, \$2.5 million, was posted in 2012-13.
- Subsequent to this transfer into the General Fund from the Building Fund, the net change in fund balance for the General Fund is an increase of \$0.95 million.
- In the November 2012 election the District was successful in passing a parcel tax. The community approved a \$59 per parcel per year tax, continuing for four years. This will generate \$2.1 million per year through the 2016-17 school-year beginning 2013-14.

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets, deferred outflow of resources, 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 position* and how they have changed. Net position—the difference between the District's assets plus deferred outflow of resources less liabilities—is one way to measure the District's financial health or *position*.

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

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position from governmental activities was smaller on June 30, 2013 than they were the year before, decreasing by <4.9%> to \$167.3 million. Table 1 provides a summary of the District's combined net position for 2013.

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

Summary of Statement of Net Position	2012 *	2013	Total Change	Total % Change
Non-capital Assets	\$ 67.6	\$ 57.7	\$ (9.9)	-14.6%
Capital Assets	187.8	184.3	(3.5)	-1.9%
Total Assets	<u>255.4</u>	<u>242.0</u>	<u>(13.4)</u>	-5.2%
Deferred Charge on Refunding	3.2	3.0	(0.2)	-6.3%
Total Deferred Outflow of Resources	<u>3.2</u>	<u>3.0</u>	<u>(0.2)</u>	-6.3%
Current Liabilities	13.6	11.1	(2.5)	-18.4%
Long-Term Liabilities	69.0	66.6	(2.4)	-3.5%
Total Liabilities	<u>82.6</u>	<u>77.7</u>	<u>(4.9)</u>	-5.9%
Invested in Capital Assets, Net of Related Debt	119.6	118.8	(0.8)	-0.7%
Net Position Legally Restricted	39.3	32.2	(7.1)	-18.1%
Net Position Unrestricted	17.1	16.3	(0.8)	-4.7%
Total Net Position	<u>\$ 176.0</u>	<u>\$ 167.3</u>	<u>\$ (8.7)</u>	-4.9%

* Prior year numbers have not been restated due to GASB 65.

Total combined assets were \$242.0 million, capital assets were 76% (\$184.3 million) of total assets and non-capital assets were 24% (\$57.7 million) of total assets. Total liabilities were \$77.7 million; 14% (\$11.1 million) current and 86% (\$66.6 million) long term. Of the District's *Governmental Activities* net position, 71% (\$118.8 million) were capital assets net of related debt, 19% (\$32.2 million) were net position legally restricted and 10% (\$16.3 million) were unrestricted net position.

Significant changes include:

- Due to the decreased state deferrals and fewer federal programs, accounts receivable decreased <\$8.4> million or 26.8%. Capitalized fees, \$0.8 million, were reclassified out of the beginning net position on the statement of activities due to GASB 65. Accounts payable decreased \$2.4 million or 30% due to the decreased accrual payable for revenue limit and the special education excess cost payment. The non-current liability for post-employment healthcare benefits increased \$0.5 million or 71%. The net position legally restricted for capital outlay decreased \$5.8 million or 17.9%. With the reductions in funding the District continues to reduce its capital investment, resulting in depreciation expense exceeding asset additions, and \$2.5 million from the fund balance has been transferred to the General Fund to offset operational costs.

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

Summary of Statement of Activities	2012 *	2013
	<u> </u>	<u> </u>
Program Revenues	\$ 40.4	\$ 34.4
General Revenues	117.4	116.6
Total Revenues	<u>157.8</u>	<u>151.0</u>
Expenses for:		
Instruction and Instruction Related Services	103.5	100.6
Pupil Services	18.4	18.2
General Administration	6.6	7.0
Plant Services	14.8	15.7
Ancillary, Community and Enterprise Activities	4.6	4.6
Debt Service	4.2	3.3
Other Outgo	2.6	2.9
Depreciation	6.6	6.6
Total Expenses	<u>161.3</u>	<u>158.9</u>
Change in Net Position	(3.5)	(7.9)
Net Position, Beginning of Year, as Originally Stated	179.5	176.0
Cumulative effect of change in accounting principle	<u> </u>	<u>(0.8)</u>
Net Position, Beginning of Year, as Restated	<u>179.5</u>	<u>175.2</u>
Net Position, End of Year	<u>\$ 176.0</u>	<u>\$ 167.3</u>

* Prior year numbers have not been restated due to GASB 65.

Total cost of all governmental activity programs and services were \$158.9 million. Instruction and pupil services made up 75% of total program cost. Plant services were 10% and general administration was 4%.

The district has been working to maintain programs and jobs since the budget cuts from the state began in 2008-09. To help mitigate the impact of the state funding cuts, in 2012-13 the District suspended the regular transfers from unrestricted revenues to the Adult Education fund, \$1.5 million, and the Cafeteria fund, \$1.0 million. This helped maintain the general revenues, but caused a decrease in program revenues. The program revenues also decreased as the one-time Ed Jobs funding of \$3.4 million was fully expended in 2011-12.

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

Significant changes include:

Revenues:

- Revenue Limit funding received an inflationary increase of \$212 per ADA for the 2012-13 school year. This actual increase paid by the state was \$56 per ADA the deficit factor, or payment rate from the state, decreased to 77.7% from 79.4% paid the prior year. The combinations of factors in the Revenue Limit calculation lead to a slight increase in overall funding of \$0.3 million, excluding any prior year corrections.
- Federal revenues decreased due to less expenditures in deferral programs including Title I and the Magnet Schools Assistance Program grant. These amounts will be re-budgeted and expended in the 2013-14 school year.

Expenses:

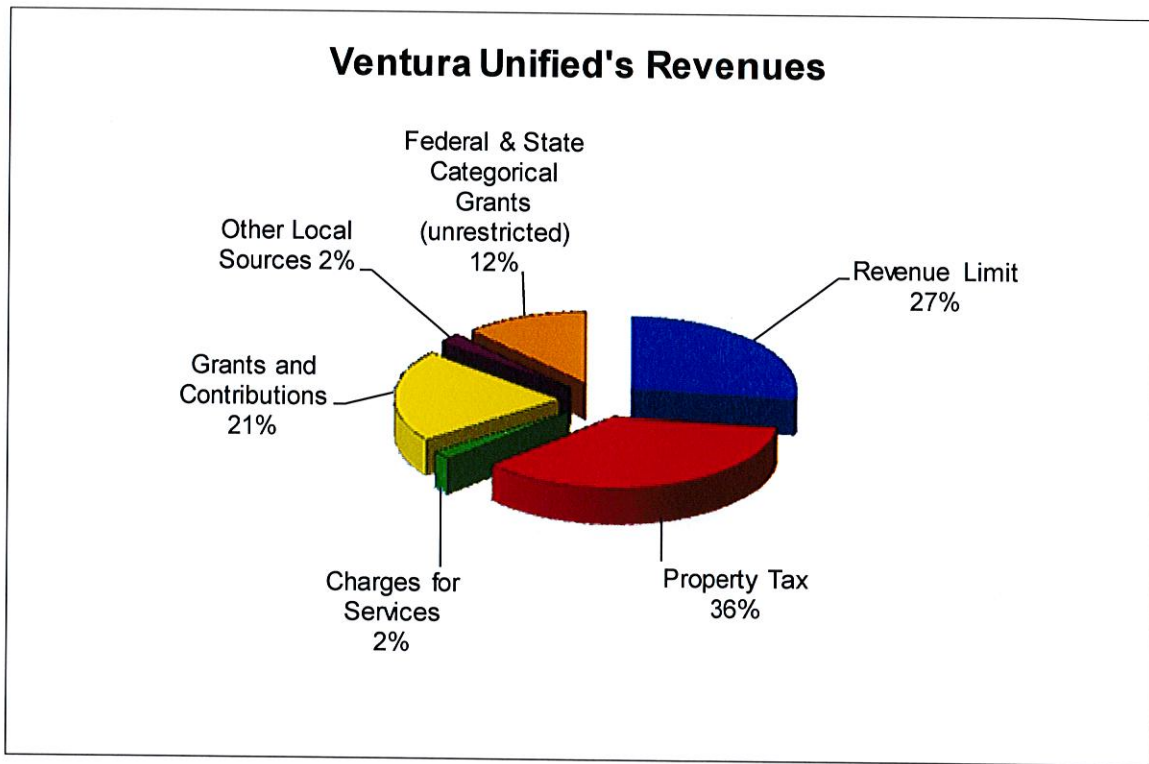
- Total expenses decreased \$2.4 million dollars. Due to the reductions in funding, furlough days were increased to 7 per full time employee. This was an increase from 3 furlough days per full time employee by all employee groups in the prior year. Statutory benefits and pension contributions decreased proportionately to salaries, while health and welfare benefits increased \$1.3 million leading to an overall increase of \$0.6 million in employee benefit costs. Overall expenditures for discretionary items were also decreased, books and supplies decreased \$0.2 million and services and other operating expenditures decreased \$0.4 million.

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

Governmental Activities

By the end of the fiscal year the revenue for the District's governmental activities totaled \$151.3 million. 63% was from revenue limit and property taxes, 35% was from federal and state grants and contributions and 2% from local sources. General revenues, revenue limit and the related property taxes were received to provide for the District's basic services.

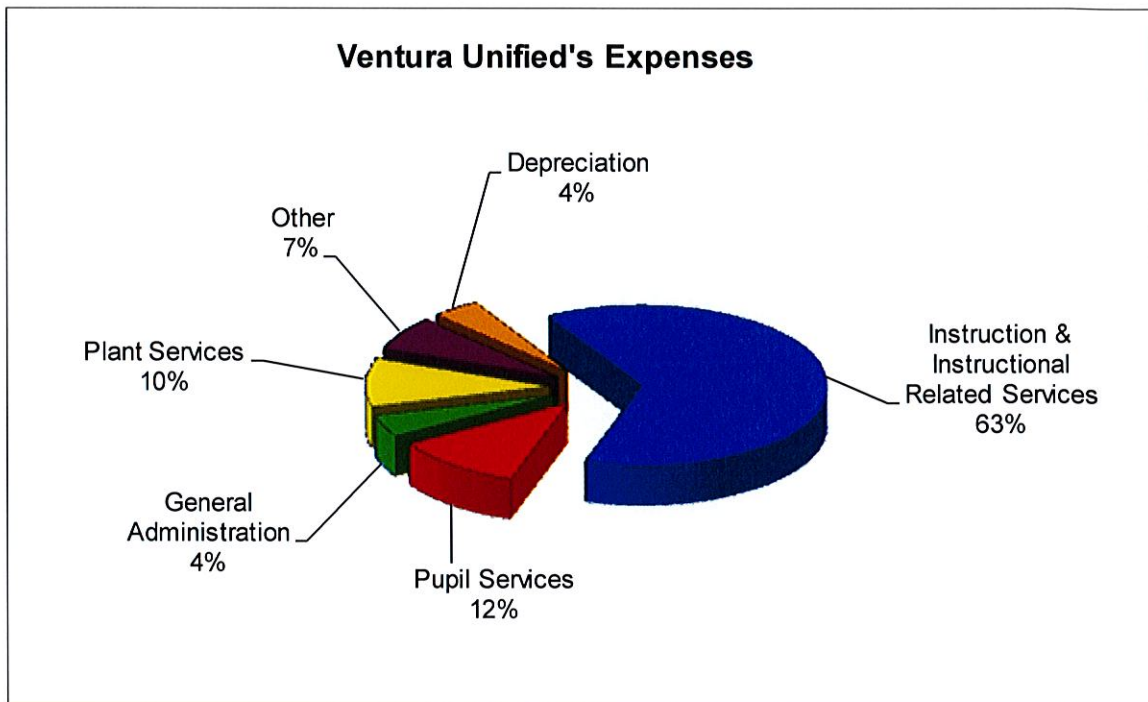
Figure 1



VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

The cost of all the District's major activities: Instruction, guidance, counseling, evaluation, school leadership, student transportation, administration and, maintenance and operations was \$158.9 million. Users of the District programs paid \$2.9 million of the cost. The federal and state governments subsidized approximately \$31.5 million in certain program costs with grants and contributions. Most of the District's expenses (\$113.5 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, 2013

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 \$0.7 million less than the final budget amount. Revenue limit was \$0.3 million less than budgeted, federal revenues were \$1.5 million less than budgeted, other state revenues were \$0.5 million more than budgeted, and local revenues were \$0.6 million more than budgeted. Local revenues were larger than budgeted due to an increase in allocation of special education revenues from the county Special Education Local Plan Area (SELPA).

Actual expenditures were \$2.0 million less than the final budgeted amounts. The majority of this difference was in books and supplies, \$3.4 million. The school district appropriates categorical programs up to their full allocations. The 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 \$3.3 million in capital assets. Overall capital assets decreased from \$187.8 million as of July 1, 2012 to \$184.3 million as of June 30, 2013. 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 10.

Debt Administration

By year-end the District had \$62.2 million in general obligation bond long-term debt, a 3.6% (\$2.3 million) decrease over last year. Additional information on the changes in long-term debt can be found at Note 9. The District's bonds currently are rated "A+".

VENTURA UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2013

Average Daily Attendance

Average daily attendance reported on the second period attendance report for the regular education K-12 program decreased by 138 to 16,666 while the enrollment count decreased by 27 students, to 17,402, as measured by the California Basic Education System (CBEDS). Due to this decrease revenue limit was calculated based on the prior year's attendance, 16,804. The District expects to remain flat over the next two years, with fluctuations of less than 1%.

Factors bearing on the District's future

Although the District is financially stable, its financial condition is highly dependent upon the economic condition of the State of California. The opportunity for the State of California to address public education funding and other public policy issues in a positive manner is afforded because of two major factors: an improving California economy and the passage of California's Proposition 30. Economic growth in California is projected to continue. The California Legislative Analyst's office projects that state General Fund revenues will grow faster than expenditures through 2017-18. In addition, in the November 2012 election the District was successful in passing a 4 year parcel tax (Measure Q). The parcel tax is expected to generate approximately \$2.1 a year. The District continues to maintain a cautious approach, focusing on the maintenance and enhancement of programs for the current year and adjusting plans for the future in light of uncertainty.

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

June 30, 2013

	Governmental Activities
<u>Assets</u>	
Cash in county treasury	\$ 32,462,261
Cash on hand and in banks	270,501
Cash with fiscal agent	909,247
Investments with fiscal agent	568,658
Accounts receivable:	
Federal and State governments	21,395,968
Miscellaneous	1,654,031
Due from fiduciary funds	30,328
Inventories	384,684
Prepaid expenditures	24,125
Land	12,426,759
Depreciable assets, net	<u>171,874,968</u>
Total Assets	<u>242,001,530</u>
 <u>Deferred Outflow of Resources</u>	
Deferred charge on refunding	<u>2,995,391</u>
 <u>Liabilities</u>	
Accounts payable and other current liabilities	5,812,820
Accrued interest payable	1,216,851
Unearned revenue	545,563
Current portion of long-term liabilities:	
General obligation bonds	2,260,000
Certificates of participation	285,000
Compensated absences	881,838
Non-current portion of long-term liabilities:	
General obligation bonds	62,986,639
Certificates of participation	3,025,000
Retiree benefits:	
Postemployment healthcare benefits	1,266,499
Net pension (asset)	<u>(514,600)</u>
Total Liabilities	<u>77,765,610</u>
 <u>Net Position</u>	
Invested in capital assets, net of related debt	118,740,479
Restricted for:	
Debt service	3,592,101
Capital outlay	26,573,328
Educational programs	1,115,737
Other programs	948,582
Unrestricted	<u>16,261,084</u>
Total Net Position	<u>\$ 167,231,311</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Instruction	\$ 82,953,499	\$ 493,495	\$ 15,475,190	\$	\$ (66,984,814)
Instruction - related services	17,624,631	27,026	3,889,561		(13,708,044)
Pupil services	18,204,198	1,228,016	8,335,222		(8,640,960)
Ancillary services	822,168	1,571	2,258		(818,339)
Community services	272,563	8	135,328		(137,227)
Enterprise activities	3,490,203				(3,490,203)
General administration	7,039,356	71,452	1,095,180		(5,872,724)
Plant services	15,725,753	338,258	32,383	1,175	(15,353,937)
Other outgo	2,937,459	754,510	2,552,402		369,453
Debt service - interest	3,291,158				(3,291,158)
Depreciation (unallocated)	6,624,641				(6,624,641)
Total Governmental Activities	\$ 158,985,629	\$ 2,914,336	\$ 31,517,524	\$ 1,175	(124,552,594)
General Revenues					
Property taxes levied for:					
General purposes					49,347,604
Debt service					5,034,698
Other specific purposes					99,168
Federal and state aid not restricted to specific purposes					58,971,416
Interest and investment earnings					413,394
Miscellaneous					2,768,373
Total General Revenues					116,634,653
Change in net position					(7,917,941)
Net Position at Beginning of Year, as Originally Stated					175,977,153
Cumulative effect of change in accounting principle (See Note I.C.19.)					(827,901)
Net Position at Beginning of Year, as Restated					175,149,252
Net Position at End of Year					\$ 167,231,311

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	General Fund	Cafeteria Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash in county treasury	\$ 1,079,614	\$ 590,782	\$ 21,186,007	\$ 9,605,858	\$ 32,462,261
Cash on hand and in banks		270,501			270,501
Cash with fiscal agent			909,247		909,247
Investments with fiscal agent			568,658		568,658
Accounts receivable:					
Federal and state governments	20,259,168	755,246		381,554	21,395,968
Miscellaneous	1,257,260	17,671	60,978	318,122	1,654,031
Due from other funds	1,152,958	458,674	120,000	1,390,551	3,122,183
Inventories	349,080	35,604			384,684
Prepaid expenditures	23,075			1,050	24,125
Total Assets	<u>\$ 24,121,155</u>	<u>\$ 2,128,478</u>	<u>\$ 22,844,890</u>	<u>\$ 11,697,135</u>	<u>\$ 60,791,658</u>
<u>Liabilities and Fund Balance</u>					
Liabilities					
Accounts payable	\$ 4,776,298	\$ 334,914	\$ 581,456	\$ 120,152	\$ 5,812,820
Due to other funds	1,818,897	785,321	124,245	363,392	3,091,855
Unearned revenue	455,112	59,661	30,790		545,563
Total Liabilities	<u>7,050,307</u>	<u>1,179,896</u>	<u>736,491</u>	<u>483,544</u>	<u>9,450,238</u>
Fund Balance					
Nonspendable	372,155	35,604		1,050	408,809
Restricted	1,108,573	912,978	22,108,399	9,281,045	33,410,995
Committed				1,931,496	1,931,496
Assigned	648,264				648,264
Unassigned	14,941,856				14,941,856
Total Fund Balance	<u>17,070,848</u>	<u>948,582</u>	<u>22,108,399</u>	<u>11,213,591</u>	<u>51,341,420</u>
Total Liabilities and Fund Balance	<u>\$ 24,121,155</u>	<u>\$ 2,128,478</u>	<u>\$ 22,844,890</u>	<u>\$ 11,697,135</u>	<u>\$ 60,791,658</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2013

Total fund balance - governmental funds \$ 51,341,420

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

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

Land	\$ 12,426,759	
Depreciable assets, net	<u>171,874,968</u>	
Total capital assets		184,301,727

Deferred outflows of resources are recognized over future periods, therefore, unamortized amounts are accrued in the statement of net position

Deferred charge on refunding		2,995,391
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Interest expense related to certificates of participations and general obligation bonds payable was incurred but not accrued through June 30, 2013		(1,216,851)
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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	(881,838)	
General obligation bonds payable and related premium	(65,246,639)	
Certificates of participation	(3,310,000)	
Postemployment health care benefits	(1,266,499)	
Net pension asset	<u>514,600</u>	<u>(70,190,376)</u>

Total net position - governmental activities		<u>\$ 167,231,311</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, 2013

	<u>General Fund</u>	<u>Cafeteria Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Revenue limit sources:					
State apportionments	\$ 40,215,066	\$ 454,039	\$	\$	\$ 40,669,105
Local sources	49,347,604				49,347,604
Total revenue limit sources	89,562,670	454,039	-	-	90,016,709
Federal sources	8,529,181	4,620,592		1,417,784	14,567,557
Other state sources	22,530,868	372,118		2,728,614	25,631,600
Other local sources	12,864,893	1,212,948	1,061,456	5,922,458	21,061,755
Total Revenues	<u>133,487,612</u>	<u>6,659,697</u>	<u>1,061,456</u>	<u>10,068,856</u>	<u>151,277,621</u>
Expenditures					
Instruction	78,981,242			3,706,832	82,688,074
Instruction - related services	16,404,902			1,164,875	17,569,777
Pupil services	11,052,413	7,280,956		54,444	18,387,813
Ancillary services	831,784				831,784
Community services	270,603				270,603
Enterprise activities	3,490,203				3,490,203
General administration	6,348,091	308,108		233,964	6,890,163
Plant services	14,396,016		3,491,329	977,435	18,864,780
Other outgo	2,937,459				2,937,459
Debt service	328,236		415,531	5,066,403	5,810,170
Total Expenditures	<u>135,040,949</u>	<u>7,589,064</u>	<u>3,906,860</u>	<u>11,203,953</u>	<u>157,740,826</u>
Deficiency of revenues over expenditures	<u>(1,553,337)</u>	<u>(929,367)</u>	<u>(2,845,404)</u>	<u>(1,135,097)</u>	<u>(6,463,205)</u>
Other Financing Sources (Uses)					
Interfund transfers in	2,507,413				2,507,413
Interfund transfers out			(2,500,000)	(7,413)	(2,507,413)
Total Other Financing Sources (Uses)	<u>2,507,413</u>	<u>-</u>	<u>(2,500,000)</u>	<u>(7,413)</u>	<u>-</u>
Net change in fund balance	954,076	(929,367)	(5,345,404)	(1,142,510)	(6,463,205)
Fund Balance - Beginning of Year (See Note 1.C.20.)	<u>16,116,772</u>	<u>1,877,949</u>	<u>27,453,803</u>	<u>12,356,101</u>	<u>57,804,625</u>
Fund Balance - End of Year	<u>\$ 17,070,848</u>	<u>\$ 948,582</u>	<u>\$ 22,108,399</u>	<u>\$ 11,213,591</u>	<u>\$ 51,341,420</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, 2013**

Net change in fund balance - total governmental funds \$ (6,463,205)

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

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

Capital outlay, net	\$ 3,269,813	
Depreciation expense	<u>(6,624,641)</u>	
Deficiency of capital outlay over depreciation expense		(3,354,828)

Governmental funds report the proceeds from the disposal of capital assets as revenue.
In the statement of activities, only the resulting gain or loss is reported.

Net loss on equipment		(128,351)
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Repayment of long-term debt is reported as proceeds in governmental funds,
but the repayment reduces long-term liabilities in the statement of net position.

General obligation bond principal payments	2,315,000	
Certificates of participation principal payments	<u>270,000</u>	
		2,585,000

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:

Increase in accrued interest payable	(61,153)	
Increase in compensated absences	(221)	
Decrease in premium on general obligation bonds	165,806	
Decrease in deferred charges on refunding bonds	(170,641)	
Increase in postemployment health care benefits	(523,894)	
Increase in net pension asset	<u>33,546</u>	<u>(556,557)</u>

Change in net position of governmental activities		<u>\$ (7,917,941)</u>
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See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	Private- Purpose Trust Funds	Associated Student Body Funds
<u>Assets</u>		
Cash in county treasury	\$ 596,438	\$
Cash on hand and in banks		1,628,716
Accounts receivable:		
Miscellaneous	1,602	
Due from other funds	750	
Inventories		35,729
Total Assets	598,790	1,664,445
<u>Liabilities</u>		
Accounts payable	41,720	2,296
Due to other funds	31,078	
Funds held in trust		1,020,479
Total Liabilities	72,798	1,022,775
<u>Net Position</u>		
Restricted	525,992	
Unrestricted		641,670
Total Net Position	\$ 525,992	\$ 641,670

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2013**

	Private- Purpose Trust Funds	Associated Student Body Funds
	<u> </u>	<u> </u>
Additions		
Revenue from local sources	\$ 189,607	\$ 1,303,224
Total Additions	<u>189,607</u>	<u>1,303,224</u>
Deductions		
Scholarships	1,200	
Other expenses	<u>128,660</u>	<u>1,387,158</u>
Total Deductions	<u>129,860</u>	<u>1,387,158</u>
Change in net position	59,747	(83,934)
Net Position at Beginning of Year	<u>466,245</u>	<u>725,604</u>
Net Position at End of Year	<u>\$ 525,992</u>	<u>\$ 641,670</u>

See the accompanying notes to the financial statements.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

A. BASIS OF PRESENTATION:

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective enhances the fund-group perspective previously required. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

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

1. Government-wide Financial Statements:

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

A. BASIS OF PRESENTATION: (continued)

1. Government-wide Financial Statements: (continued)

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

2. Fund Financial Statements:

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013

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

B. FUND ACCOUNTING:

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

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

GOVERNMENTAL FUNDS - MAJOR

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

Cafeteria Fund – the Cafeteria Fund (Fund #130) is used to account for revenues received and expenditures made to operate the District's cafeterias.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

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

1. Adult Education Fund (Fund #110) - used to account for resources restricted or committed to adult education programs maintained by the District.
2. Child Development Fund (Fund #120) - used to account for resources restricted to child development programs.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

B. FUND ACCOUNTING: (continued)

GOVERNMENTAL FUNDS - NON-MAJOR (continued)

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

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

FIDUCIARY FUNDS

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

1. David Graham and Stella Brittingham Memorial Scholarship Fund (Fund #736) - used to award scholarships to students and/or graduates of 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, 2013

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 unearned revenue, and in the presentation of expenses versus expenditures.

1. Cash and Cash Equivalents

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

2. Receivables

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013, total supply inventory is \$349,080, food inventory is \$35,604 and inventories maintained by student body organizations totaled \$35,729.

4. Prepaid Expenses

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded in the year in which goods or services are consumed.

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 Position but are not reported in the fund financial statements.

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. BASIS OF ACCOUNTING: (continued)

5. Capital Assets (continued)

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

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

6. Deferred Outflow of Resources

Deferred outflow of resources represent a consumption of net position or fund balance that applies to a future period and thus, will not be recognized as an outflow of resources until then. The District has a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

7. Unearned Revenue

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. BASIS OF ACCOUNTING: (continued)

8. 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 is 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.

9. Long-Term Obligations

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

10. Fund Balance Classification

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. BASIS OF ACCOUNTING: (continued)

10. Fund Balance Classification (continued)

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

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

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

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

11. Spending Order Policy

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. BASIS OF ACCOUNTING: (continued)

12. Minimum Fund Balance Policy

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

13. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District.

14. 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 Note 1.C.2.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. BASIS OF ACCOUNTING: (continued)

15. Property Taxes

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

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

16. 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 \$1,250,000 for STRS.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

C. BASIS OF ACCOUNTING: (continued)

17. 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.

18. 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.

19. Change in Accounting Principle

There was no effect on the beginning net position for the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

The beginning net position of the District has been decreased by \$827,901 to write-off the balance of capitalized fees in accordance with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The fees were prepaid general obligation bond issue costs that are now required to be expensed in the period incurred.

20. Fund Balance Reclassification

The beginning fund balance of the Other Governmental Funds has been reclassified by \$1,877,949 to exclude the Cafeteria Fund in accordance with the major fund determination requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments and Audits of State and Local Governmental Units*.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

D. REPORTING ENTITY:

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

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

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

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

D. REPORTING ENTITY: (continued)

3. The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

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

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

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

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

Various PTA, PTO and Booster Clubs - Each of these types of organizations at each of the school sites within the District were evaluated using the three 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 Clubs individually are not significant to the District.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 - BUDGETS:

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

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS:

A. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits including those of fiduciary funds, may not be returned to it. The District has established a policy for custodial risk that follows requirements as set forth in Education Code 41002.5. As of June 30, 2013, \$2,207,455 of the District's bank balances of \$3,026,763 was exposed to credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the District's name	\$1,254,744
Uninsured and uncollateralized (1)	<u>952,711</u>
Total	<u>\$2,207,455</u>

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS: (continued)

A. Deposits (continued)

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Ventura County Treasury (the County). The County pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at amortized cost which approximates fair value. The fair market value of the District's deposits in this pool as of June 30, 2013, as provided by the pool sponsor, was \$33,027,614 as is based upon the District's pro-rata share of the fair value for the entire portfolio (in relation to the amortized cost of the portfolio).

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

B. Investments

Policies

Government Code Section 16430 and 53601 allows governmental entities to invest surplus moneys in certain eligible securities. In addition, the District's investment policy limits its investment choices to those allowed by Government Code. The District places no limit on the amount that may be invested in any one issuer. The District did not violate any provisions of the Government Code nor were they involved in any reverse repurchase agreements during the 2012-13 fiscal year,

Investments with Fiscal Agent at June 30, 2013, held on behalf of the Ventura County Schools Public Financing Corporation, are presented below:

Uncategorized Investments:

Guaranteed Investment Contracts (GIC)	\$ <u>568,658</u>
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VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 4 - INTERFUND TRANSACTIONS:

Interfund activity has been eliminated in the Government-wide statements as required by GASB Statement 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, 2013 are temporary loans and are detailed as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,152,958	\$ 1,818,897
Cafeteria Fund	458,674	785,321
Building Fund	120,000	124,245
Special Revenue Funds:		
Adult Education Fund	1,359,859	186,929
Child Development Fund	30,692	169,050
Capital Projects Funds:		
Capital Facilities Fund (Residential)		5,941
Capital Facilities Fund (Commercial)		1,472
Fiduciary Funds:		
David Graham Scholarship Fund	750	
Foundation Fund		31,078
	<u>\$ 3,122,933</u>	<u>\$ 3,122,933</u>

VENTURA UNIFIED SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 4 - INTERFUND TRANSACTIONS: (continued)

B. Interfund Transfers

Interfund transfers for the 2012-13 fiscal year as follows:

Transfer from the Building Fund to the General Fund for proceeds from the sale of excess property.	\$ 2,500,000
Transfer from the Capital Facilities Fund (Residential and Commercial) to General Fund to pay for developers' fees administration	<u>7,413</u>
Total	<u>\$ 2,507,413</u>

NOTE 5 - FUND BALANCES:

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

	General Fund	Cafeteria Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Inventories	\$ 349,080	\$ 35,604	\$ -	\$ 1,050	\$ 384,684
Prepaid expenditures	<u>23,075</u>	<u>-</u>	<u>-</u>	<u>1,050</u>	<u>24,125</u>
Total nonspendable	<u>372,155</u>	<u>35,604</u>	<u>-</u>	<u>1,050</u>	<u>408,809</u>
Restricted					
Legally restricted programs	1,108,573	912,978	-	7,164	2,028,715
Capital projects	<u>-</u>	<u>-</u>	<u>22,108,399</u>	<u>4,464,929</u>	<u>26,573,328</u>
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,808,952</u>	<u>4,808,952</u>
Total restricted	<u>1,108,573</u>	<u>912,978</u>	<u>22,108,399</u>	<u>9,281,045</u>	<u>33,410,995</u>
Committed					
Adult education program	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,931,496</u>	<u>1,931,496</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,931,496</u>	<u>1,931,496</u>
Assigned					
Flexibility programs	578,924	-	-	-	578,924
Deferred maintenance program	57,120	-	-	-	57,120
Donations in lieu of parcel tax	1,480	-	-	-	1,480
Retiree benefits	5,541	-	-	-	5,541
Deferred compensation	<u>5,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,199</u>
Total assigned	<u>648,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,264</u>
Unassigned					
Economic uncertainties	4,049,613	-	-	-	4,049,613
Unassigned	<u>10,892,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,892,243</u>
Total unassigned	<u>14,941,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,941,856</u>
Total fund balance	<u>\$ 17,070,848</u>	<u>\$ 948,582</u>	<u>\$ 22,108,399</u>	<u>\$ 11,213,591</u>	<u>\$ 51,341,420</u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 6 - TAX REVENUE ANTICIPATION NOTES:

The District issued \$19,760,000 of Tax Revenue Anticipation Notes dated July 2, 2012 through the California School Cash Reserve Program Authority (2012-13, Series J). The notes matured on May 1, 2013 and carried a 2.00% interest rate. The notes were sold by the District to supplement its cash flow.

Repayment requirements were that principal of \$9,880,000 be repaid on January 31, 2013, and that \$9,880,000 plus \$328,236 of interest be repaid from the funds held with the administrator by April 30, 2013.

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, May 1, 2013 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, 2013.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 - 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. Between 1997 and 2005, the District issued bonds, Series A through Series I, totaling \$81 million.

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

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

During October 2010, Series E and a portion of F general obligation bonds were re-financed for a total of \$14,510,000. The proceeds associated with the refunding were deposited in an escrow account and as such the applicable bonds are considered in-substance defeased. The outstanding balance of the defeased debt has been fully paid by the escrow agent.

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

The outstanding bonded debt of the District at June 30, 2013 is:

<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date (1)</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2012</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2013</u>
7/21/2003 G	3%-6%	8/1/2033	6,000,000	\$ 1,975,000	\$	\$ 145,000	\$ 1,830,000
3/3/2004 *	2%-5%	8/1/2030	23,180,000	18,215,000		685,000	17,530,000
7/1/2004 H	4%-7%	8/1/2013	5,000,000	220,000		105,000	115,000
4/28/2005 *	3%-4.5%	8/1/2029	17,750,000	14,910,000		610,000	14,300,000
9/7/2005 I	3%-5%	8/1/2034	5,000,000	1,715,000		115,000	1,600,000
11/4/2010 *	2%-5%	8/1/2031	14,510,000	13,720,000		515,000	13,205,000
4/11/2012 *	3%-5%	8/1/2034	13,760,000	13,760,000		140,000	13,620,000
				<u>\$ 64,515,000</u>	<u>\$ -</u>	<u>\$ 2,315,000</u>	<u>\$ 62,200,000</u>

(*) Refunding bonds

(1) Refunded bonds original maturity date:

Series H 8/1/34

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 7 - GENERAL OBLIGATION BONDS: (continued)

The annual requirements to amortize all bonds payable, outstanding as of June 30, 2013, are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	\$ 2,260,000	\$ 2,782,741	\$ 5,042,741
2015	2,330,000	2,700,340	5,030,340
2016	2,410,000	2,610,809	5,020,809
2017	2,520,000	2,510,262	5,030,262
2018	2,630,000	2,396,516	5,026,516
2019-2023	15,130,000	10,018,040	25,148,040
2024-2028	19,665,000	5,855,786	25,520,786
2029-2033	13,760,000	1,574,000	15,334,000
2034-2035	<u>1,495,000</u>	<u>57,250</u>	<u>1,552,250</u>
Totals	<u>\$ 62,200,000</u>	<u>\$ 30,505,744</u>	<u>\$ 92,705,744</u>

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability. The refunding bonds issued in 2005, 2006, 2010 and 2012 included total premiums of \$3,777,122. This amount is amortized using the straight-line method. Amortization of \$165,806 was recognized during the 2012-13 year.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by \$1,970,000 for the 2005 refunding, \$982,712 for the 2006 refunding, \$551,188 for the 2010 refunding and \$604,230 for the 2012 refunding. Amortization of \$170,641 was recognized during the 2012-13 year.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 8 - 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, 2013, the District had \$1,477,905 available with the Trustee for repayment.

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

Principal and semiannual interest payments are to be made according to the following schedule:

Year Ended			
June 30,	Principal	Interest	Total
2014	\$ 285,000	\$ 163,558	\$ 448,558
2015	300,000	150,733	450,733
2016	310,000	136,783	446,783
2017	325,000	122,058	447,058
2018	345,000	106,295	451,295
2019-2022	<u>1,745,000</u>	<u>243,072</u>	<u>1,988,072</u>
Totals	<u>\$ 3,310,000</u>	<u>\$ 922,499</u>	<u>\$ 4,232,499</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, 2013

NOTE 9 – LONG-TERM DEBT – SCHEDULE OF CHANGES:

A schedule of changes in long-term debt for the year ended June 30, 2013 is shown below.

	<u>Balance</u> <u>June 30, 2012*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
General obligation bonds	\$ 64,515,000	\$	\$ 2,315,000	\$ 62,200,000	\$ 2,260,000
Premium on general obligation bonds	3,212,445		165,806	3,046,639	
Total general obligation bonds	67,727,445	-	2,480,806	65,246,639	2,260,000
Certificates of participation	3,580,000		270,000	3,310,000	285,000
Compensated absences	881,617	221		881,838	881,838
Postemployment healthcare benefits	742,605	523,894		1,266,499	
Net pension obligation (asset)	(481,054)	(33,546)		(514,600)	
Totals	<u>\$ 72,450,613</u>	<u>\$ 490,569</u>	<u>\$ 2,750,806</u>	<u>\$ 70,190,376</u>	<u>\$ 3,426,838</u>

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

* The deferred charge on refunding was removed from the beginning balance due to the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

NOTE 10 – CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES:

Capital asset activity for the year ended June 30, 2013 is shown below.

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets not being depreciated:				
Land (1)	\$ 12,426,759	\$	\$	\$ 12,426,759
Total capital assets not being depreciated	12,426,759	-	-	12,426,759
Capital assets being depreciated:				
Buildings and improvements	254,738,170	3,101,262		257,839,432
Machinery, equipment and vehicles	9,607,081	168,551	536,947	9,238,685
Total capital assets being depreciated	264,345,251	3,269,813	536,947	267,078,117
Less accumulated depreciation for:				
Buildings and improvements	82,394,909	6,053,099		88,448,008
Machinery, equipment and vehicles	6,592,195	571,542	408,596	6,755,141
Total accumulated depreciation	88,987,104	6,624,641	408,596	95,203,149
Depreciable assets, net	175,358,147	(3,354,828)	128,351	171,874,968
Governmental activities capital assets, net	<u>\$ 187,784,906</u>	<u>\$ (3,354,828)</u>	<u>\$ 128,351</u>	<u>\$ 184,301,727</u>

(1) The total Land balance reported above includes \$678,019 of land considered to be idle property as of June 30, 2013.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 - EMPLOYEE RETIREMENT PLANS:

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

State Teachers' Retirement System (STRS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-13 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

Public Employees' Retirement System (PERS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-13 was 11.417% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS and PERS

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

<u>Year Ended</u> <u>June 30,</u>	<u>STRS</u>		<u>PERS</u>	
	<u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>	<u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2011	\$5,400,945	100%	\$2,635,335	100%
2012	5,329,094	100%	2,697,745	100%
2013	5,099,964	100%	2,734,406	100%

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

Deferred Compensation Plan

Plan Description

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

Funding Policy

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

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution (ARC)	\$ 432,114
Interest on net pension asset	(21,647)
Adjustment to annual required contribution	<u>60,795</u>
Annual pension cost	471,262
Contributions made	<u>(504,808)</u>
Change in net pension asset	(33,546)
Net pension asset - Beginning of Year	<u>(481,054)</u>
Net pension asset - End of Year	<u>\$ (514,600)</u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 - EMPLOYEE RETIREMENT PLANS: (continued)

Annual Pension Cost and Net Pension Obligation (continued)

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/2011	\$ 493,397	121.8%	\$ (396,886)
6/30/2012	483,136	117.4%	(481,054)
6/30/2013	471,262	107.1%	(514,600)

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$3,137,779. Although the plan has no segregated assets, the District does maintain the Alternative Retiree Fund to designate resources for pension costs. At June 30, 2013, the fund's balance was \$5,541.

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

Actuarial Methods and Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2011, actuarial valuation using the unit credit actuarial cost method. The actuarial assumptions included a 4.5% 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 twenty-five years on a closed basis. The remaining amortization period at June 30, 2013 was ten years.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 12 – 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 2013, the District contributed \$2,871,797 to the plan.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$3,456,123
Interest on net OPEB obligation	33,417
Adjustment to annual required contribution	<u>(93,849)</u>
Annual OPEB cost	3,395,691
Contributions made	<u>(2,871,797)</u>
Change in net OPEB obligation	523,894
Net OPEB obligation - Beginning of Year	<u>742,605</u>
Net OPEB obligation - End of Year	<u><u>\$1,266,499</u></u>

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 12 – 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>
6/30/2011	\$ 2,697,051	97.6%	\$ 366,106
6/30/2012	3,376,722	88.9%	742,605
6/30/2013	3,395,691	84.6%	1,266,499

Funding Status and Funding Progress

As of July 1, 2011, 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 \$29,025,374. 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, 2013, the fund's balance was \$5,199.

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 12 – 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, 2011 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% 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 8.8 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after nine years. The UAAL is being amortized using a level dollar amortization method over a closed twenty-five year period. The remaining amortization period at June 30, 2013, was ten years.

NOTE 13 - JOINT POWERS AGREEMENTS:

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

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 13 - JOINT POWERS AGREEMENTS: (continued)

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

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

	The Authority (Audited) <u>June 30, 2012</u>	The Trust (Audited) <u>June 30, 2012</u>
Total Assets	<u>\$ 92,001,551</u>	<u>\$ 14,417,723</u>
Total Liabilities	<u>\$ 58,283,137</u>	<u>\$ 4,852,971</u>
Fund Balance	<u>\$ 33,718,414</u>	<u>\$ 14,363,345</u>
Total Revenues	<u>\$ 21,854,787</u>	<u>\$ 45,760,883</u>
Total Expenditures	<u>\$ 26,933,703</u>	<u>\$ 47,816,824</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES:

A. Litigation

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

B. State and Federal Allowances, Awards, and Grants

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

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 14 - COMMITMENTS AND CONTINGENCIES: (continued)

C. County School Facilities Fund

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

D. Purchase Commitments

As of June 30, 2013, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$1.7 million. Projects will be funded through Bond Proceeds, State School Building Lease-Purchase Grants, State Deferred Maintenance Allocations, Capital Facilities Funds and General Funds.

E. Joint Use Project

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

NOTE 15 - SUBSEQUENT EVENT:

Tax Revenue Anticipation Notes

The District issued \$13,005,000 of Tax and Revenue Anticipation Notes dated July 15, 2013 through the California School Cash Reserve Program Authority (2013-14, Series I). The notes mature on June 2, 2014 and carry a 2.00% interest rate. The notes were sold by the District to supplement its cash flow.

The funds will be held with the trustee, U.S. Bank National Association, unless and until the District needs to draw funds out. Repayment requirements are that \$6,502,500 in principal and \$6,502,500 in principal and interest due, be set aside within the Trustee by January 31, 2014 and April 30, 2014, respectively.

VENTURA UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE 16 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS
ISSUED, NOT YET EFFECTIVE:**

Governmental Accounting Standards Board Statement No. 68

In June 2012, the GASB Issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. This standard is designed to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions provided by other entities. This statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*. This statement is effective for fiscal year 2014-15 financial statements.

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts - General Fund		Actual Amounts	(a) Fund Basis to	Actual Amounts
	Original	Final	General Fund	GAAP	GAAP Basis
Revenues					
Revenue limit sources:					
State apportionments	\$ 34,933,998	\$ 41,262,666	\$ 40,215,066	\$	\$ 40,215,066
Local sources	47,378,754	48,567,481	49,347,604		49,347,604
Total revenue limit sources	82,312,752	89,830,147	89,562,670	-	89,562,670
Federal sources	10,066,073	10,027,658	8,529,181		8,529,181
Other state sources	21,209,488	22,046,299	22,530,868		22,530,868
Other local sources	9,505,269	12,248,098	12,864,491	402	12,864,893
Total Revenues	123,093,582	134,152,202	133,487,210	402	133,487,612
Expenditures					
Certificated salaries	61,159,945	61,695,330	61,919,278		61,919,278
Classified salaries	22,082,092	22,012,862	22,371,771		22,371,771
Employee benefits	33,346,718	33,181,456	32,970,551		32,970,551
Books and supplies	5,160,940	7,702,572	4,324,359	6,067	4,330,426
Services and other operating expenditures	9,558,455	10,094,594	10,567,123	1,114	10,568,237
Capital outlay	53,000	121,000	150,297	46,690	196,987
Tuition and other outgo	2,452,663	2,359,560	2,890,199		2,890,199
Direct support - indirect costs	(539,989)	(541,696)	(534,736)		(534,736)
Debt service		328,236	328,236		328,236
Total Expenditures	133,273,824	136,953,914	134,987,078	53,871	135,040,949
Deficiency of revenues over expenditures	(10,180,242)	(2,801,712)	(1,499,868)	(53,469)	(1,553,337)
Other Financing Sources (Uses)					
Interfund transfers in	2,517,400	2,517,400	2,507,413		2,507,413
Interfund transfers out		(24,926)			
Total Other Financing Sources (Uses)	2,517,400	2,492,474	2,507,413	-	2,507,413
Net change in fund balance	\$ (7,662,842)	\$ (309,238)	1,007,545	(53,469)	954,076
Fund Balance - Beginning of Year			15,995,443	121,329	16,116,772
Fund Balance - End of Year			\$ 17,002,988	\$ 67,860	\$ 17,070,848

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

See the accompanying notes to the required supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF BUDGETARY COMPARISON FOR THE CAFETERIA FUND
For the Fiscal Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Revenue limit sources:			
State apportionments	\$ 454,039	\$ 454,039	\$ 454,039
Total revenue limit sources	454,039	454,039	454,039
Federal sources	4,595,900	4,731,522	4,620,592
Other state sources	391,045	353,563	372,118
Other local sources	1,264,000	1,277,566	1,212,948
Total Revenues	6,704,984	6,816,690	6,659,697
Expenditures			
Classified salaries	2,321,633	2,270,664	2,295,974
Employee benefits	997,451	995,922	977,877
Books and supplies	3,130,000	3,519,270	3,386,046
Services and other operating expenditures	561,943	641,258	606,181
Capital outlay	50,000	50,000	14,878
Tuition and other outgo	316,400	316,400	308,108
Total Expenditures	7,377,427	7,793,514	7,589,064
Change in fund balance	\$ (672,443)	\$ (976,824)	(929,367)
Fund Balance - Beginning of Year			1,877,949
Fund Balance - End of Year			\$ 948,582

See the accompanying notes to the required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF DEFERRED COMPENSATION PLAN FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2013**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (Unit Credit 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	\$	\$ 4,486,382	\$ 4,486,382	0%		
7/1/2009		3,559,944	3,559,944	0%		
7/1/2011		3,137,779	3,137,779	0%		

Note: Although the plan has no segregated assets, the District does maintain the Alternative Retiree Benefit Fund (Fund #201) to designate resources for future retiree pension costs. At June 30, 2013, the fund's balance was \$5,541.

(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, 2013

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (Unit Credit 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%		
7/1/2009		25,422,773	25,422,773	0.0%		
7/1/2011		29,025,374	29,025,374	0.0%		

Note: 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, 2013, the fund's balance was \$5,199.

(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, 2013**

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedule of Budgetary Comparison for the General Fund and Cafeteria 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 any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

B. Schedule of Deferred Compensation Plan Funding Progress

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

C. Schedule of Postemployment Healthcare Benefits Funding Progress

This schedule is prepared 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.

VENTURA UNIFIED SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2013**

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:

Excess of expenditures over appropriations, by major object accounts, occurred in the following funds:

General Fund:

Certificated salaries	\$223,948
Classified salaries	358,909
Services and other operating expenditures	472,529
Capital outlay	29,297
Other outgo	537,599

Cafeteria Fund:

Classified salaries	\$25,310
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SUPPLEMENTARY INFORMATION

VENTURA UNIFIED SCHOOL DISTRICT

HISTORY AND ORGANIZATION

June 30, 2013

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, 2013 were as follows:

BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Mr. John Walker	President	December 2017
Mrs. Mary Haffner	Vice President	December 2017
Mrs. Velma Lomax	Member	December 2017
Ms. Barbara Fitzgerald	Member	December 2015
Mrs. Debbie Golden	Member	December 2015

DISTRICT ADMINISTRATORS

Dr. Trudy Tuttle Arriaga	Superintendent
Mr. Joseph Richards, Jr.	Assistant Superintendent, Business Services
Ms. Kathy Asher	Assistant Superintendent, Educational Services
Mr. Paul Jablonowski	Assistant Superintendent, Certificated Human Resources

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
For the Fiscal Year Ended June 30, 2013**

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, 2013 are as follows:

	Revised Second Period	Annual
Elementary:		
Kindergarten	1,205	1,207
First through third grade	3,644	3,644
Fourth through eighth grade	6,122	6,113
Home and hospital - temporary physical disabilities	5	6
Special education master plan	291	293
Special education - nonpublic, nonsectarian schools	3	3
Extended year special education-mandated	12	12
Extended year special education - nonpublic, nonsectarian schools		
Opportunity schools and full-day opportunity class	10	12
Total Elementary ADA	11,292	11,290
Secondary:		
Regular classes	5,065	5,020
Continuation education	162	159
Home and hospital - temporary physical disabilities	16	19
Special education master plan	104	102
Special education - nonpublic, nonsectarian schools	9	9
Extended year special education - mandated	3	4
Extended year special education - nonpublic, nonsectarian schools	1	1
Opportunity schools and full-day opportunity class	14	14
Total Secondary ADA	5,374	5,328
Total ADA	16,666	16,618

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF INSTRUCTIONAL TIME
For the Fiscal Year Ended June 30, 2013**

<u>Grade Level</u>	<u>1986-87 Minutes Requirement</u>	<u>1986-87 Minutes Reduced</u>	<u>1982-83 Actual Minutes</u>	<u>1982-83 Minutes Reduced</u>	<u>2012-13 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	35,000	31,500	30,625	35,000	175	In Compliance
Grade 1	50,400	49,000	42,060	40,892	49,150	175	In Compliance
Grade 2	50,400	49,000	42,060	40,892	49,150	175	In Compliance
Grade 3	50,400	49,000	42,060	40,892	49,150	175	In Compliance
Grade 4	54,000	52,500	51,595	50,162	52,500	175	In Compliance
Grade 5	54,000	52,500	51,595	50,162	52,500	175	In Compliance
Grade 6	54,000	52,500	51,595	50,162	52,535	175	In Compliance
Grade 7	54,000	52,500	51,595	50,162	52,535	175	In Compliance
Grade 8	54,000	52,500	51,595	50,162	52,535	175	In Compliance
Grade 9	64,800	63,000	64,642	62,846	63,303	175	In Compliance
Grade 10	64,800	63,000	64,642	62,846	63,303	175	In Compliance
Grade 11	64,800	63,000	64,642	62,846	63,303	175	In Compliance
Grade 12	64,800	63,000	64,642	62,846	63,303	175	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, 2013

PROGRAM NAME	Federal Catalog Number	Entity Identifying Number	Total Program Expenditures
Federal Categorical Aid Programs:			
U.S. DEPARTMENT OF AGRICULTURE:			
Passed-through the California Department of Education:			
Child Nutrition Cluster:			
Child Nutrition Program-Lunch	10.555	13396	\$ 2,805,831
Child Nutrition Program-Basic Breakfast	10.553	13525	6,111
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	1,260,715
Child Nutrition Program-Meal Supplements	10.555	13396	91,386
Child Nutrition Program-Commodities	10.555	13396	209,925
Summer Food Service Program	10.559	13004	222,680
Total Child Nutrition Cluster			<u>4,596,648</u>
Other Programs:			
Team Nutrition	10.574	(1)	6,825
Farm to School	10.575	(1)	17,119
Nutrition Network	10.561	(1)	321,681
Total U.S. Department of Agriculture			<u>4,942,273</u>
U.S. DEPARTMENT OF LABOR:			
Passed-through the County of Ventura:			
Adult Education Workforce Investment Act Cluster:			
Youth Activities	17.259	(1)	304,142
Adults and Dislocated Workers	17.258	(1)	262,365
Total U.S. Department of Labor			<u>566,507</u>
U.S. DEPARTMENT OF EDUCATION:			
Direct Programs			
Student Financial Aid Cluster:			
Federal Direct Student Loans	84.268	(1)	130,287
Federal Pell Grant	84.063	(1)	507,032
Total Student Financial Aid Cluster			<u>637,319</u>
Other Programs:			
Title I, Part G - Advanced Placement Test Fee Reimbursement Program	84.330	14831	3,020
Indian Education Grants	84.060	(1)	291,763
Magnet Schools Assistance	84.165A	(1)	744,321
Alcohol Abuse Education	84.184A	(1)	190
Healthy Eating Active Living (HEAL)	84.215F	(1)	303,792
Subtotal Direct Programs			<u>1,980,405</u>
Passed-through the California Department of Education:			
Special Education Cluster:			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	2,879,023
IDEA Preschool Local Entitlement, Part B, Sec 611	84.027A	13682	150,726
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	73,962
Total Special Education Cluster			<u>3,103,711</u>
Adult Education:			
Adult Education - Adult Basic Education and ESL	84.002A	14508	69,541
Adult Education - Adult Secondary Education	84.002	13978	110,388
Adult Education - English Literacy and Civics	84.002	14109	34,029
Total Adult Education			<u>213,958</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, 2013

<u>PROGRAM NAME</u>	<u>Federal Catalog Number</u>	<u>Entity Identifying Number</u>	<u>Total Program Expenditures</u>
Passed-through the California Department of Education: (continued)			
Title I, Part C Migrant Ed:			
Title I, Part C - Migrant Ed (Regular and Summer Program)	84.011	14838	72,454
Title I - Migrant Ed Summer Program	84.011	10005	63,561
Title I, Part C - Even Start Migrant Education (MEES)	84.011	14768	<u>84,018</u>
Total Title I, Part C Migrant Ed			<u>220,033</u>
Other Programs:			
Title I, Part A - Low Income and Neglected	84.010	14329	2,032,389
Title II, Part A - Improving Teacher Quality	84.367	14341	524,042
Title III - Limited English Proficiency	84.365	10084	289,138
Career and Technical Education - Basic Grants to States (Secondary)	84.048	14894	97,436
Workability II, Transition Partnership	84.158	10006	<u>335,951</u>
Subtotal Passed-through the California Department of Education			<u>6,816,658</u>
Total U.S. Department of Education			<u>8,797,063</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
Passed-through the California Department of Education:			
Medi-Cal Billing Option	93.778	10013	<u>261,714</u>
Total U.S. Department of Health & Human Services			<u>261,714</u>
Total Federal Programs			<u>\$ 14,567,557</u>

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

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

There were no differences between the fund balances reported on the June 30, 2013 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

For the Fiscal Year Ended June 30,

	2014 (Budgeted)		2013		2012		2011	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue								
Revenue limit sources	\$ 88,665,036	64.5	\$ 89,562,670	66.3	\$ 88,550,438	64.2	\$ 88,182,643	63.4
Federal	8,164,525	5.9	8,529,181	6.3	14,192,362	10.3	12,733,183	9.2
State	19,800,437	14.4	22,530,868	16.7	21,931,606	15.9	23,241,911	16.8
County and local	13,010,729	9.5	12,864,491	9.5	12,309,762	8.9	11,292,633	8.1
Interfund transfers	17,400	0.0	2,507,413	1.9	2,503,221	1.8	2,694,440	1.9
Total Revenue	<u>129,658,127</u>	<u>94.3</u>	<u>135,994,623</u>	<u>100.7</u>	<u>139,487,389</u>	<u>101.1</u>	<u>138,144,810</u>	<u>99.4</u>
Expenditures								
Certificated salaries	65,071,729	47.3	61,919,278	45.9	64,491,688	46.8	64,949,252	46.7
Classified salaries	22,757,697	16.6	22,371,771	16.6	22,814,846	16.5	22,621,793	16.3
Employee benefits	33,051,001	24.0	32,970,551	24.4	32,342,700	23.4	29,802,065	21.3
Books and supplies	4,658,479	3.4	4,324,359	3.2	4,523,358	3.3	4,796,773	3.5
Services and other operating expenditures	10,110,220	7.4	10,567,123	7.8	10,943,312	7.9	11,690,943	8.4
Capital outlay	65,525	0.0	150,297	0.1	405,315	0.3	213,266	0.2
Tuition and other outgo	2,359,560	1.7	2,890,199	2.1	2,525,447	1.8	2,329,549	1.7
Direct support/indirect costs	(574,549)	(0.4)	(534,736)	(0.4)	(499,030)	(0.3)	(560,665)	(0.4)
Debt service payments			328,236	0.3	374,434	0.3	12,167	0.0
Interfund transfers out							3,179,213	2.3
Total Expenditures	<u>137,499,662</u>	<u>100.0</u>	<u>134,987,078</u>	<u>100.0</u>	<u>137,922,070</u>	<u>100.0</u>	<u>139,034,356</u>	<u>100.0</u>
Change in fund balance	\$ (7,841,535)	(5.7)	\$ 1,007,545	0.7	\$ 1,565,319	1.1	\$ (889,546)	(0.6)
Ending fund balance	\$ 9,161,453	6.7	\$ 17,002,988	12.6	\$ 15,995,443	11.6	\$ 14,430,124	10.4
Available reserve	\$ 8,047,130	5.9	\$ 14,941,856	11.1	\$ 11,998,314	8.7	\$ 7,533,269	5.4
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>16,635</u>		<u>16,666</u>		<u>16,804</u>		<u>16,779</u>	
Total Long-Term Debt	\$ 66,723,538		\$ 70,190,376		\$ 72,450,613 *		\$ 74,325,803 *	

IMPORTANT NOTES:

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

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

All Percentages are of total expenditures.

The 2014 budget is the original budget adopted on June 25, 2013.

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

* The deferred charge on refunding was removed from the long-term debt balance due to the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

See the accompanying notes to the supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**SCHEDULE OF CHARTER SCHOOLS
For the Fiscal Year Ended June 30, 2013**

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, 2013

NOTE 1 - PURPOSE OF SCHEDULES:

A. Schedule of Average Daily Attendance (ADA)

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

B. Schedule of Instructional Time

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

C. Schedule of Expenditures of Federal Awards

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

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

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

E. Schedule of Financial Trends and Analysis

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

VENTURA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

NOTE 1 - PURPOSE OF SCHEDULES: (continued)

F. Schedule of Charter Schools

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

OPTIONAL SUPPLEMENTARY INFORMATION

VENTURA UNIFIED SCHOOL DISTRICT

MAJOR BUILDING SUB-FUNDS
COMBINING BALANCE SHEET

June 30, 2013

	<u>Building Fund</u>	<u>Building Fund (Series A)</u>	<u>Bond Building Fund</u>	<u>Eliminating Intersubfund Activity</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>					
Cash in county treasury	\$ 19,361,200	\$ 256,413	\$ 1,568,394	\$	\$ 21,186,007
Cash with fiscal agent		909,247			909,247
Investments with fiscal agent		568,658			568,658
Accounts receivable:					
Miscellaneous	60,020	(1,298)	2,256		60,978
Due from other funds	120,000				120,000
Due from other subfunds	1,500,000			(1,500,000)	-
Total Assets	<u>\$ 21,041,220</u>	<u>\$ 1,733,020</u>	<u>\$ 1,570,650</u>	<u>\$ (1,500,000)</u>	<u>\$ 22,844,890</u>
<u>Liabilities and Fund Balance</u>					
Liabilities					
Accounts payable	\$ 581,456	\$	\$	\$	\$ 581,456
Due to other funds	124,245				124,245
Due to other subfunds		1,500,000		(1,500,000)	-
Unearned revenue	30,790				30,790
Total Liabilities	<u>736,491</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>736,491</u>
Fund Balance					
Restricted	20,304,729	233,020	1,570,650		22,108,399
Total Fund Balance	<u>20,304,729</u>	<u>233,020</u>	<u>1,570,650</u>	<u>-</u>	<u>22,108,399</u>
Total Liabilities and Fund Balance	<u>\$ 21,041,220</u>	<u>\$ 1,733,020</u>	<u>\$ 1,570,650</u>	<u>\$ (1,500,000)</u>	<u>\$ 22,844,890</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, 2013

	Building Fund	Building Fund (Series A)	Bond Building Fund	Total (Memorandum Only)
Revenues				
Other local sources	\$ 1,054,295	\$ (682)	\$ 7,843	\$ 1,061,456
Total Revenues	<u>1,054,295</u>	<u>(682)</u>	<u>7,843</u>	<u>1,061,456</u>
Expenditures				
Plant services	3,183,071	30,330	277,928	3,491,329
Debt service	415,531			415,531
Total Expenditures	<u>3,598,602</u>	<u>30,330</u>	<u>277,928</u>	<u>3,906,860</u>
Deficiency of revenues over expenditures	<u>(2,544,307)</u>	<u>(31,012)</u>	<u>(270,085)</u>	<u>(2,845,404)</u>
Other Financing Uses				
Interfund transfers out	<u>(2,500,000)</u>			<u>(2,500,000)</u>
Total Other Financing Uses	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>
Net change in fund balance	(5,044,307)	(31,012)	(270,085)	(5,345,404)
Fund Balance at Beginning of Year	<u>25,349,036</u>	<u>264,032</u>	<u>1,840,735</u>	<u>27,453,803</u>
Fund Balance at End of Year	<u>\$ 20,304,729</u>	<u>\$ 233,020</u>	<u>\$ 1,570,650</u>	<u>\$ 22,108,399</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR DEBT SERVICE FUND
BALANCE SHEET

June 30, 2013

	<u>Bond Interest and Redemption Fund</u>
<u>Assets</u>	
Cash in county treasury	\$ 4,803,565
Accounts receivable:	
Miscellaneous	<u>5,387</u>
Total Assets	<u>\$ 4,808,952</u>
<u>Fund Balance</u>	
Restricted	<u>\$ 4,808,952</u>
Total Fund Balance	<u>\$ 4,808,952</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**NON-MAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE
For the Fiscal Year Ended June 30, 2013**

	<u>Bond Interest and Redemption Fund</u>
Revenues	
Other state sources	\$ 46,195
Other local sources	<u>5,003,852</u>
Total Revenues	<u>5,050,047</u>
Expenditures	
Debt service	<u>5,066,403</u>
Total Expenditures	<u>5,066,403</u>
Change in fund balance	(16,356)
Fund Balance at Beginning of Year	<u>4,825,308</u>
Fund Balance at End of Year	<u>\$ 4,808,952</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2013

	Adult Education Fund	Child Development Fund	Total (Memorandum Only)
	<hr/>	<hr/>	<hr/>
<u>Assets</u>			
Cash in county treasury	\$ 217,095	\$ 119,179	\$ 336,274
Accounts receivable:			
Federal and state governments	355,113	26,441	381,554
Miscellaneous	306,412		306,412
Due from other funds	1,359,859	30,692	1,390,551
Prepaid expenditures	1,050		1,050
Total Assets	<u>\$ 2,239,529</u>	<u>\$ 176,312</u>	<u>\$ 2,415,841</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities			
Accounts payable	\$ 120,054	\$ 98	\$ 120,152
Due to other funds	186,929	169,050	355,979
Total Liabilities	<u>306,983</u>	<u>169,148</u>	<u>476,131</u>
 Fund Balance			
Nonspendable	1,050		1,050
Restricted		7,164	7,164
Committed	1,931,496		1,931,496
Total Fund Balance	<u>1,932,546</u>	<u>7,164</u>	<u>1,939,710</u>
Total Liabilities and Fund Balance	<u>\$ 2,239,529</u>	<u>\$ 176,312</u>	<u>\$ 2,415,841</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, 2013**

	Adult Education Fund	Child Development Fund	Total (Memorandum Only)
Revenues			
Federal sources	\$ 1,417,784	\$	\$ 1,417,784
Other state sources	1,696,782	985,637	2,682,419
Other local sources	<u>547,801</u>	<u>105,747</u>	<u>653,548</u>
Total Revenues	<u>3,662,367</u>	<u>1,091,384</u>	<u>4,753,751</u>
Expenditures			
Instruction	2,826,766	880,066	3,706,832
Instruction-related services	1,053,096	111,779	1,164,875
Pupil services		54,444	54,444
General administration	181,064	45,564	226,628
Plant services	<u>288,355</u>		<u>288,355</u>
Total Expenditures	<u>4,349,281</u>	<u>1,091,853</u>	<u>5,441,134</u>
Change in fund balance	(686,914)	(469)	(687,383)
Fund Balance at Beginning of Year	<u>2,619,460</u>	<u>7,633</u>	<u>2,627,093</u>
Fund Balance at End of Year	<u>\$ 1,932,546</u>	<u>\$ 7,164</u>	<u>\$ 1,939,710</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

NON-MAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

June 30, 2013

	<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	\$ 2,669,825	\$ 838,919	\$ 957,275	\$ 4,466,019
Accounts receivable:				
Miscellaneous	<u>3,829</u>	<u>1,132</u>	<u>1,362</u>	<u>6,323</u>
Total Assets	<u>\$ 2,673,654</u>	<u>\$ 840,051</u>	<u>\$ 958,637</u>	<u>\$ 4,472,342</u>
<u>Liabilities and Fund Balance</u>				
Liabilities				
Due to other funds	<u>\$ 5,941</u>	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ 7,413</u>
Total Liabilities	<u>5,941</u>	<u>1,472</u>	<u>-</u>	<u>7,413</u>
Fund Balance				
Restricted	<u>2,667,713</u>	<u>838,579</u>	<u>958,637</u>	<u>4,464,929</u>
Total Fund Balance	<u>2,667,713</u>	<u>838,579</u>	<u>958,637</u>	<u>4,464,929</u>
Total Liabilities and Fund Balance	<u>\$ 2,673,654</u>	<u>\$ 840,051</u>	<u>\$ 958,637</u>	<u>\$ 4,472,342</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, 2013

	Capital Facilities Fund (Residential)	Capital Facilities Fund (Commercial)	County School Facilities Fund	Total (Memorandum Only)
Revenues				
Other local sources	\$ 211,117	\$ 52,766	\$ 1,175	\$ 265,058
Total Revenues	<u>211,117</u>	<u>52,766</u>	<u>1,175</u>	<u>265,058</u>
Expenditures				
General administration	5,864	1,472		7,336
Plant services	689,080			689,080
Total Expenditures	<u>694,944</u>	<u>1,472</u>	<u>-</u>	<u>696,416</u>
Excess (deficiency) of revenues over expenditures	<u>(483,827)</u>	<u>51,294</u>	<u>1,175</u>	<u>(431,358)</u>
Other Financing Uses				
Interfund transfers out	(5,941)	(1,472)		(7,413)
Total Other Financing Uses	<u>(5,941)</u>	<u>(1,472)</u>	<u>-</u>	<u>(7,413)</u>
Net change in fund balance	(489,768)	49,822	1,175	(438,771)
Fund Balance at Beginning of Year	<u>3,157,481</u>	<u>788,757</u>	<u>957,462</u>	<u>4,903,700</u>
Fund Balance at End of Year	<u>\$ 2,667,713</u>	<u>\$ 838,579</u>	<u>\$ 958,637</u>	<u>\$ 4,464,929</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
June 30, 2013**

	David Graham Scholarship Fund	Foundation Fund	Total (Memorandum Only)
<u>Assets</u>			
Cash in county treasury	\$ 58,546	\$ 537,892	\$ 596,438
Accounts receivable:			
Miscellaneous	85	1,517	1,602
Due from other funds	750		750
Total Assets	59,381	539,409	598,790
<u>Liabilities</u>			
Accounts payable		41,720	41,720
Due to other funds		31,078	31,078
Total Liabilities	-	72,798	72,798
<u>Net Position</u>			
Restricted	59,381	466,611	525,992
Total Net Position	\$ 59,381	\$ 466,611	\$ 525,992

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2013**

	David Graham Scholarship Fund	Foundation Fund	Total (Memorandum Only)
Additions			
Revenue from local sources	\$ 1,027	\$ 188,580	\$ 189,607
Total Additions	<u>1,027</u>	<u>188,580</u>	<u>189,607</u>
Deductions			
Scholarships awarded	1,200		1,200
Other expenses		<u>128,660</u>	<u>128,660</u>
Total Deductions	<u>1,200</u>	<u>128,660</u>	<u>129,860</u>
Change in net position	(173)	59,920	59,747
Net Position at Beginning of Year	<u>59,554</u>	<u>406,691</u>	<u>466,245</u>
Net Position at End of Year	<u>\$ 59,381</u>	<u>\$ 466,611</u>	<u>\$ 525,992</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
ASSOCIATED STUDENT BODY FUNDS
June 30, 2013

	Ventura High School	Buena High School	Foothill Technology High School	Anacapa Middle School	DeAnza Middle School	Balboa Middle School
<u>Assets</u>						
Cash on hand and in banks	\$ 545,557	\$ 590,222	\$ 131,126	\$ 21,882	\$ 39,724	\$ 135,737
Inventories	10,678	18,359	2,500			336
Total Assets	556,235	608,581	133,626	21,882	39,724	136,073
<u>Liabilities</u>						
Accounts payable	168	2,128				
Funds held in trust	423,047	441,276	64,380	4,852	31,496	11,427
Total Liabilities	423,215	443,404	64,380	4,852	31,496	11,427
<u>Net Position</u>						
Unrestricted	133,020	165,177	69,246	17,030	8,228	124,646
Total Net Position	\$ 133,020	\$ 165,177	\$ 69,246	\$ 17,030	\$ 8,228	\$ 124,646

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
ASSOCIATED STUDENT BODY FUNDS
June 30, 2013

	<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	\$ 119,191	\$ 22,420	\$ 6,400	\$ 16,457	\$ 1,628,716
Inventories	3,856				35,729
Total Assets	<u>123,047</u>	<u>22,420</u>	<u>6,400</u>	<u>16,457</u>	<u>1,664,445</u>
<u>Liabilities</u>					
Accounts payable					2,296
Funds held in trust	27,225	16,776			1,020,479
Total Liabilities	<u>27,225</u>	<u>16,776</u>	<u>-</u>	<u>-</u>	<u>1,022,775</u>
<u>Net Position</u>					
Unrestricted	95,822	5,644	6,400	16,457	641,670
Total Net Position	<u>\$ 95,822</u>	<u>\$ 5,644</u>	<u>\$ 6,400</u>	<u>\$ 16,457</u>	<u>\$ 641,670</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
ASSOCIATED STUDENT BODY FUNDS
For the Fiscal Year Ended June 30, 2013**

	Ventura High School	Buena High School	Foothill Technology High School	Anacapa Middle School	DeAnza Middle School	Balboa Middle School
Additions						
Revenue from local sources	\$ 284,098	\$ 423,141	\$ 237,859	\$ 66,785	\$ 28,198	\$ 146,442
Total Additions	<u>284,098</u>	<u>423,141</u>	<u>237,859</u>	<u>66,785</u>	<u>28,198</u>	<u>146,442</u>
Deductions						
Other expenses	<u>287,482</u>	<u>412,576</u>	<u>291,750</u>	<u>70,999</u>	<u>29,694</u>	<u>175,753</u>
Total Deductions	<u>287,482</u>	<u>412,576</u>	<u>291,750</u>	<u>70,999</u>	<u>29,694</u>	<u>175,753</u>
Change in net position	(3,384)	10,565	(53,891)	(4,214)	(1,496)	(29,311)
Net Position at Beginning of Year	<u>136,404</u>	<u>154,612</u>	<u>123,137</u>	<u>21,244</u>	<u>9,724</u>	<u>153,957</u>
Net Position at End of Year	<u>\$ 133,020</u>	<u>\$ 165,177</u>	<u>\$ 69,246</u>	<u>\$ 17,030</u>	<u>\$ 8,228</u>	<u>\$ 124,646</u>

See the accompanying notes to the optional supplementary information.

VENTURA UNIFIED SCHOOL DISTRICT

**FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
ASSOCIATED STUDENT BODY FUNDS
For the Fiscal Year Ended June 30, 2013**

	<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>
Additions					
Revenue from local sources	\$ 101,853	\$ 2,832	\$ 909	\$ 11,107	\$ 1,303,224
Total Additions	<u>101,853</u>	<u>2,832</u>	<u>909</u>	<u>11,107</u>	<u>1,303,224</u>
Deductions					
Other expenses	103,364	3,590	912	11,038	1,387,158
Total Deductions	<u>103,364</u>	<u>3,590</u>	<u>912</u>	<u>11,038</u>	<u>1,387,158</u>
Change in net position	(1,511)	(758)	(3)	69	(83,934)
Net Position at Beginning of Year	<u>97,333</u>	<u>6,402</u>	<u>6,403</u>	<u>16,388</u>	<u>725,604</u>
Net Position at End of Year	<u>\$ 95,822</u>	<u>\$ 5,644</u>	<u>\$ 6,400</u>	<u>\$ 16,457</u>	<u>\$ 641,670</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, 2013

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 balances for governmental funds and combining statements of fiduciary net position and changes in fiduciary net position for fiduciary funds have been presented to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

OTHER INDEPENDENT AUDITOR'S REPORTS



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ventura Unified School District (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2013.

Internal Control Over Financial Reporting

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

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

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

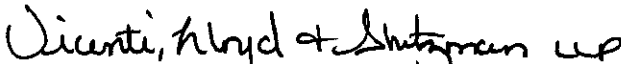
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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


VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 10, 2013



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

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

Report on Compliance for Each Major Federal Program

We have audited Ventura Unified School District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

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

Purpose of this Report

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

Vicenti, Lloyd + Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 10, 2013



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

We have audited the Ventura Unified School District's (the District) compliance with the types of compliance requirements described in the *2012-13 Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel for the year ended June 30, 2013. The District's State compliance requirements are identified in the table below.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2012-13 Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on State compliance. However, our audit does not provide a legal determination of the District's compliance.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	6	Yes
Teacher Certification and Misassignments	3	Yes
Kindergarten continuance	3	Yes
Continuation education	10	Yes
Independent study	23	Yes
Instructional time:		
School Districts	6	Yes
County Offices of Education	3	Not applicable
Class size reduction program (including charter schools):		
General requirements	7	Yes
Option 1	3	Yes
Option 2	4	Not applicable
One school serving K-3	4	Not applicable
Instructional materials general requirements	8	Yes
Ratios of administrative employees to teachers	1	Yes
Classroom teacher salaries	1	Yes
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Yes
School Accountability Report Card	3	Yes
Juvenile Court Schools	8	Not applicable
After School Education and Safety Program:		
General requirements	4	Yes
After school	5	Yes
Before school	6	Not applicable
Charter Schools:		
Contemporaneous records of attendance	1	No ¹
Mode of instruction	1	No ¹
Nonclassroom-based instruction/independent study	15	No ¹
Determination of funding for nonclassroom-based instruction	3	No ¹
Annual instructional minutes – classroom based	4	No ¹

¹The District is not the granting agency for any charter schools.

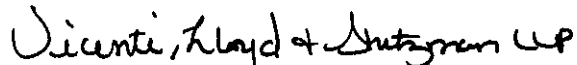
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Opinion on State Compliance

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2013.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2012-13 Standards and Procedures for Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.


VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
December 10, 2013

FINDINGS AND QUESTIONED COSTS

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR RESULTS
June 30, 2013

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

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

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

Unmodified

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

 Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

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

\$ 437,027

Auditee qualified as low-risk auditee?

 X Yes No

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FINANCIAL STATEMENTS
June 30, 2013

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 the basic financial statements for the year ended June 30, 2013.

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS
June 30, 2013

There were no findings and questioned costs related to federal awards for the fiscal year ended June 30, 2013.

VENTURA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
June 30, 2013

There were no findings and questioned costs related to state awards for the fiscal year ended June 30, 2013.

VENTURA UNIFIED SCHOOL DISTRICT

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2013**

Original Finding No.	Finding	Code	Recommendation	Current Status
12-1	<p><u>AFTER-SCHOOL EDUCATION SAFETY (ASES) PROGRAM</u></p> <p>Criteria: Attendance reports submitted to the California Department of Education should be supported by written records that document pupil participation. For pupils who attended less than the full day, the attendance must be consistent with the District's established early release policy.</p> <p>Condition: During our testing of the written records that document pupil participation at Montalvo Elementary School, we noted five pupils who attended less than the full day. We were unable to determine that the early release was consistent with the established early release policy.</p> <p>Effect: Without documentation we could not substantiate that these five pupils, who attended less than the full day, attended consistent with the established early release policy.</p> <p>Cause: The documentation validating the pupils were consistent with the established early release policy was not retained by the City of Ventura who administers the program on behalf of the District.</p>	40000	<p>The District should ensure that the program administrators retain all required documentation to support that pupils attending less than the full day are released early consistent with the established early release policy.</p>	Implemented