NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The County of Ventura, California (County) is a legal subdivision of the State of California and was established as a General Law County in 1873. It is governed by an elected five-member Board of Supervisors (Board) and provides the following services: general government, public protection, public ways and facilities, health and sanitation services, public assistance, education, and recreation and cultural services.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable and have a financial benefit or burden relationship or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either the County's ability to impose its will on the organization or the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are in substance, part of the County's operations, so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of Ventura, Auditor-Controller's Office, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Blended Component Units

Using the criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, and GASB Statement No. 84, *Fiduciary Activities*, the County's management has determined that the following component units should be blended with activities of the County as follows:

- Special Revenue Funds – Watershed Protection District, County Service Areas, Fire Protection District, and the In-Home Supportive Services Public Authority;
- Enterprise Fund – Waterworks Districts and Camarillo Utility Enterprise;
- Debt Service Funds – Ventura County Public Financing Authority (PFA) and County Service Area #34;
- Capital Project Funds – the PFA.

The County is financially accountable for each of the blended component units. The basis for blending is that the County's Board acts as the governing board for the entities and management of the primary government has operational responsibility for the component unit.

Fiduciary Component Unit
Based on the criteria established by GASB Statement No. 84, *Fiduciary Activities*, the following component units have been determined to be fiduciary in nature:

- Pension Trust Funds – Ventura County Employees' Retirement Association (VCERA) and the County of Ventura Supplemental Retirement Plan (SRP).

The County appoints a majority of the VCERA Retirement Board and is considered to have a financial burden as it is legally obligated to make contributions to the plan. The County Board of Supervisors acts as the Board for the SRP and the County is also considered to have a financial burden.

Discretely Presented Component Unit
Children and Families First Commission
The Children and Families First Commission (Commission) was established in December 1998, under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq., of the Health and Safety Code. The Commission accounts for receipts and disbursements of California Children and Families First Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the County Board appoints all members of the Commission's governing body and is able to impose its will because it can remove appointed members at will. The separate financial statements may be obtained from Children and Families First Commission, 2580 East Main Street, Suite 203, Ventura, CA 93003.

B) New Accounting Pronouncements
GASB Statement No. 84, *Fiduciary Activities,* effective for reporting periods beginning after December 15, 2019*, enhances consistency and comparability of financial statements by establishing specific criteria for identifying activities that should be reported as fiduciary and clarifying whether and how business-type activities should report their fiduciary activities. The County implemented the new requirements for the fiscal year 2020-21 financial statements. The effect of the implementation of this standard on beginning net position is disclosed in Note 2.

GASB Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61,* effective for reporting periods beginning after December 15, 2019*, improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The County has evaluated the new requirements and has determined it is not applicable.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* effective immediately, is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provision in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, by one (1) or one-and-a-half (1.5) years from the original published effective dates. This Statement will provide governments sufficient time to apply the authoritative guidance addressed in this Statement and will help safeguard the reliability of the financial statements. The County implemented the new requirement beginning in the fiscal year 2019-20 financial statements.

* Date as modified by GASB Statement No. 95.

GASB Statement No. 98, *The Annual Comprehensive Financial Report,* effective for reporting periods beginning after December 15, 2021 with earlier application encouraged, establishes the term *annual comprehensive financial report and its acronym ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local government. The County is early implementing the new requirements for the fiscal year 2020-21 financial statements.

The County is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB Statement No. 87, *Leases,* effective for reporting periods beginning after June 15, 2021*, improves accounting and financial reporting for leases and requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflows of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities. The County intends to implement the new requirements for the fiscal year 2021-22 financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* effective for reporting periods beginning after December 15, 2020*, provides users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The County intends to implement the new requirements for the fiscal year 2021-22 financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021*, improves financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities. In addition, requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. These revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. The County intends to implement the new requirements for the fiscal year 2022-23 financial statements.

GASB Statement No. 92, *Omnibus 2020,* effective for reporting periods beginning after June 15, 2021*, enhances comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB Statements. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The County intends to implement the new requirements for the fiscal year 2021-22 financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* effective for reporting periods beginning after June 15, 2021*, except for the removal of LIBOR as an appropriate benchmark interest rate which is effective for reporting periods ending December 31, 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of this Statement will enhance the comparability in the application

* Date as modified by GASB Statement No. 95.

of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The County intends to implement the new requirements for the fiscal year 2021-22 financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for reporting period beginning after June 15, 2022, is intended to improve financial reporting by addressing issues related to improve public-private and public-public partnership arrangements (PPPs). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and availability payment arrangements (APAs) and provides uniform guidance on accounting and financial reporting for transactions that meet those definition. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The County intends to implement the new requirements for the fiscal year 2022-23 financial statements.

GASB Statement No. 96, S*ubscription-Based Information Technology Arrangements,* effective for reporting period beginning after June 15, 2022, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The County intends to implement the new requirements for the fiscal year 2022-23 financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No. 32,* effective for reporting periods beginning after June 15, 2021, but requires immediate implementation of paragraphs that address defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This new guidance intends to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances where a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans while mitigating the costs associated with reporting those plans. The requirements will, also, enhance the relevance, consistency, and comparability of the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and investment information for all Section 457 plans. Except those that require immediate implementations, the County intends to implement the new requirements for the fiscal year 2021-22 financial statements.

C) Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements include capital assets, long-term liabilities, depreciation, accumulated depreciation, deferred outflows of resources, and deferred inflows of resources.

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each segment (different identifiable activities) of the business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The internal service funds' activity, except for interfund services provided and used, is eliminated and net balances are primarily included in the governmental activities, with a lesser amount included in the business-type activities, because the internal service funds predominantly serve the governmental funds. Fiduciary funds are not reported on the government-wide financial statements. When restricted and unrestricted net position are available, restricted resources would generally be considered to be used first, with the unrestricted resources used as they are needed.

Fund Financial Statements
The governmental fund financial statements are prepared under the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. They provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major governmental and non-major enterprise funds.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses, including salaries and benefits, services and supplies, and depreciation, represent the costs of providing goods and services to customers. Nonoperating expenses are those expenses such as losses from disposal of capital assets and interest expense that do not result from the principal activity of the fund but from secondary or auxiliary activities.

The County reports the following major governmental funds:

- The *General* Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and debt service.

- The *Roads* Special Revenue Fund provides for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of the County's share of state highway use taxes, sales taxes, and federal grants. These funds are restricted for the purpose of the fund.

- The *Watershed Protection District* Special Revenue Fund controls flood and storm waters and conserves such waters for beneficial public use. Revenues are primarily received from property taxes, aid from other governmental units, and charges for current services. These funds are restricted for the purpose of the fund.

- The *Fire Protection District* Special Revenue Fund provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Santa Paula, Simi Valley, and Thousand Oaks. Support is principally from property taxes and aid from other governmental units. These funds are restricted for the purpose of the fund.

The County reports the following major enterprise funds:

- The *Medical System* Fund is part of the County Health Care Agency which operates a two campus hospital. The main campus in Ventura is a general acute care facility providing emergency room, inpatient, and mental health inpatient services. The Santa Paula campus is licensed and accredited as part of Ventura County Medical Center (VCMC) and is licensed for 49 acute beds. VCMC maintains comprehensive neonatal, emergency and outpatient medical care programs. Outpatient care is provided by a fully integrated system of nineteen community-based clinics and nine specialty clinics located throughout the County. It also provides support services to related public and mental health programs administered by the Health Care Agency. The fund provides indigent care which is subsidized, in part, by transfers from the General Fund for such services.

- The *Department of Airports* Fund operates the County-owned general aviation facilities at the Camarillo and Oxnard airports and provides administrative, fiscal, and other support services for airport tenants and the flying public. This fund accounts for aid from other governmental units in support of aviation and also includes support services in the Camarillo Utility Enterprise, Roads and Lighting fund, for the operation of the streets, street lighting, and storm drains at the Camarillo airport.

- The *Waterworks Districts* Fund performs necessary administrative, maintenance, and operations functions to provide uninterrupted water delivery services and sewer collection and disposal services to various communities of Ventura County. These districts include Waterworks Districts 1, 16, 17, 19, 38, and Camarillo Utility Enterprise Sanitation fund.

The County reports the following additional funds and fund types:

- The *Permanent* Fund accounts for resources of the George D. Lyon Book Fund, which was established by a bequest with the legal restriction that only earnings of the fund, and not principal, may be used for the purchase of books for the Foster Library in Ventura, CA.

- *Internal Service* Funds account for the County's fleet maintenance; engineering, construction, and maintenance services; network services and information systems; general services; and self-insurance programs – workers' compensation, long-term disability, employee benefits, medical malpractice, and general insurance on a cost-reimbursement basis.

- *Pension Trust* Funds account for the assets, contributions, and benefit payments of VCERA which was established under the provisions of the County Employees Retirement law of 1937 on January 1, 1947 and the SRP, established January 1, 1992, under provisions of the Internal Revenue Code Section 401(a).

- The *Investment Trust* Fund is used to report fiduciary activities from the external portion of the Investment Pool that are held in a trust or equivalent arrangement. Participants include school and community college districts, special districts governed by local boards, and authorities that are required to keep cash in the County Treasury.

- *Private-purpose Trust* Funds are fiduciary fund types used by the County to report trust arrangements under which principal and income benefit specific beneficiaries. These funds report the assets, liabilities, and activities of the Ventura County Redevelopment Successor Agency (Successor Agency), Public Guardian, and Public Administrator.

- *Custodial* Funds are used to report activities carried out exclusively for the benefit of those outside of the County but not administered through other fiduciary fund types. These include unapportioned property taxes and other custodial funds. The *External Investment* Pool is used to report fiduciary activities of external participants that are not required to keep cash in the County Treasury.

D) Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized when the underlying transactions take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within six months following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital asset acquisitions and general principal payments are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E) Cash and Investments

For purposes of reporting cash flows, cash and investments and cash equivalents include cash in banks and investments held by the County Treasurer in a cash management pool generally with original maturities of 90 days or less. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments is determined using the fair value hierarchy established by GASB Statement No. 72 (GASB 72). The fair value of participants' aggregate position in the pool is the same as the aggregate value of the pool shares. The participants share a ratable portion of the pool's activity and its value based on average daily balances. VCERA investments are presented at fair value as valued by VCERA's custodian. For SRP, investment income components (interest, dividends, and net increase or decrease in fair value) are determined at year-end as reported by the various trustees and custodians on the accrual basis.

F) Inventories and Other Assets

Inventories consisting of materials and supplies, are valued at cost, approximating market value, primarily on a first-in, first-out (FIFO) basis. The costs of governmental fund inventories are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Inventories and prepaid items recorded in governmental funds are offset by nonspendable fund balance to indicate the portion of fund balance that is not in spendable form.

G) Capital Assets

Capital asset components consist of land, easements, construction in progress, land improvements, structures and improvements, equipment, vehicles, software, and infrastructure. The County defines capital assets as assets with an estimated useful life in excess of one year.

The capitalization level and estimated useful lives are as follows:

Category	Capitalization Level	Useful Life
Land improvements	$5,000	5-75
Structures and improvements	$25,000, except $5,000 for Airports, and $50,000 for Waterworks	30-75 *
Betterments	$5,000	30-75
Equipment	$5,000	2-30
Vehicles	$5,000	2-25
Software	$5,000, purchased software; $50,000, internally generated software	3-10
Capital leases	As above, based on category	5-40
Infrastructure	All new construction and major renovations are capitalized; all other costs are considered maintenance and are expensed.	40-100

* Except for certain fixed equipment which may have a shorter useful life.

The County has two networks of infrastructure assets – roads and watershed protection. The roads network includes roads, bridges, and traffic signals. The watershed protection network includes flood channels, debris dams, detention basins, pump stations, and rights of way.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Assets acquired from donations and service concession arrangements are valued at their acquisition value on the date contributed. Self-constructed assets, including structures and improvements and internally generated software, are recorded at the amount of direct labor, material, and net interest costs incurred (for proprietary funds) if financed by tax-exempt borrowing.

Acquisitions of capital assets are recorded as expenditures in the governmental funds statement. Capital assets are capitalized and depreciated on the government-wide and the proprietary funds statements. Land, easements, construction in progress, and assets not used in operations are not depreciated. Other components used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lower of the capital lease period or their estimated useful lives. The County has elected the depreciation approach for infrastructure.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

H) Deferred Outflows of Resources

A deferred outflows of resources is a consumption of net assets by the government that is applicable to a future reporting period.

I) Pensions and Other Postemployment Benefits (OPEB)

Net Pension Liability and Related Balances – VCERA and SRP

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plans and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the VCERA and the SRP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total Pension Liability and Related Balances – Management Retiree Health Benefits Program

For purposes of measuring the total pension liability, deferred outflows/inflows of resources related to pensions, and pension expense have been determined on the same basis as they are reported by the Management Retiree Health Benefits Program. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net OPEB Liability (Asset) and Related Balances – VCDSA and VCPFA

For purposes of measuring the net OPEB liability (asset), deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Ventura County Deputy Sheriffs' Association (VCDSA) Retiree Medical Reimbursement Plan and the Ventura County Professional Firefighters' Association (VCPFA) Premium Reimbursement Plan and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the VCDSA Retiree Medical Reimbursement Plan and the VCPFA Premium Reimbursement Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability and Related Balances – Subsidized Retiree Health Benefits Program

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the Subsidized Retiree Health Benefits Program. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

J) Compensated Absences

County policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensatory time and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide and proprietary funds financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the County subsequent to year-end.

K) Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans) and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in the General Fund and as restricted, committed, or assigned fund balance in other governmental funds as applicable.

Services provided or used and deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are repayments (adjustments to the expenditures or expenses) from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

L) Deferred Inflows of Resources

A deferred inflows of resources represents an acquisition of net assets by the government that is applicable to a future reporting period.

M) Fund Balance Policy

The County has adopted a policy to achieve a minimum level of unassigned fund balance in the General Fund of 10 percent of total appropriations/revenue, with a long-term goal of 15 percent.

N) Estimates

The preparation of basic financial statements in conformity with Generally Accepted Accounting Principals (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O) Reclassifications

Certain prior year balances may have been reclassified in order to conform to current year presentation. These reclassifications had no effect upon reported net position.

NOTE 2 - RESTATEMENT OF NET POSITION

As of July 1, 2020, the County adopted GASB Statement No. 84, *Fiduciary Activities (GASB 84).* GASB 84 enhances consistency and comparability of financial statements by establishing specific criteria for identifying activities that should be reported as fiduciary. It also clarifies whether and how business-type activities should report their fiduciary activities. The requirements of this statement are effective for the FY2020-21 financial statements. In addition, a prior period adjustment was recorded to the Medical System Enterprise Fund and business-type activities to recognize patient credit balances not previously recorded.

Prior balances have been restated as follows (in thousands):

	June 30, 2020, as previously presented	Restatement	June 30, 2020, as restated
Pension Trust Funds:			
VCERA, net position, end of year	$ -	$ 5,914,852	$ 5,914,852
Net position, end of year	28,545	5,914,852	5,943,397
Investment Trust Fund:			
Net position, end of year	1,443,826	101,667	1,545,493
Private-Purpose Trust Funds:			
Public Guardian - net position, end of year	-	4,393	4,393
Public Administrator - net position, end of year	-	2,097	2,097
Net position (deficit), end of year	(148)	6,490	6,342
Custodial Funds:			
External Investment Pool - net position, end of year	-	256,503	256,503
Other Custodial Funds:			
Property Taxes - net position, end of year	-	45,024	45,024
Other - net position, end of year	-	4,276	4,276
Net position, end of year	-	49,300	49,300
Proprietary Funds:			
Medical System Enterprise Fund, accrued liabilities	102,331	15,572	117,903
Medical System Enterprise Fund, net position, end of year	72,648	(15,572)	57,076
Business-type Activities:			
Accrued liabilities	103,056	15,572	118,628
Net position, end of year	313,815	(15,572)	298,243

NOTE 3 - CASH AND INVESTMENTS

The County sponsors an Investment Pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the Investment Pool. The respective funds' shares of the total pool are included in the accompanying basic financial statements under the captions "Cash and investments" and "Restricted cash and investments." Cash and investments managed separately from the Investment Pool include those of the PFA, VCERA, and SRP.

The Investment Pool is comprised of internal and external pool participants. The internal pool participants include the funds and component units of the reporting entity and are reported in the various County funds. The external pool participants include legally separate entities, which are not part of the sponsor's reporting entity. The external investment component of the Investment Pool is reported in the accompanying financial statements in the investment trust fund or external investment pool custodial fund within the fiduciary funds and uses the economic resources measurement focus and accrual basis of accounting.

The County has adopted an Investment Policy Statement (IPS), which complies with the requirements of California Government Code, and serves as the basis for the type of investments, maturity limit, credit rating, and diversification of securities comprising the Investment Pool. The objectives of the IPS are safety of principal, maintenance of liquidity, and earning a competitive rate of return.

Investments permitted by the IPS include obligations of the U.S. Treasury, agencies and instrumentalities, or commercial paper rated A-1 or better by Standard and Poor's Ratings Services (S&P), P-1 by Moody's Investors Service, or F1 or better by Fitch Ratings, Supranationals rated AAA by S&P, bankers' acceptances, repurchase agreements, corporate notes, negotiable certificates of deposit and Yankee certificates of deposit, obligations of the State of California, and obligations of any local agency within California.

Pursuant to Government Code 27130-27137, the Board of Supervisors established the Treasury Oversight Committee (TOC) which monitors and reviews the IPS. The TOC consists of Ventura County officials, representatives from various pool participants, and members of the public.

Total cash and investments, including restricted, at fair value as reported at June 30, 2021, are as follows (in thousands):

Governmental activities	$ 1,232,017
Business-type activities	161,197
Primary government	1,393,214
Component unit	16,065
Total government-wide	1,409,279
Fiduciary funds:	
Pension trust funds	7,825,567
Investment trust fund	1,551,617
Private-purpose trust funds	7,066
Custodial-external investment pool	250,518
Custodial-other custodial funds	22,364
Total cash and investments	$ 11,066,411

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2021, are summarized as follows (in thousands):

	Treasury	Fiscal Agents	Pension Trust	Total
Cash:				
Cash on hand	$ 5	$ 27	$ -	$ 32
Deposits (net outstanding checks)	197,593	23,422	277,412	498,427
Total cash (net outstanding checks)	197,598	23,449	277,412	498,459
Investments:				
In Treasurer's pool	3,019,797	-	-	3,019,797
In pension portfolios	-	-	7,548,155	7,548,155
Total investments	3,019,797	-	7,548,155	10,567,952
Total cash and investments	$ 3,217,395	$ 23,449	$ 7,825,567	$ 11,066,411

Cash

The cash portion of cash and investments includes demand deposits.

At June 30, 2021, the carrying amount of the County's cash was $498,459,000, and the bank balance per various institutions was $562,033,000. Treasury cash of $197,598,000 is net of outstanding checks of $63,574,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, $707,000 is covered by federal depository insurance and $561,326,000 was uninsured. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code (GC) to collateralize the County's deposits by pledging government securities or first trust deed mortgage notes. In accordance with GC 53652, the market value of the pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County's deposits, respectively, as provided for in the County's Contract for Deposit of Monies.

Restricted cash and investments in the amount of $16,176,000 are held in the proprietary funds and include $14,676,000 that is restricted by trust agreements for funding capital projects and debt service. Of this, $14,461,000 is held with fiscal agents and $215,000 is held in the County Treasury. In addition, $1,500,000 is restricted for Health Care Plan tangible net equity deposit and is held in the County Treasury. The $1,500,000 for Health Care Plan is included in cash and cash equivalents on the Statement of Cash Flows.

Investments–Investment Pool (Treasury)

Fair value calculations at fiscal year-end for the Investment Pool are based on market values provided by the County's investment custodian. The net change in fair value from carrying value at June 30, 2021, amounted to a decrease of $5,017,000. The net change in fair value from June 30, 2020 to June 30, 2021, was a decrease of $16,411,000.

The Investment Pool maintains investments in two investment pools regulated by the California Government Code: (1) the State of California Local Agency Investment Fund (LAIF) and (2) CalTRUST. LAIF is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. CalTRUST is a joint powers authority governed by a Board of Trustees of investment officers and policy-makers of the public agency members. At June 30, 2021, the County's investments in LAIF and CalTRUST were $55,000,000 and $25,000,000, respectively. Each investment approximates fair value and is the same as the value of the pool shares, which is determined on a full cost basis.

The County is not registered with the Securities and Exchange Commission as an investment company. No legally binding guarantees have been provided during the period to support the value of shares in the pool. Investment earnings are allocated based on the average daily balance in the Investment Pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received.

As of June 30, 2021, the major classes of the County's investments consisted of the following (in thousands):

	Interest Rate Range	Maturity Date/Range	Cost	Fair Value	Weighted Average Maturity (Years)	Credit Rating (S&P)	Credit Rating (Moody's)	Credit Rating (Fitch)	Percent of Portfolio
Investments in Investment Pool									
U.S. Government Agencies:									
FHLB Bonds	0.320-1.625	11/19/21-8/14/24	$ 210,424	$ 209,951	2.709	AA+	Aaa	NR	6.952%
FHLMC Bonds	0.300-0.410	7/20/23-3/8/24	196,970	196,835	2.316	AA+	Aaa	AAA	6.518%
FNMA Bonds	0.375-0.420	7/7/23-8/24/23	52,625	52,629	2.083	AA+	Aaa	AAA	1.743%
FFCB Bonds	0.190-1.550	10/15/21-1/11/24	44,919	45,043	1.396	AA+	Aaa	AAA	1.492%
Yankee Certificates of Deposits:									
Yankee Certificates of Deposits	0.080-0.370	7/2/21-3/21/22	405,022	405,017	0.308	A-1+	P-1	F1+	13.412%
Yankee Certificates of Deposits	0.100-0.450	7/6/21-1/25/22	270,016	270,049	0.177	A-1	P-1	F1+	8.943%
Yankee Certificates of Deposits	0.090-0.255	7/16/21-2/17/22	50,002	50,000	0.303	A-1	P-1	F1	1.656%
Medium-Term Corporate Notes:									
Corporate Notes	2.100-3.000	10/29/21-4/8/22	99,561	98,788	0.434	A+	Aa3	A	3.271%
Corporate Notes	0.285-3.300	8/13/21-7/30/24	56,955	56,537	1.736	A+	A1	A+	1.872%
Corporate Notes	1.550-2.375	8/8/21-11/15/22	47,100	46,753	0.163	AAA	Aaa	AAA	1.548%
Corporate Notes	1.550-2.400	8/4/21-5/3/23	37,166	37,070	0.424	AA+	Aa1	NR	1.228%
Corporate Notes	0.694-3.625	10/22/21	33,224	32,290	0.312	A+	Aa2	AA-	1.069%
Corporate Notes	1.571-2.566	3/3/22-5/16/23	29,615	29,237	1.125	AA-	Aa2	NR	0.968%
Corporate Notes	2.750	3/15/23	15,674	15,567	1.707	AA	Aa2	AA-	0.515%
Corporate Notes	3.550	8/15/22	12,969	12,739	1.126	A+	A2	NR	0.422%
Corporate Notes	1.800-1.950	1/21/22-1/9/23	12,733	12,719	1.142	AA-	A1	AA-	0.421%
Corporate Notes	1.850	1/27/23	2,578	2,558	1.578	A	A1	AA-	0.085%
Corporate Notes	2.800	7/8/21	2,486	2,457	0.022	BBB+	Baa2	BBB+	0.081%
Corporate Notes	2.050	11/21/22	2,032	2,024	1.395	AA-	Aa3	A+	0.067%
Corporate Notes	2.600	3/7/24	1,782	1,769	2.688	A	A2	A	0.059%
Corporate Notes	2.050-2.450	12/5/21-3/1/23	775	763	0.926	AAA	Aaa	NR	0.025%
Commercial paper:									
Commercial paper	0.110-0.240	7/2/21-1/7/22	241,772	241,903	0.295	A-1+	P-1	F1+	8.011%
Commercial paper	0.090-0.240	7/2/21-12/22/21	209,723	209,916	0.296	A-1+	P-1	F1	6.951%
Commercial paper	0.110-0.210	7/30/21-3/21/22	184,795	184,948	0.226	A-1	P-1	F1+	6.125%
Commercial paper	0.140-0.290	7/30/21-1/18/22	144,786	144,960	0.211	A-1	P-1	F1	4.800%
Commercial paper	0.110-0.150	7/22/21-1/3/22	99,915	99,959	0.312	A-1+	P-1	NR	3.310%
Municipal Bonds:									
Municipal Bonds	0.143-3.000	8/1/21-8/1/24	55,878	55,828	1.938	AAA	Aaa	N/A	1.849%
Municipal Bonds	0.276-5.000	7/1/21-8/1/24	35,298	35,198	1.870	AA	N/A	N/A	1.166%
Municipal Bonds	0.180-0.250	8/30/21-1/31/22	22,692	22,695	0.418	A-1+	N/A	N/A	0.752%
Municipal Bonds	0.163-5.000	8/1/21-8/1/24	10,946	10,933	2.213	AA	Aa2	N/A	0.362%
Municipal Bonds	0.249-5.000	8/1/21-5/15/24	11,076	10,929	1.138	AA-	Aa2	N/A	0.362%
Municipal Bonds	0.279-5.000	8/1/21-4/1/24	9,391	9,373	0.818	AA+	Aa1	N/A	0.310%
Municipal Bonds	0.000-5.000	8/1/21-5/1/24	9,129	9,065	1.180	AA-	N/A	N/A	0.300%
Municipal Bonds	0.417-1.893	8/1/21-6/1/22	8,563	8,642	0.885	AA-	Aa3	N/A	0.286%
Municipal Bonds	0.257-3.000	8/1/21-9/1/23	8,520	8,437	0.713	AA	Aa1	N/A	0.279%
Municipal Bonds	0.339-5.000	8/1/21-1/1/24	4,562	4,534	0.913	AA	A1	N/A	0.150%
Municipal Bonds	0.249-5.000	8/1/21-8/1/23	3,485	3,490	1.481	AA+	N/A	N/A	0.116%
Municipal Bonds	0.179-2.849	8/1/21-8/1/24	2,959	2,955	1.870	AA	Aa3	N/A	0.098%
Municipal Bonds	0.245-0.514	2/1/22-2/1/24	2,625	2,622	1.497	A+	A1	N/A	0.087%
Municipal Bonds	0.223-1.800	8/1/21-5/1/24	2,583	2,580	1.596	AAA	N/A	N/A	0.085%
Municipal Bonds	0.184-0.318	8/1/21-8/1/23	850	850	0.735	AA+	Aa2	N/A	0.028%
Municipal Bonds	1.284-5.000	8/1/21-8/1/23	793	790	0.692	AA-	A1	N/A	0.026%
Municipal Bonds	1.062-3.450	8/1/21-9/1/21	785	777	0.121	AA+	Aaa	N/A	0.026%
Municipal Bonds	0.632-6.420	9/1/22-7/1/24	748	742	2.588	AA	A2	N/A	0.025%
Municipal Bonds	4.000-5.000	11/1/22-9/1/23	602	598	1.891	A+	N/A	N/A	0.020%
Municipal Bonds	5.000	5/15/22	552	537	0.874	A+	Aa3	N/A	0.018%
Municipal Bonds	3.000	8/1/21	510	501	0.088	A+	Aa2	N/A	0.017%
Municipal Bonds	1.853	8/1/21	500	501	0.088	AA-	Aa1	N/A	0.017%
Municipal Bonds	4.000-5.000	8/1/22-10/1/22	317	314	1.172	A	N/A	N/A	0.010%
Municipal Bonds	1.665	3/1/23	154	153	1.668	A	Aa3	N/A	0.005%
Municipal Bonds	5.250	5/1/24	142	142	2.838	AA	A3	N/A	0.005%
Municipal Bonds	0.950	8/1/21	165	165	0.088	AA	NR	N/A	0.005%
LAIF	0.443		55,000	55,000	0.780	NR	NR	N/A	1.821%
CalTRUST	0.209		25,000	25,165	0.870	AA	NR	N/A	0.833%
Supranationals:									
Supranationals	0.250-3.000	7/23/21-3/19/24	273,778	272,093	1.750	AAA	Aaa	AAA	9.010%
Supranationals	1.126	7/20/21	11,592	11,707	0.055	AAA	Aaa	NR	0.388%
Total investments in Investment Pool			$3,024,814	$ 3,019,797					100.000%

The following represents a condensed statement of net position and changes in net position for the pool (internal and external) as of June 30, 2021 (in thousands):

Statement of Net Position	Total
Net position held for pool participants	$ 3,217,395
Equity of internal pool participants	$ 1,374,571
Equity of external pool participants	1,826,759
Equity of discretely presented component unit	16,065
Total equity	$ 3,217,395
Statement of Changes in Net Position	
Net position at July 1, 2020	$ 2,912,633
Increase in investment by pool participants, net	304,762
Net position at June 30, 2021	$ 3,217,395

The Investment Pool includes both voluntary and involuntary participants for whom cash and investments are held by the County Treasurer. The total percentage share of the Investment Pool related to involuntary participants is estimated at 48 percent. Legal provisions require certain special districts to maintain surplus cash in the Investment Pool including public school districts, cemetery districts, recreation and park districts, and the Air Pollution Control District.

Requests for additional information or the separately issued financial statements of the Investment Pool can be addressed to the County Treasurer-Tax Collector, 800 South Victoria Avenue, Ventura, CA 93009-1290.

Investment Policy – Pension Trust

The VCERA, in accordance with state statutes, invests in any form or type of investment, financial instrument, or financial transaction deemed prudent in the informed opinion of the Board. The Board's investment policy allows investment to the entire global fixed income market (maturities 1 to 30 years), including treasury and government agency bonds, corporate debt, mortgages, asset-backed securities, and international and emerging markets. Under GAAP, VCERA investments are presented at fair value and are in the custody of, or controlled by, State Street Bank and Trust, VCERA's custodian.

The SRP adopts an investment policy which emphasizes safety, diversification and yield and follows the “prudent investor rule” as required by the Employment Retirement Income Security Act of 1974. Investments permitted by the policy include fixed income and equity mutual funds. Fair value calculations at fiscal year-end for the SRP are based on market values provided by the SRP’s investment custodian.

Risk Disclosures – Investment Pool

<u>Custodial Credit Risk</u>

Custodial credit risk is the risk that the County will not be able to recover the value of its deposits, investments, and collateral securities that are in possession of an outside party. For deposits, this risk is mitigated through federal depository insurance coverage and collateralization in accordance with California Government Code Section 53652. Information about the composition of insured and uninsured deposits at June 30, 2021, is provided in the section “Cash.” For investments, the County utilizes third-party delivery versus payment to mitigate risk. Further, all securities owned by the County are held by a third-party bank trust department.

<u>Credit Risk</u>

State law and the IPS limit investments in commercial paper to those with the rating of A-1 or better by Standard and Poor’s, P-1 by Moody’s Investors Service or F1 or better by Fitch Ratings. State law and IPS limits investment in medium term notes to a rating of A or better by Standard & Poor’s, A2 or better by Moody’s Investors Service or A or better by Fitch Ratings. State law does not limit investments in Municipal notes, bonds, and other obligations; the IPS limits the long-term ratings to A or higher by Standard and Poor’s, A2 or higher by Moody’s, and A or higher by Fitch Ratings. The County does not have credit limits on government agency securities. Certificates of deposit are required to be insured by the FDIC.

Concentration of Credit Risk

State law and the IPS limit investments in commercial paper to 40 percent of the investment pool and 10 percent of the investment pool per issuer. State law limits investments in medium term notes to 30 percent of the investment pool; the IPS limit is 20 percent of the investment pool. State law and the IPS limit investments in negotiable certificates of deposit to 30 percent of the investment pool. The following is a summary of the concentration of credit risk as a percentage of the Investment Pool's fair value at June 30, 2021:

Investment	Percentage of Investment Pool
National Bank of Kuwait	8.28 %
Oversea-Chinese Bank	7.62 %
Federal Home Loan Bank	6.95 %
Federal Home Loan Mortgage Corporation	6.52 %
Korea Development Bank	6.36 %
Royal Bank of Canada	5.46 %
Toyota Motor Credit Corporation	5.41 %
Cooperatieve Rabobank	5.13 %
Combined Individual Issuers less than 5% of Portfolio:	
Commercial Paper	11.75 %
Medium-Term Corporate Notes	10.53 %
Supranationals	9.40 %
Municipal Bonds	6.40 %
Yankee Certificate of Deposits	4.31 %
U.S. Government Agencies	3.23 %
LAIF	1.82 %
CalTRUST	0.83 %
Total	100.00 %

Interest Rate Risk

Through its IPS, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average maturity of the Investment Pool's holdings to 375 days. At June 30, 2021, the weighted average maturity of the Investment Pool was 322 days.

Risk Disclosures – VCERA

Custodial Credit Risk

VCERA considers investments purchased with a maturity of 12 months or less to be short-term investments. Although not having a policy that specifically addresses the limiting of custodial credit risk, VCERA, in practice, limits custodial credit risk for deposits by maintaining substantially all cash and short-term investments in external investment pools managed by the County of Ventura and State Street Bank and Trust. All other investment securities are held by State Street Bank and Trust in VCERA's name. As of June 30, 2021, VCERA had the following cash and short-term investments (in thousands):

State Street Bank and Trust	$ 274,644
County of Ventura Treasurer's Investment Pool	1,207
Total	$ 275,851

Credit Risk

VCERA requires its overall weighted fixed income holdings to be rated at a minimum AA by Standard & Poor's (S&P), Aa by Moody's, or AA by Fitch Rating. Aggregated amounts by rating category using S&P ratings at June 30, 2021, are as follows (in thousands):

Rating Category	
Separate Holdings	
AAA	$ 120,860
AA	121,910
A	90,768
BBB	176,899
BB	33,944
B	8,066
CCC	3,630
CC	50
D	265
No Rating	120,115
Total Separate Holdings	676,507
Pooled Investments	
AAA	311,323
AA	63,616
A	87,885
BBB	130,461
BB	22,686
B	13,912
CCC	856
CC	2,136
No Rating	3,442
Total Pooled Investments	636,317
Total Portfolio	$ 1,312,824

Note - The Total Portfolio amount does not agree to the Fixed Income amount in the Investment Section of the Statement of Fiduciary Net Position due to one investment classified under "Equities" having fixed income holdings.

Overall, the Plan's fixed income holdings were rated A at June 30, 2021.

Concentration of Credit Risk

VCERA had no single issuer that exceeds 5% of total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5% or more of total fiduciary net position in accordance with GASB Statement No. 67. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements. The VCERA's investment policy does not allow more than 5% of the total portfolio fair value to be invested in any one issuer.

Interest Rate Risk

VCERA has developed a policy to limit the duration of VCERA's fixed income portfolio to ±20% of the broad fixed income market as defined by the Bloomberg Barclays U.S. Aggregate Bond Index and

Bloomberg Barclays Global Aggregate Bond Index. Duration is an investment's exposure to fair value change arising from a change in interest rates, by investment category. Amounts held as of June 30, 2021, are as follows (in thousands):

Category	Amount	Duration (Years)
Treasury	$ 371,766	6.1
Agency	13,006	0.4
Mortgage-Backed	224,139	3.4
Asset-Backed	70,614	1.5
Credit	519,362	4.9
Foreign	81,419	4.1
Other	32,518	0.1
Total	$ 1,312,824	4.6

Notes - The duration of the Bloomberg Barclays Aggregate Bond Index as of June 30, 2021 was 6.7 years. The duration of VCERA's fixed income portfolio at June 30, 2021, was 4.6 years. Also, the Total Portfolio amount does not agree to the Fixed Income amount in the Investment Section of the Statement of Fiduciary Net Position due to one investment classified under "Equities" having fixed income holdings.

Foreign Currency Risk. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. VCERA’s authorized managers are permitted to invest in approved countries or regions, as stated in their respective investment guidelines.

The schedule below represents VCERA's exposure to Foreign Currency Risk in U.S. dollars. VCERA is invested in several non-U.S. commingled funds. This means VCERA owns units of commingled funds, and the fund holds actual securities and/or currencies. The values shown include VCERA's pro rata portion of non-U.S. commingled fund holdings at June 30, 2021 (in thousands):

Currency	Fixed Income	Equities
Australian Dollar	$ 56	$ 61,473
British Pound	(7)	242,290
Canadian Dollar	6,958	107,870
Danish Krone	-	34,022
Euro	422	378,460
Hong Kong Dollar	-	56,150
Japanese Yen	99	222,106
Mexican Peso	2,411	5,345
New Zealand Dollar	-	2,135
Norwegian Krone	-	17,899
South African Rand	-	13,554
Singapore Dollar	-	25,247
South Korean Won	-	48,394
Swedish Krona	-	33,462
Swiss Franc	-	103,296
Other/Emerging Markets	33,375	360,525
Total Securities Subject to Foreign Currency Risk	$ 43,314	$ 1,712,228

Securities Lending. VCERA, under provisions of state statutes, and its investment policy, authorizes State Street Bank and Trust to act as agent in lending VCERA's securities to broker-dealers and other entities in the form of a loan agreement. Borrowers were required to deliver collateral in an amount equal to not less than 100%, and typically 102%, of the fair value of securities borrowed.

As of June 30, 2021, VCERA had no credit risk exposure because the amounts VCERA owed the borrowers exceeded the amounts the borrowers owed VCERA. State Street Bank and Trust indemnified VCERA by agreeing to purchase replacements securities, or return cash collateral, in the event a borrower failed to return a lent security or pay distributions while the security was on loan. VCERA and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested with cash collateral of other qualified tax-exempt plan lenders in a collective investment pool. Because loans were terminable at will, their maturity did not generally match the maturity of the investments made with cash collateral. VCERA cannot pledge or sell collateral securities without borrower default. As of June 30, 2021, VCERA had securities on loan with a fair value of $120.4 million, with collateral of $122.8 million.

VCERA's net securities lending income for the fiscal years ended June 30, 2021, is as follows (in thousands):

Gross Income	$	408
Expenses		
Borrower Rebates		(53)
Management Fees		138
Net Securities Lending Income	$	323

Derivative Financial Instruments. As part of VCERA's investment policy, investment managers are allowed the use of derivatives. Derivatives are financial instruments that derive their value, usefulness, and marketability from an underlying instrument which represents direct ownership of an asset or of an issuer whose payments are based on or "derived" from the performance of an agreed upon benchmark. Values of derivatives change daily. VCERA's managers are required to mark-to-market derivative positions daily. Within VCERA's investment policy, specific guidelines are put forth with investment managers who invest in derivatives. Substitution, risk control, and arbitrage are the only derivative strategies permitted; speculation is prohibited. No contingent features are present. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Gains and losses from derivatives are included in the Statement of Changes in Fiduciary Net Position. For financial reporting purposes, all of VCERA's derivatives are classified as investment derivatives. The following types of derivatives are permitted: futures contracts, currency forward contracts, options, and swaps.

Futures. Futures are financial agreements to buy or sell an underlying asset at a specified future date and price. Futures contracts are standardized contracts traded on organized exchanges and they are marked-to market daily. The futures exchange reduces counterparty credit risk by acting as a central counterparty. It does this by collecting a daily margin payment from one trade participant and crediting it to the other, based on price changes in the underlying asset.

Currency Forwards. A forward contract represents an agreement to buy or sell an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until the settlement or expiration date. A forward contract is a non-standardized contract that is tailored to each specific transaction. Forward contracts are privately negotiated and are intended to be held until the settlement date. Currency forward contracts are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. The following analysis is as of June 30, 2021 (in thousands):

Currency Forwards Analysis

		Currency Forward Contracts			
Currency	Options	Net Receivables	Net Payables	Swap Agreement	Net Exposure
Australian Dollar	$ -	$ -	$ 4	$ -	$ 4
Brazilian Real	-	-	(13)	-	(13)
Canadian Dollar	-	-	6	-	6
Yuan Renminbi Offshore	-	-	(2)	-	(2)
British Pound Sterling	-	-	(4)	-	(4)
Japanese Yen	-	-	3	-	3
Mexican Peso	-	-	(14)	-	(14)
New Russian Ruble	-	-	(81)	-	(81)
Subtotal	-	-	(101)	-	(101)
U.S. Dollar	(122)	-	-	2,106	1,984
Total	$ (122)	$ -	$ (101)	$ 2,106	$ 1,883

Option Contracts. An option is a type of derivative security in which a buyer (purchaser) has the right, not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

Swap Agreements. A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows the counter parties exchange are tied to a "notional" or contract amount. A swap agreement specifies the time period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market, which are functions of general interest rate fluctuations.

The investment derivatives schedule listed below reports the net appreciation (depreciation) in fair value and related fair value amounts as of June 30, 2021, and the notional amounts for derivatives outstanding, classified by derivative type (in thousands).

Derivative Type	Net Appreciation (Depreciation) in Fair Value	Fair Value	Notional Value (Dollars)	Notional Shares (Units)
Credit Default Swaps Bought	$ (64)	$ (1,033)	$ 40,749	$ -
Credit Default Swaps Written	170	180	1,768	-
Fixed Income Futures Long	(10,537)	-	-	429
Fixed Income Futures Short	5,699	-	-	(406)
Foreign Currency Futures Long	691	-	-	7,200
Futures Options Bought	(1,814)	108	-	144
Futures Options Written	1,826	(230)	-	(562)
FX Forwards	(291)	(101)	3,471	-
Index Futures Long	140,461	-	-	148
Index Futures Short	(50,657)	-	-	(24)
Pay Fixed Interest Rate Swaps	3,835	3,211	86,951	-
Receive Fixed Interest Rate Swaps	(975)	(252)	103,756	-
Total	$ 88,344	$ 1,883	$ 236,695	$ 6,929

All investment derivative positions are included as part of investments at fair value on the Statement of Fiduciary Net Position. All changes in fair value are reported as part of Net Appreciation/(Depreciation) in Fair Value of Investments in the Statement of Changes in Fiduciary Net Position.

Counterparty Credit Risk. VCERA is exposed to credit risk on investment derivatives that are traded over-the-counter and are reported in asset positions. Derivatives exposed to credit risk include currency forward contracts and certain swap agreements. To minimize counterparty credit risk exposure, VCERA's investment managers continually monitor credit ratings of counterparties. In addition, collateral provided by the counterparty reduces VCERA's counterparty credit risk exposure. Should there be a counterparty failure, VCERA would be exposed to the loss of the fair value of derivatives that have unrealized gains and any collateral provided to the counterparty, net of applicable netting arrangements. VCERA requires investment managers to have Master Agreements in place to minimize credit risk. Netting arrangements provide VCERA with a legal right of setoff in the event of bankruptcy or default by the counterparty.

The following schedule displays the fair value of investments with each counterpart's S&P, Fitch, and Moody's credit rating by counterparty name alphabetically, as of June 30, 2021 (in thousands):

Counterparty Name	Fair Value	S&P Rating	Fitch Rating	Moody's Rating
BNP Paribas, S.A.	$ 6	A+	A+	Aa3
Citibank N.A.	7	A+	A+	Aa3
Goldman Sachs CME	2,357	BBB+	A	A2
UBS CME	1,578	A+	AA-	Aa3
UBS ICE	180	A+	AA-	Aa3
Total	$ 4,128			

Interest Rate Risk. Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest Rate Swaps is an example of a derivative investment that is highly sensitive to interest rates changes. These investments are disclosed in the following table, not including holdings within commingled structure, as of June 30, 2021 (in thousands):

Derivative Type	Notional Value (Dollar)	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Credit Default Swaps Bought	$ 40,749	$ (1,033)	$ -	$ (1,033)	$ -	$ -
Credit Default Swaps Written	1,768	180	-	180	-	-
Pay Fixed Interest Rate Swaps	86,951	3,211	-	-	204	3,007
Receive Fixed Interest Rate Swaps	103,756	(252)	3	(255)	-	-
Total	$ 233,224	$ 2,106	$ 3	$ (1,108)	$ 204	$ 3,007

Risk Disclosures – SRP

Concentration of Credit Risk

SRP. Investments in mutual funds are excluded from the requirement to disclose concentration of credit risk. As of June 30, 2021, the SRP was not exposed to concentration of credit risk.

The SRP does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The SRP has exposure to interest rate risk by investing $13,798,000, or 39 percent, of its investments in bond mutual funds.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by GASB 72, *Fair Value Measurement and Application*. The County's investments and outside investments by fair value level as of June 30, 2021 include the following (in thousands):

		Fair Value Measurement Using		
Investments in Investment Pool	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments not subject to fair value hierarchy:				
CalTRUST	$ 25,165	$ -	$ -	$ -
LAIF	55,000	-	-	-
Total investments not subject to fair value hierarchy	80,165	-	-	-
Investments subject to fair value hierarchy:				
U.S. Government Agency Bonds	504,458	-	504,458	-
Yankee Certificate of Deposit	725,066	-	725,066	-
Medium Term Corporate Notes	351,271	-	351,271	-
Commercial Paper	881,686	-	881,686	-
Municipal Bonds	193,351	-	193,351	-
Supranational Instruments	283,800	-	283,800	-
Total investments subject to fair value hierarchy	2,939,632	$ -	$ 2,939,632	$ -
Total investments in investment pool	3,019,797			
Investments outside Investment Pool				
Investments by fair value level:				
VCERA Pension Trust:				
Debt Securities:				
Asset Backed Securities	66,323	$ 250	$ 66,073	$ -
Commercial Mortgage-Backed Securities	62,333	-	62,333	-
Corporate and Other Credit	317,963	-	317,963	-
U.S. Government Agency	226,716	88,249	138,467	-
Total Debt Securities	673,335	$ 88,499	$ 584,836	$ -
Equity Securities:				
U.S. Equity	32,205	$ 32,205	$ -	$ -
Limited Partnerships	49,754	49,754	-	-
Preferred Stock	1,073	1,073	-	-
Total Equity Securities	83,032	$ 83,032	$ -	$ -
Collateral from Securities Lending	122,751	$ -	$ 122,751	$ -
SRP Pension Trust:				
Bond Mutual Funds	13,798	$ 1,266	$ 12,532	$ -
Equity Mutual Funds	21,408	1,071	20,337	-
Total SRP Pension Trust	35,206	$ 2,337	$ 32,869	$ -
Total investments subject to fair value hierarchy	914,324			
Investments measured at net asset value (NAV):				
Fixed Income	638,416			
Private Credit	183,030			
Equity				
U.S.	1,900,694			
Non-U.S.	1,096,087			
Global	878,655			
Real Assets	890,799			
Private Equity	1,046,150			
Total investments measured at NAV	6,633,831			
Total investments outside investment pool	7,548,155			
Total investments	$ 10,567,952			
Investment derivative instruments:				
Forward Exchange Contracts	$ (101)	$ (101)	$ -	$ -
Future Options Contracts	(122)	(122)	-	-
Credit Default Swaps	(853)	-	(853)	-
Interest Rate Swaps	2,959	-	2,959	-
Total investment derivative instruments	$ 1,883	$ (223)	$ 2,106	$ -

Investments are recorded at fair value in the statement of net position and are categorized based upon the level of judgment associated with the inputs used to measure their fair value and are classified as follows:

Level 1 were valued using unadjusted, quoted prices for identical assets in active markets.

Level 2 were valued using various pricing models such as matrix pricing technique, option adjusted spread model, and multi-dimensional relational model.

Level 3 were priced manually using various sources such as issuer investment manager, client, default price, and other unobservable inputs.

Deposits and withdrawals in governmental investment pools, such as LAIF and CalTRUST are made on the basis of one dollar and not fair value. Accordingly, the fair value of the County's proportionate share in these types of investments is an uncategorized input not defined as Level 1, Level 2, or Level 3.

NOTE 4 - PROPERTY TAXES

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Property is originally assessed at 100 percent of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII (A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. Annual increases are limited to 2 percent of base year values.

The property tax levy to support general operations of various jurisdictions is limited to one percent of full cash value and is distributed in accordance with statutory formulas. Amounts levied each fiscal year to finance the annual requirements of voter approved debt are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into approximately 2,506 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2020-21, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.576137 per $100 of assessed valuation. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1, and payable in two equal installments: the first is generally due November 1, and delinquent with penalties after December 10; the second is generally due on February 1, and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1, or the date on which title to the property transfers or improvements to the property are completed. Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Resource Allocation Fund (PTRAF), purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the PTRAF records a tax receivable and receives the delinquent secured taxes. The Property Tax Loss Reserve Fund (PTLRF) receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, certain special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the PTRAF. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received prior to fiscal year-end. The balance in the PTRAF is recorded to the General Fund for financial reporting purposes only as of fiscal year-end.

NOTE 5 - RECEIVABLES

Year-end receivables of the County's major, non-major, and proprietary funds, as well as governmental and business-type activities, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

Governmental Funds	General Fund	Roads	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Receivables:							
Accounts	$ 156,770	$ 2,901	$ 3,318	$ 14,360	$ 33,957	$ 4,526	$ 215,832
Interest	192	17	33	44	39	107	432
Gross Receivables	156,962	2,918	3,351	14,404	33,996	4,633	216,264
Loans and other long-term receivables	26,979	-	1,624	-	33,605	97	62,305
Total receivables	$ 183,941	$ 2,918	$ 4,975	$ 14,404	$ 67,601	$ 4,730	$ 278,569

Proprietary Funds	Medical System	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Enterprise Funds and Business-type Activities
Receivables:					
Accounts	$ 586,738	$ 521	$ 6,185	$ 3,241	$ 596,685
Interest	5	6	10	14	35
Other	50	-	-	270	320
Gross Receivables	586,793	527	6,195	3,525	597,040
Less: Allow./Uncollectible Acct	(366,891)	(20)	(19)	-	(366,930)
Total Receivables - fund statements	219,902	507	6,176	3,525	230,110
Loans and other long-term receivables	-	-	-	1,953	1,953
Total receivables	$ 219,902	$ 507	$ 6,176	$ 5,478	$ 232,063

The balance of loans and other long-term receivables at year-end for governmental activities includes Short-Doyle Medi-Cal (SDMC) administration and Cost Settlement recoupment of $17,723,000, SB90 revenue of $6,164,000 and $2,551,000, in the Neighborhood Stabilization Program in the General Fund. Non-major governmental funds had long-term receivables related to SDMC administration and Cost Settlement recoupment of $11,391,000, in the Mental Health Service Act Fund, Housing and Urban Development (HUD) and Home Buyers Assistance Program (HOME) loan receivables in the HUD Grants Fund of approximately $14,462,000, and special assessment receivables of $7,241,000, in County Service Area #34 Fund. Proprietary Funds activities include long-term receivables of $1,953,000 for the Parks Department Fund Service Concession Arrangement.

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):

The composition of interfund balances as of June 30, 2021, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund			
	Roads Fund	$ 9	
	Watershed Protection District	138	
	Fire Protection District	455	
	Non-major Governmental Funds	2,331	
	Medical System	1,008	
	Department of Airports	17	
	Waterworks Districts	12	
	Non-major Enterprise Funds	75	
	Internal Service Funds	1,594	
			$ 5,639
Roads Fund			
	General Fund	22	
	Watershed Protection District	136	
	Internal Service Funds	103	
			261
Watershed Protection District			
	General Fund	388	
	Roads Fund	79	
			467
Fire Protection District			
	General Fund	1,146	
	Internal Service Funds	104	
			1,250
Non-major Governmental Funds			
	General Fund	1,208	
	Medical System	61	
			1,269
Medical System			
	General Fund	204	
	Fire Protection District	5	
	Non-major Governmental Fund	945	
	Non-major Enterprise Funds	3	
	Internal Service Funds	9	
			1,166
Department of Airports			
	General Fund	7	
			7
Waterworks Districts			
	General Fund	13	
			13

Receivable Fund	Payable Fund	Amount	
Non-major Enterprise Funds			
	General Fund	$ 338	
	Internal Service Funds	5	
			$ 343
Internal Service Funds			
	General Fund	5,463	
	Roads Fund	834	
	Watershed Protection District	663	
	Fire Protection District	182	
	Non-major Governmental Funds	388	
	Medical System	1,683	
	Department of Airports	80	
	Waterworks Districts	369	
	Non-major Enterprise Funds	298	
	Internal Service Funds	846	
			10,806
Total Due To/Due From			$ 21,221

The balance of $2,331,000 due to the General Fund from Non-major Governmental Funds includes the reimbursement of capital projects expenditures from the PFA.

The balance of $1,008,000 due to the General Fund from the Medical System is primarily reimbursements of human resource and administrative expenditures due to the Health Care Agency administration division.

The balance of $1,594,000 due to the General Fund from the Internal Service Funds is primarily the short term portion of a cash flow loan to the Transportation Fund and General Insurance reimbursements.

The balance of $1,146,000 due to the Fire Protection District from the General Fund is primarily the transfer of property tax and Proposition 172 revenue.

The balance of $1,208,000 due to Non-major Governmental Funds from the General Fund is primarily grant reimbursements.

The remaining interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include working capital loans that the General Fund expects to collect in the subsequent year.

Advances to/from Other Funds (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Non-major Governmental Fund	$ 8,135
	Medical System	123,000
	Waterworks Districts	1,737
	Internal Service Funds	829
Total Advances		$ 133,701

The General Fund extends long-term advances, when needed, for cash flow purposes to funds outside the General Fund that receive funding on a reimbursement basis. Repayment is expected when available cash is in excess of that needed for operations.

The General Fund has extended long-term advances, interest free, for cash flow purposes, to:

- Todd Road Jail Expansion (TRJ) in the amount of $8,100,000 to provide timely payments to contractors while grant claims are processed by the State. This advance was authorized for up to $17,000,000.
- Workforce Development Fund (WDD) in the amount of $35,000. WDD receives funding after the expenditures have been incurred. This advance was authorized for up to $35,000.
- Medical System in the amount of $123,000,000. The Medical System cash flow shortage is primarily due to the delayed timing of revenue receipts from the State and Federal governments.

Based on available information, these loans are not expected to be repaid by June 30, 2022.

In FY 2009-10, the General Fund extended a loan in the amount of $1,237,000 to the Waterworks Districts for the Piru Wastewater Treatment Plant. In August 2017, the Board approved a restructuring which consolidated the $1,237,000 debt outstanding, along with $500,000 of other short-term borrowing, into one General Fund 10-year loan for up to $2,000,000 payable at the Investment Pool rate with repayment to begin no later than five years of the first loan draw down. The consolidation totaling $1,737,000 occurred in August 2017, and repayment will begin in August 2022.

In May 2017, the Board approved a revolving line of credit for the Transportation Fund not to exceed $3,800,000 for the purpose of replacing Sheriff's Office and Probation Department vehicles. The loan was established with interest at the Investment Pool rate and will be repaid over the useful lives of the vehicles, which is typically three to eight years. The first draw down occurred in May 2017, and at June 30, 2021 the balance stands at $829,000.

Advances are included in the internal balances on the Government-wide Statement of Net Position.

Transfers

Transfers are used to move funding for capital projects, lease payments or debt service, subsidies of various County operations, and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	Roads Fund	$ 1,500	Subsidy for capital projects
	Non-major Governmental Funds	7,434	Transfer funds for scheduled debt service
	Non-major Governmental Funds	738	Subsidy for capital projects
	Non-major Governmental Funds	7,515	Subsidy for operating expenses
	Non-major Governmental Funds	2,257	Health and welfare realignment
	Medical System	26,698	Subsidy for operating expenses
	Medical System	3,409	Tobacco settlement revenues
	Non-major Enterprise Funds	280	Subsidy for capital projects
	Non-major Enterprise Funds	1,220	Subsidy for operating expenses
	Internal Service Funds	1,706	Subsidy for capital asset purchase
	Internal Service Funds	1,019	Subsidy for capital projects
	Internal Service Funds	95	Subsidy for operating expenses
		53,871	
Roads Fund	Internal Service Funds	601	Subsidy for capital asset purchase
		601	
Watershed Protection District	Internal Service Funds	504	Subsidy for capital asset purchase
		504	
Non-major Governmental Funds	General Fund	884	Transfer of HUD and Home grant funding
	Non-major Governmental Funds	132	Transfer funds for scheduled debt service
	Medical System	1	Transfer of investment earnings
	Waterworks Districts	19	Transfer of investment earnings
	Internal Service Funds	78	Subsidy for capital asset purchase
		1,114	
Waterworks Districts	Internal Service Funds	427	Subsidy for capital asset purchase
		427	
Non-major Enterprise Funds	General Fund	39	Subsidy for operating expenses
	Internal Service Funds	14	Subsidy for capital asset purchase
		53	
Internal Service Funds	General Fund	100	Subsidy for operating expenses
		100	
Total		$ 56,670	

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows (in thousands):

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Capital assets, nondepreciable:				
Land	$ 52,157	$ 931	$ -	$ 53,088
Easements	200,314	137	-	200,451
Construction in progress	95,013	60,010	43,142	111,881
Total capital assets, nondepreciable	347,484	61,078	43,142	365,420
Capital assets, depreciable/amortizable:				
Land improvements	53,722	1,354	-	55,076
Structures and improvements	582,252	12,771	-	595,023
Equipment	123,281	24,641	3,527	144,395
Vehicles	118,185	9,917	5,158	122,944
Software	102,951	4,575	3,435	104,091
Infrastructure	585,112	19,829	-	604,941
Total capital assets, depreciable/amortizable	1,565,503	73,087	12,120	1,626,470
Less accumulated depreciation/amortization for:				
Land improvements	12,735	1,768	-	14,503
Structures and improvements	263,047	16,130	-	279,177
Equipment	81,774	8,540	3,414	86,900
Vehicles	67,587	7,558	4,460	70,685
Software	71,838	8,698	3,400	77,136
Infrastructure	147,847	6,200	-	154,047
Total accumulated depreciation/amortization	644,828	48,894	11,274	682,448
Total capital assets, depreciable/amortizable, net	920,675	24,193	846	944,022
Governmental activities capital assets, net	$ 1,268,159	$ 85,271	$ 43,988	$ 1,309,442
Business-type Activities (Enterprise):				
Medical System:				
Capital assets, nondepreciable:				
Land	$ 2,054	$ -	$ -	$ 2,054
Construction in progress	9,578	5,204	116	14,666
Total capital assets, nondepreciable	11,632	5,204	116	16,720
Capital assets, depreciable/amortizable:				
Land improvements	23	-	23	-
Structures and improvements	471,417	705	-	472,122
Equipment	78,754	2,827	60	81,521
Software	45,575	715	-	46,290
Total capital assets, depreciable/amortizable	595,769	4,247	83	599,933
Less accumulated depreciation/amortization for:				
Land improvements	23	-	23	-
Structures and improvements	89,533	12,295	-	101,828
Equipment	53,438	5,553	49	58,942
Software	44,691	1,136	-	45,827
Total accumulated depreciation/amortization	187,685	18,984	72	206,597
Total capital assets, depreciable/amortizable, net	408,084	(14,737)	11	393,336
Medical System capital assets, net	$ 419,716	$ (9,533)	$ 127	$ 410,056

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Department of Airports:				
Capital assets, nondepreciable:				
Land	$ 9,362	$ -	$ -	$ 9,362
Easements	849	-	-	849
Construction in progress	7,717	6,155	-	13,872
Total capital assets, nondepreciable	17,928	6,155	-	24,083
Capital assets, depreciable/amortizable:				
Land improvements	50,921	-	-	50,921
Structures and improvements	18,399	-	-	18,399
Equipment	1,208	47	-	1,255
Vehicles	990	-	-	990
Total capital assets, depreciable/amortizable	71,518	47	-	71,565
Less accumulated depreciation/amortization for:				
Land improvements	30,423	1,906	-	32,329
Structures and improvements	14,988	338	-	15,326
Equipment	902	55	-	957
Vehicles	814	63	-	877
Total accumulated depreciation/amortization	47,127	2,362	-	49,489
Total capital assets, depreciable/amortizable, net	24,391	(2,315)	-	22,076
Department of Airports capital assets, net	$ 42,319	$ 3,840	$ -	$ 46,159
Waterworks Districts:				
Capital assets, nondepreciable:				
Land	$ 2,490	$ -	$ -	$ 2,490
Easements	326	-	-	326
Construction in progress	6,987	2,842	-	9,829
Total capital assets, nondepreciable	9,803	2,842	-	12,645
Capital assets, depreciable/amortizable:				
Land improvements	2,074	-	-	2,074
Structures and improvements	149,143	3,060	-	152,203
Equipment	2,980	32	-	3,012
Vehicles	93	-	-	93
Software	87	-	-	87
Total capital assets, depreciable/amortizable	154,377	3,092	-	157,469
Less accumulated depreciation/amortization for:				
Land improvements	542	42	-	584
Structures and improvements	47,958	2,773	-	50,731
Equipment	2,082	105	-	2,187
Vehicles	90	2	-	92
Software	31	8	-	39
Total accumulated depreciation/amortization	50,703	2,930	-	53,633
Total capital assets, depreciable/amortizable, net	103,674	162	-	103,836
Waterworks Districts capital assets, net	$ 113,477	$ 3,004	$ -	$ 116,481

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Non-major Enterprise Funds:				
Capital assets, nondepreciable:				
Land	$ 9,052	$ -	$ -	$ 9,052
Easements	122	-	-	122
Construction in progress	2,094	168	-	2,262
Total capital assets, nondepreciable	11,268	168	-	11,436
Capital assets, depreciable/amortizable:				
Land improvements	31,348	43	-	31,391
Structures and improvements	38,002	-	-	38,002
Equipment	2,372	57	154	2,275
Software	6,748	189	-	6,937
Total capital assets, depreciable/amortizable	78,470	289	154	78,605
Less accumulated depreciation/amortization for:				
Land improvements	21,641	961	-	22,602
Structures and improvements	20,760	840	-	21,600
Equipment	1,973	115	144	1,944
Software	6,107	359	-	6,466
Total accumulated depreciation/amortization	50,481	2,275	144	52,612
Total capital assets, depreciable/amortizable, net	27,989	(1,986)	10	25,993
Non-major Enterprise Funds capital assets, net	$ 39,257	$ (1,818)	$ 10	$ 37,429
Business-type Activities (Enterprise) Totals:				
Capital assets, nondepreciable:				
Land	$ 22,958	$ -	$ -	$ 22,958
Easements	1,297	-	-	1,297
Construction in progress	26,376	14,369	116	40,629
Total capital assets, nondepreciable	50,631	14,369	116	64,884
Capital assets, depreciable/amortizable:				
Land improvements	84,366	43	23	84,386
Structures and improvements	676,961	3,765	-	680,726
Equipment	85,314	2,963	214	88,063
Vehicles	1,083	-	-	1,083
Software	52,410	904	-	53,314
Total capital assets, depreciable/amortizable	900,134	7,675	237	907,572
Less accumulated depreciation/amortization for:				
Land improvements	52,629	2,909	23	55,515
Structures and improvements	173,239	16,246	-	189,485
Equipment	58,395	5,828	193	64,030
Vehicles	904	65	-	969
Software	50,829	1,503	-	52,332
Total accumulated depreciation/amortization	335,996	26,551	216	362,331
Total capital assets, depreciable/amortizable, net	564,138	(18,876)	21	545,241
Business-type activities capital assets, net	$ 614,769	$ (4,507)	$ 137	$ 610,125

Depreciation/amortization

Depreciation/amortization expense was charged to governmental functions as follows (in thousands):

General government general administration		$ 9,876
Public protection:		
Judicial	$ 732	
Police protection	2,079	
Detention and correction	4,812	
Fire protection	6,839	
Flood control and soil and water conservation	4,091	
Protective inspection	36	
Other	1,693	
Total public protection		20,282
Public ways and facilities		2,492
Health and sanitation services		991
Public assistance		1,148
Education		276
Recreation and cultural services		5
Capital assets held by the internal service funds		13,824
Total depreciation/amortization expense - governmental activities		$ 48,894

Depreciation/amortization expense was charged to the business-type activities as follows (in thousands):

Medical System	$ 18,984
Department of Airports	2,362
Waterworks Districts	2,930
Parks Department	1,030
Channel Islands Harbor	838
Health Care Plan	371
Oak View District	36
Total depreciation/amortization expense - business-type activities	$ 26,551

Construction in Progress and Capital Projects Commitments

Construction in progress for governmental activities represents work being performed in Government projects, Fire Protection District projects, Infrastructure, Watershed Protection District projects, Todd Road Jail project, and a number of smaller projects. Construction in progress for the business-type activities represents work being performed in the Medical System, Waterworks District projects, Airport projects, and Harbor Department projects.

Construction in progress and capital projects commitments as of June 30, 2021, are as follows (in thousands):

	Construction in Progress	Additional Committed Funds
Governmental activities	$ 111,881	$ 55,581
Business-type activities:		
Medical System	$ 14,666	$ 2,819
Department of Airports	13,872	59
Waterworks Districts	9,829	3,306
Parks Department	433	-
Channel Islands Harbor	1,325	-
Ventura County Health Care Plan	504	-
Total business-type activities	$ 40,629	$ 6,184

Long-term commitments for infrastructure construction contracts totaled $1,620,761 (principally for road and flood control projects) at June 30, 2021.

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities at year-end of the County's major, non-major, and internal service funds in the aggregate are as follows (in thousands):

Governmental Funds	General Fund	Roads	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Accrued liabilities:							
Accrued salaries, benefits, and other payroll liabilities	$ 33,432	$ -	$ -	$ 6,756	$ 2,818	$ 5,325	$ 48,331
Audit disallowances:							
Alcohol and Drug Program	1,116	-	-	-	-	-	1,116
Mental Health Short Doyle	30,734	-	-	-	2,100	-	32,834
Public assistance benefits payable	8,135	-	-	-	-	-	8,135
Civil judgments and holdings	2,191	-	-	-	-	-	2,191
Thomas Fire Debris Removal Program	11,250	-	-	-	-	-	11,250
Building Homes and Jobs Act	3,858	-	-	-	-	-	3,858
Emergency Rental Assistance Programs	8,299	-	-	-	-	-	8,299
Clearing and other liabilities	6,223	1,717	1,847	-	227	5	10,019
Total accrued liabilities	$ 105,238	$ 1,717	$ 1,847	$ 6,756	$ 5,145	$ 5,330	$ 126,033

Proprietary Funds	Medical System	Department of Airports	Non-major Enterprise Funds	Total Business-type Activities
Accrued liabilities:				
Accrued salaries and benefits	$ 9,673	$ 159	$ 611	$ 10,443
Medicare, Medi-Cal, and SB1100 reserves	58,778	-	-	58,778
Accounts receivable credit balances	15,572	-	-	15,572
Clinic liabilities	1,973	-	-	1,973
Catastrophic claims liability	-	-	1,200	1,200
Total accrued liabilities	$ 85,996	$ 159	$ 1,811	$ 87,966

NOTE 9 - LEASES

Operating Leases as Lessee

The County is committed under various noncancelable operating leases (principally in the General Fund for governmental activities and Medical System for business-type activities). Future minimum operating lease commitments are as follows (in thousands):

Year ending June 30:	Governmental Activities	Business-type Activities
2022	$ 8,173	$ 4,397
2023	6,740	4,263
2024	6,031	3,241
2025	5,009	1,860
2026	3,257	1,320
2027-2031	4,523	393
2032-2036	657	-
2037-2041	277	-
Total minimum payments required	$ 34,667	$ 15,474

Rental expense for County-wide operating leases was approximately $39,448,000 for the year ended June 30, 2021.

Operating Leases as Lessor

The Channel Islands Harbor, Parks Department, and Department of Airports enterprise funds lease properties to others under operating leases with terms of up to 85 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2021 (in thousands):

Year ending June 30:	Amount
2022	$ 8,508
2023	8,119
2024	7,382
2025	6,526
2026	6,399
2027-2031	28,880
2032-2036	24,896
2037-2041	21,438
2042-2046	19,684
2047-2051	12,952
2052-2056	9,120
2057-2061	5,321
2062-2066	3,065
2067-2071	3,018
2072-2076	2,463
2077-2081	1,476
2082-2086	1,476
2087-2091	1,476
2092-2096	1,476
2097-2101	1,033
Total	$ 174,708

Contingent rental revenues under operating leases are based on percentages of lease sales and totaled approximately $2,602,000 for the year ended June 30, 2021.

Capital Leases

The County has entered into capital lease agreements under which the present value of the minimum lease payments required under the lease is at least 90 percent of the fair value of the assets at the inception of the lease. There were no capital leases in the governmental activities.

The following is a schedule of property leased under capital lease by major class in the business-type activities at June 30, 2021 (in thousands):

	Business-type Activities
Equipment	$ 39,144
Less: Accumulated amortization	(21,498)
Total net of amortization	$ 17,646

As of June 30, 2021, capital lease annual amortization in the business-type activities is as follows (in thousands):

Year ending June 30:	Business-type Activities
2022	$ 7,152
2023	1,585
2024	452
2025	178
2026	8
Total requirements	9,375
Less: amount representing interest	(206)
Present value of remaining payments	$ 9,169

NOTE 10 - LONG-TERM LIABILITIES

Long-term obligations of the County consist of lease revenue bonds, certificates of participation, revolving credit agreement notes, loans payable, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further in Note 9.

Lease revenue bonds (LRB), certificates of participation (COPs), and revolving credit agreement notes (RCA) are obligations of a joint powers authority, the Ventura County Public Finance Authority (PFA), based on lease agreements and are paid by lease payments from County departments/funds for use of the facilities or equipment constructed or purchased from the debt proceeds.

Changes in long-term obligations for the year ended June 30, 2021, are as follows (in thousands):

Type of indebtedness/liabilities	Outstanding July 1, 2020	Additions and Transfers	Reductions and Transfers	Outstanding June 30, 2021	Amount Due Within One Year
Governmental Activities:					
Lease Revenue Bonds:					
Governmental Funds	$ 22,573	$ -	$ 2,710	$ 19,863	$ 2,796
Unamortized Premium Governmental Funds	2,218	-	347	1,871	332
Internal Service Funds	3,825	-	1,074	2,751	836
Total Lease Revenue Bonds	28,616	-	4,131	24,485	3,964
Revolving Credit Agreement Notes from Direct Borrowings:					
Governmental Funds	21,740	4,975	3,697	23,018	4,330
Internal Service Funds	1,605	-	208	1,397	209
Total Revolving Credit Agreement Notes from Direct Borrowings	23,345	4,975	3,905	24,415	4,539
Loans from Direct Borrowings:					
Governmental Funds	7,513	-	302	7,211	308
Total Loans from Direct Borrowings	7,513	-	302	7,211	308
Other Liabilities:					
Compensated Absences Liability	83,810	53,240	42,959	94,091	45,743
Net Pension Liabilities (VCERA and SRP)	587,626	306,324	201,386	692,564	-
Medical Malpractice (General Fund)	780	-	93	687	-
Total Pension Liability (Mgmt. Retiree Health Benefit)	14,326	1,904	1,637	14,593	1,710
Net Other Postemployment Benefits (OPEB) Liability	103,136	61,936	3,767	161,305	-
Total OPEB Liability (Subsidized Retiree Health Plan)	28,563	6,928	2,234	33,257	2,411
Claims Liabilities (General Insurance and Employee Benefit Insurance)	187,788	46,669	32,432	202,025	45,866
Other Long-term Liabilities (General Fund and Information Technology Services)	15,660	2,598	7,393	10,865	2,979
Total Other Liabilities	1,021,689	479,599	291,901	1,209,387	98,709
Total Governmental Activities	$ 1,081,163	$ 484,574	$ 300,239	$ 1,265,498	$ 107,520
Business-type Activities:					
Lease Revenue Bonds	$ 308,068	$ -	$ 11,392	$ 296,676	$ 11,093
Unamortized Premium	3,635	-	706	2,929	637
Total Lease Revenue Bonds	311,703	-	12,098	299,605	11,730
Certificates of Participation from Direct Placements	2,599	-	2,599	-	-
Revolving Credit Agreement Notes from Direct Borrowings	2,455	2,525	295	4,685	661
Loans from Direct Borrowings	4,213	-	252	3,961	256
Capital Lease Obligations from Direct Borrowings	16,786	146	7,763	9,169	6,987
Other Liabilities:					
Compensated Absences Liability	12,186	9,788	7,290	14,684	7,936
Net Pension Liabilities (VCERA and SRP)	75,220	52,302	25,392	102,130	-
Medical Malpractice (Medical System)	2,494	373	330	2,537	-
Claims Liabilities (Health Care Plan)	7,322	63,282	60,699	9,905	9,905
Other Long-term Liabilities (Medical System and Health Care Plan)	712	20,200	304	20,608	10,372
Total Other Liabilities	97,934	145,945	94,015	149,864	28,213
Total Business-type Activities	$ 435,690	$ 148,616	$ 117,022	$ 467,284	$ 47,847

Lease Revenue Bonds

The PFA issues lease revenue bonds that are marketed to investors. The proceeds of the bonds are used to finance the costs of acquisition, installation and construction of capital projects. Under site leases, the PFA leases certain property from the County, and the PFA leases the property back to the County in consideration for lease payments. The PFA has assigned without recourse all of its rights to receive the lease payments to a trustee. The bonds are secured by the lease revenues and all amounts on deposit with the trustee from the lease payments paid by the County. Revenues from the lease payments are used to pay interest and principal of the bonds as they become due. If the County fails to make the lease payments, then the PFA has the right to re-lease the property. However, in no event shall the PFA have the right to accelerate any lease payments.

On December 19, 2013, the PFA issued $34,100,000 of Lease Revenue Bonds (LRB 2013B) used to prefund the 2003 COPs and finance the acquisition of an office building located at 1911 Williams Drive, Oxnard, California. The bonds were issued for governmental activities. Interest is payable semiannually with remaining coupon rates ranging between 4.00 percent and 5.00 percent. The bonds mature serially each year through November 2027. The LRB 2013B outstanding balance at June 30, 2021 was $14,910,000, excluding unamortized premium.

On July 6, 2016, the PFA issued $40,880,000 of Lease Revenue Refunding Bonds (LRRB 2016A) used to advance refund PFA III COPs. The bonds were issued for both governmental and business-type activities. Interest is payable semiannually with remaining coupon rates ranging between 3.00 percent and 5.00 percent. The bonds mature serially each year through November 2029. The LRRB 2016A outstanding balance at June 30, 2021 was $27,875,000, excluding unamortized premium.

On June 11, 2020, the PFA issued $287,105,000 of Lease Revenue Refunding Bonds (LRRB 2020A) used to advance refund LRBs Series 2013A. The bonds were issued for governmental and business-type activities. Interest is payable semiannually with remaining coupon rates ranging between 0.70 percent and 3.24 percent. The bonds mature serially each year through November 2043. The LRRB 2020A outstanding balance at June 30, 2021 was $276,505,000.

Certificate of Participation from Direct Placements

On December 1, 2013, the PFA entered into a purchase agreement with the Ventura County Waterworks District No. 19 (WW19) pursuant to which the WW19 sold the Ventura County Waterworks District No. 19 Water Infrastructure Project to the PFA and the PFA entered into an installment sale agreement pursuant to which the PFA agreed to sell the Project to the WW19 in consideration for which the WW19 has agreed to make certain installment payments. The PFA then assigned to the County of Ventura Treasurer-Tax Collector, as Trust Administrator, certain of its rights, title, and interest in and to the installment sale agreement including its right to receive installment payments thereunder.

On January 22, 2014, the United States Department of Agriculture, Rural Development (USDA) agreed to purchase COPs in an aggregate amount not to exceed $5,000,000 evidencing the right to receive installment payments made to the PFA pursuant to the Installment Sale Agreement dated December 1, 2013, between the PFA and the WW19. During the life of the project, the USDA had purchased COPs of $2,997,000. The COPs were issued for business-type activities.

On April 20, 2021, the Ventura County Board of Supervisors approved a loan to the WW19 from the RCA in the amount of $2,525,000 with a term of 23 years to enable the WW19 to refinance its existing USDA COPs.

On May 7, 2021, the WW19 USDA COPs were paid in full using $2,525,000 in proceeds from a loan under the RCA. This released the WW19 from all future obligations of debt on the WW19 USDA COPs.

Revolving Credit Agreement Notes from Direct Borrowing

On February 22, 2018, PFA entered into a revolving credit agreement with Wells Fargo Bank, National Association to issue up to $51,000,000 of RCA and issued $23,400,000 to currently refund all outstanding and maturing tax-exempt commercial paper related to governmental and business-type activities. The County may issue additional notes, such that the aggregate principal amount of the notes does not exceed $51,000,000, for acquisition of or improvements of capital projects. In fiscal year 2021, an additional $7,500,000 of RCA was issued and used to fund governmental activities related to an upgrade of the Ventura County Human Resources / Payroll System, the development of the Property Tax Assessment and Collection System software and the refinancing of the business-type activities WW19 USDA COPs.

The revolving credit agreement contains certain covenants of the County including but not limited to providing annual audited financial statements of the County and the current budget for the County which includes sufficient appropriations for the lease payments, maintaining certain insurance coverage on the properties included under the lease, providing notifications of any new significant debt issued by the County, and notification of any material events that could impact the ability of the County to perform its obligations under the agreement. Failure of the County to comply with the debt covenants could result in an event of default and all principal and accrued interest becoming immediately due and payable.

The RCA initially matured on February 19, 2021. On February 19, 2021, the RCA notes were renegotiated to mature on February 16, 2024 with interest payable monthly. The RCAs have a variable interest rate calculated monthly as 80 percent of LIBOR index plus a spread, based on the County's then current credit rating. The RCA outstanding balance at June 30, 2021 was $29,100,000 with a current interest rate of 0.52 percent and an unused balance of $21,900,000. The maturity date and any extended maturity date of the notes may be extended by mutual agreement of the County and Wells Fargo. The intent is to extend the maturity date of the notes.

Loans from Direct Borrowings

On March 21, 2003, the County and the California State Water Resources Control Board (SWRCB) entered a direct borrowing project finance agreement that funded $1,363,000 for an upgrade to the Camarillo Airport Wastewater Collection System. The finance agreement was issued for business-type activities. The Camarillo Utility Enterprise Sanitation Fund (CUE) has pledged net revenues to repay the finance agreement. Principal and interest at 2.40 percent are payable annually through June 2023 and are payable solely from the net revenues of the CUE. The total principal and interest remaining to be paid on the finance agreement at June 30, 2021 was $176,000, including a $170,000 principal balance. Principal and interest paid for the current year and total CUE's net revenues were $88,000 and $78,000 respectively. Available prior year net revenues from the CUE fund balance was used to cover the difference between current year net revenues and principal and interest paid in the current year.

On June 9, 2008, the County and the SWRCB entered a direct borrowing project finance agreement, subsequently amended, that funded $6,599,000 towards phase 5A of the El Rio Sewer System project. The finance agreement was issued for governmental activities. The purchase agreement contains a covenant to establish a connection fee reserve fund and pledges all service connection fees collected by the County Service Area #34 (CSA 34) be deposited in the reserve fund to be used to pay the finance agreement installment payments, with excess monies held in the reserve to pay future installments. Principal and interest at 2.60 percent are payable annually through June 2040 and are payable from the reserve fund. The total principal and interest remaining to be paid on the finance agreement at June 30, 2021 is $6,151,000, including a $4,806,000 principal balance. Principal and interest paid for the current year and service connection fees were $324,000 and $434,000 respectively. The reserve fund balance for future installment payments of the finance agreement at June 30, 2021 was $1,743,000.

On June 3, 2009, the County of Ventura Waterworks District No. 16 (WW16) and the SWRCB entered a direct borrowing project finance agreement that funded $5,399,000 towards an upgrade and expansion of the Piru wastewater treatment plant. The finance agreement was issued for business-type activities. WW16 has pledged net revenues to repay the finance agreement. Principal and interest at 1.00 percent are payable annually through July 2040 and are payable solely from WW16's net revenues. The total principal and interest remaining to be paid on the finance agreement at June 30, 2021 was $4,201,000, including a $3,791,000 principal balance. Principal and interest paid for the current year and total WW16 net revenues were $210,000 and $528,000 respectively.

On September 30, 2009, the County and the SWRCB entered a direct borrowing project finance agreement, subsequently amended, that funded $3,463,000 towards phases 5B, 5C and 5D of the El Rio Sewer System project. The finance agreement was issued for governmental activities. The CSA 34 has pledged net revenues to repay the finance agreement. Principal and interest at 1.0 percent are payable annually through June 2041 and are payable solely from the CSA 34's net revenues. The total principal and interest remaining to be paid on the finance agreement at June 30, 2021 was $2,666,000, including a $2,405,000 principal balance. Principal and interest paid for the current year and total net revenues were $133,000 and $65,000 respectively. The purchase agreement also contains a provision that requires the County to maintain a reserve fund equal to one year's debt service for the term of the financing. The reserve balance at June 30, 2021 was $133,000.

Debt service requirements at June 30, 2021 are as follows:

Governmental Activities

Year Ending June 30:	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Revolving Credit Agreement Notes from Direct Borrowings Principal	Revolving Credit Agreement Notes from Direct Borrowings Interest	Loans from Direct Borrowings Principal	Loans from Direct Borrowings Interest
2022	$ 3,632	$ 828	$ 4,539	$ 117	$ 308	$ 149
2023	3,644	697	4,560	95	314	143
2024	3,764	559	15,316	46	321	136
2025	3,574	414	-	-	327	130
2026	2,730	281	-	-	334	123
2027-2031	5,270	209	-	-	1,776	509
2032-2036	-	-	-	-	1,969	316
2037-2041	-	-	-	-	1,862	100
Total requirements	22,614	$ 2,988	$ 24,415	$ 258	$ 7,211	$ 1,606
Unamortized bond premium	1,871					
Total	$ 24,485					

Business-Type Activities

Year Ending June 30:	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Revolving Credit Agreement Notes from Direct Borrowings Principal	Revolving Credit Agreement Notes from Direct Borrowings Interest	Loans from Direct Borrowings Principal	Loans from Direct Borrowings Interest
2022	$ 11,093	$ 7,642	$ 661	$ 22	$ 256	$ 42
2023	11,401	7,449	440	19	260	38
2024	11,621	7,234	3,584	11	176	34
2025	12,186	6,993	-	-	177	33
2026	12,600	6,731	-	-	179	31
2027-2031	66,335	28,975	-	-	923	127
2032-2036	61,195	21,298	-	-	970	80
2037-2041	70,415	12,085	-	-	1,020	31
2042-2045	39,830	1,709	-	-	-	-
Total requirements	296,676	$ 100,116	$ 4,685	$ 52	$ 3,961	$ 416
Unamortized bond premium	2,929					
Total	$ 299,605					

Other Liabilities

Other liabilities include compensated absences, the net pension liability, the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Medical System, the total pension liability relating to the Management Retiree Health Benefit, the net other postemployment benefits (OPEB) obligation, the total OPEB liability for the subsidized retiree health plan, claims liabilities relating to the self-insurance of certain risks in the General Insurance and Employee Benefit Insurance Internal Service Funds, and the Health Care Plan, and other long-term liabilities. Other long-term liabilities includes the Medical System's $20,014,000 accelerated and advance payment from the Center for Medicare and Medicaid Services (CMS), Expanded Accelerated and Advance Payments Program (APP). The payments were received September 15, 2020 to ease the financial strain due to the disruption of claims submission and processing related to the COVID-19 pandemic. The repayment process will begin automatically in September 2021 with CMS reducing the monthly Medicare payments otherwise due to the Medical System by 25 percent for 11 months, followed by a reduction of 50 percent during the succeeding six months. If an APP balance remains at that time, a letter will be issued for the balance due, which will accrue interest at 4 percent until paid. Governmental activities other liabilities are typically liquidated in the General Fund, and certain special revenue funds, other non-major governmental, and internal service funds.

Legal Debt Limit

The County’s legal annual debt limit as of June 30, 2021, is approximately $1,889,347,000. The County’s legal debt limit is set by statute at 1.25 percent of total assessed valuation. The general obligation bonded debt per capita is $0.00.

Prior Year Defeasance of Long-Term Debt

On June 11, 2020, the County defeased the LRB 2013A by placing proceeds of the refunding bonds along with the monies from the original issue in an irrevocable trust to provide for all future debt service payments on the LRB 2013A. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the County's financial statements. At June 30, 2021, $260,400,000 of the LRB 2013A were defeased and remain outstanding.

Arbitrage

The Internal Revenue Code of 1986, Sections 103 and 141 through 150, restricts the amount of interest earnings an issuer of tax-exempt issuances can earn on the proceeds. The interest earnings rate cannot exceed the yield on the tax-exempt debt.

Management believes that as of June 30, 2021, there is no arbitrage liability. The activities of tax-exempt debt issues will continue to be monitored and appropriate analysis made to determine any future obligations.

NOTE 11 - SERVICE CONCESSION ARRANGEMENTS (SCA)

The County has determined that the following arrangements meet the criteria set forth in GASB Statement No. 60 (GASB 60), where the County is the transferor and therefore included these SCAs in the County's financial statements.

Rustic Canyon Golf Course

Effective May 1, 2001, the County entered into a 50-year lease agreement (having options for two successive 10-year extensions) with Happy Camp Canyon, LLC (Happy Camp), under which Happy Camp will develop, operate, and maintain a regulation, high quality, fully public 18-hole golf course, clubhouse, pro shop, food and beverage facility, cart storage structure(s), maintenance equipment storage structure(s), and supporting infrastructures. Happy Camp will invest a minimum of $5,000,000 in real property improvements. Rates and charges to patrons shall be reasonable, competitive, and comparable to rates and charges at other comparable public golf courses in Ventura and Los Angeles Counties. The County has approval rights over the rules and regulations schedule, the operating schedule, and the prices. The agreement provides for base minimum rents which are considered installment payments under GASB 60 and percentage rents which are not. Minimum base rent terms are: Year 1, $60,000; Year 2, $130,000; Years 3-5, $250,000 (less $125,000 water credit); and Years 6-50, minimum annual rent is adjusted every 5 years to an amount equal to 80 percent of the average of the total yearly rent (minimum rent and percentage rent) for the previous 5 years, provided it shall not be less than $250,000 per year adjusted by the Consumer Price Index; less $125,000 water credit. It is reasonable to assume that those conditions will be met during the term of the agreement, therefore reductions to the base minimum rent installment payments have been made accordingly. At the end of the lease, all lessee owned improvements, except personal property, shall remain on the property and thereafter be owned by the County.

Steckel Park – Ventura Ranch KOA

Effective October 1, 2009, the County entered into a 14-year, 9 month lease agreement with Ventura Ranch Resort, LLC (Ventura Ranch KOA) (having one option for an additional 15 years, and two additional 10-year options, each contingent on the lessee's completion of additional capital improvements), under which Ventura Ranch KOA will improve, operate, and maintain the Steckel Recreation Vehicle Campground. The first investment commitment of $1,000,000, which triggers GASB 60, will extend the lease term of 15 years to June 30, 2039, and is presumed to be exercised. Ventura Ranch KOA may use a rate management system that is commonly accepted and applies hospitality industry experience and practices and accounts for market conditions, capital expenditure, available amenities, and level of service. The County has approval rights over the rules and regulations schedule and the operating schedule. The agreement provides for base minimum rents which are considered installment payments under GASB 60 and percentage rents which are not. Minimum base rent terms are: Years 1-5, $45,000, and Years 6 through the end of the term, minimum annual rent is adjusted every 5 years to an amount equal to 80 percent of the average of the total yearly rent (minimum rent and percentage rent) for the previous 5 years. At the end of the lease, all lessee owned improvements, except personal property, shall remain on the property and thereafter be owned by the County.

Capital asset balances and related accumulated depreciation for each SCA for the year ended June 30, 2021 are as follows (in thousands):

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Rustic Canyon Golf Course:				
Capital assets, depreciable/amortizable:				
Land improvements	$ 6,321	$ 33	$ -	$ 6,354
Structures and improvements	1,724	-	-	1,724
Total capital assets, depreciable/amortizable	8,045	33	-	8,078
Less accumulated depreciation/amortization for:				
Land improvements	6,322	2	-	6,324
Structures and improvements	977	58	-	1,035
Total accumulated depreciation/amortization	7,299	60	-	7,359
Total capital assets, depreciable/amortizable, net	746	(27)	-	719
Steckel Park - Ventura Ranch KOA:				
Capital assets, depreciable/amortizable:				
Land improvements	663	-	-	663
Structures and improvements	337	-	-	337
Total capital assets, depreciable/amortizable	1,000	-	-	1,000
Less accumulated depreciation/amortization for:				
Land improvements	401	41	-	442
Structures and improvements	245	21	-	266
Total accumulated depreciation/amortization	646	62	-	708
Total capital assets, depreciable/amortizable, net	354	(62)	-	292
SCA capital assets, net	$ 1,100	$ (89)	$ -	$ 1,011

The deferred inflows of resources activity for each SCA for the year ended June 30, 2021 are as follows (in thousands):

	Balance July 1, 2020	Additions	Deletions/ Amortization	Balance June 30, 2021
Present Value of Installment Payments (1)				
Rustic Canyon Golf Course	$ 2,076	$ -	$ 170	$ 1,906
Steckel Park - Ventura Ranch KOA	352	-	35	317
Sub-total Present Value of Installment Payments	2,428	-	205	2,223
SCA Capital Assets (2)				
Rustic Canyon Golf Course	5,185	33	169	5,049
Steckel Park - Ventura Ranch KOA	674	-	37	637
Sub-total SCA Capital Assets	5,859	33	206	5,686
Total deferred inflows	$ 8,287	$ 33	$ 411	$ 7,909

(1) The installment payments' present values are calculated using a discount rate of 8.39 percent for Ventura Ranch KOA and 7.80 percent for Rustic Canyon Golf Course, with deferred inflows recognized in accordance with the amortization schedules.

(2) Amortization calculated using straight-line method for the term of agreement for each SCA.

NOTE 12 - NET POSITION/FUND BALANCES

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment In Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, the outstanding balances of debt, and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted* – This category reflects the component of net position that is subject to constraints either by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2021, restricted net position for governmental activities totaled $550,615,000, of which $528,328,000, was restricted by enabling legislation.
- *Unrestricted* – This category represents the net position of the County not restricted for any project or other purpose. Outstanding liabilities and deferred inflows of resources that are attributable to this component reduce the balance of this category.

Governmental Fund Statements - Fund Balances
In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. When restricted and unrestricted (committed, assigned, or unassigned) resources are available, restricted resources are generally considered to be used first, followed by committed, assigned and unassigned resources as they are needed.

Nonspendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories or prepaid amounts, and may also include the long-term receivables.

Restricted fund balance - includes amounts with constraints on their use that are 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 fund balance – includes amounts that can only be used for the specific purposes determined by the highest form of decision-making authority, an Ordinance, of the highest level of decision-making authority, the County Board of Supervisors (Board). Commitments may be changed only by the County taking the same formal action, amending or repealing the ordinance that originally imposed the constraint.

Assigned fund balance – includes amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be expressed by either the highest level of decision making, the Board, or by a body or an official to which the Board has delegated the authority. The Board establishes and modifies assignments of fund balance through the adoption of the budget and subsequent budget amendments.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes and it is necessary to report a negative fund balance.

At June 30, 2021, fund balance for governmental funds is made up of the following (in thousands):

Fund Balances	General Fund	Roads	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Total
Nonspendable:						
Inventory and prepaid amounts	$ 599	$ -	$ -	$ 1,791	$ 33	$ 2,423
Long term loans and notes receivable	133,701	-	-	-	-	133,701
Permanent fund principal	-	-	-	-	1,133	1,133
Total Nonspendable	134,300	-	-	1,791	1,166	137,257
Restricted for:						
Teeter tax loss reserve	9,480	-	-	-	-	9,480
Law enforcement programs and capital projects	69,349	-	-	-	3,976	73,325
District attorney programs and services	12,255	-	-	-	-	12,255
Automation improvements	18,564	-	-	-	-	18,564
Health care programs	15,398	-	-	-	-	15,398
Behavioral health programs	31,129	-	-	-	-	31,129
Public assistance programs	45,741	-	-	-	163	45,904
Roads administration, maintenance, and projects	-	23,061	-	-	-	23,061
Watershed protection	-	-	88,144	-	-	88,144
Fire protection	-	-	-	121,152	-	121,152
County service areas	-	-	-	-	4,535	4,535
Mental Health Services Act (MHSA)	-	-	-	-	76,578	76,578
MHSA prudent reserve	-	-	-	-	8,492	8,492
Special assessment debt	-	-	-	-	1,775	1,775
Education	-	-	-	-	3,125	3,125
Recreation	-	-	-	-	52	52
Debt service	-	-	-	-	2,795	2,795
Capital projects	-	-	-	-	8,008	8,008
Other governmental purposes	3,288	-	-	-	-	3,288
Total Restricted	205,204	23,061	88,144	121,152	109,499	547,060
Committed to:						
Waste management	7,932	-	-	-	-	7,932
Roads administration, maintenance, and projects	-	337	-	-	-	337
Traffic impact mitigation fees	-	17,793	-	-	-	17,793
Watershed protection	-	-	214	-	-	214
Facility ordinance fees	-	-	-	5,482	-	5,482
Capital projects	-	-	-	-	102	102
County service areas	-	-	-	-	3,411	3,411
Education	-	-	-	-	198	198
Other governmental purposes	136	-	-	-	-	136
Total Committed	8,068	18,130	214	5,482	3,711	35,605
Assigned to:						
Purchase contracts	20,655	-	-	-	-	20,655
Fixed asset acquisitions	1,100	-	-	-	-	1,100
Stormwater management	2,195	-	-	-	-	2,195
Public assistance programs	2,222	-	-	-	-	2,222
Attrition and program mitigation	9,142	-	-	-	-	9,142
Audit disallowances	1,000	-	-	-	-	1,000
Law enforcement programs	1,658	-	-	-	-	1,658
Roads administration, maintenance, and projects	-	4,611	-	-	-	4,611
Watershed protection	-	-	5,220	-	-	5,220
County service areas	-	-	-	-	17	17
Education	-	-	-	-	5,446	5,446
Bicycle lane projects	4,500	-	-	-	-	4,500
Other governmental purposes	609	-	-	-	-	609
Total Assigned	43,081	4,611	5,220	-	5,463	58,375
Unassigned	126,842	-	-	-	-	126,842
Total fund balances	$ 517,495	$ 45,802	$ 93,578	$ 128,425	$ 119,839	$ 905,139

NOTE 13 - MEDICARE AND MEDI-CAL PROGRAMS

The Medical System provides services to eligible patients under Medi-Cal and Medicare programs. For the fiscal year ended June 30, 2021, the Medi-Cal and Medicare programs represented approximately 66 percent of the Medical System's net revenue.

Medi-Cal inpatient services are reimbursed through the guidelines and methodology covered under California's Medi-Cal 2020 Waiver. The interim hospital per diem rates were computed based on the hospital's cost report data, supplemental worksheets, and supporting documentation that were designed by the Department of Health Care Services and are subject to reconciliation based on the filed and reconciled Medi-Cal 2552-96 cost report. Medi-Cal outpatient services are reimbursed under a schedule of maximum allowances and additional supplemental funding through AB915 for uncompensated costs. Outpatient services at the Federally Qualified Health Centers clinics are reimbursed based on a Medi-Cal Prospective Payment System (PPS) rate. Medical Managed Care (Gold Coast Health Plan) inpatient services are reimbursed at per diem rates, outpatient primary care services are reimbursed on a capitated basis, and outpatient specialty services are reimbursed based on the Medi-Cal fee schedule.

Medicare inpatient services are reimbursed based upon pre-established rates for diagnostic-related groups. Medicare outpatient services and certain defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. Final reimbursement is determined as a result of audits by the intermediary of annual cost reports submitted by the Medical System. Reports on the results of such audits have been received through June 30, 2017 for Medicare and June 30, 2019 for Medi-Cal. Adjustments as a result of such audits are recorded in the year the amounts can be determined.

In addition, for the Medicare and Medi-Cal programs, the Medical System has established liability reserves in the aggregate amount of $58,778,000, for settlement included in the line item "Accrued Liabilities" for cost report settlement reserves covering the period from fiscal year 2005-06 through fiscal year 2020-21. In accordance with the California Medi-Cal 2020 Waiver, the Medical System receives an interim per diem payment in Medi-Cal revenue under Fee-for-Service program (FFS), Quality Incentive Pool Program (QIP) a Medi-Cal incentive program aimed for improvement activities for specific delivery system for the hospitals, an Enhanced Payment Program (EPP) supplementing the base rates received through Medi-Cal Managed Care, and a Global Payment Program (GPP) to provide support for the delivery of more cost effective and higher value care for indigent, uninsured individuals. In addition, it also includes a Whole Person Care Pilot (WPC), a competitive grant awarded to the Medical System effective 2016 to improve and coordinate care for health, behavioral health, and social services, for the high risk population through more efficient and effective use of resources. For the fiscal year ended June 30, 2021, the Medical System has recorded $67,981,000 of QIP revenue, $36,080,000 of GPP revenue, and $14,299,000 of WPC revenue. Medicare revenue represented 15 percent and Medi-Cal revenue represented 51 percent of the net revenue.

NOTE 14 - PENSION PLANS

The County participates in the VCERA and SRP which are subject to GASB Statement No. 68. The County also participates in Management Retiree Health Benefits Program which is subject to GASB Statement No. 73. A summary of the pension amounts for the County's plans at June 30, 2021 is as follows (in thousands):

	VCERA	SRP	Management Retiree Health Benefits Program	Total
Net pension liability	$ 789,960	$ 4,734	$ 14,593	$ 809,287
Deferred outflows related to pensions	352,590	3,216	2,500	358,306
Deferred inflows related to pensions	19,855	-	16	19,871
Pension expense	181,894	1,207	1,401	184,502

VCERA

Plan Description

The County has a contributory defined benefit plan (Plan) established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's governmental reporting entity. Covered employees include those from Courts, Air Pollution Control District and other smaller special districts. Membership in the VCERA is mandatory for permanent employees who work a regular schedule of 64 hours or more per biweekly pay period.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established and may be amended by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues an independently audited Annual Comprehensive Financial Report that contains all of the GASB 67 required disclosures. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, CA, 93003 or at www.vcera.org.

Plan members are classified as either General or Safety. Safety membership includes those involved in active law enforcement, fire suppression, and probation. Members are classified in tiers as follows:

Closed to New Enrollment:	
General Tier 1	All general members with membership dates before June 30, 1979, plus Deputy Sheriff trainees and certain executive management with membership dates before January 1, 2013.
General Tier 2	All general members with membership dates on or after June 30, 1979 and before January 1, 2013, except as noted above for General Tier 1.
Safety	All safety members with membership dates before January 1, 2013.
Open to New Enrollment:	
PEPRA General Tier 1	Deputy Sheriff trainees with membership dates on or after January 1, 2013 and before April 17, 2014.
PEPRA General Tier 2	All general members with membership dates on or after January 1, 2013, except as noted above for PEPRA General Tier 1.
PEPRA Safety	All safety members with membership dates on or after January 1, 2013.

Retirement Benefits

VCERA provides retirement, disability, death, and survivor benefits to its members and qualified beneficiaries. A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. PEPRA members are eligible to retire with 5 or more years of service beginning at age 52 for general members and at age 50 for safety members. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation. The tiers and benefit formulas are as follows:

Tier:	Benefit Formula
General Tier 1	2% @ 58.5
General Tier 2	2% @ 61
Safety Tier 1	2% @ 50
PEPRA General	2.5% @ 67
PEPRA Safety	2.7% @ 57

Employees terminating before accruing 5 years of retirement service credit (5-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. In addition, certain death, disability, and supplemental benefits are provided to eligible employees. Cost of living adjustments of up to three percent per annum are made for all Safety and Tier 1 employees. Certain General Tier 2 members also receive a fixed two percent cost of living adjustment on eligible SEIU service.

Contributions

The County of Ventura and contracting districts contribute to VCERA based upon actuarially determined contribution rates adopted by the Board of Retirement. Members are required to make contributions to VCERA regardless of the retirement plan or tier in which they are included. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation. Employer contributions to VCERA from the County were $172,991,000 for the year ended June 30, 2021. Contribution rates, based on pensionable payroll, are as follows:

	Employer Contribution Rates	Employee Contribution Rates
General Tier 1	24.26%	10.32%
General Tier 2	14.83%	7.38%
PEPRA General Tier 2	14.94%	7.49%
General Tier 2C*	21.46%	10.01%
PEPRA General Tier 2C*	21.63%	10.12%
Safety	39.78%	13.73%
PEPRA Safety	37.32%	14.43%

*2C (with COLA)

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

At June 30, 2021, the County reported a liability of $789,960,000 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2020. The Plan's fiduciary net position was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2019. The County's proportion of the NPL was based on the ratio of the County's compensation by tier to the total compensation for the tier. This ratio was then applied to the NPL for the tier. The County's NPL is the sum of the NPL for each tier. At June 30, 2020, the County's proportion was 95.791 percent, which was a decrease of 0.108 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of $181,894,000. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29,680	$ 17,541
Changes of assumptions	55,926	-
Net difference between projected and actual earnings on pension plan investments	93,238	-
Changes in proportion and differences between County contributions and proportionate share of contributions	755	2,314
County contributions subsequent to the measurement date	172,991	-
Total	$ 352,590	$ 19,855

$172,991,000 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30,	Amount
2022	$ (443)
2023	55,416
2024	60,592
2025	43,035
2026	1,144
Total	$ 159,744

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
• Rate of return on investment	7.25%
• Projected salary increases	3.75% - 11.75%
Amount attributable to inflation	2.75%
Amount attributable to merit and longevity	0.50% - 8.50%
Amount attributable to real "across the board"	0.50%
• Annual cost of living increases after retirement (Tier 1 and Safety members - contingent upon CPI increases, 3% maximum. Tier 2 SEIU members - fixed 2% not subject to CPI increases, for service after March 2003.)	0.00% - 3.00%
• Mortality	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table

The actuarial assumptions used in the June 30, 2019 valuation, were updated as of the measurement date and rolled forward to June 30, 2020, based on the results of the July 1, 2014 through June 30, 2017 Actuarial Experience Study report dated May 24, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	27.04 %	5.32 %
Small Cap U.S. Equity	4.48 %	6.07 %
Developed International Equity	17.32 %	6.68 %
Emerging Market Equity	4.16 %	8.87 %
Core Bonds	9.00 %	1.04 %
Real Estate	8.00 %	4.65 %
Master Limited Partnerships	4.00 %	6.31 %
Absolute Return (Fixed Income)	7.00 %	1.71 %
Private Debt/Credit Strategies	3.00 %	5.50 %
Absolute Return (Risk Parity)	6.00 %	4.63 %
Private Equity	10.00 %	8.97 %
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, VCERA's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. Beginning with the June 30, 2021 actuarial valuation, a discount rate of 7.00 will be used.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to changes in the discount rate

The following table presents the County's proportionate share of the NPL calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate (in thousands):

	1% Decrease (6.25 %)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	$ 1,651,686	$ 789,960	$ 81,048

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued VCERA financial report which can be found at www.vcera.org.

Supplemental Retirement Plan

Plan Description

The SRP is a single-employer contributory defined benefit pension plan governed by the Board of Supervisors and provisions of Internal Revenue Code Section 401. The SRP was adopted on January 1, 1992, and amended on the following dates: August 31, 1993, December 1, 2000, June 8, 2004, May 17, 2005, July 10, 2007, December 14, 2010, May 15, 2012, and January 26, 2021. The County Board of Supervisors governs the plan and has the authority to amend the benefit provisions and contribution requirements of the SRP. There is no separate report issued by the plan. SRP is comprised of three parts as follows:

- Part B - Safe Harbor. This plan was adopted on January 1, 1992, and provides benefits to County employees whose employment with the County does not otherwise entitle them to retirement benefits under the County's 1937 Act Retirement Plan or the Social Security Act and is in compliance with the Omnibus Budget Reconciliation Act of 1990. Eligible employees are vested upon enrollment.
- Part C - Early Retirement Incentive. This plan was adopted effective on January 1, 1992, and provides early retirement benefits to County employees pursuant to periodic early retirement incentive programs adopted by the County and is a tax qualified pension plan under Internal Revenue Code Section 401(a).
- Part D - Elected Department Head. This plan was adopted by the Board of Supervisors effective on December 1, 2000, and provides a supplemental retirement benefit to the County's elected department heads for retirement parity with appointed agency/department heads. The plan was amended on June 8, 2004, limiting eligible participants to those employees in an elected department head position between December 1, 2000, and June 8, 2004.

The plan year of the SRP is the County's fiscal year. A separate financial statement is not issued by SRP. The schedule of changes in net pension liability and related ratios, the schedule of investment returns, and the schedule of the County's contributions are included in the Required Supplementary Information section of this report. In lieu of separately issued financial statements for the SRP, condensed financial statements are presented below (in thousands):

Statement of Fiduciary Net Position

Cash and other current assets	$ 36,767
Receivables, net:	
Interest	1
Total assets	36,768
Accounts Payable	29
Amount due to other governmental agencies	1
Total liabilities	30
Net position held in trust for pension benefits	$ 36,738

Statement of Changes in Fiduciary Net Position

Contributions	$ 2,887
Net investment income	7,128
Total additions	10,015
Total deductions	1,822
Change in net position	8,193
Net position - beginning	28,545
Net position - ending	$ 36,738

The following disclosures are related to the plan reporting requirements of GASB Statement No. 67, and use a measurement date of June 30, 2021:

Plan Membership

Plan participants at June 30, 2021, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	619
Early retirement participants (Early Retirement Incentive Plan)	27
Elected department head participants	7
Current employee participants:	
Supplemental retirement participants (Safe Harbor)	523
Elected department head participants	1
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	11,076
Total	12,253

Benefits

- Part B - Safe Harbor. The participant's monthly benefit or lump sum benefit is based on the total amount of compensation for the period of the participant's benefit accrual service for the last 30 years of participation. The participant is entitled to the benefit at the later of age 65 or the termination of employment. The benefit will be payable as a single life annuity or, if the actuarial present value of the accrued benefit is not more than $5,000, a one-time lump sum amount will be paid in lieu of the monthly benefit. If the participant dies before retirement benefits begin, the participant's beneficiary will be entitled to receive a lump-sum death benefit payment. In May 2005, the plan was amended to allow participants to receive an actuarially reduced benefit beginning at age 50, if terminated from County employment. Also in May 2005, the plan was amended to allow participants, upon retirement, to elect a joint and survivor annuity option in which the annuity benefit will continue to the surviving spouse upon the death of the retiree. The Safe Harbor plan benefit type was changed from a defined benefit plan to a defined contribution plan for new hires beginning April 18, 2021. Current employee participants were given the option to change to the defined contribution plan effective September 5, 2021.
- Part C - Early Retirement Incentive. The benefit is a monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the participant's surviving spouse, if any, for life.
- Part D - Elected Department Head. The benefit is a supplemental monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the surviving spouse for life, depending on the retirement payment option selected.

Contributions

The funding policy provides for periodic employer and employee contributions at actuarially determined rates expressed as percentages of annual covered payroll that are sufficient to accumulate the required assets to pay benefits when due.

- Part B - Safe Harbor. Each participant contributes three percent of compensation to the plan on a pre-tax basis. Employee contributions cease upon attainment of 30 years of Benefit Accrual Service.
- Part C - Early Retirement Incentive. This benefit is funded solely by employer contributions.
- Part D - Elected Department Heads. This benefit is funded solely by employer contributions.

The actuarially determined contribution rate/contributions for the County for the fiscal year ending June 30, 2021, was $2,235,000, or 14.51 percent for Part B, $53,000 for Part C, and $135,000 for Part D.

Investment Policy

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that emphasizes safety, diversification and yield and follows the "prudent investor rule". Fair value calculations are based on market values provided by the Plan's investment custodian. The following was the Board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Equity	60 %
Fixed Income	39 %
Cash	1 %
Total	100 %

As of June 30, 2021, the Plan held the following investments that represent 5 percent or more of the plans fiduciary net position:

Investment	Percentage of Fiduciary Net Position
Wells Fargo Core Bond CIT F	11 %
Wells Fargo/Blackrock Large Cap Value Index CIT F	15 %
Wells Fargo/Blackrock Large Cap Growth Index CIT F	16 %
Wells Fargo/Blackrock U.S. Aggregate Bond Index CIT F	12 %
Wells Fargo/Blackrock International Equity Index CIT F	11 %
Wells Fargo/Blackrock S&P Mid Cap Index CIT F	7 %
Wells Fargo/Dodge & Cox Intermediate Bond CIT F	11 %

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.42 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset)

The components of the NPL at June 30, 2021, were as follows (in thousands):

Total pension liability	$ 36,706
Plan fiduciary net position	(36,738)
Plan's net pension asset	$ (32)
Plan fiduciary net position as a percentage of the total pension liability	100.1 %

The actuarial liabilities and assets are valued as of June 30, 2021.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
• Actuarial cost method	Entry age normal for Parts B and D, not applicable for Part C
• Amortization method	Level Dollar
• Remaining amortization period	4-15 years for Part B, 0 year for Part C, 4 years for Part D, closed
• Rate of return on investment	7.00% net of expense
• Payroll Growth	3.00% for Part B and D, not applicable for Part C
• Projected salary increases	3.75% for Part B and D; not applicable for Part C
Amount attributable to inflation	2.50% for Parts B , C and D
• Annual cost of living increases after retirement	3.00% for Part D; none for Parts B and C
• Mortality	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table for Parts B & D and Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table for Parts B, C and D

An experience study has not been conducted for the SRP. However, the County participates in VCERA and utilizes the assumptions used by VCERA where appropriate and reasonable. The 2017-2020 VCERA experience study was used for the actuarial assumptions relating to the Mortality Table, rate of return on investment and projected salary decrease which included inflation.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00 %	5.30 %
Fixed income	39.00 %	0.70 %
Cash	1.00 %	0.00 %
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.00 percent, which was a change from the rate of 7.25 percent used in the valuation dated June 30, 2020. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with the SRP Funding Policy. Based on that assumption, the pension plan's fiduciary net position was projected to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.00 percent assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity of the Net Pension Liability (Asset) to changes in the discount rate

The following table presents the NPL of the Plan as of June 30, 2021, calculated using the discount rate of 7.00 percent, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate (in thousands):

	1% Decrease (6.00 %)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Plan's net pension liability (asset)	$ 5,617	$ (32)	$ (4,510)

Employer Reporting
The following disclosures are related to the employer reporting requirements of GASB Statement No. 68, and use a measurement date of June 30, 2020:

Employees covered by benefit terms
Plan participants at June 30, 2020, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	564
Early retirement participants (Early Retirement Incentive Plan)	27
Elected department head participants	7
Current employee participants:	
Supplemental retirement participants (Safe Harbor)	511
Elected department head participants	2
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	10,439
Total	11,550

Contributions
The required contributions were determined as part of the June 30, 2020 actuarial valuation. The actuarially determined contributions for the fiscal year ending June 30, 2020, were $1,146,000 for the employer and $289,000 for employees for Part B, $45,000 for Part C, and $139,000 for Part D.

Net Pension Liability
The County's NPL was measured as of June 30, 2020, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The TPL was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
• Actuarial cost method	Entry age normal for Parts B and D, not applicable for Part C
• Amortization method	Level Dollar
• Remaining amortization period	5-15 years for Part B, 0 years for Part C, 5 years for Part D, closed
• Rate of return on investment	7.25% net of expense
• Payroll Growth	3.00% for Parts B and D, not applicable for Part C
• Projected salary increases	4.00% for Parts B and D; not applicable for Part C
Amount attributable to inflation	2.75% for Parts B , C and D
• Annual cost of living increases after retirement	3.00% for Part D; none for Parts B and C
• Mortality	Headcount-Weighted RP-2014 Employee Mortality Table for Parts B & D and Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table for Parts B, C and D

An experience study has not been conducted for the SRP. However, the County participates in VCERA and utilizes the assumptions used by VCERA where appropriate and reasonable. The VCERA experience study used was conducted in 2018 for the period of July 1, 2014 through June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00 %	5.30 %
Fixed income	39.00 %	0.70 %
Cash	1.00 %	0.00 %
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with the SRP Funding Policy. Based on that assumption, the pension plan's fiduciary net position was projected to provide all projected future benefit payments of current plan members as determined in accordance with GASB Statement No. 67. Therefore, the 7.25 percent assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. Beginning with the June 30, 2021 actuarial valuation, a discount rate of 7.00 percent will be used.

Changes in Net Pension Liability (in thousands):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2020 *for measurement date of June 30, 2019*	$ 32,023	$ 27,838	$ 4,185
Changes for the year:			
Service Cost	478	-	478
Interest	2,263	-	2,263
Difference between expected and actual experience	137	-	137
Contributions - employer	-	1,330	(1,330)
Contributions - employee	-	289	(289)
Net investment income	-	1,013	(1,013)
Benefit payments, including refunds of employee contributions	(1,622)	(1,622)	-
Administrative expense	-	(303)	303
Net changes	1,256	707	549
Balances at June 30, 2021 *for measurement date of June 30, 2020*	$ 33,279	$ 28,545	$ 4,734

Plan fiduciary net position as a percentage of the total pension liability 85.78 %

Sensitivity of the Net Pension Liability to change in the discount rate

The following table presents the NPL of the Plan as of June 30, 2020 measurement date, calculated using the discount rate of 7.25 percent, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate (in thousands):

	1% Decrease (6.25 %)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 9,723	$ 4,734	$ 766

Pension Expense and Deferred Outflows of Resources related to pensions
For the year ended June 30, 2021, the County recognized pension expense of $1,207,000. At June 30, 2021, the County reported deferred outflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources
Net difference between projected and actual earnings on retirement plan investments	$ 793
County contributions subsequent to the measurement date	2,423
Total	$ 3,216

$2,423,000 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30,	Amount
2022	$ 78
2023	259
2024	258
2025	198
Total	$ 793

Management Retiree Health Benefits Program
Plan Description
The Management Retiree Health Benefits Program is a single-employer defined benefit plan administered by the County of Ventura and is governed by the Board of Supervisors who has the authority to establish and amend benefit provisions. A separate financial statement is not issued for the plan. Adopted by the Board of Supervisors on June 8, 1999, eligible employees are covered by the Management Resolution who retired after July 1, 1999. The payments do not constitute any guarantee of medical care benefits. Cash payments are made to eligible employees with no requirement to purchase health coverage. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees covered after July 2, 2005.

Plan Membership
Plan participants at June 30, 2020, the measurement date, were as follows:

Participant Classification	Number of Participants
Inactive members currently receiving benefits	115
Inactive members entitled to but not yet receiving benefits	65
Active members	165
Total	345

Benefits
Participants receive one year of payments for every five years of service, up to a maximum of five years of payments. Payments of $1,257 per month were equivalent to premiums for the Ventura County Health Care Plan.

Contributions
Employer contributions in fiscal year 2020-21 were $1,710,000.

Funding Policy
The County currently funds the management retiree health benefits on a pay-as-you-go basis. No assets directly or indirectly relating to this plan are held in trust or otherwise held or set aside for the exclusive benefit of participants.

Actuarial Assumptions
The Total Pension Liability (TPL) was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial cost method	Entry age normal
• Inflation	2.75%
• Real wage growth	0.50%
• Wage inflation	3.25%
• Projected salary increases (including wage inflation)	3.75% - 10.25%
• Subsidy cost trends	6.00% decreasing to an ultimate rate of 4.75% by 2025
• Mortality	RP-2014 Headcount-Weighted Mortality Table and RP-2014 Disabled Headcount-Weighted Mortality Table

The demographic actuarial assumptions in the June 30, 2020 valuation were based on the VCERA economic and demographic experience study covering period July 1, 2014 through June 30, 2017. The remaining actuarial assumptions including subsidy cost trends were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Discount Rate
Discount rate of 2.19 percent was used to measure the TPL. This was a change from 3.50 percent, the rate used on the prior measurement date. The discount rate was based upon the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Changes in Total Pension Liability (in thousands):

	Total Pension Liability
Balances at June 30, 2020	
for measurement date of June 30, 2019	$ 14,326
Changes for the year:	
Service Cost	419
Interest	473
Difference between expected and actual experience	288
Changes of assumptions	724
Benefit payments	(1,637)
Net changes	267
Balances at June 30, 2021	
for measurement date of June 30, 2020	$ 14,593

Sensitivity of the Total Pension Liability to changes in the discount rate
The following table presents the TPL of the Plan, calculated using the discount rate of 2.19 percent, as well as what the Plan's TPL would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current rate (in thousands):

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Plan's total pension liability	$ 15,151	$ 14,593	$ 14,039

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to pensions
For the year ended June 30, 2021, the County recognized pension expense of $1,401,000. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 271	$ 16
Changes in assumptions	519	-
County contributions subsequent to the measurement date	1,710	-
Total	$ 2,500	$ 16

$1,710,000 reported as deferred outflows of resources related to pension benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the TPL in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30,	Amount
2022	$ 501
2023	273
Total	$ 774

Replacement Benefit Plan
Internal Revenue Code (IRC) Section 415(b) limits the maximum annual amount that a defined benefit plan can pay to any individual. The Replacement Benefit Plan, a qualified IRC 415(m) plan, provides annual retirement benefits earned in excess of Section 415(b) limits.

The plan is administered by the County. Participation is limited to retired members whose benefit payments are limited by Section 415(b). No assets directly or indirectly relating to this plan are held in trust or otherwise held or set aside for the exclusive benefit of participants or their beneficiaries. As of June 30, 2021, there was one participant in the plan.

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Ventura County manages the Subsidized Retiree Health Benefits Program which is subject to GASB Statement No. 75 (GASB 75). In addition, as described in more detail below, in accordance with memorandums of agreement the County makes contributions to the Ventura County Deputy Sheriffs' Association (VCDSA) Retiree Medical Reimbursement Plan and the Ventura County Professional Firefighters' Association (VCPFA) Medical Premium Reimbursement Plan for the purpose of reimbursing health insurance premiums for future eligible retirees. Under GASB 75, this is considered a constructive obligation that must be reported in the County's financial statements even though the County has no control over these plans and has no legal obligation to make contributions to fund the plans' unfunded OPEB liability, other than to make the contributions agreed to in collective bargaining. A summary of the OPEB amounts for the plans at June 30, 2021 is as follows (in thousands):

	Subsidized Retiree Health Benefits Program	VCDSA Retiree Medical Reimbursement Plan	VCPFA Medical Premium Reimbursement Plan	Total
Net OPEB liability (asset)	$ 33,257	$ 161,305	$ (1,858)	$ 192,704
Deferred outflows related to OPEB	10,779	66,298	2,093	79,170
Deferred inflows related to OPEB	-	12,912	-	12,912
OPEB expense	3,922	15,980	288	20,190

Subsidized Retiree Health Benefits Program

Plan Description

The Subsidized Retiree Health Benefits Program is a single-employer defined benefit plan administered by the County of Ventura and governed by the County Board of Supervisors who has the authority to establish and amend benefit provisions. The plan allows eligible employees to receive health benefits under group plans offered by the County. Eligible employees include all General Employees and Firefighters that meet the following criteria:

Classification:	Age/Years of Service
General Employees hired before January 1,2013 (Non-PEPRA)	• Age 50 with 10 years of County service • Age 70 with any service • 30 years of County service • 5 years of County service and disabled
General Employees hired after December 31,2012 (PEPRA)	• Age 52 with 5 years of County service • Age 70 with any service • 5 years of County service and disabled
Firefighters hired before January 1,2013 (Non-PEPRA)	• Age 50 with 10 years of County service • Age 70 with any service • 20 years of County service • Disabled
Firefighters hired after December 31,2012 (PEPRA)	• Age 50 with 5 years of County service • Age 70 with any service • Disabled

The County has made no commitments to maintain this program and retirees' participation in the program is approved on a year-to-year basis by the Board. Retiree Health Benefits are not vested and may be modified or eliminated at anytime. A separate financial statement is not issued for the plan.

Plan Membership
Plan participants at June 30, 2020, the measurement date, were as follows:

Participant Classification	Number of Participants
Inactive members currently receiving benefits	360
Active members	
General Employees	7,065
Firefighters	420
Total	7,845

Benefits
Eligible employees who retire directly from the County may receive health benefits at subsidized rates. For coverage prior to age 65, the retiree pays premiums that are developed by blending active and retiree costs. Since retirees are older and generally cost more to insure than active employees, the premium paid by the retiree is less than the "true cost" of coverage for retirees thus creating an implicit subsidy. This implicit subsidy is considered an obligation under GASB Statement No. 75.

Contributions
Employer contributions in fiscal year 2020-21 were $2,411,000.

Funding Policy
The County currently funds the subsidized retiree health benefits on a pay-as-you-go basis. No assets directly or indirectly relating to this plan are held in trust or otherwise held or set aside for the exclusive benefit of participants.

Actuarial Assumptions
The Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial funding method	Entry age normal
• Inflation	2.75%
• Real wage growth	0.50%
• Wage inflation	3.25%
• Projected salary increases (including wage inflation)	3.75% - 11.75%
• Discount rate	2.19%
• Health care cost trends	
Ventura County Health Care Plan	6.00% decreasing to an ultimate rate of 4.75% by 2025
All other coverage options	6.50% decreasing to an ultimate rate of 4.75% by 2025
• Mortality	RP-2014 Headcount-Weighted Mortality Table RP-2014 Disabled Headcount-Weighted Mortality Table

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2020 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2014 through June 30, 2017. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Discount Rate
Discount rate of 2.19 percent was used to measure the TOL.This was a change from 3.50 percent, the rate used on the prior measurement date. The discount rate was based upon the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Changes in Total OPEB Liability (in thousands):

	Total OPEB Liability
Balances at June 30, 2020	
for measurement date of June 30, 2019	$ 28,563
Changes for the year:	
Service Cost	1,861
Interest	961
Difference between expected and actual experience	1,510
Changes of assumptions	2,595
Benefit payments	(2,233)
Net changes	4,694
Balances at June 30, 2021	
for measurement date of June 30, 2020	$ 33,257

Sensitivity of the Total OPEB Liability to changes in the discount rate
The following table presents the TOL of the Plan, calculated using the discount rate of 2.19 percent, as well as what the Plan's TOL would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current rate (in thousands):

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Plan's total OPEB liability	$ 35,308	$ 33,257	$ 31,265

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates
The following table presents the TOL of the Plan, as well as what the Plan's TOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 and 5.50 percent decreasing to 3.75 percent) or 1-percentage-point higher (7.00 and 7.50 percent decreasing to 5.75 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (5.00%/5.50% decreasing to 3.75%)	Current Healthcare Cost Trend Rates (6.00%/6.50% decreasing to 4.75%)	1% Increase (7.00%/7.50% decreasing to 5.75%)
Plan's total OPEB liability	$ 29,838	$ 33,257	$ 37,303

OPEB Expense and Deferred Outflows of Resources Related to OPEB
For the year ended June 30, 2021, the County recognized OPEB expense of $3,922,000. At June 30, 2021, the County reported deferred outflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 5,071
Changes in assumptions	3,297
County contributions subsequent to the measurement date	2,411
Total	$ 10,779

$2,411,000 reported as deferred outflows of resources related to OPEB benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the TOL in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ending June 30,	Amount
2022	$ 1,100
2023	1,100
2024	1,100
2025	1,100
2026	1,100
Thereafter	2,868
Total	$ 8,368

VCDSA Retiree Medical Reimbursement Plan

Plan Description

The VCDSA Retiree Medical Reimbursement Plan is a single-employer defined benefit plan administered by the VCDSA and is governed by the Board of Trustees of the plan. The plan is a non-governmental entity. The County has no control over the plan. The Board of Trustees has the authority to establish and amend benefit provisions. The plan allows eligible participants that retire from the County to receive reimbursement of health premiums. VCDSA issues separate audited financial reports for the plan prepared on the accrual basis of accounting with investments measured at fair value. The reports can be requested by writing to the Ventura County Deputy Sheriffs' Association Retiree Medical Reimbursement Trust, 981 South Victoria Avenue, Ventura, CA 93003.

The County is not legally liable for the plan's unfunded OPEB liability of $161,305,000. The County is only legally responsible for the contributions agreed to in the Memorandum of Agreement between the County and VCDSA. However, under GASB 75 the OPEB benefit to the employees is considered a constructive obligation that must be reported in the County's financial statements.

Plan Membership

Plan participants at June 30, 2019, the valuation date, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefits	443
Inactive members entitled to but not yet receiving benefits	73
Active members	774
Total	1,290

Benefits

In accordance with the plan, eligible participants (age 50 with 10 years of active service) include members of VCDSA and participants who move to sworn management positions not covered by the VCDSA Memorandum of Agreement that continue to make the required self-contributions. Benefits are a percentage of an annual benefit level and are based on years of service, ranging from twenty percent with ten years of service to one hundred percent with twenty or more years of service. Benefits are not to exceed the actual premiums paid by the retiree.

Contributions
Contributions are made as required under provisions of the Memorandum of Agreement between the County and VCDSA. Contributions are 1.5 percent of covered payroll.

Net OPEB Liability
The County's Net OPEB Liability (NOL) was measured as of June 30, 2020, and the TOL used to calculate the NOL was determined by an actuarial valuation as of June 30, 2019 and then rolled forward to the June 30, 2020 measurement date.

Actuarial Assumptions
The TOL was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the June 30, 2020 measurement date, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial funding method	Entry age normal
• Inflation	3.00%
• Real wage growth	0.50%
• Wage inflation	3.50%
• Projected salary increases (including wage inflation)	3.95% - 11.75%
• Discount rate	2.44%
• Annual Increase in Maximum Annual Benefit	5.75%
• Mortality	RP-2014 Headcount Weighted Mortality Table

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2019 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2014 through June 30, 2017. The assumed increase in the benefit cap was based on the VCDSA ASC 965 report dated March 2018. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

The long-term expected rate of return on OPEB plan investments was determined using best-estimate ranges of expected future real rates of return for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Asset Class	Actual Allocation	Long-Term Expected Real Rate of Return
Corporate Debt Securities	28.00 %	
Preferred Stocks	2.80 %	
Common Stocks	31.10 %	
Mutual Funds	38.10 %	
Total	100.00 %	6.00 %

Discount Rate
Discount rate of 2.44 percent was used to measure the TOL. This was a change from 3.71 percent, the rate used on the prior measurement date. The projection of cashflows used to determine the discount rate assumed that employer contributions will be made at the contractually required rate and that any member contributions will be made in accordance to the plan document. Based on that assumption, the OPEB plan's fiduciary net position was not projected to provide all projected future benefit payments for current members for all future years. Therefore, the 6.00 percent assumed long-term expected rate of return on plan investments was applied to periods up to 2042 where the plan's fiduciary net position was projected to be sufficient to make projected benefit payments. The June average of the Bond Buyer General

Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, 2.19 percent, was used for all periods subsequent to 2042 where the plan's fiduciary net position was not projected to be sufficient to make projected benefit payments resulting in a single equivalent interest rate of 2.44 percent.

Changes in Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2020			
for measurement date of June 30, 2019	$ 138,036	$ 34,900	$ 103,136
Changes for the year:			
Service cost	6,022	-	6,022
Interest	5,092	-	5,092
Changes of assumptions	50,693	-	50,693
Contributions - employer	-	2,503	(2,503)
Contributions - self-pay member	-	56	(56)
Net investment income	-	1,207	(1,207)
Benefit payments	(1,584)	(1,584)	-
Administrative expense	-	(128)	128
Net changes	60,223	2,054	58,169
Balances at June 30, 2021			
for measurement date of June 30, 2020	$ 198,259	$ 36,954	$ 161,305

Sensitivity of the Net OPEB Liability to changes in the discount rate

The following table presents the NOL of the Plan, calculated using the discount rate of 2.44 percent, as well as what the Plan's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (1.44 percent) or 1-percentage-point higher (3.44 percent) than the current rate (in thousands):

	1% Decrease (1.44%)	Current Discount Rate (2.44%)	1% Increase (3.44%)
Plan's net OPEB liability	$ 218,188	$ 161,305	$ 119,814

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate

The following table presents the NOL of the Plan, as well as what the Plan's NOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (4.75%)	Healthcare Cost Trend Rates (5.75%)	1% Increase (6.75%)
Plan's net OPEB liability	$ 161,305	$ 161,305	$ 161,305

Benefits are valued as a percentage of the maximum benefit. Because the cap was always assumed to apply, the healthcare cost trend rate has no impact on the net OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2021, the County recognized OPEB expense of $15,980,000. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,462	$ -
Differences between projected and actual earnings on plan investments	428	-
Changes in assumptions	55,165	12,912
County contributions subsequent to the measurement date	2,243	-
Total	$ 66,298	$ 12,912

$2,243,000 reported as deferred outflows of resources related to OPEB benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the NOL in the year ended June 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ending June 30,	Amount
2022	$ 6,900
2023	7,083
2024	7,128
2025	7,138
2026	7,400
Thereafter	15,494
Total	$ 51,143

VCPFA Medical Premium Reimbursement Plan
Plan Description
The VCPFA Medical Premium Reimbursement Plan is a single-employer defined benefit plan administered by the VCPFA and is governed by the Board of Trustees of the plan. The plan is a non-governmental entity. The County has no control over the plan. The Board of Trustees has the authority to establish and amend benefit provisions. The plan allows eligible participants that retire from the County to receive reimbursement of health premiums. VCPFA issues separate audited financial reports for the plan prepared on the accrual basis of accounting with investments measured at fair value. The reports can be requested by writing to the Ventura County Professional Firefighters' Association Benefit Trust, 3251 Corte Malpaso, Suite 501B, Camarillo, CA 93012.

The plan currently has a net OPEB asset of $1,858,000, which does not legally belong to the County. The County is only legally responsible for the contributions agreed to in the Memorandum of Agreement between the County and VCPFA. However, under GASB 75 the OPEB benefit to the employees is considered a constructive obligation that must be reported in the County's financial statements.

Plan Membership
Plan participants at June 30, 2019, the valuation date, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefits	209
Inactive members entitled to but not yet receiving benefits	2
Active members	428
Total	639

Benefits
In accordance with the plan, eligible participants include members of VCPFA who are part of the Firefighter Unit, and participants who move to management positions not covered by the VCPFA Memorandum of Agreement that continue to make the required self-contributions. To be eligible for the benefit, retirees must attain age 55 and have completed 10 years of service, at least five of which were earned as a VCPFA member. Benefits are set at an annual maximum amount, not to exceed the actual premiums paid by the retiree.

Contributions
Contributions are made as required under provisions of the Memorandum of Agreement between the County and VCPFA. Contributions are 1.00 percent of covered payroll.

Net OPEB Liability (Asset)
The County's Net OPEB Liability (NOL) was measured as of June 30, 2020, and the TOL used to calculate the NOL was determined by an actuarial valuation as of June 30, 2019 and then rolled forward to the June 30, 2020 measurement date.

Actuarial Assumptions
The TOL was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the June 30, 2020 measurement date, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial funding method	Entry age normal
• Inflation	3.00%
• Real wage growth	0.50%
• Wage inflation	3.50%
• Projected salary increases (including wage inflation)	4.00% - 11.50%
• Discount Rate	6.00%
• Health Care Cost Trends	6.50% decreasing to an ultimate rate of 5.00% by 2023
• Mortality	RP-2014 Headcount Weighted Mortality Table

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2019 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2014 through June 30, 2017. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

The long-term expected rate of return on OPEB plan investments was determined using best-estimate ranges of expected future real rates of return for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Bonds	30.00 %	
Stocks	30.00 %	
Alternative Investments	40.00 %	
Total	100.00 %	6.00 %

Discount Rate

Discount rate of 6.00 percent was used to measure the TOL. The projection of cashflows used to determine the discount rate assumed that employer contributions will be made at the contractually required rate and that any member contributions will be made in accordance to the plan document. Based on that assumption, the OPEB plan's fiduciary net position was projected to provide all projected future benefit payments for current members for all future years. Therefore, the 6.00 percent assumed long-term expected rate of return on plan investments was applied to all periods of projected benefit payment to determine the TOL.

Changes in Net OPEB Liability (Asset) (in thousands):

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2020			
for measurement date of June 30, 2019	$ 12,512	$ 14,225	$ (1,713)
Changes for the year:			
Service Cost	200	-	200
Interest	727	-	727
Contributions - employer	-	1,003	(1,003)
Contributions - self-pay member	-	15	(15)
Net investment income	-	118	(118)
Benefit payments	(780)	(780)	-
Administrative expense	-	(64)	64
Net changes	147	292	(145)
Balances at June 30, 2021			
for measurement date of June 30, 2020	$ 12,659	$ 14,517	$ (1,858)

Sensitivity of the Net OPEB Liability (Asset) to changes in the discount rate

The following table presents the NOL (asset) of the Plan, calculated using the discount rate of 6.00 percent, as well as what the Plan's NOL (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate (in thousands):

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Plan's net OPEB liability (asset)	$ (430)	$ (1,858)	$ (3,061)

Sensitivity of the Net OPEB Liability (Asset) to changes in the healthcare cost trend rate

The following table presents the NOL (asset) of the Plan, as well as what the Plan's NOL (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent decreasing to 6.00 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
Plan's net OPEB liability (asset)	$ (1,755)	$ (1,858)	$ (1,718)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2021, the County recognized OPEB expense of $288,000. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 420
Differences between projected and actual earnings on plan investments	656
County contributions subsequent to the measurement date	1,017
Total	$ 2,093

$1,017,000 reported as deferred outflows of resources related to OPEB benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the NOL (asset) in the year ended June 30, 2022.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ending June 30,	Amount
2022	$ 170
2023	247
2024	247
2025	200
2026	52
Thereafter	160
Total	$ 1,076

NOTE 16 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2020, the County issued $120,450,000 in Tax and Revenue Anticipation Notes (Notes) at a 4.00 percent interest rate, priced to yield 0.19 percent, to meet current year cash flow requirements for operational needs. At June 30, 2021, the outstanding principal was $0. Principal and interest for fiscal year 2020-21 was paid on June 30, 2021, the maturity date of these notes.

The Notes, in accordance with California law, are general obligations of the County and are payable out of fiscal year 2020-21 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2021, is as follows (in thousands):

Beginning Balance July 1, 2020	Additions	Reductions	Ending Balance June 30, 2021	Due Within One Year
$ 154,220	$ 120,450	$ 274,670	$ -	$ -

NOTE 17 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; hospital liability (malpractice); errors and omissions; theft of, damage to, and destruction of assets; and natural disasters for which the government is either self-insured, commercially insured, or a combination of both.

The Human Resources Department acquired commercial insurance for primary group medical and long-term disability insurance. Unemployment insurance benefits are self-insured and administered by the Human Resources Department within the Employee Benefits Insurance Internal Service Fund (ISF). Professional Firefighters and Deputy Sheriffs Associations also administer commercial group medical insurance plans available for their members.

The Ventura County Health Care Plan (VCHCP), administered by the Health Care Agency, provides a County medical plan for County employees. In addition, plans are offered to affiliated clinics and small group employees through their employers, as well as Ventura County Deputy Sheriffs Association (VCDSA). Excess commercial coverage is also purchased by VCHCP.

The Risk Management Department within the General Insurance ISF administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to $2,000,000 per occurrence, and thereafter covered by excess commercial liability insurance up to $42 million per occurrence. The Worker's Compensation Program in the Risk Management Workers' Compensation ISF funds is fully self-insured and is administered by a third-party administrator.

In October 2004, the County joined the California State Association of Counties (CSAC) Excess Insurance Authority, a joint powers authority now known as Public Risk Innovations, Solutions, and Management, for property and earthquake coverage. The Authority was formed in 1979 by and for California counties and currently has 55 participating counties, and a number of other public entities. The Authority is governed by a Board of Directors composed of one director from each member county appointed by each member county's Board of Supervisors, and five other public entity Board members. The Authority annually issues an audited Annual Comprehensive Financial Report. Through participation in the Authority, risk is pooled (shared) among the pool participants. Accordingly, the premiums are reported as insurance expenses in the General Liability Internal Service Fund as required by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

Medical malpractice liability insurance provides liability coverage on a claims made basis, up to $50,000,000 per incident for the County, and $3,000,000 per occurrence for individually named physicians, with a $100,000 per occurrence deductible. Medical malpractice claims made coverage includes a retroactive date of October 1, 1986. Tail coverage for events that occurred prior to October 1, 1986 but have not yet been reported is self-insured. In March 2004, the County began participating in the BETA Healthcare Group, a joint powers authority, for the purpose of purchasing medical malpractice insurance. This risk-sharing pool program, established as a cost effective alternative to the commercial insurance market, is structured like a traditional insurer in that members are not assessed for excess pool losses. Coverage was renewed in July 2021.

The unpaid claims liabilities included in the General Insurance fund are based on actuarial studies and include amounts for claims incurred but not reported including loss adjustment expenses. The discount rate for the General Insurance liability is 2.75 percent. The revenue received, including interest, and contribution funded liabilities, and net position are sufficient to meet liabilities as they come due.

Workers' compensation occurrences are self-insured effective July 1, 2002, with coverage for all employees. Injuries occurring from July 1, 1995 to June 30, 2002, are fully covered by the prior commercial insurer without a maximum. Injuries occurring prior to July 1, 1995, were originally self-insured and self-administered. Beginning in April 1997, these claims were adjusted and funded through a loss portfolio transfer policy with limits of liability of $22,800,000, and the insurance carrier's right to reimbursement for claims expenses in excess of the policy limit. The limit of liability was exceeded in July 2007. Litigation ensued against the carrier, resulting in a settlement in March 2011, whereby the carrier waived reimbursement of $1,650,000 in expenses and the County took over further administration of the claims as of April 2011. As a result, the claims are now once again administered by, and claims costs borne by the County, along with the post July 1, 2002, self-insured claims. As of June 30, 2021, the expected liability on the pre-1995 claims, at the 80 percent confidence level, discounted at 3.5 percent, was actuarially estimated to be $5,549,000.

The unpaid claims liabilities in the Workers' Compensation fund for losses prior to 1995 and subsequent to 2002 included in the self-insurance fund are based on actuarial studies and include amounts for claims incurred but not reported including loss adjustment expenses. The discount rate for the Workers' Compensation fund is 3.5 percent. This discount rate is higher than the discount rate for the liability fund because the liability for workers' compensation cases is much longer than other types of liabilities in the General Insurance ISF.

Settlements or judgments have not exceeded commercial coverage for any risk of loss in each of the past three fiscal years. In addition, litigation expenses and liability for damages for uninsured cases, such as inverse condemnation and land subsidence cases, have been incurred by the General Insurance ISF.

Changes in the balances of claims liabilities of General Insurance and Employee Benefits ISFs and Health Care Plan Enterprise Fund and medical malpractice liability of the Medical System during fiscal years 2019-20 and 2020-21 are as follows (in thousands):

	Claims Fiscal Year		Medical Malpractice Fiscal Year	
	2020-21	2019-20	2020-21	2019-20
Liabilities, beginning	$ 195,110	$ 183,544	$ 2,494	$ 2,826
Incurred losses and adjustments	109,951	111,402	43	(332)
Claim payments	(93,131)	(99,836)	-	-
Liabilities, ending	$ 211,930	$ 195,110	$ 2,537	$ 2,494

Medical malpractice liability for public and mental health functions in the General Fund of $687,000, a decrease of $93,000 from the prior year, is reported in the governmental activities portion of the government-wide financial statements.

NOTE 18 - UNEARNED REVENUE

Unearned revenue at year-end of the County's major, non-major, and internal service funds in the aggregate are as follows (in thousands):

Governmental Funds	General Fund	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Unearned revenue:						
American Rescue Plan Act of 2021	$ 82,186	$ -	$ -	$ -	$ -	$ 82,186
Coronavirus Relief Fund	19,713	-	-	-	-	19,713
Deposits	14,792	634	-	-	46	15,472
Advances for Human Services Agency Programs	15,074	-	-	-	-	15,074
Homeless Housing Assistance and Prevention Program	-	-	-	4,221	-	4,221
Juvenile probation and camps funding	2,874	-	-	-	-	2,874
Stand-By Time for Fire Suppression Assets	-	-	2,835	-	-	2,835
Title IV-E Entitlement Program	2,281	-	-	-	-	2,281
Community Corrections Performance Incentives Fund	2,075	-	-	-	-	2,075
Maddy Emergency Medical Services Fund	1,549	-	-	-	-	1,549
Fillmore Expansion Project	-	-	-	1,263	-	1,263
State Custody Credit Fund	1,108	-	-	-	-	1,108
Other unearned revenue	6,490	-	-	442	300	7,232
Total unearned revenue	$ 148,142	$ 634	2,835	$ 5,926	$ 346	$ 157,883

Proprietary Funds	Medical System	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Business-Type Funds
Unearned revenue:					
Deposits	$ -	$ -	$ -	$ 1,194	$ 1,194
Other unearned revenue	231	360	317	222	1,130
Total unearned revenue	$ 231	$ 360	$ 317	$ 1,416	$ 2,324

NOTE 19 - DEFERRED INFLOWS OF RESOURCES - UNAVAILABLE REVENUE

Deferred inflows of resources to the County's governmental funds relate to unavailable revenue as of June 30, 2021. Unavailable revenue is revenue that is earned, however is not available for use on current or near-term expenditures. The year-end unavailable revenue balances are summarized as follows (in thousands):

Governmental Funds	General Fund	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Total Governmental Activities
Unavailable revenue:					
Medi-Cal	$ 17,723	$ -	$ -	$ 11,586	$ 29,309
H.U.D. and H.O.M.E. Programs	2,852	-	-	14,462	17,314
Special Assessments	-	-	-	7,598	7,598
SB 90 Revenue	6,164	-	-	-	6,164
Behavioral Health Federal Financial Participation and Other Grants	3,136	-	-	-	3,136
Human Services Agency Programs	2,757	-	-	-	2,757
Courthouse temporary construction	1,445	-	-	-	1,445
Other unavailable revenue	3,728	1,681	627	511	6,547
Total unavailable revenue	$ 37,805	$ 1,681	$ 627	$ 34,157	$ 74,270

Non-major governmental funds had unavailable revenue related to the Mental Health Services Act Fund of approximately $11,586,000, the HUD Grants Fund of approximately $14,462,000, and the County Service Area #34 Debt Service Fund of approximately $7,598,000.

NOTE 20 - COMMITMENTS AND CONTINGENCIES

Medical System

The County is currently engaged in a lawsuit which is under seal. Certain amounts have been accrued for this issue in the financial statements. In the opinion of management, there is an additional net exposure of potentially up to $15,000,000.

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. The County's grant programs are subject to audit under the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Grant Guidance), and are generally subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant or in reductions of future grant monies. An annual amount is set aside for contingencies in the General Fund for this possibility. Based on prior experience, management believes that grant costs ultimately disallowed, if any, would not materially affect the financial condition of the County.

Federal Assistance

During fiscal year 2019-20 the County received $147,622,000 from the federal Coronavirus Relief Fund (CRF) as a prime recipient and recognized $49,425,000 as revenue that year. During fiscal year 2020-21 an additional $79,409,000 of expenditures was deemed CRF eligible and recorded as revenue on the fund and government-wide financial statements. The remaining unspent balance of $18,788,000 and related interest is reported as unearned revenue at June 30, 2021.

During fiscal year 2020-21 the County received $19,396,000 in CRF funds passed through from the State of California, all of which was recorded as revenue during fiscal year 2020-21 on the fund and government-wide financial statements based on eligible expenditures.

During fiscal year 2019-20 the Medical System received $47,761,000 from the federal Provider Relief Fund (PRF) and $6,011,000 was recognized as revenue that year. During fiscal year 2020-21 the balance of $41,750,000 was recognized as revenue on the enterprise fund and government-wide financial statements based on eligible expenditures and lost revenue.

The County was awarded $164,326,000 as part of the American Rescue Plan Act (ARPA) and received the first installment of $82,163,000 in June 2021 which was reported as unearned revenue at June 30, 2021. The second installment of $82,163,000 is expected to be received in June 2022.

During fiscal year 2020-21 the County recognized $36,490,000 in revenue from the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES) related to eligible COVID-19 expenditures. Approximately $14,970,000 of these expenditures were related to fiscal year 2019-20. Additional expenditures were incurred but were not obligated by FEMA as of June 30, 2021, as described further in Note 21.

Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services. Encumbrances outstanding at year end are not accounted for as expenditures and liabilities, but are included in fund balance. As of June 30, 2021, encumbrances of $47,369,000 were reported in the General Fund, $14,923,000 in the Road Fund, $14,191,000 in the Watershed Protection District, $21,274,000 in the Fire Protection District, and $41,889,000 in the Non-major Governmental Funds.

Other
Legal proceedings normally occur related to construction projects and are subject to arbitration by agreement. Claims are negotiated by the County of Ventura. In the opinion of management, current claims are not likely to have a material adverse impact on the County financial statements and, accordingly, no provision for losses has been recorded.

NOTE 21 - SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes
On July 1, 2021, the County issued $110,000,000 of 0.25 percent fixed-rate, priced to yield 0.13 percent, tax and revenue anticipation notes. The notes received SP-1+ and MIG 1 ratings from Standard and Poor's Ratings Services (S&P) and Moody's Investors Services (Moody's), respectively. Proceeds from the notes will be used to meet fiscal year 2021-22 expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 1, 2022.

COVID-19 Pandemic Disaster Relief
The County incurred certain costs related to the COVID-19 pandemic that are reimbursable from grants provided by FEMA and Cal OES. In accordance with GAAP, amounts that were not obligated by FEMA/Cal OES by June 30, 2021 were not eligible to be accrued as revenue in fiscal year 2020-21, and instead will be recognized in subsequent periods. Subsequent to June 30, 2021, FEMA/Cal OES obligated $77,424,000, of which $65,824,000 has been received. An additional $24,987,000 has been submitted to FEMA/Cal OES for review, including $8,023,000 for the Medical System. The County can not determine what amounts will be determined eligible for the grants, or the timing of obligation or payment.

NOTE 22 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill XI 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. The former Redevelopment agency was established in 1994 pursuant to Section 33200 of the State of California Health and Safety Code. On February 1, 2012, the former Redevelopment Agency was dissolved pursuant to assembly Bill X1 26 and the Successor Agency was created. This action impacted the reporting entity of the County that previously had reported a redevelopment agency within the reporting entity of the County as a blended component unit.

Due to the dissolution of the County's Redevelopment Agency, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Long-Term Debt

Tax revenues for the Successor Agency for the current year were $66,000.

Information about the Successor Agency long-term debt is as follows:

U.S. Department of Agriculture (USDA) Bonds
On May 8, 2007 the Agency applied for a USDA Rural Development Community facilities Direct Low Interest Loan, in the amount of $750,000 for the Piru Earthquake Related Redevelopment Project. On June 3, 2008, the Agency accepted the loan and authorized the issuance of tax allocation bonds to the USDA to secure the loan. To repay the tax allocation bonds, the Agency pledged property tax increment revenues. On July 24, 2008, the tax allocation bonds were delivered to the USDA. Interest is payable semiannually at a rate of 4.125 percent. Bonds mature serially each year through July 2038.

On February 1, 2012, the bond obligation was transferred from the County of Ventura Redevelopment Agency to the Successor Agency.

Summary of long-term indebtedness as of June 30, 2021, are as follows (in thousands):

Obligation	Outstanding July 1, 2020	Additions	Maturities	Outstanding June 30, 2021	Amount Due Within One Year
Bonds from Direct Placement	$ 573	$ -	$ 21	$ 552	$ 21

Deficit Net Position
As a result of the transfer of the assets to the County of Ventura in fiscal year 2013-14, the RDA County Successor Agency had a deficit net position as of June 30, 2021. The deficit will continue to be reduced over the years as the related debt is paid off with funds received from the Redevelopment Property Tax Trust Fund, which is administered by the County Auditor-Controller.

NOTE 23 - DEFICIT NET POSITION

The Public Works Services fund, an internal services fund, had a deficit net position of approximately $1,698,000 as of June 30, 2021. This resulted from the recognition of its net pension liability adjustments.