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. 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 implemented the new requirements for the fiscal year 2022-23 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 providing 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 implemented the new requirements for the fiscal year 2022-23 financial statements.

GASB Statement No. 96, *Subscription-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 implemented the new requirements for the fiscal year 2022-23 financial statements. The effect of the implementation of this standard on beginning balances is disclosed in Note 2.

GASB Statement No. 99, *Omnibus 2022,* effective for reporting period beginning after June 15, 2023, except for those requirements related to leases, PPPs and SBITAs which are effective for reporting periods beginning after June 15, 2022. This statement enhances comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and addressing accounting and financial reporting for financial guarantees. The comparability and consistency of financial statements will improve the usefulness of information for users of state and local government financial statements. The County implemented the requirements related to leases, PPPs, and SBITAs, and intends to implement the remaining requirements for the fiscal year 2023-24 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. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No.62,* effective for reporting period beginning after June 15, 2023, provides guidance that will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections. The requirements of this Statement will improve financial reporting by establishing a clear accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. The County intends to implement the new requirements for the fiscal year 2023-24 financial statements.

GASB Statement No. 101, *Compensated Absences,* effective for reporting period beginning after December 15, 2023, provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement will improve financial reporting by establishing a unified recognition and measurement model for compensated absences that more appropriately reflects when a government incurs an obligation. The County intends to implement the new requirements for the fiscal year 2024-25 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 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 as well as increases to leases and SBITAs 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, *Fair Value Measurement and Application* (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, infrastructure, right-to-use subscription assets, right-to-use structures and improvements, and right-to-use equipment. 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*
Equipment	$5,000	2-30
Vehicles	$5,000	2-25
Software	$5,000, purchased software; $50,000, internally generated software	3-10
Infrastructure	All new construction and major renovations are capitalized	40-100
Right-to-use subscription assets	$200,000	3-10
Right-to-use structures and improvements	$100,000	2-15
Right-to-use equipment	$5,000	2-15

* 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 public-private partnerships 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 costs incurred.

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 using the straight-line method over the lower of their estimated useful lives or term of the lease or subscription. The County has elected the depreciation approach for infrastructure.

Right-to-use lease assets are recognized at the lease commencement date and represent the County's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use lease assets are amortized over the shorter of the least term or useful life of the underlying asset using the straight-line method.

Right-to-use subscription assets are recognized at the commencement of the subscription term and represent the County’s obligations as a subscriber to make subscription payments arising from the arrangement. Right-to-use subscription assets are recorded as the initial subscription liability amount plus payments made to the vendor at the commencement of the subscription term and capitalizable implementation costs, reduced by any incentives received from the vendor at or before the commencement of the subscription term. Right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset.

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

Deferred outflows of resources represent a consumption of net assets that apply to future reporting periods and will not be recognized as an expense/expenditure until then. The County has deferred outflows of resources related to pension and OPEB and the deferred loss on refunding. The deferred amounts for pension and OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes. The deferred loss on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

I) Leases

In accordance with GASB Statement No. 87, *Leases* (GASB 87), leases are defined as financings of the right to use an underlying asset.

Lease receivables and the corresponding deferred inflow represent the County’s expected future returns as lessor. They are recorded at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision of estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the rate provided in the lease contract or if not available, the imputed interest rate that was calculated using the Applicable Federal Rate (AFR) as published by the Internal Revenue Services for June of the prior fiscal year plus a margin of 2%.

Lease liabilities and the corresponding right-to-use lease assets represent the County's obligations as a lessee to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on the rate provided in the lease contract or, if not available, the borrowing rate determined by the County from Indicative Interest Rate Scales as of June 1 of the prior fiscal year.

J) Subscription-based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* are agreements that provide the County with the right-to-use subscription assets, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of the subscription term, a right-to-use subscription asset and a corresponding subscription liability is recognized. Subscription liabilities and the corresponding right-to-use subscription assets represent the County's obligations as a subscriber to make subscription payments arising from the arrangement. The subscription liability is recorded at the present value of future payments, including fixed payments, variable payments that are fixed in substance and any other payments made to the SBITA vendor associated with the contract that are reasonably certain of being required. The present value of future payments is discounted based on the rate provided in the software agreement or if not available, the borrowing rate determined by the County from Indicative Interest Rate Scales as of June 1 of the prior fiscal year. Amortization of the discount on the subscription liability is recorded as interest expense and reported as an outflow of resources.

The right-to-use subscription asset is recorded as the initial subscription liability amount plus payments made to the SBITA vendor at the commencement of the subscription term and capitalizable implementation costs, reduced by any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription payments as well as capitalizable initial implementation costs made to the SBITA vendor before the commencement of the subscription term are reported in construction in progress and are reclassified to the subscription asset at the commencement of the term. The right-to-use subscription assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset. Amortization of the right-to-use subscription assets are reported as an outflow of resources.

K) Pensions and Other Postemployment Benefits (OPEB)

Net Pension Liability (Asset) 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.

L) 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.

M) 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.

N) Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that apply to future reporting periods and will not be recognized as revenue until that time. The County has deferred inflows of resources related to pension and OPEB, the deferred gain on refunding, public-private partnership arrangements, leases, and unavailable revenue. The deferred amounts related to pension and OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes. The deferred gain on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Public-private partnership arrangements and leases are required to report contractual future installment and rent payments as deferred inflows. The County reports deferred amounts for unavailable revenue that has not met the County's availability period based on the modified accrual basis of accounting in the governmental funds. The unavailable revenue reported as a deferred inflow of resources in the governmental funds is then recognized as revenue based on the accrual basis of accounting in government-wide financial statements.

O) 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.

P) 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.

Q) 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 - CHANGE IN ACCOUNTING PRINCIPLE

As of July 1, 2022, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* which provides guidance on the accounting and financial reporting for SBITAs for government end-users.

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

	June 30, 2022, as previously presented	Restatement	June 30, 2022, as restated
Governmental Activities:			
Net Position - June 30, 2022	$ (2,172,235)	$ 113	$ (2,172,122)
Right-to-use subscription assets	-	18,957	18,957
Software	116,900	(32,273)	84,627
Software accumulated amortization	(87,208)	14,645	(72,563)
Other long-term liabilities	(14,237)	14,237	-
Subscription liabilities	-	(15,679)	(15,679)
Business-type Activities:			
Net position - June 30, 2022	(391,497)	(532)	(392,029)
Right-to-use subscription assets	-	2,749	2,749
Software	54,264	(405)	53,859
Software accumulated amortization	(53,263)	40	(53,223)
Other long-term liabilities	(615)	615	-
Subscription liabilities	-	(2,467)	(2,467)
Proprietary Funds:			
Medical Center:			
Net Position - June 30, 2022	(106,908)	(236)	(107,144)
Right-to-use subscription assets	-	2,406	2,406
Subscription liabilities	-	(2,170)	(2,170)
Non-major Enterprise Funds:			
Net Position - June 30, 2022	(60,630)	(296)	(60,926)
Right-to-use subscription assets	-	343	343
Software	7,887	(405)	7,482
Software accumulated amortization	(7,078)	40	(7,038)
Other long-term liabilities	(615)	615	-
Subscription liabilities	-	(297)	(297)
Internal Service Funds:			
Net Position - June 30, 2022	(151,953)	477	(151,476)
Right-to-use subscription assets	-	10,433	10,433
Software	38,441	(29,754)	8,687
Software accumulated amortization	(21,394)	14,027	(7,367)
Other long-term liabilities	(12,590)	12,590	-
Subscription liabilities	-	(7,773)	(7,773)

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, 2023, are as follows (in thousands):

Governmental activities	$ 1,581,521
Business-type activities	124,235
Primary government	1,705,756
Component unit	19,225
Total government-wide	1,724,981
Fiduciary funds:	
Pension trust funds	7,659,422
Investment trust fund	2,301,937
Private-purpose trust funds	11,491
Custodial-external investment pool	204,119
Custodial-other custodial funds	32,883
Total cash and investments	$ 11,934,833

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2023, are summarized as follows (in thousands):

	Treasury	Fiscal Agents	Pension Trusts	Total
Cash:				
Cash on hand	$ 9	$ 25	$ -	$ 34
Cash equivalents and demand deposits (net outstanding checks)	168,513	15,005	150,473	333,991
Total cash	168,522	15,030	150,473	334,025
Investments:				
In Treasurer's pool	4,091,859	-	-	4,091,859
In pension portfolios	-	-	7,508,949	7,508,949
Total investments	4,091,859	-	7,508,949	11,600,808
Total cash and investments	$ 4,260,381	$ 15,030	$ 7,659,422	$ 11,934,833

Cash

The cash portion of cash and investments includes cash equivalents and demand deposits.

At June 30, 2023, the carrying amount of the County's cash was $334,025,000, and the bank balance per various institutions was $393,568,000. Treasury cash of $168,522,000 is net of outstanding checks of $59,543,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, $692,000 is covered by federal depository insurance and $392,876,000 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 $7,843,000 are held in the proprietary funds and include $6,343,000 that is restricted by trust agreements for funding capital projects and debt service. Of this, $6,128,000 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, 2023, amounted to a decrease of $38,142,000. The net change in fair value from June 30, 2022 to June 30, 2023, was an increase of $23,628,000.

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, 2023, 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 once or twice per quarter as cash is received.

As of June 30, 2023, 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	0.250-5.050	7/21/23-6/30/25	$ 688,639	$ 664,709	0.957	AA+	Aaa	NR	16.245%
FHLM Bonds	0.170-5.040	8/24/23-9/29/25	272,089	267,224	1.112	AA+	Aaa	AAA	6.531%
FFCB Bonds	0.300-4.000	12/19/23-3/28/24	206,704	208,453	0.614	A-1+	P-1	F1+	5.094%
FFCB Bonds	0.550-5.200	8/10/23-6/15/26	124,810	123,230	1.369	AA+	Aaa	AAA	3.012%
FHLB Bonds	3.050-5.070	7/3/23-2/14/24	72,009	73,569	0.386	A-1+	P-1	NR	1.798%
FNMA Bonds	0.575-5.000	12/15/23-8/28/25	28,720	28,540	1.230	AA+	Aaa	AAA	0.697%
U.S. Treasury Bills:									
U.S. Treasury Bills	0.250-4.250	2/29/24-4/30/26	383,007	381,354	1.217	AA+	Aaa	AAA	9.320%
U.S. Treasury Bills	4.145-4.510	3/21/24-4/18/24	33,535	33,654	0.748	A-1+	P-1	F1+	0.822%
Yankee Certificates of Deposits:									
Yankee Certificates of Deposits	4.070-5.500	7/27/23-12/1/23	210,023	209,809	0.193	A-1+	P-1	F1+	5.127%
Yankee Certificates of Deposits	3.910-5.900	7/3/23-12/22/23	175,025	174,886	0.235	A-1	P-1	F1	4.274%
Yankee Certificates of Deposits	5.250-5.650	11/6/23-12/20/23	75,019	74,794	0.434	A-1+	P-1	NR	1.828%
Yankee Certificates of Deposits	5.170-5.340	7/12/23-2/16/24	55,003	54,964	0.175	A-1+	P-1	F1	1.343%
Medium-Term Corporate Notes:									
Corporate Bonds	0.450-3.450	8/14/23-1/11/24	103,275	101,066	0.268	A+	A1	A+	2.470%
Corporate Bonds	0.400-5.050	8/8/23-1/15/25	83,714	83,443	0.522	AAA	Aaa	NR	2.039%
Corporate Bonds	0.500-3.100	12/7/23-11/21/24	35,741	35,150	0.555	AA+	Aaa	NR	0.859%
Corporate Bonds	0.450-3.375	8/11/23-11/17/25	28,095	27,774	1.464	AA-	Aa2	NR	0.679%
Corporate Bonds	1.554-2.750	5/12/24-5/12/26	27,869	27,636	2.248	AA	A1	AA-	0.675%
Corporate Bonds	3.400	7/30/24	21,179	19,291	1.085	A	A3	N/A	0.471%
Corporate Bonds	3.326	5/18/24	7,891	7,814	0.885	A+	Aa3	NR	0.191%
Corporate Bonds	0.450-3.400	3/7/24-6/6/25	7,967	7,791	1.552	A	A2	A+	0.190%
Corporate Bonds	0.350-3.450	8/11/23-12/7/23	7,587	7,368	0.287	A	A1	AA-	0.180%
Corporate Bonds	2.000	2/25/24	5,068	4,937	0.658	AA+	Aa2	NR	0.121%
Corporate Bonds	2.800-3.375	6/13/24-8/15/24	3,720	3,704	1.078	A+	A1	NR	0.091%
Corporate Bonds	3.625	8/15/23	3,228	3,095	0.126	AA-	Aa3	NR	0.076%
Corporate Bonds	0.426	7/24/23	3,172	2,996	0.066	A+	A2	AA-	0.073%
Corporate Bonds	0.537	11/13/23	1,958	1,930	0.373	A+	A2	NR	0.047%
Commercial paper:									
Commercial paper	4.800-5.270	7/3/23-2/2/24	187,711	189,854	0.339	A-1+	P-1	F1+	4.640%
Commercial paper	4.770-5.040	7/3/23-10/25/23	184,501	188,729	0.130	A-1+	P-1	NR	4.612%
Commercial paper	4.940-5.080	7/3/23-9/19/23	159,737	164,412	0.074	A-1	P-1	F1	4.018%
Commercial paper	4.855-5.010	7/3/23-9/19/23	77,410	79,588	0.103	A-1	P-1	F1+	1.945%
Commercial paper	5.040-5.150	7/14/23-1/5/24	28,847	29,274	0.438	A-1+	P-1	F1	0.715%
Municipal Bonds:									
Municipal Bonds	0.389-5.010	8/1/23-8/1/25	46,829	45,074	0.871	AAA	Aaa	N/A	1.102%
Municipal Bonds	0.270-6.020	8/1/23-6/1/25	32,926	31,761	0.514	AA	NR	N/A	0.776%
Municipal Bonds	0.514-4.050	7/15/23-11/1/25	10,726	10,581	0.749	AA+	Aa1	N/A	0.259%
Municipal Bonds	4.000-5.000	8/1/23-11/1/23	10,731	10,476	0.250	AA-	Aa2	N/A	0.256%
Municipal Bonds	0.554-4.350	7/1/23-6/1/25	8,370	8,387	0.783	AA+	NR	N/A	0.205%
Municipal Bonds	0.303-4.000	8/1/23-9/1/24	8,067	7,651	0.897	AA	Aa2	N/A	0.187%
Municipal Bonds	0.467-5.000	8/1/23-10/1/25	6,859	6,832	1.258	AAA	NR	N/A	0.167%
Municipal Bonds	0.313-5.000	8/1/23-8/1/24	5,713	5,566	0.328	AA-	NR	N/A	0.136%
Municipal Bonds	0.501-6.420	8/1/23-12/1/25	3,162	3,191	0.519	AAA	Aa1	N/A	0.078%
Municipal Bonds	0.420-4.000	8/1/23-4/1/25	2,498	2,434	0.563	AA	Aa3	N/A	0.059%
Municipal Bonds	0.359-5.000	8/1/23-8/1/24	1,454	1,365	0.585	AA	A1	N/A	0.033%
Municipal Bonds	3.000	3/1/24	1,350	1,301	0.671	A+	Aa3	N/A	0.032%
Municipal Bonds	0.488-1.113	9/1/23-8/1/24	1,189	1,164	0.314	AA	Aa1	N/A	0.028%
Municipal Bonds	0.617-3.250	8/1/23-8/1/24	932	883	0.373	AA+	Aa2	N/A	0.022%
Municipal Bonds	4.000	2/1/24	750	726	0.592	A+	A1	N/A	0.018%
Municipal Bonds	3.00-5.000	8/1/23-9/1/23	639	599	0.130	A+	NR	N/A	0.015%
Municipal Bonds	5.000	8/1/23	511	499	0.088	AA-	A1	N/A	0.012%
Municipal Bonds	2.085-3.595	5/1/24-5/1/25	322	328	1.410	AAA	Aa2	N/A	0.008%
Municipal Bonds	0.4810-1.975	5/1/24-8/1/24	249	224	0.950	AA	A2	N/A	0.005%
Municipal Bonds	0.419-0.830	8/1/23	220	210	0.088	AA+	Aaa	N/A	0.005%
Municipal Bonds	5.000	8/1/23	188	170	0.088	AA-	A3	N/A	0.004%
Municipal Bonds	2.000	6/1/24	160	147	0.923	A	NR	N/A	0.004%
Municipal Bonds	5.000	6/1/24	128	126	0.923	AA-	Aa3	N/A	0.003%
LAIF	2.740		55,000	55,000	0.003	NR	NR	N/A	1.344%
CalTRUST	4.470		25,000	24,940	0.003	AA	NR	N/A	0.610%
Supranationals:									
Supranationals	0.250-4.030	9/27/23-4/20/26	308,021	296,434	0.843	AAA	Aaa	AAA	7.244%
Supranationals	3.000-4.030	12/20/23-3/7/24	120,804	121,660	0.539	A-1+	P-1	NR	2.973%
Supranationals	0.250-3.000	10/5/23-3/6/24	116,077	117,232	0.465	A-1+	P-1	F1+	2.865%
Supranationals	0.390-2.875	7/31/23-9/3/24	57,874	55,860	0.729	AAA	Aaa	NR	1.365%
Total investments in Investment Pool			$4,130,002	$ 4,091,859					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, 2023 (in thousands):

Statement of Net Position	Total
Net position held for pool participants	$ 4,260,381
Equity of internal pool participants	$ 1,670,494
Equity of external pool participants	2,570,662
Equity of discretely presented component unit	19,225
Total equity	$ 4,260,381
Statement of Changes in Net Position	
Net position at July 1, 2022	$ 3,886,091
Increase in investment by pool participants, net	374,290
Net position at June 30, 2023	$ 4,260,381

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 54 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, the master custodian for the majority of VCERA's assets.

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

Custodial Credit Risk

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, 2023, 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 custodian in their trust department.

Credit Risk

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. 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, 2023:

Investment	Percentage of Investment Pool
Federal Home Loan Bank	18.04 %
U. S. Treasury	10.14 %
Federal Farm Credit Bank	8.11 %
Federal Home Loan Mortgage Corporation	6.53 %
International Bank for Reconstruction & Development	6.17 %
Combined Individual Issuers less than 5% of Portfolio:	
Commercial Paper	15.93 %
Yankee Certificate of Deposits	12.57 %
Supranationals	8.28 %
Medium-Term Corporate Notes	8.16 %
Municipal Bonds	3.41 %
LAIF	1.35 %
Federal National Mortgage Association	0.70 %
CalTRUST	0.61 %
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, 2023, the weighted average maturity of the Investment Pool was 247 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. Effective July 1, 2021, VCERA no longer maintains a commercial bank account with depository insurance coverage from the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2023, VCERA had the following cash and short-term investments (in thousands):

State Street Bank and Trust	$ 131,116
County of Ventura Treasurer's Investment Pool	19,079
Total	$ 150,195

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, 2023, are as follows (in thousands):

Rating Category	
Separate Holdings	
AAA	$ 21,609
AA	14,373
A	52,712
BBB	105,985
BB	22,536
B	6,329
CCC	2,604
No Rating	239,219
Total Separate Holdings	465,367
Pooled Investments	
AAA	226,320
AA	42,569
A	61,498
BBB	89,059
BB	15,555
B	5,146
CCC	1,305
CC	1,901
No Rating	5,615
Total Pooled Investments	448,968
Total Portfolio	$ 914,335

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, 2023.

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, 2023, are as follows (in thousands):

Category	Amount	Duration (Years)
Treasury	$ 212,188	6.3
Agency	51,835	4.2
Mortgage-Backed	154,918	5.1
Asset-Backed	64,313	3.7
Credit	421,765	5.7
Foreign	2,320	-
Other	6,995	0.2
Total	$ 914,334	6.6

Notes - The duration of the Bloomberg Barclays Aggregate Bond Index as of June 30, 2023 was 6.7 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, 2023 (in thousands):

Currency	Fixed Income	Equities
Australian Dollar	$ -	$ 61,840
British Pound	8,463	216,145
Canadian Dollar	3,929	117,827
Danish Krone	1,000	24,159
Euro	17,186	187,611
Hong Kong Dollar	-	45,410
Japanese Yen	(2,640)	282,328
Mexican Peso	15,948	6,793
New Zealand Dollar	-	1,887
Norwegian Krone	679	6,768
South African Rand	(8,372)	7,360
Singapore Dollar	3,034	27,228
South Korean Won	(1,002)	29,626
Swedish Krona	(3,338)	26,419
Swiss Franc	4,799	166,494
Other/Emerging Markets	7,405	368,830
Total Securities Subject to Foreign Currency Risk	$ 47,091	$ 1,576,725

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, 2023, 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, 2023, VCERA had securities on loan with a fair value of $55.5 million, with collateral of $56.5 million.

VCERA's net securities lending income for the fiscal year ended June 30, 2023, is as follows (in thousands):

Gross Income	$ 2,572
Expenses:	
Borrower Rebates	2,254
Management Fees	96
Net Securities Lending Income	$ 222

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, 2023 (in thousands):

Currency Forwards Analysis

		Currency Forward Contracts			
Currency	Options	Net Receivables	Net Payables	Swap Agreement	Net Exposure
Australian Dollar	$ -	$ -	$ 4	$ -	$ 4
Canadian Dollar	-	-	(3)	-	(3)
Yuan Renminbi Offshore	-	-	-	-	-
Euro Currency Unit	-	-	(3)	-	(3)
British Pound Sterling	-	-	(13)	-	(13)
Japanese Yen	-	-	16	-	16
Mexican Peso	-	-	(38)	-	(38)
Subtotal	-	-	(37)	-	(37)
U.S. Dollar	45	-	-	284	329
Total	$ 45	$ -	$ (37)	$ 284	$ 292

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, 2023, 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	$ (555)	$ (214)	$ 13,451	$ -
Credit Default Swaps Written	120	38	1,358	-
Fixed Income Futures Long	(12,648)	-	161,882	-
Fixed Income Futures Short	19,579	-	(197,629)	-
Foreign Currency Futures Long	(420)	-	3,800	-
Futures Options Bought	(1,726)	485	875	-
Futures Options Written	1,579	(440)	(1,491)	-
FX Forwards	(91)	(37)	2,527	-
Index Futures Long	55,903	-	97	-
Index Futures Short	(14)	-	-	-
Pay Fixed Interest Rate Swaps	3,580	1,348	29,279	-
Receive Fixed Interest Rate Swaps	(1,789)	(888)	37,283	-
Total	$ 63,518	$ 292	$ 51,432	$ -

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, 2023 (in thousands):

Counterparty Name	Fair Value	S&P Rating	Fitch Rating	Moody's Rating
Bank of America, N.A.	$ 1	A+	AA	Aa1
BNP Paribas, S.A.	-	A+	A+	Aa3
Goldman Sachs Bank USA	17	BBB+	A	A2
Goldman Sachs CME	622	BBB+	A	A2
JPMorgan Chase Bank N.A.	4	A+	AA	Aa2
UBS CME	739	A+	A+	Aa3
UBS ICE	38	A+	A+	Aa3
Total	$ 1,421			

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, 2023 (in thousands):

Derivative Type	Notional Value (Dollar)	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Credit Default Swaps Bought	$ 13,451	$ (214)	$ -	$ (214)	$ -	$ -
Credit Default Swaps Written	1,358	38	-	38	-	-
Pay Fixed Interest Rate Swaps	29,279	1,348	-	116	251	981
Receive Fixed Interest Rate Swaps	37,283	(888)	-	(875)	(13)	-
Total	$ 81,371	$ 284	$ -	$ (935)	$ 238	$ 981

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, 2023, 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 $10,272,000, 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. The County's investments and outside investments by fair value level as of June 30, 2023 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	$ 24,940			
LAIF	55,000			
Total investments not subject to fair value hierarchy	79,940			
Investments subject to fair value hierarchy:				
U.S. Government Agency Bonds	1,365,725	$ 282,022	$ 1,083,703	$ -
U.S. Treasury Bills and Notes	415,008	415,008	-	-
Yankee Certificate of Deposit	514,453	-	514,453	-
Medium Term Corporate Notes	333,995	-	333,995	-
Commercial Paper	651,857	-	651,857	-
Municipal Bonds	139,695	-	139,695	-
Supranational Instruments	591,186	-	591,186	-
Total investments subject to fair value hierarchy	4,011,919	$ 697,030	$ 3,314,889	$ -
Total investments in investment pool	4,091,859			
Investments outside Investment Pool				
Investments by fair value level:				
VCERA Pension Trust:				
Debt Securities:				
Asset Backed Securities	45,001	$ 825	$ 44,176	$ -
Commercial Mortgage-Backed Securities	44,237	-	44,237	-
Corporate and Other Credit	184,562	-	184,562	-
U.S. Government Agency	147,867	-	147,867	-
Total Debt Securities	421,667	$ 825	$ 420,842	$ -
Equity Securities:				
U.S. Equity	40,688	$ -	$ 40,688	$ -
Limited Partnerships	277,972	63,582	-	214,390
Preferred Stock	589	589	-	-
Total Equity Securities	319,249	$ 64,171	$ 40,688	$ 214,390
Collateral from Securities Lending	56,544	$ -	$ 56,544	$ -
SRP Pension Trust:				
Bond Mutual Funds	10,272	$ -	$ 10,272	$ -
Equity Mutual Funds	15,882	-	15,882	-
Total SRP Pension Trust	26,154	$ -	$ 26,154	$ -
Total investments subject to fair value hierarchy	823,614			
Investments measured at net asset value (NAV):				
Fixed Income	451,392			
Private Credit	491,399			
Equity:				
U.S.	1,892,046			
Non-U.S.	1,116,363			
Global	754,113			
Real Assets	614,753			
Private Equity	1,365,269			
Total investments measured at NAV	6,685,335			
Total investments outside investment pool	7,508,949			
Total investments	$ 11,600,808			
Investment derivative instruments:				
Forward Exchange Contracts	$ (37)	$ (37)	$ -	$ -
Future Options Contracts	45	45	-	-
Credit Default Swaps	(176)	-	(176)	-
Interest Rate Swaps	460	-	460	-
Total investment derivative instruments	$ 292	$ 8	$ 284	$ -

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 2022-23, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.647848 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	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Receivables:						
Accounts	$ 175,628	$ 1,190	$ 6,526	$ 40,971	$ 2,385	$ 226,700
Interest	7,964	1,191	1,606	1,889	3,315	15,965
Lease	215	112	10	49	13	399
Gross Receivables	183,807	2,493	8,142	42,909	5,713	243,064
Long-term receivables:						
Lease	2,249	291	124	1,190	330	4,184
Medi-Cal	24,297	-	-	15,070	-	39,367
SB90 revenue	5,878	-	-	-	-	5,878
Neighborhood Stabilization Program	2,551	-	-	-	-	2,551
HUD programs	-	-	-	14,549	-	14,549
Special assessments	-	-	-	6,513	-	6,513
Other long-term receivables	7,363	918	-	325	97	8,703
Total long-term receivables	42,338	1,209	124	37,647	427	81,745
Total receivables	$ 226,145	$ 3,702	$ 8,266	$ 80,556	$ 6,140	$ 324,809

Proprietary Funds	Medical System	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Enterprise Funds and Business-type Activities
Receivables:					
Accounts	$ 765,513	$ 6,734	$ 5,263	$ 2,829	$ 780,339
Interest	-	196	331	507	1,034
Lease	-	1,276	108	1,648	3,032
Other	50	-	-	313	363
Gross Receivables	765,563	8,206	5,702	5,297	784,768
Less: Allow./Uncollectible Acct	(460,586)	(20)	(29)	-	(460,635)
Total Receivables - fund statements	304,977	8,186	5,673	5,297	324,133
Long-term receivables:					
Lease	-	30,546	4,326	63,024	97,896
Public-private arrangement	-	-	-	3,950	3,950
Total long-term receivables	-	30,546	4,326	66,974	101,846
Total receivables	$ 304,977	$ 38,732	$ 9,999	$ 72,271	$ 425,979

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):

The composition of interfund balances as of June 30, 2023, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund			
	Watershed Protection District	$ 76	
	Fire Protection District	507	
	Non-major Governmental Funds	22,366	
	Medical System	583	
	Department of Airports	4	
	Waterworks Districts	289	
	Non-major Enterprise Funds	30	
	Internal Service Funds	562	
			$ 24,417
Watershed Protection District			
	General Fund	1,018	
			1,018
Fire Protection District			
	General Fund	2,794	
	Internal Service Funds	12	
			2,806
Non-major Governmental Funds			
	General Fund	5,639	
	Non-major Governmental Funds	4	
	Medical System	217	
	Waterworks Districts	1,009	
			6,869
Medical System			
	General Fund	131	
	Fire Protection District	3	
	Non-major Governmental Fund	64	
	Non-major Enterprise Funds	11	
	Internal Service Funds	31	
			240
Department of Airports			
	General Fund	60	
			60
Waterworks Districts			
	General Fund	690	
	Watershed Protection District	7	
	Non-major Governmental Fund	12	
			709

Receivable Fund	Payable Fund	Amount	
Non-major Enterprise Funds			
	General Fund	$ 214	
			$ 214
Internal Service Funds			
	General Fund	8,997	
	Watershed Protection District	268	
	Fire Protection District	347	
	Non-major Governmental Funds	817	
	Medical System	987	
	Department of Airports	63	
	Waterworks Districts	735	
	Non-major Enterprise Funds	247	
	Internal Service Funds	843	
			13,304
Total Due To/Due From			$ 49,637

The balance of $22,366,000 due to the General Fund from Non-major Governmental Funds includes the reimbursement of capital projects expenditures from the PFA and a short-term loan for construction of the Todd Road Jail.

The balance of $1,018,000 due to the Watershed Protection District from the General Fund is primarily the transfer of property tax.

The balance of $2,794,000 due to the Fire Protection District from the General Fund is primarily the transfer of property tax.

The balance of $5,639,000 due to Non-major Governmental Funds from the General Fund is primarily grant reimbursements and the balance of $1,009,000 due from the Watershed Protection District is primarily a short-term cash flow loan.

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	$ 35
	Medical System	180,000
	Waterworks Districts	1,466
	Internal Service Funds	356
Total Advances		$ 181,857

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:

- 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 $180,000,000. 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, 2024.

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 first draw down occurred in August 2017, and at June 30, 2023 the balance stands at $1,466,000.

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, 2023 the balance stands at $356,000.

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	Non-major Governmental Funds	$ 20,000	Subsidy for capital projects
	Non-major Governmental Funds	8,453	Subsidy for operating expenses
	Non-major Governmental Funds	7,846	Transfer funds for scheduled debt service
	Non-major Governmental Funds	2,570	Health and welfare realignment
	Medical System	30,120	Subsidy for operating expenses
	Medical System	3,409	Tobacco settlement revenues
	Medical System	413	Subsidy for capital projects
	Non-major Enterprise Funds	1,285	Subsidy for operating expenses
	Internal Service Funds	6,571	Subsidy for capital asset purchase
	Internal Service Funds	1,073	Subsidy for capital projects
	Internal Service Funds	30	Subsidy for operating expenses
		81,770	
Watershed Protection District	Internal Service Funds	652	Subsidy for capital asset purchase
		652	
Non-major Governmental Funds	General Fund	1,008	Transfer of HUD grant funding
	Non-major Governmental Funds	661	Transfer of HUD grant funding
	Non-major Governmental Funds	133	Transfer funds for scheduled debt service
	Non-major Governmental Funds	4	Transfer of endowment interest
	Medical System	75	Transfer of HUD grant funding
	Internal Service Funds	1,245	Subsidy for capital asset purchase
		3,126	
Department of Airports	Internal Service Funds	50	Subsidy for capital asset purchase
		50	
Waterworks Districts	Internal Service Funds	888	Subsidy for capital projects
		888	
Non-major Enterprise Funds	General Fund	60	Subsidy for operating expenses
	Internal Service Funds	52	Subsidy for capital asset purchase
		112	
Internal Service Funds	General Fund	100	Subsidy for operating expenses
		100	
Total		$ 86,698	

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows (in thousands):

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital assets, nondepreciable:				
Land	$ 53,088	$ -	$ 35	$ 53,053
Easements	200,451	-	-	200,451
Construction in progress	174,192	61,175	22,805	212,562
Total capital assets, nondepreciable	427,731	61,175	22,840	466,066
Capital assets, depreciable/amortizable:				
Land improvements	58,524	-	-	58,524
Structures and improvements	604,654	13,163	446	617,371
Equipment	148,000	28,786	2,822	173,964
Vehicles	129,798	17,723	5,441	142,080
Software	84,627	976	45	85,558
Infrastructure	608,907	211	-	609,118
Right-to-use lease structures and improvements	42,903	6,388	1,019	48,272
Right-to-use lease equipment	6,518	-	-	6,518
Right-to-use subscription assets	18,957	1,698	-	20,655
Total capital assets, depreciable/amortizable	1,702,888	68,945	9,773	1,762,060
Less accumulated depreciation/amortization for:				
Land improvements	16,403	1,962	-	18,365
Structures and improvements	293,968	16,779	463	310,284
Equipment	89,554	10,595	2,432	97,717
Vehicles	73,723	7,321	5,002	76,042
Software	72,563	3,882	42	76,403
Infrastructure	160,229	6,159	-	166,388
Right-to-use lease structures and improvements	10,570	10,280	984	19,866
Right-to-use lease equipment	834	832	-	1,666
Right-to-use subscription assets	-	6,130	-	6,130
Total accumulated depreciation/amortization	717,844	63,940	8,923	772,861
Total capital assets, depreciable/amortizable, net	985,044	5,005	850	989,199
Governmental activities capital assets, net	$ 1,412,775	$ 66,180	$ 23,690	$ 1,455,265
Business-type Activities (Enterprise):				
Medical System:				
Capital assets, nondepreciable:				
Land	$ 2,054	$ -	$ -	$ 2,054
Construction in progress	20,102	12,039	5,206	26,935
Total capital assets, nondepreciable	22,156	12,039	5,206	28,989
Capital assets, depreciable/amortizable:				
Structures and improvements	472,120	4,021	-	476,141
Equipment	78,556	3,581	70	82,067
Software	46,290	-	-	46,290
Right-to-use lease structures and improvements	17,973	4,019	-	21,992
Right-to-use lease equipment	5,261	298	-	5,559
Right-to-use subscription assets	2,406	1,959	-	4,365
Total capital assets, depreciable/amortizable	622,606	13,878	70	636,414
Less accumulated depreciation/amortization for:				
Structures and improvements	114,053	12,557	-	126,610
Equipment	61,344	5,489	-	66,833
Software	46,137	94	-	46,231
Right-to-use lease structures and improvements	4,468	5,144	-	9,612
Right-to-use lease equipment	3,746	666	-	4,412
Right-to-use subscription assets	-	1,933	-	1,933
Total accumulated depreciation/amortization	229,748	25,883	-	255,631
Total capital assets, depreciable/amortizable, net	392,858	(12,005)	70	380,783
Medical System capital assets, net	$ 415,014	$ 34	$ 5,276	$ 409,772

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Department of Airports:				
Capital assets, nondepreciable:				
Land	$ 9,362	$ -	$ -	$ 9,362
Easements	849	-	-	849
Construction in progress	26,634	5,107	-	31,741
Total capital assets, nondepreciable	36,845	5,107	-	41,952
Capital assets, depreciable/amortizable:				
Land improvements	50,921	-	-	50,921
Structures and improvements	18,399	39	-	18,438
Equipment	1,268	482	-	1,750
Vehicles	990	-	-	990
Total capital assets, depreciable/amortizable	71,578	521	-	72,099
Less accumulated depreciation/amortization for:				
Land improvements	34,183	1,761	-	35,944
Structures and improvements	15,651	315	-	15,966
Equipment	1,012	76	-	1,088
Vehicles	906	29	-	935
Total accumulated depreciation/amortization	51,752	2,181	-	53,933
Total capital assets, depreciable/amortizable, net	19,826	(1,660)	-	18,166
Department of Airports capital assets, net	$ 56,671	$ 3,447	$ -	$ 60,118
Waterworks Districts:				
Capital assets, nondepreciable:				
Land	$ 2,490	$ -	$ -	$ 2,490
Easements	326	-	-	326
Construction in progress	15,205	7,895	-	23,100
Total capital assets, nondepreciable	18,021	7,895	-	25,916
Capital assets, depreciable/amortizable:				
Land improvements	2,074	-	-	2,074
Structures and improvements	154,066	-	26	154,040
Equipment	3,125	-	7	3,118
Vehicles	93	-	-	93
Software	87	-	-	87
Total capital assets, depreciable/amortizable	159,445	-	33	159,412
Less accumulated depreciation/amortization for:				
Land improvements	625	41	-	666
Structures and improvements	53,649	2,870	25	56,494
Equipment	2,294	103	3	2,394
Vehicles	93	-	-	93
Software	48	9	-	57
Total accumulated depreciation/amortization	56,709	3,023	28	59,704
Total capital assets, depreciable/amortizable, net	102,736	(3,023)	5	99,708
Waterworks Districts capital assets, net	$ 120,757	$ 4,872	$ 5	$ 125,624

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Non-major Enterprise Funds:				
Capital assets, nondepreciable:				
Land	$ 9,052	$ 230	$ -	$ 9,282
Easements	122	-	-	122
Construction in progress	977	4,062	122	4,917
Total capital assets, nondepreciable	10,151	4,292	122	14,321
Capital assets, depreciable/amortizable:				
Land improvements	31,495	-	-	31,495
Structures and improvements	38,032	-	-	38,032
Equipment	2,265	25	30	2,260
Software	7,482	-	-	7,482
Right-to-use subscription assets	343	-	-	343
Total capital assets, depreciable/amortizable	79,617	25	30	79,612
Less accumulated depreciation/amortization for:				
Land improvements	23,532	895	-	24,427
Structures and improvements	22,440	841	-	23,281
Equipment	2,020	87	27	2,080
Software	7,038	233	-	7,271
Right-to-use subscription assets	-	94	-	94
Total accumulated depreciation/amortization	55,030	2,150	27	57,153
Total capital assets, depreciable/amortizable, net	24,587	(2,125)	3	22,459
Non-major Enterprise Funds capital assets, net	$ 34,738	$ 2,167	$ 125	$ 36,780
Business-type Activities (Enterprise) Totals:				
Capital assets, nondepreciable:				
Land	$ 22,958	$ 230	$ -	$ 23,188
Easements	1,297	-	-	1,297
Construction in progress	62,918	29,103	5,328	86,693
Total capital assets, nondepreciable	87,173	29,333	5,328	111,178
Capital assets, depreciable/amortizable:				
Land improvements	84,490	-	-	84,490
Structures and improvements	682,617	4,059	25	686,651
Equipment	85,214	4,088	107	89,195
Vehicles	1,083	-	-	1,083
Software	53,859	-	-	53,859
Right-to-use lease structures and improvements	17,973	4,019	-	21,992
Right-to-use lease equipment	5,261	298	-	5,559
Right-to-use subscription assets	2,749	1,959	-	4,708
Total capital assets, depreciable/amortizable	933,246	14,423	132	947,537
Less accumulated depreciation/amortization for:				
Land improvements	58,340	2,697	-	61,037
Structures and improvements	205,793	16,583	25	222,351
Equipment	66,670	5,755	30	72,395
Vehicles	999	29	-	1,028
Software	53,223	336	-	53,559
Right-to-use lease structures and improvements	4,468	5,144	-	9,612
Right-to-use lease equipment	3,746	666	-	4,412
Right-to-use subscription assets	-	2,027	-	2,027
Total accumulated depreciation/amortization	393,239	33,237	55	426,421
Total capital assets, depreciable/amortizable, net	540,007	(18,814)	77	521,116
Business-type activities capital assets, net	$ 627,180	$ 10,519	$ 5,405	$ 632,294

Depreciation/amortization

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

General government:		
General administration	$ 9,972	
Property management	569	
Total general government		$ 10,541
Public protection:		
Judicial	2,455	
Police protection	3,246	
Detention and correction	5,427	
Fire protection	8,675	
Flood control and soil and water conservation	4,227	
Protective inspection	53	
Other	1,703	
Total public protection		25,786
Public ways and facilities		2,391
Health and sanitation services		4,652
Public assistance:		
Administration	4,996	
Other	31	
Total public assistance		5,027
Education		671
Recreation and cultural services		5
Capital assets held by the internal service funds		14,867
Total depreciation/amortization expense - governmental activities		$ 63,940

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

Medical System	$ 25,883
Department of Airports	2,181
Waterworks Districts	3,023
Parks Department	946
Channel Islands Harbor	833
Health Care Plan	337
Oak View District	34
Total depreciation/amortization expense - business-type activities	$ 33,237

Construction in Progress and Capital Projects Commitments
Construction in progress for governmental activities represents work being performed in Government projects, Todd Road Jail project, infrastructure, Watershed Protection District projects, Fire Protection District projects, SBITAs in process, and a number of smaller projects. Construction in progress for the business-type activities represents work being performed on Airport projects, Ventura County Medical System projects, Waterworks District projects, and various smaller projects.

Construction in progress and capital projects commitments as of June 30, 2023, are as follows (in thousands):

	Construction in Progress	Additional Committed Funds
Governmental activities	$ 212,562	$ 21,490
Business-type activities:		
Medical System	$ 26,935	$ 7,265
Department of Airports	31,741	4,720
Waterworks Districts	23,100	1,171
Parks Department	2,024	-
Channel Islands Harbor	2,892	186
Oak View District	1	-
Total business-type activities	$ 86,693	$ 13,342

Long-term commitments for infrastructure construction contracts totaled $2,476,000 (principally for road and flood control projects) at June 30, 2023.

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	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	$ 22,316	$ -	$ 2,448	$ 1,054	$ 1,976	$ 27,794
Audit reserves:						
SB90	1,814	-	-	-	-	1,814
Mental Health Short Doyle	36,995	-	-	19,352	-	56,347
Property tax clearing	11,261	-	-	-	-	11,261
Public assistance benefits payable	8,299	-	-	-	-	8,299
Held for grant repayment	7,466	-	-	-	-	7,466
Debris Removal Program	13,324	-	-	-	-	13,324
Building Homes and Jobs Act	1,295	-	-	-	-	1,295
Clearing and other liabilities	8,082	1,521	5	937	-	10,545
Total accrued liabilities	$ 110,852	$ 1,521	$ 2,453	$ 21,343	$ 1,976	$ 138,145

Proprietary Funds	Medical System	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Business-type Activities
Accrued liabilities:					
Accrued salaries and benefits	$ 5,219	$ 63	$ -	$ 204	$ 5,486
Medicare, Medi-Cal, and SB1100 reserves	51,452	-	-	-	51,452
Accounts receivable credit balances	6,121	-	-	-	6,121
Clearing and other liabilities	4,693	-	190	2,702	7,585
Total accrued liabilities	$ 67,485	$ 63	$ 190	$ 2,906	$ 70,644

NOTE 9 - LEASES

Leases as Lessee

The County has entered a variety of noncancellable leases as lessee for various purposes, such as office space, medical and dental offices, clinics, fire and sheriff stations, public libraries, residential facilities, cell sites, and general warehouse and storage facilities. The County enters into these lease agreements that outline the terms and conditions of the tenancy, including the rent amount, the length of the lease, and any restrictions on the use of the property. The terms of these noncancellable leases include the noncancellable period per the contract, plus or minus any extension or termination options the County and the lessor are reasonably certain to exercise. The County makes monthly payments ranging from $2,400 to $132,400 and the agreements vary in remaining lease terms from 2 to 14 years. As of June 30, 2023, the lease liability for governmental activities and business-type activities was $31,100,000 and $12,565,000, respectively. The imputed interest rate ranges from 0.085 to 2.650 percent.

The County subleases a portion of a right-to-use lease asset to a third party. The sublease represents a right-to-use lease asset of $476,000 as of June 30, 2023. The agreement results in a lease receivable and deferred inflow of $343,000 as of June 30, 2023, which is included in the lease receivables tables below.

In addition, the County maintains lease agreements as the lessee for the acquisition and use of medical equipment and copiers. The County is required to make periodic principal and interest payments ranging from approximately $1,700 to $82,100 per month and the agreements vary in remaining terms from 5 to 7 years. As of June 30, 2023, the lease liability for governmental activities and business-type activities was $4,642,000 and $933,000, respectively. The equipment and copier leases imputed, and incremental borrowing annual rates range from 0.280 to 4.782 percent.

Future principal and interest lease payments as of June 30, 2023, are as follows (in thousands):

	Governmental Activities		Business-Type Activities	
Year ending June 30,	Principal	Interest	Principal	Interest
2024	$ 10,228	$ 264	$ 5,726	$ 98
2025	8,264	201	4,367	52
2026	6,281	141	2,110	26
2027	4,292	95	1,190	10
2028	3,287	55	105	1
2029-2033	3,336	38	-	-
2034-2038	54	1	-	-
Total	$ 35,742	$ 795	$ 13,498	$ 187

For governmental activities and business-type activities, principal expense related to leases was $10,107,000 and $5,978,000, respectively, for the year ended June 30, 2023. Variable payments previously not included in the measurement of the lease liability for the year ended June 30, 2023 were $1,058,000 and $95,000 for governmental activities and business type activities, respectively. There were no payments for residual value guarantees or termination penalties during the year ended June 30, 2023.

The following is a schedule of right-to-use lease assets by major classes at June 30, 2023 (in thousands):

	Governmental Activities	Business-type Activities
Right-to-use structures and improvements	$ 48,272	$ 21,992
Right-to-use equipment	6,518	5,559
Right-to-use accumulated amortization	(21,532)	(14,024)
Total	$ 33,258	$ 13,527

Leases as Lessor

The County leases County owned land and buildings for various purposes such as office space, residential, recreational, industrial, retail, and cultural uses. The term of these leases includes the noncancellable period per the contract, plus or minus any extension or termination options the County and the lessee are reasonably certain to exercise. The leases vary in remaining term from 1 to 77 years and the County receives monthly payments ranging from $230 to $145,000. As of June 30, 2023, the County's receivable and the associated deferred inflow was $105,511,000. The imputed interest rate ranges from 2.13 to 5.11 percent.

The following is a summary of future minimum lease receipts on noncancellable leases as of June 30, 2023 (in thousands):

Year ending	Governmental Activities		Business-type Activities	
June 30,	Principal	Interest	Principal	Interest
2024	$ 399	$ 185	$ 3,032	$ 4,074
2025	378	163	2,673	3,931
2026	402	148	2,669	3,827
2027	425	132	2,748	3,721
2028	331	117	2,722	3,613
2029-2033	953	446	13,703	16,433
2034-2038	653	278	16,174	13,393
2039-2043	379	181	15,615	10,034
2044-2048	473	94	11,849	7,207
2049-2053	190	18	9,242	5,153
2054-2058	-	-	6,504	3,439
2059-2063	-	-	3,716	2,472
2064-2068	-	-	3,303	1,745
2069-2073	-	-	2,156	1,182
2074-2078	-	-	1,328	821
2079-2083	-	-	567	658
2084-2088	-	-	695	530
2089-2093	-	-	852	373
2094-2098	-	-	1,044	181
2099-2103	-	-	336	10
Total	$ 4,583	$ 1,762	$ 100,928	$ 82,797

Lease revenue is as follows for the year ended June 30, 2023 (in thousands):

	Governmental Activities	Business-type Activities
Minimum lease payments	$ 314	$ 3,105
Interest lease payments	188	3,997
Variable lease payments	59	9
Total	$ 561	$ 7,111

NOTE 10 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has noncancellable SBITAs with various vendors for purposes, such as budgeting, accounting, marketing, online conferencing, and other general office duties. The County enters these arrangements which outline the terms and conditions of the subscription, including the annual, quarterly, or monthly payment amount, the term of the subscription, along with other items. The term of these subscriptions includes the noncancellable period per the contract, plus or minus any extension or termination options that that the County and SBITA vendor are reasonably certain to exercise. The County makes annual payments ranging from approximately $68,000 to $2,327,000 and the arrangements typically vary in terms from 3 to 5 years. The initial subscription liabilities were recorded in the governmental activities and business-type activities in the amounts of $15,679,000 and $2,467,000, respectively. The imputed interest rate ranges from 1.86 to 2.38 percent.

Future principal and interest payments on the SBITAs as of June 30, 2023, are as follows (in thousands):

	Governmental Activities		Business-Type Activities	
Year ending June 30	Principal	Interest	Principal	Interest
2024	$ 3,582	$ 236	$ 1,462	$ 60
2025	3,469	163	294	8
2026	3,439	93	72	1
2027	229	23	-	-
2028	145	18	-	-
2029-2033	614	37	-	-
Total	$ 11,478	$ 570	$ 1,828	$ 69

For governmental activities and business-type activities, principal expense related to the SBITAs was $5,899,000 and $1,696,000, respectively, for the year ended June 30, 2023. During the year ended June 30, 2023, there were no payments for residual value guarantee, termination penalties or other variable payments included in the amount of outflow of resources, not previously included in the measurement of the subscription liability. There were no impairment losses recorded during the fiscal year ended June 30, 2023. The initial right-to-use subscription assets were recorded in the governmental activities and business-type activities in the amounts of $18,957,000 and $2,749,000 respectively.

Right-to-use subscription assets at June 30, 2023 are as follows (in thousands):

	Governmental Activities	Business-Type Activities
Right-to-use subscription assets	$ 20,655	$ 4,708
Right-to-use accumulated amortization	(6,130)	(2,027)
Totals	14,525	2,681

As of June 30, 2023, the County has approximately $2,665,000 and $2,789,000 of prepaid subscription costs or initial implementation costs related to SBITAs not commenced yet, that are recorded to construction-in-progress for governmental activities and business-type activities, respectively, on the accompanying balance sheet.

NOTE 11 - LONG-TERM LIABILITIES

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

Lease revenue bonds (LRB), 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, 2023, are as follows (in thousands):

Type of indebtedness/liabilities	Outstanding July 1, 2022, as restated	Additions and Transfers	Reductions and Transfers	Outstanding June 30, 2023	Amount Due Within One Year
Governmental Activities:					
Lease Revenue Bonds:					
Governmental Funds	$ 17,066	$ -	$ 2,921	$ 14,145	$ 3,045
Unamortized Premium Governmental Funds	1,539	-	315	1,224	299
Internal Service Funds	1,915	-	723	1,192	719
Total Lease Revenue Bonds	20,520	-	3,959	16,561	4,063
Revolving Credit Agreement Notes from Direct Borrowings:					
Governmental Funds	18,757	3,000	3,530	18,227	18,227
Internal Service Funds	1,190	-	196	994	994
Total Revolving Credit Agreement Notes from Direct Borrowings	19,947	3,000	3,726	19,221	19,221
Loans from Direct Borrowings:					
Governmental Funds	6,903	-	314	6,589	321
Total Loans from Direct Borrowings	6,903	-	314	6,589	321
Structure and Improvement Leases (Note 9):					
Governmental Funds	29,223	6,501	8,475	27,249	8,257
Internal Service Funds	4,838	152	1,139	3,851	1,035
Total Structure and Improvement Leases	34,061	6,653	9,614	31,100	9,292
Equipment Leases (Note 9):					
Internal Service Funds	5,584	-	942	4,642	936
Total Equipment Leases	5,584	-	942	4,642	936
Other Liabilities:					
Compensated Absences Liability	94,932	53,666	48,895	99,703	50,404
Net Pension Liabilities (VCERA and SRP)	-	1,099,234	749,286	349,948	-
Medical Malpractice (General Fund)	825	-	127	698	-
Total Pension Liability (Mgmt. Retiree Health Benefit)	15,480	772	2,845	13,407	1,883
Net Other Postemployment Benefits (OPEB) Liability	130,471	25,436	49,870	106,037	2,421
Total OPEB Liability (Subsidized Retiree Health Plan)	30,812	3,137	4,647	29,302	1,918
Claims Liabilities (General Insurance and Employee Benefit Insurance)	212,741	50,764	32,896	230,609	50,387
Subscription Liabilities (General Fund and Information Technology Services) (Note 10)	15,679	1,698	5,899	11,478	3,582
Total Other Liabilities	500,940	1,234,707	894,465	841,182	110,595
Total Governmental Activities	$ 587,955	$ 1,244,360	$ 913,020	$ 919,295	$ 144,428
Business-type Activities:					
Lease Revenue Bonds	$ 285,584	$ -	$ 11,402	$ 274,182	$ 11,621
Unamortized Premium	2,291	-	563	1,728	488
Total Lease Revenue Bonds	287,875	-	11,965	275,910	12,109
Revolving Credit Agreement Notes from Direct Borrowings	3,954	-	375	3,579	3,579
Loans from Direct Borrowings	3,705	-	260	3,445	176
Equipment Finance Purchase	428	-	428	-	-
Structure and Improvement Leases (Note 9)	13,654	4,061	5,150	12,565	5,195
Equipment Leases (Note 9)	1,505	298	870	933	531
Other Liabilities:					
Compensated Absences Liability	16,291	12,435	9,746	18,980	11,559
Net Pension Liabilities (VCERA and SRP)	-	233,189	157,816	75,373	-
Medical Malpractice (Medical System)	2,940	-	263	2,677	-
Claims Liabilities (Health Care Plan)	11,075	68,498	68,997	10,576	10,576
Subscription Liabilities (Medical System and Health Care Plan) (Note 10)	2,467	1,057	1,696	1,828	1,462
Other Long-term Liabilities (Medical System and Health Care Plan)	11,054	-	11,054	-	-
Total Other Liabilities	43,827	315,179	249,572	109,434	23,597
Total Business-type Activities	$ 354,948	$ 319,538	$ 268,620	$ 405,866	$ 45,187

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 (LRBs Series 2013B) used to prefund the 2003 Certificates of Participations 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 LRBs Series 2013B outstanding balance on June 30, 2023 was $11,155,000, excluding unamortized premium.

On July 6, 2016, PFA issued $40,880,000 of Lease Revenue Refunding Bonds (LRRBs Series 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 LRRBs Series 2016A outstanding balance on June 30, 2023 was $21,790,000, excluding unamortized premium.

On June 11, 2020, the PFA issued $287,105,000 of Lease Revenue Refunding Bonds (LRRBs Series 2020A) used to advance refund Lease Revenue Bonds (LRBs Series 2013A). The bonds were issued for governmental and business-type activities. Interest is payable semiannually with remaining coupon rates ranging between 1.05 percent and 3.24 percent. The bonds mature serially each year through November 2043. The LRRBs Series 2020A outstanding balance on June 30, 2023 was $256,574,000.

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. These were set to mature on February 19, 2021. On February 17, 2021, the RCA notes were renegotiated to mature on February 16, 2024 with interest payable monthly. 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.

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. On May 1, 2023, the notes were amended to replace the LIBOR index with the Secured Overnight Financing Rate (SOFR) index.

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 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 2023, an additional $3,000,000 in direct borrowing notes of RCA were issued to fund governmental activities or business-type activities. The RCA outstanding balance at June 30, 2023 was $22,800,000 with an interest rate of 3.58 percent and an unused balance of $28,200,000.

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 financing agreement. Principal and variable interest 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, 2023 was $0. Principal and interest paid for the current year and total CUE's net revenues were $88,000 and $191,000 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 financing 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 financing 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, 2023 is $5,504,000, including a $4,403,000 principal balance. Principal and interest paid for the current year and service connection fees were $324,000 and $433,000 respectively. The reserve fund balance for future installment payments of the finance agreement at June 30, 2023 was $1,879,000.

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. The District 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, 2023 was $3,782,000, including a $3,445,000 principal balance. Principal and interest paid for the current year and total net revenues were $210,000 and $4,354,000, 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 County Service Area 34 (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, 2023 was $2,399,000, including a $2,186,000 principal balance. Principal and interest paid for the current year and total net revenues were $133,000 and $315,000, respectively. The finance 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, 2023 was $133,000.

Debt service requirements at June 30, 2023 are as follows:

	Governmental Activities					
Year Ending June 30,	Lease Revenue Bonds		Revolving Credit Agreement Notes from Direct Borrowings		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 3,764	$ 559	$ 19,221	$ 552	$ 321	$ 136
2025	3,574	414	-	-	327	130
2026	2,730	281	-	-	334	123
2027	2,820	160	-	-	341	116
2028	2,449	49	-	-	348	109
2029-2033	-	-	-	-	1,851	435
2034-2038	-	-	-	-	2,053	232
2039-2042	-	-	-	-	1,014	32
Total requirements	15,337	$ 1,463	$ 19,221	$ 552	$ 6,589	$ 1,313
Unamortized bond premium	1,224					
Total	$ 16,561					

	Business-type Activities					
Year Ending June 30,	Lease Revenue Bonds		Revolving Credit Agreement Notes from Direct Borrowings		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 11,621	$ 7,234	$ 3,579	$ 103	$ 176	$ 34
2025	12,186	6,993	-	-	177	33
2026	12,600	6,731	-	-	179	31
2027	12,900	6,448	-	-	181	29
2028	13,695	6,130	-	-	183	27
2029-2033	63,265	25,870	-	-	942	109
2034-2038	64,580	17,911	-	-	990	61
2039-2043	74,935	7,572	-	-	617	12
2044-2046	8,400	136	-	-	-	-
Total requirements	274,182	$ 85,025	$ 3,579	$ 103	$ 3,445	$ 336
Unamortized bond premium	1,728					
Total	$ 275,910					

Other Liabilities

Other liabilities include compensated absences, 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 decelerated and advance payment from the Center for Medicare and Medicaid Services, Expanded Accelerated and Advance Payments Program. 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, 2023, is approximately $2,127,357,000. 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 Series 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 Series 2013A. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the County's financial statements. On November 1, 2022, $260,157,975 was paid out of the trust, consisting of the remaining principal of $254,115,000 and interest of $6,042,975. At June 30, 2023, no obligation remains of the LRB 2013A issuance.

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, 2023, 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 12 - PUBLIC-PRIVATE PARTNERSHIPS

The County has determined that the following arrangements meet the criteria set forth in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), where the County is the transferor and therefore included these Public-Private Partnership (PPP) arrangements 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 94 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 the PPP arrangement, 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 94 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 PPP for the year ended June 30, 2023 are as follows (in thousands):

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Rustic Canyon Golf Course:				
Capital assets, depreciable/amortizable:				
Land improvements	$ 6,354	$ -	$ -	$ 6,354
Structures and improvements	1,724	-	-	1,724
Total capital assets, depreciable/amortizable	8,078	-	-	8,078
Less accumulated depreciation/amortization for:				
Land improvements	6,326	2	-	6,328
Structures and improvements	1,093	57	-	1,150
Total accumulated depreciation/amortization	7,419	59	-	7,478
Total capital assets, depreciable/amortizable, net	659	(59)	-	600
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	483	41	-	524
Structures and improvements	286	20	-	306
Total accumulated depreciation/amortization	769	61	-	830
Total capital assets, depreciable/amortizable, net	231	(61)	-	170
PPP capital assets, net	$ 890	$ (120)	$ -	$ 770

The deferred inflows of resources activity for each PPP for the year ended June 30, 2023 are as follows (in thousands):

	Balance July 1, 2022	Additions	Deletions/ Amortization	Balance June 30, 2023
Present Value of Installment Payments (1)				
Rustic Canyon Golf Course	$ 1,747	$ 2,293	$ 251	$ 3,789
Steckel Park - Ventura Ranch KOA	284	232	44	472
Sub-total Present Value of Installment Payments	2,031	2,525	295	4,261
PPP Capital Assets (2)				
Rustic Canyon Golf Course	4,880	-	169	4,711
Steckel Park - Ventura Ranch KOA	602	-	35	567
Sub-total PPP Capital Assets	5,482	-	204	5,278
Total deferred inflows	$ 7,513	$ 2,525	$ 499	$ 9,539

(1) The installment payments' present values are calculated using the Applicable Federal Rate (AFR) as published by the IRS for June of the respective year rate plus a margin of 2.0 percent for a rate of 5.11 percent, with deferred inflows recognized in accordance with the amortization schedules.

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

NOTE 13 - 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, 2023, restricted net position for governmental activities totaled $701,901,000, of which $674,664,000, 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, 2023, fund balance for governmental funds is made up of the following (in thousands):

Fund Balances	General Fund	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Total
Nonspendable:					
Inventory and prepaid amounts	$ 779	$ -	$ 1,931	$ 26	$ 2,736
Long term loans and notes receivable	181,857	-	-	-	181,857
Permanent fund principal	-	-	-	1,133	1,133
Total Nonspendable	182,636	-	1,931	1,159	185,726
Restricted for:					
Teeter tax loss reserve	14,682	-	-	-	14,682
Law enforcement programs and capital projects	106,736	-	-	3,881	110,617
District attorney programs and services	15,710	-	-	-	15,710
Automation improvements	18,161	-	-	-	18,161
Health care programs	25,055	-	-	-	25,055
Behavioral health programs	50,822	-	-	-	50,822
Public assistance programs	53,362	-	-	83	53,445
Roads administration, maintenance, and projects	-	-	-	21,260	21,260
Watershed protection	-	113,204	-	-	113,204
Fire protection	-	-	162,163	-	162,163
County service areas	-	-	-	5,274	5,274
Mental Health Services Act (MHSA)	-	-	-	81,343	81,343
MHSA prudent reserve	-	-	-	10,681	10,681
Special assessment debt	-	-	-	1,971	1,971
Education	-	-	-	2,486	2,486
Recreation	-	-	-	54	54
Debt service	-	-	-	2,925	2,925
Capital projects	-	-	-	4,496	4,496
Other governmental purposes	3,683	-	-	-	3,683
Total Restricted	288,211	113,204	162,163	134,454	698,032
Committed to:					
Waste management	10,304	-	-	-	10,304
Traffic impact mitigation fees	-	-	-	18,786	18,786
Facility ordinance fees	-	-	4,379	-	4,379
Capital projects	-	-	-	104	104
County service areas	-	-	-	3,905	3,905
Education	-	-	-	204	204
Other governmental purposes	143	-	-	-	143
Total Committed	10,447	-	4,379	22,999	37,825
Assigned to:					
Purchase contracts	21,823	-	-	-	21,823
Fixed asset acquisitions	4,839	-	-	-	4,839
Stormwater management	3,025	-	-	-	3,025
Public assistance programs	222	-	-	-	222
Attrition and program mitigation	96,336	-	-	-	96,336
Pension mitigation	15,000	-	-	-	15,000
Audit disallowances	10,000	-	-	-	10,000
Fiscal Recovery Projects	129,121	-	-	-	129,121
Law enforcement programs	1,711	-	-	-	1,711
Roads administration, maintenance, and projects	-	-	-	4,344	4,344
Watershed protection	-	5,221	-	-	5,221
County service areas	-	-	-	16	16
Capital Projects	-	-	-	20,786	20,786
Education	-	-	-	6,940	6,940
Bicycle lane projects	4,500	-	-	-	4,500
Other governmental purposes	532	-	-	-	532
Total Assigned	287,109	5,221	-	32,086	324,416
Unassigned (deficit)	101,777	-	-	(6,101)	95,676
Total fund balances	$ 870,180	$ 118,425	$ 168,473	$ 184,597	$ 1,341,675

NOTE 14 - 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, 2023, the Medi-Cal and Medicare programs represented approximately 70 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, 2021 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 $51,452,000, 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 2022-23. 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 Whole Person Care (WPC)/CAL AIM, 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, 2023, the Medical System has recorded $119,199,000 of QIP revenue, $21,405,000 of GPP revenue, $3,793,000 of WPC/CALAIM revenue and $20,511,000 of EPP revenue. Medicare revenue represented 18 percent and Medi-Cal revenue represented 52 percent of net revenue.

NOTE 15 - 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, 2023 is as follows (in thousands):

	VCERA	SRP	Management Retiree Health Benefits Program	Total
Net pension liability	$ 420,365	$ 4,956	$ 13,407	$ 438,728
Deferred outflows related to pensions	381,699	3,664	2,213	387,576
Deferred inflows related to pensions	21,219	-	506	21,725
Pension expense (credit)	65,530	(798)	1,358	66,090

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 Benefit*s

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 $179,232,000 for the year ended June 30, 2023. Contribution rates, based on pensionable payroll, are as follows:

	Employer Contribution Rates	Employee Contribution Rates
General Tier 1	24.56%	11.62%
General Tier 2	13.85%	7.82%
PEPRA General Tier 2	13.80%	7.77%
General Tier 2C*	20.82%	10.45%
PEPRA General Tier 2C*	20.77%	10.40%
Safety	34.51%	14.91%
PEPRA Safety	31.34%	15.34%

*2C (with COLA)

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

At June 30, 2023, the County reported a liability of $420,365,000 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2022. 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, 2021. 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, 2022, the County's proportion was 95.952 percent, which was a decrease of 1.153 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized a pension expense of $65,530,000. At June 30, 2023, 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	$ 16,744	$ 18,286
Changes of assumptions	83,243	-
Net difference between projected and actual earnings on pension plan investments	97,894	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,586	2,933
County contributions subsequent to the measurement date	179,232	-
Total	$ 381,699	$ 21,219

$179,232,000 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, 2024.

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

Year Ending June 30,	Amount
2024	$ 16,368
2025	(1,219)
2026	(43,181)
2027	209,733
2028	(453)
Total	$ 181,248

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
Rate of return on investment	7.00%
Projected salary increases	3.75% - 12.00%
Amount attributable to inflation	2.50%
Amount attributable to merit and longevity	0.75% - 9.00%
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	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table

The actuarial assumptions used in the June 30, 2021 valuation, were updated as of the measurement date and rolled forward to June 30, 2022, based on the results of the July 1, 2017 through June 30, 2020 Actuarial Experience Study report dated June 3, 2021.

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	27.69 %	5.39 %
Small Cap U.S. Equity	3.96 %	6.58 %
Developed International Equity	16.04 %	6.39 %
Emerging Market Equity	4.31 %	8.60 %
Core Bonds	5.00 %	0.83 %
Real Estate	8.00 %	5.01 %
Absolute Return Fixed Income	5.00 %	2.17 %
Private Debt/Credit Strategies	6.00 %	5.02 %
Private Equity	16.00 %	10.00 %
Treasuries	2.00 %	- %
Infrastructure	4.00 %	5.89 %
Natural Resources	2.00 %	11.24 %
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 7.00 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.

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 7.00 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 (6.00 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%)
County's proportionate share of the net pension liability (asset)	$ 1,367,236	$ 420,365	$ (361,896)

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 investments	$ 26,601
Receivables, net:	
Interest	3
Total assets	26,604
Accounts Payable	71
Amount due to other governmental agencies	309
Total liabilities	380
Net position held in trust for pension benefits	$ 26,224

Statement of Changes in Fiduciary Net Position

Contributions	$ 552
Net investment income	2,784
Total additions	3,336
Total deductions	6,654
Change in net position	(3,318)
Net position - beginning	29,542
Net position - ending	$ 26,224

The following disclosures are related to the plan reporting requirements of GASB Statement No. 67, and use a measurement date of June 30, 2023:

Plan Membership
Plan participants at June 30, 2023, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	695
Early retirement participants (Early Retirement Incentive Plan)	22
Elected department head participants	7
Current employee participants:	
Supplemental retirement participants (Safe Harbor)	17
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	5,463
Total	6,204

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, 2023, was $439,000, or 11.82 percent for Part B, $0 for Part C, and $82,000 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, 2023:

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

As of June 30, 2023, the Plan held the following investments that represent 5 percent or more of the plans fiduciary net position:

Investment	Percentage of Fiduciary Net Position
Allspring Core Bond	11 %
Principal/Blackrock International Equity Index	12 %
Principal/Blackrock Large Cap Growth Index	16 %
Principal/Blackrock Large Cap Value Index	16 %
Principal/Blackrock S&P Midcap Index	7 %
Principal/Blackrock US Agg Bond Index	12 %
Principal/Dodge & Cox Intermediate Bond	11 %

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the NPL at June 30, 2023, were as follows (in thousands):

Total pension liability	$ 29,273
Plan fiduciary net position	(26,224)
Plan's net pension liability	$ 3,049
Plan fiduciary net position as a percentage of the total pension liability	89.58 %

The actuarial liabilities and assets are valued as of June 30, 2023.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2023, 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	0-15 years closed
Rate of return on investment	7.00% net of expense
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 and D 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 used was conducted on June 3, 2021 for the period of July 1, 2017 through June 30, 2020.

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. 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, 2023, 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	$ 6,704	$ 3,049	$ 58

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, 2022:

Employees covered by benefit terms
Plan participants at June 30, 2022, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	647
Early retirement participants (Early Retirement Incentive Plan)	24
Elected department head participants	6
Current employee participants:	
Supplemental retirement participants (Safe Harbor)	60
Elected department head participants	1
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	10,979
Total	11,717

Contributions
The required contributions were determined as part of the June 30, 2022 actuarial valuation. The actuarially determined contributions for the fiscal year ending June 30, 2022, were $526,000 for the employer and $121,000 for employees for Part B, $24,000 for Part C, and $108,000 for Part D.

Net Pension Liability
The County's NPL was measured as of June 30, 2022, 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, 2022, 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	0-15 years closed
Rate of return on investment	7.00% net of expense
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 and D 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 VCERA experience study used was conducted on June 3, 2021 for the period of July 1, 2017 through June 30, 2020.

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. 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.

Changes in Net Pension Liability (in thousands):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2022 *for measurement date of June 30, 2021*	$ 36,706	$ 36,738	$ (32)
Changes for the year:			
Service Cost	951	-	951
Interest	2,463	-	2,463
Difference between expected and actual experience	(2,590)	-	(2,590)
Contributions - employer	-	658	(658)
Contributions - employee	-	121	(121)
Net investment income	-	(4,641)	4,641
Benefit payments, including refunds of employee contributions	(3,032)	(3,032)	-
Administrative expense	-	(302)	302
Net changes	(2,208)	(7,196)	4,988
Balances at June 30, 2023 *for measurement date of June 30, 2022*	$ 34,498	$ 29,542	$ 4,956

Plan fiduciary net position as a percentage of the total pension liability 85.63 %

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, 2022 measurement date, 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%)
County's net pension liability	$ 10,086	$ 4,956	$ 886

Pension Expense (Credit) and Deferred Outflows of Resources related to pensions
For the year ended June 30, 2023, the County recognized a credit to pension expense of $798,000. At June 30, 2023, 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	$ 3,143
County contributions subsequent to the measurement date	521
Total	$ 3,664

$521,000 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, 2024.

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
2024	$ 678
2025	619
2026	421
2027	1,425
Total	$ 3,143

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. 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. 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, 2022, the measurement date, were as follows:

Participant Classification	Number of Participants
Inactive members currently receiving benefits	106
Inactive members entitled to but not yet receiving benefits	70
Active members	108
Total	284

Benefits Provided

Participants receive one year of payments for every five years of service, up to a maximum of five years of payments. Payments of $1,374 per month were equivalent to premiums for the Ventura County Health Care Plan.

Contributions and Funding Policy

Employer contributions in fiscal year 2022-23 were $1,883,000. The County currently funds the management retiree health benefits on a pay-as-you-go basis.

Actuarial Assumptions

The Total Pension Liability (TPL) was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
Actuarial cost method	Entry age normal
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	3.00%
Projected salary increases (including wage inflation)	3.50% - 10.00%
Subsidy cost trends	7.00% decreasing to an ultimate rate of 4.50% by 2032
Mortality	Pub-2010 General Healthy Amount-Weighted Above-Median Mortality Table, Pub-2010 Safety Healthy Amount-Weighted Above-Median Mortality Table, Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table, and Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table

The demographic actuarial assumptions in the June 30, 2022 valuation were based on the VCERA economic and demographic experience study covering period July 1, 2017 through June 30, 2020. The remaining actuarial assumptions including subsidy cost trends were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Discount Rate

Discount rate of 3.37 percent was used to measure the TPL. This was a change from 2.13 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, 2022 *for measurement date of June 30, 2021*	$ 15,480
Changes for the year:	
Service Cost	462
Interest	309
Difference between expected and actual experience	(784)
Changes of assumptions	(158)
Benefit payments	(1,902)
Net changes	(2,073)
Balances at June 30, 2023 *for measurement date of June 30, 2022*	$ 13,407

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 3.37 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 (2.37 percent) or 1-percentage-point higher (4.37 percent) than the current rate (in thousands):

	1% Decrease (2.37%)	Current Discount Rate (3.37%)	1% Increase (4.37%)
Plan's total pension liability	$ 13,901	$ 13,407	$ 12,921

Pension Expense, Deferred Outflows, and Deferred Inflows of Resources Related to pensions
For the year ended June 30, 2023, the County recognized pension expense of $1,358,000. At June 30, 2023, the County reported deferred outflows 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	$ 226	$ 421
Changes in assumptions	104	85
County contributions subsequent to the measurement date	1,883	-
Total	$ 2,213	$ 506

$1,883,000 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, 2024.

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
2024	$ (106)
2025	(70)
Total	$ (176)

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, 2023, there were six participants in the plan.

NOTE 16 - 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, 2023 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)	$ 29,302	$ 106,037	$ (589)	$ 134,750
Deferred outflows related to OPEB	8,791	49,821	2,522	61,134
Deferred inflows related to OPEB	5,645	74,631	29	80,305
OPEB expense	3,631	14,074	2,853	20,558

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. 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. Retiree Health Benefits are not vested and may be modified or eliminated at any time. A separate financial statement is not issued for the plan.

Plan Membership

Plan participants at June 30, 2022, the measurement date, were as follows:

Participant Classification	Number of Participants
Inactive members currently receiving benefits	375
Active members	
General Employees	7,687
Firefighters	369
Total	8,431

Benefits Provided

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 and Funding Policy

Employer contributions in fiscal year 2022-23 were $1,918,000. The County currently funds the subsidized retiree health benefits on a pay-as-you-go basis.

Actuarial Assumptions

The Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
Actuarial funding method	Entry age normal
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	3.00%
Projected salary increases (including wage inflation)	3.50% - 11.50%
Discount rate	3.37%
Health care cost trends	
Ventura County Health Care Plan	6.25% decreasing to an ultimate rate of 4.50% by 2029
All other coverage options	6.75% decreasing to an ultimate rate of 4.50% by 2031
Mortality	Pub-2010 General Healthy Amount-Weighted Above-Median Mortality Table Pub-2010 Safety Healthy Amount-Weighted Above-Median Mortality Table Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2022 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2017 through June 30, 2020. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Discount Rate

Discount rate of 3.37 percent was used to measure the TOL. This was a change from 2.13 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, 2022	
for measurement date of June 30, 2021	$ 30,812
Changes for the year:	
Service Cost	2,501
Interest	636
Difference between expected and actual experience	(290)
Changes of assumptions	(2,450)
Benefit payments	(1,907)
Net changes	(1,510)
Balances at June 30, 2023	
for measurement date of June 30, 2022	$ 29,302

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 3.37 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 (2.37 percent) or 1-percentage-point higher (4.37 percent) than the current rate (in thousands):

	1% Decrease (2.37%)	Current Discount Rate (3.37%)	1% Increase (4.37%)
Plan's total OPEB liability	$ 27,416	$ 29,302	$ 31,269

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 (5.25 and 5.75 percent decreasing to 3.50 percent) or 1-percentage-point higher (7.25 and 7.75 percent decreasing to 5.50 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (5.25%/5.75% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (6.25%/6.75% decreasing to 4.50%)	1% Increase (7.25%/7.75% decreasing to 5.50%)
Plan's total OPEB liability	$ 26,239	$ 29,302	$ 32,916

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2023, the County recognized OPEB expense of $3,631,000. At June 30, 2023, 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	$ 3,703	$ 3,441
Changes in assumptions	3,170	2,204
County contributions subsequent to the measurement date	1,918	-
Total	$ 8,791	$ 5,645

$1,918,000 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, 2024.

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
2024	$ 494
2025	494
2026	494
2027	381
2028	323
Thereafter	(958)
Total	$ 1,228

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 $106,037,000. 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, 2021, the valuation date, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefits	519
Inactive members entitled to but not yet receiving benefits	84
Active members	758
Total	1,361

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. Employer contributions in fiscal year 2022-23 were $2,421,000.

Net OPEB Liability
The County's Net OPEB Liability (NOL) was measured as of June 30, 2022, and the TOL used to calculate the NOL was determined by an actuarial valuation as of June 30, 2021 and then rolled forward to June 30, 2022 measurement date.

Actuarial Assumptions
The TOL was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022 measurement date, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
Actuarial funding method	Entry age normal
Inflation	2.00%
Real wage growth	0.50%
Wage inflation	2.50%
Projected salary increases (including wage inflation)	4.00% - 12.00%
Discount rate	3.75%
Annual Increase in Maximum Annual Benefit	5.75%
Mortality	Pub-2010 Safety Healthy Amount-Weighted Above-Median Mortality Table Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2021 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2017 through June 30, 2020. The assumed increase in the benefit cap was based on the VCDSA ASC 965 report dated December 2022. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2021 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	31.20 %	
Short Term Investment Funds	2.00 %	
Common Stocks	8.60 %	
Mutual Funds	58.20 %	
Total	100.00 %	6.00 %

Discount Rate

Discount rate of 3.75 percent was used to measure the TOL. This was a change from 2.46 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 with 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, 3.54 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 3.75 percent.

Changes in Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022			
for measurement date of June 30, 2021	$ 177,282	$ 46,811	$ 130,471
Changes for the year:			
Service cost	8,976	-	8,976
Interest	4,338	-	4,338
Change in benefit terms	6,412	-	6,412
Changes of assumptions	(47,491)	-	(47,491)
Contributions - employer	-	2,309	(2,309)
Contributions - self-pay member	-	70	(70)
Net investment income	-	(5,589)	5,589
Benefit payments	(1,921)	(1,921)	-
Administrative expense	-	(121)	121
Net changes	(29,686)	(5,252)	(24,434)
Balances at June 30, 2023			
for measurement date of June 30, 2022	$ 147,596	$ 41,559	$ 106,037

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 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate (in thousands):

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Plan's net OPEB liability	$ 141,289	$ 106,037	$ 79,260

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	$ 106,037	$ 106,037	$ 106,037

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, 2023, the County recognized OPEB expense of $14,074,000. At June 30, 2023, 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	$ 5,659	$ 13,485
Differences between projected and actual earnings on plan investments	2,755	-
Changes in assumptions	38,986	61,146
County contributions subsequent to the measurement date	2,421	-
Total	$ 49,821	$ 74,631

$2,421,000 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, 2024.

Amounts reported as deferred outflows (inflows) 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
2024	$ (2,838)
2025	(2,829)
2026	(2,566)
2027	285
2028	(3,773)
Thereafter	(15,510)
Total	$ (27,231)

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 $589,000, 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, 2021, the valuation date, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefits	240
Inactive members entitled to but not yet receiving benefits	2
Active members	416
Total	658

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. Employer contributions in fiscal year 2022-23 were $1,041,000.

Net OPEB Liability (Asset)

The County's Net OPEB Liability (NOL) was measured as of June 30, 2022, and the TOL used to calculate the NOL was determined by an actuarial valuation as of June 30, 2021 and then rolled-forward to June 30, 2022 measurement date.

Actuarial Assumptions

The TOL was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the June 30, 2022 measurement date, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
Actuarial funding method	Entry age normal
Inflation	2.00%
Real wage growth	0.50%
Wage inflation	2.50%
Projected salary increases (including wage inflation)	4.00% - 12.00%
Discount Rate	6.00%
Health Care Cost Trends	7.00% decreasing to an ultimate rate of 4.50% by 2031
Mortality	Pub-2010 Safety Healthy Amount-Weighted Above-Median Mortality Table Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the June 30, 2021 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2017 through June 30, 2020. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2021 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, 2022			
for measurement date of June 30, 2021	$ 13,393	$ 16,892	$ (3,499)
Changes for the year:			
Service Cost	290	-	290
Interest	777	-	777
Change in benefit terms	2,399	-	2,399
Contributions - employer	-	1,035	(1,035)
Contributions - self-pay member	-	16	(16)
Net investment income	-	(411)	411
Benefit payments	(908)	(908)	-
Administrative expense	-	(84)	84
Net changes	2,558	(352)	2,910
Balances at June 30, 2023			
for measurement date of June 30, 2022	$ 15,951	$ 16,540	$ (589)

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)	$ 1,132	$ (589)	$ (2,044)

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 (6.00 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.00 percent decreasing to 5.50 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (6.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Plan's net OPEB liability (asset)	$ (621)	$ (589)	$ (565)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2023, the County recognized OPEB expense of $2,853,000. At June 30, 2023, 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	$ 808	$ -
Differences between projected and actual earnings on plan investments	673	
Changes in assumptions	-	29
County contributions subsequent to the measurement date	1,041	-
Total	$ 2,522	$ 29

$1,041,000 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, 2024.

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

Year Ending June 30,	Amount
2024	$ 334
2025	287
2026	139
2027	410
2028	124
Thereafter	158
Total	$ 1,452

NOTE 17 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2022, the County issued $87,000,000 in Tax and Revenue Anticipation Notes (Notes) at a 2.125 percent interest rate, priced to yield 2.250 percent, to meet current year cash flow requirements for operational needs. At June 30, 2023, the outstanding principal was $0. Principal and interest for fiscal year 2022-23 was paid on June 30, 2023, 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 2022-23 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2023, is as follows (in thousands):

Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Due Within One Year
$ 110,000	$ 87,000	$ 197,000	$ -	$ -

NOTE 18 - 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, effective April 1, 2023, up to $50 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 2023.

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, 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, 2023, the expected liability on the pre-1995 claims, at the 80 percent confidence level, discounted at 3.5 percent, was actuarially estimated to be $4,376,000.

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 2021-22 and 2022-23 are as follows (in thousands):

	Claims Fiscal Year		Medical Malpractice Fiscal Year	
	2022-23	2021-22	2022-23	2021-22
Liabilities, beginning	$ 223,816	$ 211,930	$ 2,940	$ 2,537
Incurred losses and adjustments	119,262	113,833	(263)	403
Claim payments	(101,893)	(101,947)	-	-
Liabilities, ending	$ 241,185	$ 223,816	$ 2,677	$ 2,940

Medical malpractice liability for public and mental health functions in the General Fund of $698,000, a decrease of $127,000 from the prior year, is reported in the governmental activities portion of the government-wide financial statements.

NOTE 19 - 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 Activities	General Fund	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Unearned revenue:						
State and Local Fiscal Recovery Funds	$ 1,624	$ -	$ -	$ -	$ -	$ 1,624
Deposits	28,241	1,312	-	-	25	29,578
Advances for Human Services Agency Programs	14,002	-	-	-	-	14,002
Homeless Housing Assistance and Prevention Program		-	-	7,071	-	7,071
Juvenile probation and camps funding	2,959	-	-	-	-	2,959
Stand-By Time for Fire Suppression Assets	-	-	4,577	-	-	4,577
Title IV-E Entitlement Program	1,764	-	-	-	-	1,764
Community Corrections Performance Incentives Fund	2,086	-	-	-	-	2,086
State Custody Credit Fund	1,020	-	-	-	-	1,020
Lead abatement program	1,833	-	-	-	-	1,833
National Opioid Settlement	4,736	-	-	-	-	4,736
Other unearned revenue	6,676	-	-	1,398	294	8,368
Total unearned revenue	$ 64,941	$ 1,312	4,577	$ 8,469	$ 319	$ 79,618

Business-Type Activities	Medical System	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Business-Type Funds
Unearned revenue:					
California Hospital Facilities Financing Authority Grant	$ 5,980	$ -	$ -	$ -	$ 5,980
Deposits	-	-	-	1,447	1,447
Other unearned revenue	-	671	349	1,846	2,866
Total unearned revenue	$ 5,980	$ 671	$ 349	$ 3,293	$ 10,293

NOTE 20 - DEFERRED INFLOWS OF RESOURCES - UNAVAILABLE REVENUE

Deferred inflows of resources to the County’s governmental funds relate to unavailable revenue as of June 30, 2023. 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 Districts	Fire Protection District	Non-major Governmental Funds	Total Governmental Activities
Unavailable revenue:					
Medi-Cal	$ 24,297	$ -	$ -	$ 15,070	$ 39,367
HUD and HOME programs	2,813	-	-	14,549	17,362
Special assessments	-	-	-	6,881	6,881
Todd Road Jail construction funding	-	-	-	6,448	6,448
SB 90 revenue	5,878	-	-	-	5,878
Courthouse temporary construction	2,980	-	-	-	2,980
Disaster assistance	7,973	-	-	-	7,973
National Opioids Settlement	6,757	-	-	-	6,757
Other unavailable revenue	353	918	1,558	458	3,287
Total unavailable revenue	$ 51,051	$ 918	$ 1,558	$ 43,406	$ 96,933

NOTE 21 - COMMITMENTS AND CONTINGENCIES

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.

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 payable upon future performance. As of June 30, 2023, encumbrances of $61,078,000 were reported in the General Fund, $9,247,000 in the Watershed Protection District, $30,131,000 in the Fire Protection District, and $25,786,000 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 22 - SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

On July 3, 2023, the County issued $90,000,000 of 5.15 percent fixed-rate, 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 2023-24 expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 1, 2024.

NOTE 23 - 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 $65,000.

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, 2023, are as follows (in thousands):

Obligation	Outstanding July 1, 2022	Additions	Maturities	Outstanding June 30, 2023	Amount Due Within One Year
Bonds from Direct Placement	$ 531	$ -	$ 22	$ 509	$ 23

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, 2023. 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 24 - DEFICIT FUND BALANCE

The Todd Road Jail Expansion fund, a capital projects fund, had a deficit fund balance of approximately $6,101,000 as of June 30, 2023. This resulted from assets not available to pay for current-period expenditures and, therefore, were not recognized as revenues.